

## REQUEST FOR PROPOSALS

**ISSUE DATE:** December 16, 2016

**TITLE:** Administrative Services for fully-insured voluntary TRICARE supplemental health coverage

**Number:** OHB 18-01

**ISSUING AGENCY:** Commonwealth of Virginia  
Department of Human Resource Management  
James Monroe Building, 13th Floor  
101 North 14th Street  
Richmond, Virginia 23219

**PERIOD OF CONTRACT:** From July 1, 2017 through June 30, 2020, with four one-year renewal options as described within

Sealed proposals for furnishing services described herein will be received subject to the conditions cited herein until 2:00 p.m., January 31, 2017.

All Inquiries Must Be In Writing And Should Be Directed To:

Mr. Todd Hopkins  
Department of Human Resource Management  
James Monroe Building, 13th Floor  
101 North 14th Street  
Richmond, Virginia 23219  
e-mail: todd.hopkins@dhrm.virginia.gov

SEND ALL PROPOSALS DIRECTLY TO THE ISSUING AGENCY ADDRESS SHOWN ABOVE.

In compliance with this Request for Proposals, and to all the conditions imposed therein and hereby incorporated by reference, the undersigned offers and agrees to furnish materials and services in accordance with the attached signed proposal or as mutually agreed upon by subsequent negotiation.

Name and Address of Firm:

	Date: _____
	By: _____ (PRINTED NAME)
	_____
	(SIGNATURE IN INK)
	Title: _____
Fax Number: _____ ( ) _____	Telephone: _____ ( ) _____

\* PREPROPOSAL CONFERENCE: An **OPTIONAL** pre-proposal conference will be held at 10:00 AM on Wednesday, January 4, 2017 in Conference Room B, 1st floor, 101 N. 14th Street, Richmond, VA 23219. If special ADA accommodations are needed, please contact Monica Cousins at (804) 225-2131 by December 29, 2016. (Reference: Paragraph 5.10 herein). Note: This public body does not discriminate against faith-based organizations in accordance with the Code of Virginia, § 2.2-4343.1 or against a bidder or offeror because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment.

## 1.0 INTRODUCTION

### 1.1 Purpose

The purpose of this Request for Proposals (RFP) is to secure an administrator for a voluntary TRICARE supplemental health program for state employees and non-Medicare retiree group participants who are eligible for TRICARE primary coverage (including their covered dependents if also eligible for TRICARE). The cost of this coverage will be paid in full by the participant who elects such coverage, and there will be no employer contribution toward the cost of the coverage. Employee contributions for coverage will be taken on a pre-tax basis under the Commonwealth's IRC section 125 cafeteria plan, and employees who elect such coverage for themselves and their dependents must meet eligibility criteria and comply with provisions of the Commonwealth's section 125 cafeteria plan. Non-Medicare retiree group participants must be direct billed for their premium.

### 1.2 Background

The Department of Human Resource Management (the Department) is the authorized agent of the Governor in administering the state employee and retiree health benefits programs. These programs are delivered through approximately 250 state agencies to some 95,000 active, full-time employees, retirees not eligible for Medicare, and extended coverage (COBRA) enrollees, and to the eligible family members of these enrollees. Agencies distribute program materials, assist employees in applying for coverage or changes in coverage according to rules developed by the Department, payroll-deduct employee premiums, post eligibility information onto the Benefits Eligibility System (BES), and otherwise assist employees in accessing the program's benefits.

The Department has developed plans and programs with the advice of consultants, vendors, employees and others, and has delivered benefits through Contractors, either insurers or third party administrators. The coverages currently available may be found on the state employees' web site: [www.dhrm.virginia.gov](http://www.dhrm.virginia.gov).

Section 2.2-2818.1 of the Code of Virginia allows the Department to offer a voluntary supplemental health coverage program for employees who are eligible for the State Health Benefits Program and for TRICARE as the primary payer. There are approximately 100 enrollees and 200 lives enrolled in the existing plan.

### 1.3 General Description

The Department currently offers three statewide self-funded plans, a PPO called COVA Care, a consumer-driven health plan called COVA HealthAware, a high-deductible health plan called COVA HDHP. The Department also offers a regional fully-insured HMO.

The TRICARE supplemental health coverage plan would be offered as a voluntary fully-insured alternative to these programs for employees and their eligible family members who are also eligible for TRICARE benefits.

This RFP is divided into sections, such as this numbered Section 1.0, Introduction. A section is one of the principal divisions of this RFP. Within these sections, numbered paragraphs are the second principal division and normally contain the number of the section in which they are located, such as this paragraph numbered 1.3.

***It is imperative that offerors respond to all applicable requirements and complete all applicable schedules and exhibits described in the Form of Response, Section 6.*** Any offeror confusion about which sections and/or paragraphs may be applicable to a potential offeror should be clarified no later than the optional offerors' conference.

### 1.4 Policy Regarding Participation of Small, Women, and Minority Owned Businesses

It is the policy of the Commonwealth of Virginia to contribute to the establishment, preservation, and strengthening of small businesses and businesses owned by women and minorities and to encourage their participation in state procurement activities. The Commonwealth encourages Contractors to provide for the

participation of small businesses and businesses owned by women and minorities through partnerships, joint ventures, subcontracts, and other contractual opportunities. Submission of a report of past efforts to utilize the goods and services of such businesses and plans for involvement on this contract are required. By submitting a proposal, offerors certify that all information provided in response to this RFP is true and accurate. Failure to provide information required by this RFP will ultimately result in rejection of the proposal.

All information requested by this RFP on the ownership, utilization, and planned involvement of small businesses, women owned businesses, and minority owned businesses must be submitted. If an offeror fails to submit all information requested, the purchasing agency will require prompt submission of missing information after the receipt of vendor proposals in order for a non-compliant proposal to be considered. (See Exhibit One)

#### 1.5 Appendices

Appendix 1 is the current standard contract. Appendix 2 provides a link to a Summary Description of All Plans Offered to COVA Groups. Appendix 3 contains a description of the State Employee Membership and Billing System. Appendix 4 contains the EDI payment procedures that are used for the state employee group.

#### 1.6 Attachments

Attachment 1 contains the technical questionnaire that must be submitted with a proposal.

#### 1.7 Exhibits

Exhibit **One** contains the Small Business and Business Owned By Women and Minorities report that is required to be submitted under paragraph 6.6. Exhibit Two contains the State Corporation Commission Form that is required to be submitted.

#### 1.8 Electronic Data Files and Response Forms

File containing Attachment 1 technical questionnaire you will need to prepare and submit a proposal is posted on the DHRM website <http://www.dhrm.virginia.gov/rfps/rfpmain.html>

### 2.0 MEDICAL BENEFIT SPECIFICATIONS, TASKS, AND MANDATORY QUALIFICATIONS

#### 2.1 Statewide Medical Plans

The Department is required to offer at least two statewide benefit plans for the state employee program. The Department will continue the self-insured arrangements and the Contractor will provide a voluntary TRICARE supplemental health plan as a fully-insured alternative to existing self-insured and HMO options.

#### 2.2 MANDATORY QUALIFICATIONS FOR OFFERORS

To be awarded a contract, all plans must demonstrate the capability to provide and receive eligibility files in a format required by the Department. Such demonstration will consist of submission and approval of a test file in the format provided to finalists. The timing and other logistics involved with the process will be determined during the proposal evaluation negotiations. The Department will assign, and the Contractor must comply with the Department's personal identification number requirements. See Appendix 3 for details.

#### 2.3 MEDICAL SURGICAL PLAN CLAIMS PROCESSING

2.3.1. Process all claims incurred during the life of this contract.

2.3.2. Verify eligibility of claimant and period of coverage for every claim processed.

## 2.4 MEDICAL SURGICAL PLAN EMPLOYEE INQUIRIES

Respond correctly and timely to inquiries received by telephone, by mail, e-mail or in person

## 2.5 MEDICAL SURGICAL BENEFITS ADMINISTRATION

2.5.1 The Contractor shall check the eligibility of claimants against the eligibility files that will be supplied electronically by the Department.

2.6.2 The Contractor shall develop employee communication materials, which fully and accurately describe all benefits, including:

1. the benefits of the program,
2. how the program works,
3. where, how, and when additional information can be obtained,
4. how to access care,
5. what to do in an emergency,
6. how to appeal the determination of the Contractor with respect to a denial of benefits for any reason,
7. employee assistance services available,
8. such other information as would be required to meet the standards of a summary plan description as that term is defined in the Employee Retirement Income Security Act (ERISA),
9. such other information as would be required to meet the standards of other applicable laws, including the Affordable Care Act (ACA).

2.5.3 The Contractor shall provide a legal defense against all claims arising out of this contract.

## 2.6 MANDATORY QUALIFICATIONS FOR MEDICAL OFFERORS

2.6.1 The plan must offer a toll-free customer service telephone number before the effective date of the contract.

2.6.2 The plan must provide a web site that is available before the effective date of the contract.

2.6.3 The Contractor must comply with all applicable provisions of the Commonwealth of Virginia security procedures that are effective during the life of the contract. These security procedures are published by the Virginia Information Technologies Agency (VITA) and may be found at: <https://www.vita.virginia.gov/library/default.aspx?id=537> . The Contractor shall also comply with all applicable federal, state and local laws and regulations.

Any unauthorized release of proprietary or Personal information by the Contractor or an employee or agent of Contractor shall constitute a breach of its obligations under this Section and the Contract. Contractor shall immediately notify DHRM and VITA, if applicable, of any Breach of Unencrypted and Unredacted Personal Information, as those terms are defined in Virginia Code 18.2-186.6.

### 3.0 STANDARDS OF PERFORMANCE

#### 3.1 Access of Eligibility Files Updates

The Department will maintain current eligibility files for the state employee group. Enrollee eligibility changes may be made electronically without restriction to time of day or day of week. The Department will move these changes automatically to an electronic file for pickup by the Contractors. It is expected that each Contractor pick up changes on a regular working basis, and in all cases, at least once daily.

#### 3.2 Reporting

Reports containing the requested true information shall be submitted timely. The submission of a materially inaccurate report does not constitute timely submission for the purposes of this section.

The Department shall determine compliance with this standard by the date of receipt of reports.

#### 3.3 Premium Projections

Contractor must provide premium projections for the upcoming plan year no later than the first day of March prior to the July 1 plan year. Premiums cannot be changed during the plan year.

### 4.0 REPORTS

#### 4.1 Rate Schedule

Offeror should submit a rate schedule that includes a breakout of applicable rate components by coverage category and membership level.

#### 4.2 Annual Accounting and Renewal

On or before February 15 of the first year of the contract, the Contractor shall propose a rate for the fiscal year beginning the next July 1. On or before February 15 of each subsequent year, or such date as determined by the Department, the Contractor shall submit a complete accounting of its operations for the fiscal year ended the last June 30, and shall propose a rate for the fiscal year beginning the next July 1. Upon termination of the contract, the contractor shall submit a complete accounting of its operation for the last fiscal year of the contract, on or before October 31 of the following fiscal year, or such date as determined by the Department.

#### 4.3 Small Business Participation

In accordance with the Commonwealth's policy of facilitating and maximizing the participation of small businesses, which shall include businesses owned by women and minorities when they have also received DSBSD small business certification the submission of the Small Business Subcontracting Plan and Evidence of Compliance with this requirement will be utilized.

If the offeror is a DSBSD-certified small business, the offeror shall indicate such in Section A of Exhibit One, and shall receive 100% of the points assigned to this evaluation criterion. If the offeror is not a DSBSD-certified small business, the offeror is required to identify which portions of the requirement is planned to subcontract to DSBSD-certified small businesses by completing and returning Section B of Exhibit One. The maximum number of points available if the offeror is not a DSBSD-certified small business is 75% of the points assigned to this evaluation criterion. For any particular procurement, an offeror or subcontractor shall be considered a Small Business if and only if the offeror or subcontractor holds a certification as such by the Department of Small Business and Supplier Diversity (DSBSD) on the due date for receipt of proposals.

#### 4.4 The Contractor agrees to provide a monthly report of any participant who loses eligibility for Tricare.

- 4.5 The Contractor agrees to provide a monthly report of any participant who has failed to pay their monthly premium within 31 days of the due date and is subject to termination.
- 4.6 Other Deliverables
- 4.6.1 The Contractor agrees to furnish and warrants that the premium quoted includes all enrollment materials, benefits booklets, and brochures describing plan benefits, applications, notices, claims forms, checks, remittance advices, administrative manuals, provider networks, directories, forecasts, invoices, identification cards, criteria sets and such services and materials stated or implied anywhere in this RFP or the Contractor's response thereto.

## 5.0 PROCUREMENT PROCEDURES

### 5.1 Method of Award

- 5.1.1 The Department shall select two or more Offerors deemed to be fully qualified and best suited among those Offerors submitting proposals, unless the Department has made a determination in writing that only one Offeror is fully qualified, or that one Offeror is clearly more highly qualified than the others under consideration. The selection of Offerors will be based on the evaluation factors included in this RFP. Negotiations shall be conducted with the selected Offeror(s). Price shall be considered when selecting finalists for negotiation, but shall not be the sole determining factor.
- 5.1.2 After negotiations have been conducted with each selected Offeror, the Department shall select the Offeror, which, in its opinion, has made the best proposal. The Department shall award the contract to that Offeror. The Department may cancel this RFP, or reject proposals at any time prior to an award. The Department is not required to furnish a statement of the reason why a particular Offeror was not deemed to have made the best proposal (Section 2.2-4359, Code of Virginia).
- 5.1.3. Should the Department determine in writing, and in its sole discretion, that only one Offeror is fully qualified, or that one Offeror is clearly more highly qualified than the others under consideration, a contract may be negotiated and awarded to that Offeror.
- 5.1.4 The contract will incorporate by reference all the requirements, terms and conditions of this RFP and the Contractor's proposal, except as either or both may be amended through negotiation. All statements and representations, written or verbal, relating to the award of this and renewal contracts must be construed to be consistent with the following submission instructions.

### 5.2 Submission of Written Proposals

- 5.2.1 All proposals must be in the form requested (See paragraph 6.0 and Attachment 1). The data required on the schedules submitted in response to this RFP are subject to verification. Material errors shall be a basis for rejecting such a proposal. An **Original**, a **Redacted electronic version**, and **seven additional hard copies and seven additional** electronic copies shall be delivered in a sealed container, and labeled as a proposal, with the words "**Do Not Open**" and **the type of benefit plan enclosed** prominently displayed on the outside. Proposals must be received no later than 2:00 p.m. on January 31, 2017, by:

Mr. Todd Hopkins  
Department of Human Resource Management  
James Monroe Building, 13th Floor  
101 North 14th Street  
Richmond, Virginia 23219

All hard copies of the proposal should be bound in **loose-leaf notebooks**. All documentation submitted with the proposal should be contained in each single notebook. (If necessary, additional notebooks may be submitted in clearly marked and referenced sequence.)

The electronic redacted version must be included on a compact disk labeled “**Redacted Proposal OHB18-01**” and your “company name”. The format of material on disk shall be either .PDF, Microsoft Word, or Microsoft Excel. All information provided in the original version of the proposal shall be included in the “redacted” version with the exception of proprietary and confidential information. Pricing information is not confidential and proprietary.

5.2.2 Ownership of all data, materials and documentation originated and prepared for the Department pursuant to the RFP shall belong exclusively to the Department and be subject to public inspection in accordance with the Virginia Freedom of Information Act. Trade secrets or proprietary information submitted by an offeror shall not be subject to public disclosure under the Virginia Freedom of Information Act; however, the offeror must invoke the protections of Section 2.2-4342 of the Code of Virginia, in writing, at the time the data or other material is submitted. The written notice must specifically identify the data or materials to be protected and state the reasons why protection is necessary. The proprietary or trade secret material submitted must be identified as required and must indicate only the specific words, figures, or paragraphs that constitute trade secrets or proprietary information. The Department, in its sole discretion, may not consider proposals with unduly broad requests for protection against disclosure.

### 5.3 Modification of Proposals

Any changes, amendments or modifications of an offeror's proposal prior to the deadline for receipt of proposals must be in writing and submitted in the same manner as the original proposals. All modifications must be labeled conspicuously as a change, amendment, or modification of the previously submitted proposal. Changes, amendments, or modifications of proposals will not be considered after the deadline for receipt of proposals, except when the Department requests modifications.

### 5.4 Oral Presentation

Offerors who submit a proposal in response to this RFP may be required to give an oral presentation of their proposal to the Department. This provides an opportunity for the offeror to clarify or elaborate on the proposal. This is a fact finding and explanation session only and does not include negotiation. The Department will schedule the time and location of these presentations. Oral presentations are an option of the Department and may or may not be conducted.

### 5.5 Inquiries Concerning the RFP

Any communication concerning this RFP or any resulting contracts must be addressed **in writing** to:

Mr. Todd Hopkins  
Department of Human Resource Management  
James Monroe Building, 13th Floor  
101 North 14th Street  
Richmond, Virginia 23219  
E-mail: [todd.hopkins@dhrm.virginia.gov](mailto:todd.hopkins@dhrm.virginia.gov)

### 5.6 Public Inspection of Procurement Records

Proposals will be subject to public inspection only in accordance with Section 2.2-4342 of the Code of Virginia.

### 5.7 Clarification of Proposal Information

The Department reserves the right to request verification, validation or clarification of any information contained in any of the proposals. This clarification may include checking references and securing other data from outside sources, as well as from the offeror.

5.8 Reference to Other Materials

The offeror cannot compel the Department to consider any information except that which is contained in its proposal, or which is offered in response to a request from the Department. The offeror should rely solely on its proposal. The Department, however, reserves the right, in its sole discretion, to take into consideration its prior experience with offerors and information gained from other sources.

5.9 Optional Pre-Proposal Conference

An **optional** pre-proposal conference will be held at 10:00 a.m. January 4, 2017, in the James Monroe Building, Conference Room B, 1<sup>st</sup> Floor, 101 North 14th Street, Richmond, Virginia. The purpose of this conference is to allow potential offerors an opportunity to present questions and to obtain clarification relative to any facet of this procurement.

Attendance at this conference is not a prerequisite to submitting a proposal. Any changes resulting from this conference will be issued in a written addendum to the RFP. Attendance at the conference will be documented by the representative’s signature on the attendance roster. Offerors should bring a copy of this RFP to the conference

**It is requested that any known questions regarding the RFP be sent by e-mail to Todd Hopkins prior to date of conference to facilitate the conference. See E-mail address in paragraph 5.5.**

5.10 Timetable

RFP Published	December 16, 2016
Optional Pre-Proposal Conference	January 4, 2017
Proposals Due, 2:00 P.M.	January 31, 2017
Notice of Intent to Award	March 1, 2017

6.0 FORM OF RESPONSE AND CRITERIA

General

Each proposal shall be in the form of a loose-leaf binder tabbed to point to each section below. Before the first tab:

- Place the executed RFP Cover Sheet followed by a statement defining those sections of your proposal which may not be released because they are proprietary. Each page so designated shall also be marked “Confidential: Proprietary Information,” and, if not so marked, shall not be protected.
- Following the executed Cover Sheet and statement of confidentiality, if any, place a properly

An original proposal, a redacted electronic version and six copies of the original are required. The original shall contain a Cover Sheet bearing an original signature signed in BLUE ink and be labeled on the cover as “Original”.

6.1 Redline RFP noting demurrals (Tab 1)

Include a copy of the RFP. Using the *Track Changes* and *Highlight Changes* MS Word tools, annotate in redline **any and all** demurrals or deviations to the requirements of the RFP. You may also enter any substantive comments on the RFP provisions, but please restrict such to issues that are necessary to clearly understand your proposal. Information required in the tabs below need **NOT** be repeated in this tab. Also, affirmations or confirmations of compliance to RFP requirements are unnecessary in this tab and are **NOT** to be included.

6.2 Benefits Brochure (Tab 2)

The offeror shall submit a model brochure containing supplemental information for employees to help them understand how the plan works.

6.3 Technical Questionnaire (Tab 3)

Attachment 1 contains the Technical Questionnaire, which constitutes the technical proposal. It must be completed in accordance with the instructions contained in the Questionnaire.

6.4 Cost Proposal (Tab 4)

Tab 4 should include rate schedules which, along with the offeror's latest certified audit report, constitute the cost proposal. Include in this tab (1) a copy of the audited report for the most recently completed fiscal year and a hard copy of the schedules; and (2) a copy of the offeror's most recent SSAE 16 audit report. The attachment also contains schedules that provide a firm, fixed price per contract month for the first contract year and a cost summary page.

6.5 Participation of Small, Women, and Minority Owned Businesses (Tab 5)

Complete the information required on Exhibit One.

6.6 MEDICAL SURGICAL CRITERIA

Proposals will be evaluated on six criteria:

- Offeror's organization and financial stability (15%)
- Qualifications of staff (15%)
- Innovation and Administrative capability (25%)
- Plan benefits and premium (25%)
- Small, women owned and minority owned businesses (20%).

7.0 GENERAL TERMS AND CONDITIONS

- A. **VENDORS MANUAL:** This solicitation is subject to the provisions of the Commonwealth of Virginia Vendors Manual and any changes or revisions thereto, which are hereby incorporated into this contract in their entirety. The procedure for filing contractual claims is in section 7.19 of the Vendors Manual. A copy of the manual is normally available for review at the purchasing office and is accessible on the Internet at [www.eva.virginia.gov](http://www.eva.virginia.gov) under "Vendors Manual" on the vendors tab.
- B. **APPLICABLE LAWS AND COURTS:** This solicitation and any resulting contract shall be governed in all respects by the laws of the Commonwealth of Virginia and any litigation with respect thereto shall be brought in the courts of the Commonwealth. The agency and the contractor are encouraged to resolve any issues in controversy arising from the award of the contract or any contractual dispute using Alternative Dispute Resolution (ADR) procedures (Code of Virginia, § 2.2-4366). ADR procedures are described in Chapter 9 of the Vendors Manual. The contractor shall comply with all applicable federal, state and local laws, rules and regulations.
- C. **ANTI-DISCRIMINATION:** By submitting their proposals, offerors certify to the Commonwealth that they will conform to the provisions of the Federal Civil Rights Act of 1964, as amended, as well as the Virginia Fair Employment Contracting Act of 1975, as amended, where applicable, the Virginians With Disabilities Act, the Americans With Disabilities Act and § 2.2-4311 of the Virginia Public Procurement Act (VPPA). If the award is made to a faith-based organization, the organization shall not discriminate against any recipient of goods, services, or disbursements made pursuant to the contract on the basis of the recipient's religion, religious belief, refusal to participate in a religious practice, or on the basis of race, age, color, gender or national origin and shall be subject to the same rules as other organizations

that contract with public bodies to account for the use of the funds provided; however, if the faith-based organization segregates public funds into separate accounts, only the accounts and programs funded with public funds shall be subject to audit by the public body. (Code of Virginia, § 2.2-4343.1E).

In every contract over \$10,000 the provisions in 1. and 2. below apply:

1. During the performance of this contract, the contractor agrees as follows:
    - a. The contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment, except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the contractor. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
    - b. The contractor, in all solicitations or advertisements for employees placed by or on behalf of the contractor, will state that such contractor is an equal opportunity employer.
    - c. Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting these requirements.
  2. The contractor will include the provisions of 1. above in every subcontract or purchase order over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.
- D. ETHICS IN PUBLIC CONTRACTING: By submitting their proposals, offerors certify that their proposals are made without collusion or fraud and that they have not offered or received any kickbacks or inducements from any other offeror, supplier, manufacturer or subcontractor in connection with their proposal, and that they have not conferred on any public employee having official responsibility for this procurement transaction any payment, loan, subscription, advance, deposit of money, services or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value was exchanged.
- E. IMMIGRATION REFORM AND CONTROL ACT OF 1986: By entering into a written contract with the Commonwealth of Virginia, the Contractor certifies that the Contractor does not, and shall not during the performance of the contract for goods and services in the Commonwealth, knowingly employ an unauthorized alien as defined in the federal Immigration Reform and Control Act of 1986.
- F. DEBARMENT STATUS: By participating in this procurement, the vendor certifies that they are not currently debarred by the Commonwealth of Virginia from submitting a response for the type of goods and/or services covered by this solicitation,. Vendor further certifies that they are not debarred from filling any order or accepting any resulting order, or that they are an agent of any person or entity that is currently debarred by the Commonwealth of Virginia.
- G. ANTITRUST: By entering into a contract, the contractor conveys, sells, assigns, and transfers to the Commonwealth of Virginia all rights, title and interest in and to all causes of action it may now have or hereafter acquire under the antitrust laws of the United States and the Commonwealth of Virginia, relating to the particular goods or services purchased or acquired by the Commonwealth of Virginia under said contract.
- H. MANDATORY USE OF STATE FORM AND TERMS AND CONDITIONS: Failure to submit a proposal on the official state form provided for that purpose may be a cause for rejection of the proposal. Modification of or additions to the General Terms and Conditions of the solicitation may be cause for rejection of the proposal; however, the Commonwealth reserves the right to decide, on a case by case basis, in its sole discretion, whether to reject such a proposal.
- I. CLARIFICATION OF TERMS: If any prospective offeror has questions about the specifications or other solicitation documents, the prospective offeror should contact the buyer whose name appears on the face of the solicitation no later than five working days before the due date. Any revisions to the solicitation will be made only by addendum issued by the buyer.

J. PAYMENT:

1. To Prime Contractor:

- a. Invoices for items ordered, delivered and accepted shall be submitted by the contractor directly to the payment address shown on the purchase order/contract. All invoices shall show the state contract number and/or purchase order number; social security number (for individual contractors) or the federal employer identification number (for proprietorships, partnerships, and corporations).
- b. Any payment terms requiring payment in less than 30 days will be regarded as requiring payment 30 days after invoice or delivery, whichever occurs last. This shall not affect offers of discounts for payment in less than 30 days, however.
- c. All goods or services provided under this contract or purchase order, that are to be paid for with public funds, shall be billed by the contractor at the contract price, regardless of which public agency is being billed.
- d. The following shall be deemed to be the date of payment: the date of postmark in all cases where payment is made by mail, or the date of offset when offset proceedings have been instituted as authorized under the Virginia Debt Collection Act.
- e. Unreasonable Charges. Under certain emergency procurements and for most time and material purchases, final job costs cannot be accurately determined at the time orders are placed. In such cases, contractors should be put on notice that final payment in full is contingent on a determination of reasonableness with respect to all invoiced charges. Charges which appear to be unreasonable will be researched and challenged, and that portion of the invoice held in abeyance until a settlement can be reached. Upon determining that invoiced charges are not reasonable, the Commonwealth shall promptly notify the contractor, in writing, as to those charges which it considers unreasonable and the basis for the determination. A contractor may not institute legal action unless a settlement cannot be reached within thirty (30) days of notification. The provisions of this section do not relieve an agency of its prompt payment obligations with respect to those charges which are not in dispute (Code of Virginia, § 2.2-4363).

2. To Subcontractors:

- a. A contractor awarded a contract under this solicitation is hereby obligated:
    - (1) To pay the subcontractor(s) within seven (7) days of the contractor's receipt of payment from the Commonwealth for the proportionate share of the payment received for work performed by the subcontractor(s) under the contract; or
    - (2) To notify the agency and the subcontractor(s), in writing, of the contractor's intention to withhold payment and the reason.
  - b. The contractor is obligated to pay the subcontractor(s) interest at the rate of one percent per month (unless otherwise provided under the terms of the contract) on all amounts owed by the contractor that remain unpaid seven (7) days following receipt of payment from the Commonwealth, except for amounts withheld as stated in (2) above. The date of mailing of any payment by U. S. Mail is deemed to be payment to the addressee. These provisions apply to each sub-tier contractor performing under the primary contract. A contractor's obligation to pay an interest charge to a subcontractor may not be construed to be an obligation of the Commonwealth.
3. Each prime contractor who wins an award in which provision of a SWaM procurement plan is a condition to the award, shall deliver to the contracting agency or institution, on or before request for final payment, evidence and certification of compliance (subject only to insubstantial shortfalls and

to shortfalls arising from subcontractor default) with the SWaM procurement plan. Final payment under the contract in question may be withheld until such certification is delivered and, if necessary, confirmed by the agency or institution, or other appropriate penalties may be assessed in lieu of withholding such payment.

4. The Commonwealth of Virginia encourages contractors and subcontractors to accept electronic and credit card payments.
- K. PRECEDENCE OF TERMS: The following General Terms and Conditions VENDORS MANUAL, APPLICABLE LAWS AND COURTS, ANTI-DISCRIMINATION, ETHICS IN PUBLIC CONTRACTING, IMMIGRATION REFORM AND CONTROL ACT OF 1986, DEBARMENT STATUS, ANTITRUST, MANDATORY USE OF STATE FORM AND TERMS AND CONDITIONS, CLARIFICATION OF TERMS, PAYMENT shall apply in all instances. In the event there is a conflict between any of the other General Terms and Conditions and any Special Terms and Conditions in this solicitation, the Special Terms and Conditions shall apply.
  - L. QUALIFICATIONS OF OFFERORS: The Commonwealth may make such reasonable investigations as deemed proper and necessary to determine the ability of the offeror to perform the services/furnish the goods and the offeror shall furnish to the Commonwealth all such information and data for this purpose as may be requested. The Commonwealth reserves the right to inspect offeror's physical facilities prior to award to satisfy questions regarding the offeror's capabilities. The Commonwealth further reserves the right to reject any (bid/proposal) if the evidence submitted by, or investigations of, such offeror fails to satisfy the Commonwealth that such offeror is properly qualified to carry out the obligations of the contract and to provide the services and/or furnish the goods contemplated therein.
  - M. Deleted
  - N. ASSIGNMENT OF CONTRACT: A contract shall not be assignable by the contractor in whole or in part without the written consent of the Commonwealth.
  - O. CHANGES TO THE CONTRACT: Changes can be made to the contract in any of the following ways:
    1. The parties may agree in writing to modify the terms, conditions, or scope of the contract. Any additional goods or services to be provided shall be of a sort that is ancillary to the contract goods or services, or within the same broad product or service categories as were included in the contract award. Any increase or decrease in the price of the contract resulting from such modification shall be agreed to by the parties as a part of their written agreement to modify the scope of the contract.
    2. The Purchasing Agency may order changes within the general scope of the contract at any time by written notice to the contractor. Changes within the scope of the contract include, but are not limited to, things such as services to be performed, the method of packing or shipment, and the place of delivery or installation. The contractor shall comply with the notice upon receipt, unless the contractor intends to claim an adjustment to compensation, schedule, or other contractual impact that would be caused by complying with such notice, in which case the contractor shall, in writing, promptly notify the Purchasing Agency of the adjustment to be sought, and before proceeding to comply with the notice, shall await the Purchasing Agency's written decision affirming, modifying, or revoking the prior written notice. If the Purchasing Agency decides to issue a notice that requires an adjustment to compensation, the contractor shall be compensated for any additional costs incurred as the result of such order and shall give the Purchasing Agency a credit for any savings. Said compensation shall be determined by one of the following methods:
      - a. By mutual agreement between the parties in writing; or
      - b. By agreeing upon a unit price or using a unit price set forth in the contract, if the work to be done can be expressed in units, and the contractor accounts for the number of units of work performed, subject to the Purchasing Agency's right to audit the contractor's records and/or to determine the correct number of units independently; or

- c. By ordering the contractor to proceed with the work and keep a record of all costs incurred and savings realized. A markup for overhead and profit may be allowed if provided by the contract. The same markup shall be used for determining a decrease in price as the result of savings realized. The contractor shall present the Purchasing Agency with all vouchers and records of expenses incurred and savings realized. The Purchasing Agency shall have the right to audit the records of the contractor as it deems necessary to determine costs or savings. Any claim for an adjustment in price under this provision must be asserted by written notice to the Purchasing Agency within thirty (30) days from the date of receipt of the written order from the Purchasing Agency. If the parties fail to agree on an amount of adjustment, the question of an increase or decrease in the contract price or time for performance shall be resolved in accordance with the procedures for resolving disputes provided by the Disputes Clause of this contract or, if there is none, in accordance with the disputes provisions of the Commonwealth of Virginia Vendors Manual. Neither the existence of a claim nor a dispute resolution process, litigation or any other provision of this contract shall excuse the contractor from promptly complying with the changes ordered by the Purchasing Agency or with the performance of the contract generally.
  
- P. DEFAULT: In case of failure to deliver goods or services in accordance with the contract terms and conditions, the Commonwealth, after due oral or written notice, may procure them from other sources and hold the contractor responsible for any resulting additional purchase and administrative costs. This remedy shall be in addition to any other remedies which the Commonwealth may have.
  
- Q. Deleted
  
- R. Deleted
  
- S. Deleted
  
- T. INSURANCE: By signing and submitting a bid or proposal under this solicitation, the offeror certifies that if awarded the contract, it will have the following insurance coverage at the time the contract is awarded. For construction contracts, if any subcontractors are involved, the subcontractor will have workers' compensation insurance in accordance with §§ 2.2-4332 and 65.2-800 et seq. of the Code of Virginia. The offeror further certifies that the contractor and any subcontractors will maintain these insurance coverage during the entire term of the contract and that all insurance coverage will be provided by insurance companies authorized to sell insurance in Virginia by the Virginia State Corporation Commission.

MINIMUM INSURANCE COVERAGES AND LIMITS REQUIRED FOR MOST CONTRACTS:

1. Workers' Compensation - Statutory requirements and benefits. Coverage is compulsory for employers of three or more employees, to include the employer. Contractors who fail to notify the Commonwealth of increases in the number of employees that change their workers' compensation requirements under the Code of Virginia during the course of the contract shall be in noncompliance with the contract.
  
2. Employer's Liability - \$100,000.
  
3. Commercial General Liability - \$1,000,000 per occurrence and \$2,000,000 in the aggregate. Commercial General Liability is to include bodily injury and property damage, personal injury and advertising injury, products and completed operations coverage. The Commonwealth of Virginia must be named as an additional insured and so endorsed on the policy.
  
4. Automobile Liability - \$1,000,000 combined single limit. (Required only if a motor vehicle not owned by the Commonwealth is to be used in the contract. Contractor must assure that the required coverage is maintained by the Contractor (or third party owner of such motor vehicle.)

<u>Profession/Service</u>	<u>Limits</u>
Accounting	\$1,000,000 per occurrence, \$3,000,000 aggregate
Architecture	\$2,000,000 per occurrence, \$6,000,000 aggregate

Asbestos Design, Inspection or Abatement Contractors	\$1,000,000 per occurrence, \$3,000,000 aggregate
Health Care Practitioner (to include Dentists, Licensed Dental Hygienists, Optometrists, Registered or Licensed Practical Nurses, Pharmacists, Physicians, Podiatrists, Chiropractors, Physical Therapists, Physical Therapist Assistants, Clinical Psychologists, Clinical Social Workers, Professional Counselors, Hospitals, or Health Maintenance Organizations.)	\$2,150,000 per occurrence, \$4,250,000 aggregate (Limits increase each July 1 through fiscal year 2031 per Code of Virginia § 8.01-581.15.)
Insurance/Risk Management	\$1,000,000 per occurrence, \$3,000,000 aggregate
Landscape/Architecture	\$1,000,000 per occurrence, \$1,000,000 aggregate
Legal	\$1,000,000 per occurrence, \$5,000,000 aggregate
Professional Engineer	\$2,000,000 per occurrence, \$6,000,000 aggregate
Surveying	\$1,000,000 per occurrence, \$1,000,000 aggregate

- U. ANNOUNCEMENT OF AWARD: Upon the award or the announcement of the decision to award a contract as a result of this solicitation, the purchasing agency will publicly post such notice on the DGS/DPS eVA VBO ([www.eva.virginia.gov](http://www.eva.virginia.gov)) for a minimum of 10 days.
- V. DRUG-FREE WORKPLACE: During the performance of this contract, the contractor agrees to (i) provide a drug-free workplace for the contractor's employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of the contractor that the contractor maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

For the purposes of this section, "drug-free workplace" means a site for the performance of work done in connection with a specific contract awarded to a contractor, the employees of whom are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the contract.

- W. NONDISCRIMINATION OF CONTRACTORS: An offeror, or contractor shall not be discriminated against in the solicitation or award of this contract because of race, religion, color, sex, national origin, age, disability, faith-based organizational status, any other basis prohibited by state law relating to discrimination in employment or because the offeror employs ex-offenders unless the state agency, department or institution has made a written determination that employing ex-offenders on the specific contract is not in its best interest. If the award of this contract is made to a faith-based organization and an individual, who applies for or receives goods, services, or disbursements provided pursuant to this contract objects to the religious character of the faith-based organization from which the individual receives or would receive the goods, services, or disbursements, the public body shall offer the individual, within a reasonable period of time after the date of his objection, access to equivalent goods, services, or disbursements from an alternative provider.
- X. eVA BUSINESS-TO-GOVERNMENT VENDOR REGISTRATION, CONTRACTS, AND ORDERS: The eVA Internet electronic procurement solution, web site portal [www.eVA.virginia.gov](http://www.eVA.virginia.gov), streamlines and automates government purchasing activities in the Commonwealth. The eVA portal is the gateway for vendors to conduct business with state agencies and public bodies. All vendors desiring to provide goods and/or services to the Commonwealth shall participate in the eVA Internet e-procurement solution by completing the free eVA Vendor Registration. All bidders or offerors must register in eVA and pay the Vendor Transaction Fees specified below; failure to register will result in the bid/proposal being rejected.

Vendor transaction fees are determined by the date the original purchase order is issued and the current fees are as follows:

1. For orders issued July 1, 2014, and after, the Vendor Transaction Fee is:
  - a. DSBSD-certified Small Businesses: 1%, capped at \$500 per order.
  - b. Businesses that are not DSBSD-certified Small Businesses: 1%, capped at \$1,500 per order.
2. Refer to Special Term and Condition "eVA Orders and Contracts" to identify the number of purchase orders that will be issued as a result of this solicitation/contract with the eVA transaction fee specified above assessed for each order.

For orders issued prior to July 1, 2014, the vendor transaction fees can be found at [www.eVA.virginia.gov](http://www.eVA.virginia.gov).

The specified vendor transaction fee will be invoiced, by the Commonwealth of Virginia Department of General Services, typically within 60 days of the order issue date. Any adjustments (increases/decreases) will be handled through purchase order changes.

- Y. **AVAILABILITY OF FUNDS:** It is understood and agreed between the parties herein that the agency shall be bound hereunder only to the extent of the funds available or which may hereafter become available for the purpose of this agreement.
- Z. Deleted
- AA. **BID PRICE CURRENCY:** Unless stated otherwise in the solicitation, offerors shall state offer prices in US dollars.
- BB. **AUTHORIZATION TO CONDUCT BUSINESS IN THE COMMONWEALTH:** A contractor organized as a stock or nonstock corporation, limited liability company, business trust, or limited partnership or registered as a registered limited liability partnership shall be authorized to transact business in the Commonwealth as a domestic or foreign business entity if so required by Title 13.1 or Title 50 of the Code of Virginia or as otherwise required by law. Any business entity described above that enters into a contract with a public body pursuant to the Virginia Public Procurement Act shall not allow its existence to lapse or its certificate of authority or registration to transact business in the Commonwealth, if so required under Title 13.1 or Title 50, to be revoked or cancelled at any time during the term of the contract. A public body may void any contract with a business entity if the business entity fails to remain in compliance with the provisions of this section.

## 8.0 SPECIAL TERMS AND CONDITIONS

### 8.1 Cost Limits

The Contractor is responsible for all the costs of implementing and administering the program. The Department is responsible for ensuring that the Contractor receives payment of all fees that are established pursuant to the contract which results from this RFP. Any cost incurred by the Contractor to address the tasks and responsibilities identified in this RFP which exceeds the contractually established fees is the risk of the Contractor.

### 8.2 Renewal of Contract

The term of this contract is three years with four one-year renewal options. For the one-year renewal options, the contract may renew annually subject to the following.

- 8.2.1 The Contractor shall advise the Department in writing no later than 2:00 PM on the last business day before February 15 that the insurer is willing to renew the contract on the same terms and conditions as currently in force or as modified pursuant to a request from the Department. This advice shall be in the form of a letter of intent to renew the contract.

8.2.2 All Contractors require a finding by the Department that the Contractor's performance has been satisfactory. Such findings are within the sole discretion of the Department but will be based on materially important issues including, but not limited to as employee satisfaction, adherence to the Department's administrative requirements and timeliness of deliverables.

### 8.3 Termination, Suspension and Cancellation of Contract

Either party may terminate this contract for its sole convenience effective July 1 of any year by delivery of written notice no later than the previous February 15.

Furthermore, in the event of emergency requirements or significant changes in the Contractor's financial or organizational status which could not have reasonably been foreseen, the Department reserves the right to cancel and terminate this contract, in part or in whole without penalty, upon 60 days written notice to the Contractor.

Any contract cancellation notice shall not relieve the Contractor of the obligation to deliver and/or perform on all outstanding orders issued prior to the effective date of cancellation.

### 8.4 Payments and Interest

8.4.1 The Department will provide a premium payment sufficient to pay for the coverage of persons determined to be eligible by the Department made to the contractor no later than the tenth business day of the month for which coverage is effective. The premium payment will reflect appropriate retroactive adjustments. TRICARE eligibility notwithstanding, the Contractor will pay claims or provide services only for persons determined to be eligible by the Department.

8.4.2 The standard form of payment utilized by the Commonwealth is by EDI (See Appendix 4 for description). Unless a different method is agreed upon through negotiations, each Contractor must complete the EDI agreements required by the Department of Accounts.

#### 8.4.3 Retroactive Adjustments

Where the Department discovers an error in enrollment for which the Contractor has no responsibility, Contractor agrees to correct such an error retroactively up to a period of 60 days from the date on which the error is discovered.

#### 8.4.4 Non-Medicare Retirees

For all state employee groups, contractor agrees to track eligibility Insured plans shall submit a listing of any status changes to these enrollees during each month to the Department by the 15<sup>th</sup> of the following month reflecting changes by date and identified by social security number.

Contractor will direct-bill any Non-Medicare Retirees whose pension payment cannot support a premium deduction for voluntary TRICARE supplemental health program coverage.

8.4.5 The Contractor shall deliver only those services actually ordered by the Department. The Department will accept and pay only for those services which have been fully rendered. The Contractor shall invoice the Department each month for services provided during the prior month. Payment will be made by the Department within 30 days of receipt of an approved invoice by the Commonwealth's EDI payment method.

### 8.5 Premiums

The Offerors shall propose premiums using the format referenced in paragraphs 4.1. All rate projections should include a surcharge of 2% to recognize the cost of the Department's administration of the program.

8.5.1 Insured plans shall establish premiums in accordance with their own procedures. Notice of any change in premiums shall be accomplished using the format referenced in subparagraph 1 of paragraph 4.1. Premiums cannot be changed during the plan year.

All insured plans will be paid 98% of the agreed upon premium.

## 8.6 Audits

Some standards of performance under this contract may be measured by audits.

The Contractor shall assist the Department and the Department's auditors, who may be employees of the Department, employees of other Contractors, or agents of the Department, in the conduct of audits. This assistance shall include the provision of secure, quiet office space, including furnishings and telephones needed by the auditors.

The Contractor agrees to retain all books, records, and other documents relative to the contract which results from this RFP for five (5) years after final payment, or until the conclusion of any audit by the Commonwealth, whichever is sooner. The Department, its authorized agents, and State Auditors, shall have full access to, and the right to examine, any of the Contractor's materials relevant to the contract which results from this RFP.

## 8.7 Contract Representatives

Both the Department and the Contractor shall appoint a contract representative who shall ensure that the provisions of this contract are adhered to.

The Department reserves to request and receive a change in the Contractor's senior manager assigned to the Department's account at its discretion. Contractor shall designate a senior level individual to function as an escalation point if the Department is unable to resolve issues by working with the Contractor's account team or other staff within Contractor's organization. This individual must have the authority to effect change within the Contractor's organization.

The Contractor shall provide the full name and address of their contract representative including email address and telephone and fax number. In the event of a change in contract representatives, an official written notice shall be provided within 15 days of the change.

## 8.8 Certified Corporate Annual Reports

Within 120 days of the close of its fiscal year, the Contractor shall furnish to the Department an annual report of its consolidated operations. This report shall be certified by an independent auditor.

## 8.9 Confidentiality of Information

The Contractor shall treat all information utilized in its performance of the contract as confidential, personal information. The Contractor shall handle all confidential information in accordance with the Virginia Privacy Protection Act, Virginia Code Section 2.1-377 et seq.. All files, computer data bases and other records developed or maintained pursuant to the execution of the contract are the property of the Department, and shall be delivered to the Department upon demand. The Contractor merely serves as the custodian of the files, and acts as agent for the Department in the payment for services and the performance of other assigned tasks, including assisting the Department with requests under the Virginia Freedom of Information Act.

## 8.10 Commissions and Brokerage Fees

The Contractor agrees that, in the performance of this contract, no payments shall be made to brokers or sales persons who are not employees of the Contractor.

8.11 Severability

In the event any portion of the contract shall be determined by a court of competent jurisdiction to be invalid or unenforceable, such provision shall be deemed void and the remainder of the contract shall continue in full force and effect.

8.12 Eligibility

The Department shall determine who is eligible for the state employee health benefits program. Only employees, non-Medicare retirees and their dependents eligible for the state employee health benefits program will be eligible to elect the voluntary TRICARE supplemental health plan. Changes in coverage will be permitted in compliance with the Department's Section 125 cafeteria plan at annual open enrollment or due to a qualifying mid-year event (QME).

The Contractor shall, on its own, determine that the TRICARE supplement's eligibility matches the eligibility requirements of the state plan. Contractor will immediately notify the Department of any employees, non-Medicare retirees and/or dependents who do not meet eligibility criteria of the TRICARE supplement or the state health program.

8.13 Employer Contributions Toward Premiums

By law, there will be no employer contribution for TRICARE supplemental health coverage on behalf of employees who elect such coverage.

8.14 Force Majeure

Neither party shall be deemed to be in default of any of its obligations hereunder, if, and so long as, it is prevented from performing such obligations by an act of war, hostile foreign action, nuclear explosion, earthquake, hurricane, tornado, or other catastrophic natural event or act of God.

8.15 Internet Site

Contractor agrees to maintain an Internet site with a section or page devoted exclusively to Commonwealth of Virginia enrollees covered under the voluntary TRICARE supplement health plan. At a minimum, the site shall contain the following.

8.15.1 the data specified in paragraph 6.3.

8.15.1 an outline of coverage

8.15.2 other information about the plan

8.16 Subcontracting

The Contractor is fully responsible for all work performed under the contract. The Contractor may not assign, transfer, or subcontract any interest in the contract, without prior written approval of the Department. The Contractor shall require all subcontractors to comply with all provisions of this RFP. The Contractor will be held liable for contract compliance for all duties and functions whether performed by the Contractor or any subcontractor.

8.17 Disputes

In accordance with section 2.2-4363 of the Code of Virginia, disputes arising out of the contract, whether for money or other relief, may be submitted by the Contractor for consideration by the Department. Disputes must be submitted in writing, with all necessary data and information, to the Director of the Department of Human Resource Management at the James Monroe Building, 12<sup>th</sup>

Floor, 101 North 14<sup>th</sup> Street, Richmond, Virginia 23219. Disputes will not be considered if submitted later than sixty (60) days after the final payment is made by the Department under the contract. Further, no claim may be submitted unless written notice of the Contractor's intention to file the dispute has been submitted at the time of the occurrence or at the beginning of the work upon which the dispute is based. The Department shall render a final written decision regarding the dispute not more than ninety (90) days after the dispute is submitted, unless the parties agree to an extension of time. If the Department does not render its decision within 90 days, the Contractor's sole remedy will be to institute legal action, pursuant to section 2.2-436411-70 of the Code of Virginia. The Contractor shall not be granted relief as a result of any delay in the Department's decision.

During the time that the parties are attempting to resolve any dispute, each party shall proceed diligently to perform its duties.

8.18 Contractor Affiliation

If an affiliate (as defined below in this paragraph) of the Contractor takes any action which, if taken by the Contractor, would constitute a breach of the contract, the action taken by the affiliate shall be deemed a breach by the Contractor. "Affiliate" shall mean a "parent," subsidiary or other company controlling, controlled by, or in common control with the Contractor, sub Contractor or agents of the Contractor.

8.19 Transfer of Files

If for any reason the Department decides to no longer contract with the Contractor, the Contractor agrees to transfer to the party designated by the Department, at no cost, all data, records, computer files, other files, and materials of any sort that were maintained for the Commonwealth. The Contractor agrees to assist the Department in understanding, using, and transferring all files and records, including those maintained in computer language.

8.20 Advertising

This section has been deleted

8.21 Indemnification

The Contractor agrees to indemnify, defend, and hold harmless the Commonwealth of Virginia, its officers, agents, and employees from any claims, damages, and actions of any kind or nature, whether at law or in equity, arising from or caused by the use of any services of any kind or nature furnished by the Contractor, provided that such liability is not attributable to the sole negligence of the Department.

8.22 Annual Enrollment

The Department will provide employees an annual opportunity to change health benefits plans or types of membership. Contractor agrees to follow all instructions of the Department with respect to the conduct of the annual enrollment, including and especially the form and content of information supplied to eligible persons. The Contractor agrees to supply to agencies sufficient quantities of benefits booklets and brochures for the orderly conduct of annual enrollment activities. Annual enrollment expenses are the responsibility of the Contractor and are to be absorbed in its administrative costs. There will be no special recognition of annual enrollment expenses without the prior agreement of the Department.

8.23 Mailings and Notices

Contractor agrees to notify non-Medicare retirees annually in a form acceptable to the Department of changes in premiums and benefits or other contract amendments in a form acceptable to the Department. All notices shall be mailed first class. Contractor agrees to supply group administrators with all necessary forms and supplies.

Contractor will strictly limit the content and form of mailings and notices, other than premium bills and claims related transactions, to the benefits booklet and brochure cited in paragraphs 6.2 and 6.3 and an approved cover letter. Benefits booklets and brochures shall be printed in black ink on plain white paper, grade number 3, 50 pound offset, without any illustrations except graphs to illustrate HEDIS data. Under no circumstances will any communication of the contractor, written or verbal, compare its cost, benefits or performance with that of another plan in the employee health benefits program. The logo of the Department and the title of the document shall be featured prominently on the first page of each document.

Any and all communications to employees, non-Medicare retirees and and/or dependents, whether written, oral or electronic, shall be approved by the Department prior to distribution or mailing.

#### 8.24 Identity Theft:

The Contractor assures that any and all personal information and data obtained as a result of performing contractual duties associated with this contract shall be held in strict confidence. Such information shall not be divulged without written permission from the individual and this Agency.

1. All personal information whether electronic or hard copy shall be stored in a manner that will prevent intrusion by unauthorized persons.
2. All intrusions or suspicion of intrusion into secured files containing personal information shall be reported to the Agency within 24 hours of detection.
3. All remedies suggested by the Contractor shall be approved by the Agency prior to being implemented.

**Exhibit 1**

**Small Business Subcontracting Plan**

**Definitions**

Small Business: "Small business " means an independently owned and operated business which, together with affiliates, has 250 or fewer employees, or average annual gross receipts of \$10 million or less averaged over the previous three years. Note: DMBE-certified women- and minority-owned businesses shall also be considered small businesses when they have received DMBE small business certification.

Women-Owned Business: Women-owned business means a business concern that is at least 51% owned by one or more women who are citizens of the United States or non-citizens who are in full compliance with United States immigration law, or in the case of a corporation, partnership or limited liability company or other entity, at least 51% of the equity ownership interest is owned by one or more women who are citizens of the United States or non-citizens who are in full compliance with United States immigration law, and both the management and daily business operations are controlled by one or more women who are citizens of the United States or non-citizens who are in full compliance with the United States immigration law.

Minority-Owned Business: Minority-owned business means a business concern that is at least 51% owned by one or more minority individuals or in the case of a corporation, partnership or limited liability company or other entity, at least 51% of the equity ownership interest in the corporation, partnership, or limited liability company or other entity is owned by one or more minority individuals and both the management and daily business operations are controlled by one or more minority individuals.

All small businesses must be certified by the Commonwealth of Virginia, Department of Minority Business Enterprise (DMBE) by the due date of the solicitation to participate in the SWAM program. Certification applications are available through DMBE online at [www.dmb.e.virginia.gov](http://www.dmb.e.virginia.gov) (Customer Service).

Bidder Name: \_\_\_\_\_

Preparer Name: \_\_\_\_\_

Date: \_\_\_\_\_

**Instructions**

A. If you are certified by the Department of Minority Business Enterprise (DMBE) as a small business, complete only Section A of this form. This shall not exclude DMBE-certified women-owned and minority-owned businesses when they have received DMBE small business certification.

B. If you are not a DMBE-certified small business, complete Section B of this form. For the bid to be considered and the bidder to be declared responsive, the bidder shall identify the portions of the contract that will be subcontracted to DMBE-certified small business in Section B.

**Section A**

If your firm is certified by the Department of Minority Business Enterprise (DMBE), are you certified as a (check only one below):

\_\_\_\_\_ Small Business

\_\_\_\_\_ Small and Women-owned Business

\_\_\_\_\_ Small and Minority-owned Business

Certification number: \_\_\_\_\_

Certification Date: \_\_\_\_\_

**Section B**

Populate the table below to show your firm's plans for utilization of DSBSD-certified small businesses in the performance of this contract for the initial contract period in relation to the bidder's total price for the initial contract period. Certified small businesses include but are not limited to DSBSD-certified women-owned and minority-owned businesses that have also received the DSBSD small business certification. Include plans to utilize small businesses as part of joint ventures, partnerships, subcontractors, suppliers, etc. It is important to note that these proposed participation will be incorporated into the subsequent contract and will be a requirement of the contract. Failure to obtain the proposed participation percentages may result in breach of the contract.

**B. Plans for Utilization of DSBSD-Certified Small Businesses for this Procurement**

Micro/Small Business Name & Address  DSBSD Certificate #	Status if Micro/Small Business is also: Women (W), Minority (M)	Contact Person, Telephone & Email	Type of Goods and/or Services	Planned Involvement During Initial Period of the Contract	Planned Contract Dollars During Initial Period of the Contract (\$ or %)
<b>Totals \$</b>					

## Exhibit 2

### State Corporation Commission Form

**Virginia State Corporation Commission (SCC) registration information. The offeror:**

is a corporation or other business entity with the following SCC identification number: \_\_\_\_\_ **-OR-**

is not a corporation, limited liability company, limited partnership, registered limited liability partnership, or business trust **-OR-**

is an out-of-state business entity that does not regularly and continuously maintain as part of its ordinary and customary business any employees, agents, offices, facilities, or inventories in Virginia (not counting any employees or agents in Virginia who merely solicit orders that require acceptance outside Virginia before they become contracts, and not counting any incidental presence of the offeror in Virginia that is needed in order to assemble, maintain, and repair goods in accordance with the contracts by which such goods were sold and shipped into Virginia from offeror's out-of-state location) **-OR-**

is an out-of-state business entity that is including with this proposal an opinion of legal counsel which accurately and completely discloses the undersigned offeror's current contacts with Virginia and describes why those contacts do not constitute the transaction of business in Virginia within the meaning of § 13.1-757 or other similar provisions in Titles 13.1 or 50 of the Code of Virginia.

**\*\*NOTE\*\*** >> Check the following box if you have not completed any of the foregoing options but currently have pending before the SCC an application for authority to transact business in the Commonwealth of Virginia and wish to be considered for a waiver to allow you to submit the SCC identification number after the due date for proposals (the Commonwealth reserves the right to determine in its sole discretion whether to allow such waiver):

## **List of Appendices**

- Appendix 1 Current Standard Contract
- Appendix 2 Summary Description of All Commonwealth of Virginia Plans Offered
- Appendix 3 State Employee Membership and Billing System
- Appendix 4 EDI

# Appendix 1

## DEPARTMENT OF HUMAN RESOURCE MANAGEMENT

### STANDARD CONTRACT

This contract is entered into \_\_\_\_\_, 2017, by \_\_\_\_\_, hereinafter called "Contractor" and the Commonwealth of Virginia, Department of Human Resource Management, hereinafter called "Purchasing Agency."

WITNESSETH that the Contractor and the Purchasing Agency, inconsideration of the mutual covenants, promises and agreements herein contained, agree as follows:

**SCOPE OF SERVICES:** The Contractor shall provide the services to the Purchasing Agency as set forth in the Contract Documents.

**PERIOD OF CONTRACT:**

**COMPENSATION AND METHOD OF PAYMENT:** The Contractor shall be paid monthly according to the terms of its accepted proposal.

**CONTRACT DOCUMENTS:** The Contract Documents shall consist of this signed Contract; the Request for Proposals; proposal submitted by the contractor dated \_\_\_\_\_, \_\_\_\_\_; the general conditions, special conditions, specifications, and other data contained in the Request for Proposals.

Any contractual claims shall be submitted in accordance with the contractual dispute procedures set forth in the Request for Proposals.

In witness whereof, the parties have caused this Contract to be duly executed intending to be bound thereby.

**CONTRACTOR:**

**PURCHASING AGENCY:**

BY: \_\_\_\_\_

By: \_\_\_\_\_

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

## Appendix 2

### Summary Description of All Commonwealth of Virginia Plans Offered

**Please access the web addresses shown for summary benefit descriptions of self-insured plans**

**COVACare:**

<https://www13.anthem.com/cp/web/cova>

**COVA HealthAware:**

[http://www.covahealthaware.com/COVA HDHP:](http://www.covahealthaware.com/COVA HDHP)

<https://www13.anthem.com/cp/web/cova>

click on “Plan Summary of Benefits”

## Appendix 3

### State Employee Membership and Billing System

#### A. Benefits Eligibility System

The Department maintains a central, sole source eligibility and enrollment database known as the Benefits Eligibility System (BES). BES contains records for State Program participants and their covered dependents. Participants include all employees, retirees, long-term disability participants, and survivors eligible for coverage under the State Program. Participant records are identified by a personal identification number which is not a social security number.

The Department provides the contractor with eligibility information for the State Program in the HIPAA 834 Transaction File format as described on the DHRM Website (<http://web1.dhrm.virginia.gov/itech/itdocs.html>). The contractor must connect to the Department's secure FTP server for State Program file transfers by one of the following protocols: SFTP using SSH2 on port 22; or HTTPS for manual retrieval. It is expected that the contractor comply with the Department's eligibility file processing requirements and update their database on a current basis to provide for accurate claims processing.

Two types of eligibility files are provided:

- 834 Eligibility Transaction Daily Change File: The Daily Change File includes maintenance transactions that add or terminate coverage within the State Program. Change transactions are provided as term / add pairs. Daily Change Files are provided Tuesday through Saturday and are to be processed by the contractor within one business day.
- 834 Eligibility Transaction Monthly Audit File: The Monthly Audit File is provided on the 3<sup>rd</sup> of the month and contains the State Program's full, active membership as of the 1<sup>st</sup> of that month. It is used only for comparison of information between the Department's database and the contractor's database. The contractor reports discrepancies found in the comparison to the Department no later than the 20<sup>th</sup> of that month.

#### B. Billing for Self Funded Plans

The services billed under the self-funded plans fall into two categories. These are billing for claims payments and billing for administrative fees (Section 4.0 as records accumulated, and invoiced in total to the Department on a weekly basis. The OHB staff reviews the invoice and the Contractor is reimbursed through an electronic transfer of funds within 48 hours of the receipt of the billing documentation. The billing documentation will at a minimum consist of: a cover invoice which provides the net claim dollars to be paid broken between the state employee and the TLC program, and support documentation for each program that provides the claims dollars paid for each benefit category during the period covered by the invoice and

year to date. This procedure will be finalized with each contractor as part of the negotiation process and the cycle may be varied based upon compelling reasons, such as claim volume and dollars.

The administrative expenses are invoiced monthly to OHB by each contractor by the 15<sup>th</sup> of the following month. In this process, the OHB will review the invoice and authorize reimbursement through the EDI process. Again the billing documentation will consist of a cover invoice providing the administrative dollars in total for each program with a summary for all programs, and documentation which supports the summary invoice. This support will at minimum consist of a breakdown by each program of billing units by price per unit, shown for the current period and year to date. The number of billing units for each employer under the TLC program will also be required. The monthly administrative invoice may also be used as the financial transfer document for miscellaneous non-claim items that are either due from or to the Department when supported by clear documentation. This procedure will also be finalized during final negotiations.

### **C. Billing for Fully Insured Plans**

The Department makes monthly premium payments to all fully insured carriers through a self-billing procedure based on the BES records as of the first day of each month of coverage. The self-billing process is run on the 5th working day of each month of coverage based on all first day eligibles and takes into consideration any retroactive changes. The self-billing file includes all eligibles for a contractor shown by agency and premiums due. The file is transferred electronically to the carrier and at the same time generates the request for payment. An EDI transfer around the 10th working day of each month makes payments. (See Appendix 4 for a description of the Commonwealth's EDI payment system and forms required to be completed)

## Appendix 4

### Electronic Data Exchange (EDI)

All payments to Contractors will be made by EDI. The Financial Handbook and forms to be completed are found at the Web location below:

[http://www.doa.virginia.gov/General\\_Accounting/EDI/tradingpartnerguide.pdf](http://www.doa.virginia.gov/General_Accounting/EDI/tradingpartnerguide.pdf)

# ATTACHMENT 1

## TECHNICAL QUESTIONNAIRE

**Respond concisely but in detail to the questions below. Where ancillary materials are requested or provided, please so note in your response indicating where those materials may be found.**

1. Please confirm that the plan you are offering is a fully insured plan and that there is no liability for claim payment or other charges on behalf of the Commonwealth of Virginia.
2. Please confirm that all employees, retirees and dependents determined to be eligible by the Department of Human Resource Management, and determined to be eligible under TRICARE criteria, will be covered with no waiting period or pre-existing provisions.
3. Please confirm that you understand that all premiums collected by the Commonwealth for active employees will be on a pre-tax basis, and non tax qualified dependents therefore may not be covered under the plan.
4. Please confirm that all employees are charged the same premium based on membership and there is not premium differential based on age, gender or health status.
5. Please confirm that all vendor administrative fees, including direct-billing where required, are included in the employee premium.
6. Describe how you will handle the differences between TRICARE and the Affordable Care Act (ACA) for eligibility for adult children to age 26.
7. Please confirm that the supplement you are offering is filed with the Commonwealth of Virginia Bureau of Insurance such that it permits you to restrict coverage to only those individuals determined to be eligible under the state employee health program.
8. Is the supplement you are offering offered to the general public on either a group or community rated basis? If so, describe.
9. Explain your relationship with any insurance underwriters. Describe the organizational structure, including employment relationships, contractual agreements, compensation, etc. between your organization and the insurance underwriter. Please include an organizational chart.
10. Please confirm that you will be responsible for all communication material, written, electronic and oral, used in marketing the plan. Provide examples.
11. Describe and provide examples of how aggregate claim information used to determine premiums will be provided.
12. Please confirm that you can accommodate a daily electronic 834 file placed in an FTP secure folder and that you can retrieve and upload that file to your claim system within 24 hours. Confirm that you can accommodate

enrollment and disenrollment in a timely manner based on the Commonwealth's annual open enrollment and mid-year qualifying events.

13. Describe and provide examples of reports routinely provided for enrollment, disenrollment, coverage changes, audit, billing, , etc.
14. Do TRICARE supplemental providers submit claims on behalf of their patients?
15. Are members provided an Explanation of Benefits (EOB) upon adjudication and payment of a claim? Provide examples. Are EOBs, if provided, available on an electronic basis?
16. Describe your organization's internal processes to receive, date and control a claim within 24 hours of the date received. If not handled within 24 hours, provide a timeline for claim handling.
17. Describe your claim payment process, including processes and guidelines for payment to providers and payment to members.
18. Please confirm that you have a fully equipped and operational customer service unit. Describe such unit, including an organizational chart.
19. Describe your organization's processes to respond correctly and timely to inquiries received by telephone, by mail, by email or in person, including response time for each.
20. Describe your organization's efforts to measure patient satisfaction with the program including samples of surveys, response rate and rating of overall satisfaction with the program.
21. Is there an appeals process for claim or eligibility denials? If so, describe. If not, why not?
22. Does your organization provide an internet site with a section or page devoted to enrollees covered under this program? If so, please describe in detail, and provide screen prints of such a site and pages.
23. Do you provide an on-line directory or hard-copy directory of providers to employees interested in enrolling in the plan?
24. Describe your organization's process to participate as requested by the Department in benefits fairs and wellness activities coordinated through CommonHealth or through the Department.
25. Given the initial contract period of July 1, 2017, through June 30, 2020, what is the total value of your contract proposal?
26. Describe innovations and creative solutions you are proposing to meet the Commonwealth's needs around the requested services.