

Solicitation Approval Stakeholder Consultation Procurement

Purpose: The Level I Grant Application includes the development of an interactive stakeholder process while the Exchange is planning, developing and implementing health care programs that will be administered and overseen by the Exchange. The goal of this project is to develop a standardized, long-term stakeholder process and approach, which will result in stakeholder engagement, involvement, feedback and input.

The Contractor will conduct a thorough review of state and federal statutes, proposed federal regulations, and broad stakeholder feedback regarding the existing short-term stakeholder process. The Contractor will develop the framework, structure, goals, objectives, and specific approaches for the long-term stakeholder process which will be needed as the Exchange works towards full implementation of Exchange functions.

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 in October 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 disseminated to known vendors with experience in developing a long-term stakeholder process. Under a tight timeframe, we hope to present the proposed award to the Board at the November Meeting and begin the project by December 1, 2011.

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Budgeted Cost: The Level I Grant application budgets \$400,000 for this project, which will be indicated as the project maximum in the Model Contract Solicitation.

Board Action Required and Sample Motion: Approval of the Contracting Strategy for the Stakeholder Consultation Procurement:

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