

## Pharmacy Benefit Manager Solicitation Structure

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

Qualifications Requirements – This section required the proposing Firm to demonstrate that it met the specified minimum qualifications, which allowed it to continue on in the solicitation process.

Technical Requirements – This section provided evidence of a proposer’s ability to meet program requirements and included, but not limited to:

- Executive Summary – Required the proposing Firm to demonstrate its understanding of the proposed contract as follows:
  - The tangible results that are expected to be achieved and how they will be achieved.
  - How the proposing Firm demonstrates 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.
  - Solvency, fiscal transparency and effective staff management practices.
  - Efficient implementation if selected.
- Firm’s Capabilities – Required the proposing Firm to provide history of its Firm with description of goals that are relevant, related, and/or complement the services as described under the proposed contract.
- Management Plan – Required the proposing Firm to describe how it 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, and quality controls to ensure contract services are managed responsibly.
- Work Plan – Required proposing Firm to provide well-organized, comprehensive, and technically sound business solutions that included 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.

- Staffing Plan – Required proposing Firm to identify proposed employees (persons on the proposing Firm’s payroll) who will be involved in administering services under the proposed contract.
- Proposed Contract – Required the proposing Firm an opportunity to review CalPERS Standard Terms and Conditions (STD 213), and other attachments and exhibits incorporating CalPERS additional requirements and desired terms. A proposer’s ability to meet the contract requirements would be divided into the following:
  - Core, non-negotiable contractual provisions;
  - Negotiable contractual provisions that gave vendors an 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 – Required 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 for prescription drugs, 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.
- 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.

Evaluation Criteria – The evaluation included thresholds for technical and financial requirements, confidential discussions, technical discussions, competitive negotiations, on-site visits, and reference checks.