Pharmacy Benefit Manager Solicitation Structure

The Proposers will be required to submit an offer, providing evidence of their ability to meet program requirements as specified. The submission would include, but not be limited to:

Qualifications Requirements – This section will provide for the proposing firm to demonstrate that they meet the specified minimum qualifications, which will allow them to continue on in the solicitation process.

Technical Requirements – This section will provide evidence of a proposer's ability to meet program requirements and would include, but not be limited to:

o *Executive Summary* – Will require the proposing firm to demonstrate their understanding of proposed contract as follows:

- The tangible results that are expected to be achieved and how they will be achieved.

- How the proposing firm will demonstrate a commitment to perform the work in an efficient and timely manner.

- How this service will be effectively integrated into the proposing firm's current obligations and existing workload.

- Why the proposing firm should be chosen to undertake this work at this time.

- Outline solvency, fiscal transparency and effective staff management practices.

- Commitment to efficient implementation if selected.

o *Firm's Capabilities* – Will require the proposing firm to provide history of their firm with description of goals that are relevant, related, and/or complement the services as described under the proposed contract.

o *Work Plan* – Will require proposing firm to provide well-organized, comprehensive, and technically sound business solutions that will include an in-depth discussion and description of the methods, approaches, and step-by-step actions that will be carried out to fulfill service requirements under the proposed contract.

o *Management Plan* – Will require the proposing firm to describe how they will effectively carry out the account management functions such as staffing, fiscal accounting processes and budgetary controls for contract billing and payment, automated fiscal reports, quality controls to ensure contract services are managed responsibly.

o *Staffing Plan* – Will require proposing firm to identify proposed employees (persons on the proposing firm's payroll) who will be involved in administering services under the proposed contract.

o *Proposed Contract* – Will provide the proposing firm an opportunity to review CalPERS Standard Terms and Conditions (STD 213), and Attachment A - Services to be Provided with other exhibits that incorporate CalPERS wish list. A proposers ability to meet the contract requirements would be divided into the following:

   ▪ Core, non-negotiable contractual provisions;

   ▪ Negotiable contractual provisions that give vendors opportunity to say why they wouldn't accept a particular provision and propose what they would accept; and

   ▪ Opportunity for a proposing firm to offer additional services.

Financial Requirements – Will require the proposing firm to include all estimated costs to perform the services for the entire five year term of the proposed contract including, but not limited to, the following:

▪ Proposers pricing sources, general pricing guarantees, generic, preferred brand and specialty drug MAC and AWP discounts, retail, mail and specialty drug pricing assumptions, rebates and rebate guarantees, subsidies, trend guarantees etc.

▪ Administrative services fees for each year of the contract.

▪ Fees for other services.

▪ Clinical program fees and savings including but not limited to formulary management practices, prior authorization and exclusion lists.

▪ Competitive pricing and market check pricing.

▪ Other incentives and credits.

These requirements will be incorporated into Attachment C – Contractor Compensation and Attachment D – Performance Measures of the contract, as applicable.

Evaluation Criteria – The evaluation would include thresholds for technical and financial requirements in order to identify the top proposing firms aka "the competitive range", confidential discussions, competitive negotiations, on-site visits, and reference checks.