

**Long-Term Care Third Party Administrator
Solicitation No. 2016-8180
Solicitation Strategy**

Solicitation Structure

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

Qualifications Requirements – This section required the bidder to demonstrate that they meet the specified minimum qualifications, which allowed them to continue on in the solicitation process.

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

- Executive Summary – Required the bidder 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 bidder will demonstrate a commitment to perform the work in an efficient and timely manner.
 - How this service will be effectively integrated into the bidder’s current obligations and existing workload.
 - Why the bidder 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.
- Firm’s Capabilities – Required the bidder 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.
- Work Plan – Required the bidder to provide a 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.
- Management Plan – Required the bidder 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.
- Staffing Plan – Required the bidder to identify employees (persons on the bidder’s payroll) who will be involved in administering services under the proposed contract.
- Proposed Contract – Required the bidder 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 bidder’s ability to meet the contract requirements would be divided into the following:

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- Core, non-negotiable contractual provisions;
- Negotiable contractual provisions that give bidders the opportunity to explain the reason for not accepting a particular provision and propose what they would accept; and,
- Opportunity for a bidder to offer additional services.

Financial Requirements – Required the bidder 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:

- Administrative services fees for each year of the contract.
- Fraud detection services.

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

Evaluation Criteria – Staff worked with an external consultant to develop evaluation criteria. The evaluation tools were designed to set thresholds for technical and financial requirements in order to identify the top bidders aka “the competitive range.” In addition to the above selection criteria, the evaluation process included confidential discussions, competitive negotiations, on-site visits, and reference checks.

Solicitation Schedule of Events

Timeline Activity	Date	Status
Release Request for Information	March 2016	Completed
Release Solicitation Phase I	June 2016	Completed
Release Solicitation Phase II	September 2016	Completed
Conduct Evaluation	January – February 2017	Completed
Conduct On-Site Visits	February – May 2017	Completed
Release Request for Additional Information and Pricing Improvements	February – April 2016	Completed
Conduct Competitive Negotiations and Obtain Signed Letter of Agreement	February – June 2017	Completed
Contract Award	June 2017	In Progress
Begin Implementation Activities	June 2017	Not Started

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Solicitation Process

Release Phase I (June 2016) – Upon release of the solicitation, bidders were required to submit in the specified timeframe the following:

- 1) CalPERS Security Agreement
- 2) Non-Disclosure Agreement
- 3) Minimum Qualifications Certification
- 4) Evidence of Minimum Qualifications

Release Phase II and De-Identified Data (September 2016) – Upon receipt of above mentioned items, a team of CalPERS qualified staff reviewed the MQ Certification to verify if those bidders meet the minimum qualifications in order to receive the de-identified data.

Confidential discussions (October 2016)

Written Proposals Submission (January 2017)

Proposal Evaluations (January – February 2017) – Upon receipt of the initial offer, subject matter experts reviewed and verified the bidder's ability to meet the requirements as well as their proposed costs associated with the administration of the proposed contract.

Present findings to PHBC (February – June 2017)

Competitive Negotiations (February – June 2017) – These negotiations were conducted with each bidder. The negotiations focused on contractual terms, with emphasis on end-to-end services, pricing, and securing agreement with CalPERS required and desired terms and conditions. Negotiations also addressed deficiencies and significant weaknesses (technical and financial) with each bidder's submission.

Present final findings and negotiation outcomes to PHBC (June 2017) – PHBC will award contract of long-term care third party administrator contract based on best interest of CalPERS and its participants.