

Agenda Item V (Administrative Issues)

Business and Operations Plan Procurement

Purpose: The Level I Grant Application includes the development of a robust business and operation plan to assist the Exchange in the development of a path and timeline leading to the full implementation of Level I activities. The goal of this project is to comprehensively identify and assess the critical factors leading to the implementation of the Exchange's services, products, and programs. In addition, another critical project objective shall be to identify the Exchange's detailed system, functionalities, and operational considerations, strategies, resources and timelines for implementation of a viable and successful Exchange that is compliant with state and federal requirements. The Contractor will conduct a thorough review of State and federal statutes and proposed regulations, program integration interface, broad stakeholder concerns, and the ongoing path toward selecting an eligibility and enrollment systems contractor. The Contractor will produce both a report on implementation issues and a thorough implementation timeline, to be presented to the Board at the December 2011 meeting. The Contractor will continue working with staff on plan adjustments and updates to the Timeline throughout the Level I implementation activities, through January 2014.

Procurement Strategy: Under the Exchange's enabling legislation, the Exchange is exempt from the normal processes for procurement of consultants, such as the primary and secondary Request for Proposal. With this in mind, staff has completed a Model Contract Solicitation package, to be released the day after Board approval of the procurement strategy. Under a Model Contract Procurement, the Exchange publishes a Model Contract, with a detailed Statement of Work (SOW). Rather than accepting the SOW as final, proposing firms are asked to use the SOW as a baseline for developing their approach to the project and to propose language which enhances and improves the final contract deliverables. This is a dynamic competitive process through which the Exchange can evaluate and test, through a negotiation process, the strengths and weaknesses of the vendors and their proposals, and make a final selection based on a combination of vendor experience, the quality and originality of the vendor's approach and the overall value the vendor can bring to the project, including price. Under the process, no points are awarded. Rather, the evaluation panel works together to reach consensus. The goal of the process is to negotiate the maximum levels of services available for a competitive price and for the Exchange to obtain the overall best value.

The procurement will be published on the Exchange Website, through the State of California's procurement notification system, BidSync, and pitched to known national vendors with experience in health program implementation. Under a tight timeframe, we hope to present the proposed award to the Board at the September meeting and begin the project by October 10, 2011.

Budgeted Cost: The Level I Grant application budgets \$460,000 for this project, which stated as the project maximum in the Model Contract Solicitation.

Board Action Required and Sample Motion: Approval of the Contracting Strategy for the Business and Operations Plan Procurement:

“The Board moves to accept the contracting strategy for the selection of the a Business and Operations Plan contractor, and directs staff to proceed with the Model Contract Solicitation Process.”