State of California—Health and Human Services Agency
Department of Health Services

California Department of Health Services
DIANA M. BONTÁ, R.N., Dr. P.H.
Director

GRAY DAVIS
Governor

February 10, 2003

Dear Interested Parties:

MEDI-CAL WORKERS' COMPENSATION RECOVERY PROGRAM REQUEST FOR PROPOSAL 03-75060 SOUTHERN REGION ADMINISTRATIVE BULLETIN 1, ADDENDUM 1.

Enclosed you will find Administrative Bulletin 1, Addendum Number 1 to the Request for Proposal (RFP) for the Medi-Cal Workers' Compensation Recovery Program (MWCRP) Southern Region. This addendum incorporates changes to the RFP that correct inaccuracies discovered in the review of the RFP. Within the text of the document, changes are highlighted to denote revisions.

Any changes made to the RFP are published as additional or replacement pages to the RFP. Because the RFP is available in hard copy and in an electronic version, two tables are included in this bulletin. The instructions for updating the hard copy version are for the replacement pages enclosed, which are double-sided.

In order to configure the RFP so that it accurately reflects the current requirements and considerations, add the new page or remove the existing page and insert the appropriate replacement page as indicated in the following table:

HARDCOPY VERSION

REMOVE EXISTING PAGES	ADD NEW/REPLACEMENT PAGES
RFP Introduction Page "Notice to Prospective Proposers".	RFP Introduction Page "Notice to Prospective Proposers".
RFP Page 4 & 5.	RFP Page 4 & 5.
RFP Page 6.	RFP Page 6.
RFP Page 11 & 12.	RFP Page 11 & 12.
RFP Page 13 & 14.	RFP Page 13 & 14.
RFP Page 21 & 22.	RFP Page 21 & 22.
RFP Page 27 & 28.	RFP Page 27 & 28.
RFP Page 29 & 30.	RFP Page 29 & 30.
RFP Page 33 & 34.	RFP Page 33 & 34.

Do your part to help California save energy. To learn more about saving energy, visit the following web site:
www.consumerenergycenter.org/flex/index.html

600 NORTH 10TH STREET, P.O. BOX 942732, SACRAMENTO, CA 94234-7320
TEL: (916) 323-7406 ~ FAX: (916) 464-0855
Internet Address: www.dhs.ca.gov/OMCP

REMOVE EXISTING PAGES	ADD NEW/REPLACEMENT PAGES
RFP Page 49 & 50.	RFP Page 49 & 50.
RFP Page 53.	RFP Page 53.

ELECTRONIC VERSION

REMOVE EXISTING PAGES	ADD NEW/REPLACEMENT PAGES
RFP Introduction Page "Notice to Prospective Proposers".	RFP Introduction page "Notice to Prospective Proposers".
RFP Page 5.	RFP Page 5.
RFP Page 6.	RFP Page 6.
RFP Page 11.	RFP Page 11.
RFP Page 13.	RFP Page 13.
RFP Page 22.	RFP Page 22.
RFP Page 27.	RFP Page 27.
RFP Page 30.	RFP Page 30.
RFP Page 33.	RFP Page 33.
RFP Page 49.	RFP Page 49.
RFP Page 53.	RFP Page 53.

Thank you for your continued interest in the Medi-Cal Workers' Compensation Recovery Program Southern Region procurement effort. If you should have any questions, please call Jesse Tanguileg, lead analyst assigned to this procurement, at (916) 323-7406.

Sincerely,

Carene Carolan for

Donna Martinez, Chief
Office of Medi-Cal Procurement

STATE OF CALIFORNIA—HEALTH AND HUMAN SERVICES AGENCY
GRAY DAVIS, *Governor*

Department of Health Services
714/744 P STREET
P.O. BOX 942732
SACRAMENTO, CA 94234-7320
(916) 323-7406

January 30, 2003

Dear Interested Party:

Notice to Prospective Proposers

You are invited to review and respond to this Request for Proposal (RFP) entitled, "Medi-Cal Worker's Compensation Recovery Program" for RFP Number 03-75060. In submitting your proposal, you must comply with the instructions found herein.

Note that all agreements entered into with the State of California will include by reference General Terms and Conditions and Contractor Certification Clauses that may be viewed and downloaded at the following Internet site: www.ols.dgs.ca.gov/standard+language/defaulthtm If you do not have Internet access, a hard copy can be obtained by contacting the person signing this letter.

If a discrepancy occurs between the information appearing in the advertisement placed in the California State Contracts Register and the information herein, the information in this notice and in the RFP shall take precedence.

I. Proposal Submission Deadline

Regardless of postmark or method of delivery, the Department of Health Services' (DHS) Contract Management Unit must receive proposal packages no later than **4:00 p.m.** on **April 9, 2003.** Refer to the attached RFP for detailed submission requirements.

II. "Voluntary" non-binding Letter of Intent

In this procurement, prospective Proposers are asked to voluntarily submit a non-binding Letter of Intent. See the RFP for detailed Letter of Intent submission instructions.

III. Disabled Veteran Business Enterprise (DVBE) participation requirements

California Law requires Disabled Veteran Business Enterprise (DVBE) participation and/or performance of a good faith effort (GFE) to meet these requirements. DHS policies require DVBE participation on all contracts exceeding $10,000. You may need four weeks or more to complete this process; therefore, you should begin this process promptly. Out-of-state firms must comply with California's DVBE participation requirements.

IV. Funding Limit

Funding for each state fiscal year is subject to an annual appropriation by the State Legislature or Congress. If full funding does not become available, DHS will cancel the resulting agreement or amend it to reflect reduced funding and reduced activities. Continuation beyond the first state fiscal year is also subject to the contractor's successful performance. Without prior DHS authorization, you may not expend funds set aside for one budget period in a subsequent budget period.

Attachment #	Attachment Name
Attachment 2	Required Attachment/Certification Checklist
Attachment 3	Proposer Information Sheet
Attachment 4	Proposer References
Attachment 5	RFP Clause Certification
Attachment 6	CCC 103 - Certification
Attachment 7	Payee Data Record
Attachment 8	DVBE Instructions/ Forms with Attachment 8a, Actual DVBE Participation and Attachment 8b, Good Faith Effort
Attachment 9	Target Area Contract Preference Request
Attachment 10	Enterprise Zone Act (EZA Preference Request)
Attachment 11	Cost Proposal Form
Attachment 12	"Voluntary" Letter of Intent
Attachment 13	Conflict of Interest Compliance Certificate

T. Sample Contract Forms / Exhibits

Exhibit #	Exhibit Name
Exhibit A 1	Standard Agreement
Exhibit A	Scope of Work
Exhibit B	Budget Detail and Payment Provisions
Exhibit C	General Terms and Conditions (GTC 103). View or download at this Internet site **http://admin.int.dhs.ca.gov/forms/html/contracts.htm**
Exhibit D (F)	Special Terms and Conditions
Exhibit E	Additional Terms and Conditions
Exhibit F	Contractor's Release
Exhibit G	Attestation of Understanding/Agreement Form

U. Program Appendices

Appendix #	Appendix Name
Appendix 1	Driving instructions to the Office of Medi-Cal Procurement
Appendix 2	Workers' Compensation Data and Information Library Listing
Appendix 3	Acronyms List
Appendix 4	Driving instructions and map to the Bidder's Conference

A. Purpose, Background and Description of Services

1. Purpose

The California Department of Health Services (DHS), Medi-Cal Workers' Compensation Recovery Program (WCRP) is soliciting proposals from firms that are able to be responsible for the Medi-Cal recoveries involving Workers' Compensation (WC) claims filed with insurance carriers and/or the Workers' Compensation Appeals Board (WCAB). Proposals must address all of the services described in Exhibit A entitled, "Scope of Work".

The Medi-Cal WCRP intends to make a two single contract awards to the most responsive and responsible firm(s) earning the highest score for a Northern and/or Southern region. It is possible for a single firm to be chosen for both awards and for the recovery rate to be different in each region. This Request for Proposal (RFP) is for the Southern Region only and encompasses 10 counties. The 10 counties designated in the WCRP contract for the Southern California Region are: Imperial; Kern; Los Angeles; Orange; Riverside; San Bernardino; San Diego; San Luis Obispo; Santa Barbara; and Ventura.

This procurement is open to all eligible firms and/or individuals that meet the qualification requirements, including commercial businesses, nonprofit organizations, State or public universities (including auxiliary organizations) and other entities.

2. Background

In July 1965, the Social Security Act (SSA) was amended to add Title XVIII, which established the Medicare Program, and Title XIX, which established the state-option Medicaid Program, in California as Medi-Cal. Title XIX provided federal reimbursement (called "federal financial participation") to those states that implemented a Medicaid Program.

California State legislation implementing the Title XIX program was signed in November 1965. Medi-Cal, the California Medicaid program, became effective in March 1966. Prior to the start of Medi-Cal, indigent Californians were provided health care services through a variety of programs administered by the counties. With the advent of Medi-Cal, a wide range of health benefits are provided uniformly to certain individuals throughout the State whose income and resources are insufficient to meet the costs of necessary medical services without jeopardizing the person's, or family's, self-maintenance and security.

Title XIX, Section 1902, Subsection (a) (25) of the SSA directs any state agency administering a plan for medical assistance under this chapter to take all reasonable measures to determine the legal responsibility of a party or carrier as it relates to the payment of medical care arising out of injury-related illnesses or injuries. If a carrier is legally liable, the State shall seek reimbursement to the extent of legal liability.

In 1981, Welfare and Institutions Code Section 14124.82 directed the State to enter into at least two pilot project contracts for WC recoveries. Subsequent to the expiration of the pilot project contracts, W&I Code Section 14124.88 allowed the Department of Health Services, at its discretion, to continue contracting out the WCRP. However, a separate contract is required for the northern region and the southern region. As such, the State has contracted out the WCRP since 1991.

Each Contractor receives a fixed percentage based on the amount of recoveries collected on behalf of the State for WC cases, under the terms of their contracts.

Medi-Cal WCRP recovery cases are developed and carried out from the discovery of a case to closure or settlement. All cases discovered and filed with the appropriate WC carrier or WCAB prior to the termination and/or expiration of this contract shall remain with the existing Contractor. Extensive transition activities are not contemplated from the current Contractor to the new Contractor. Upon termination of the existing contract, unprocessed potential case referrals (as identified and provided by the Department) will be transferred to the new Contractor within thirty State working days of the expiration of the contract. There will also be a transparent change over in some of the administrative areas of the contract to provide the successful Contractor with the necessary systems access and claims data to perform the work described in this RFP. WCRP cases are identified by an electronic data match between the Department of Industrial Relations and the Medi-Cal Eligibility Data Systems (MEDS). Matching data will be forwarded to the successful Contractor(s). Access to eligibility information and resources to order Medi-Cal beneficiary claim history reports will be available for each region. Refer to Scope of Work and Data Library Listing, for additional information and/or examples.

Contractor recovery of Medi-Cal expenditures in WCRP cases for fiscal year 01/02 were approximately 2.6 million dollars. A listing of the WCRP lien figures supplied to the Department in the quarterly, and fiscal year reports submitted by the current Contractors are available for viewing in the Data Library, beginning February 3, 2003.

Please refer to Appendix 2, Data Library Listing.

B. Time Schedule

Below is the tentative time schedule for this procurement:

Event	Date	Time (If applicable)
RFP Released	2/3/03	
Questions Due	2/10/03	4:00 p.m.
Voluntary Pre-Proposal Conference	2/13/03	10:00 a.m.
Voluntary Letter of Intent	2/25/03	4:00 p.m.
Proposal Due Date	4/9/03	4:00 p.m.
Notice of Intent to Award Posted	5/19/03	
Protest Deadline	6/23/03	5:00 p.m.
Contract Award Date	6/30/03	
Proposed Start Date of Agreement	7/1/03	

C. Contract Term

The term of the resulting agreement is expected to be 36 months and is anticipated to be effective from July 1, 2003 through June 30, 2006. The agreement term may change if DHS

Refer to the RFP section entitled, "Proposer Questions" for instructions on how to submit written questions and inquiries before the conference date.

If DHS is unable to respond to all inquiries received before and/or during the conference, DHS will provide written answers shortly thereafter. DHS reserves the right to determine which inquiries will be answered during the conference and which will be answered later in writing.

After the conference, DHS will summarize all general questions and issues raised before and during the conference and mail or fax the summary and responses to all persons who received this RFP, and to those who attended/participated in the conference. If an inquiry appears to be unique to a single firm or is marked "Confidential", DHS will mail or fax a response only to the inquirer if DHS concurs with the Proposers claim that the inquiry is sensitive or proprietary in nature. If DHS does not concur, the inquiry will be answered in the manner described herein and the Proposer will be so notified. Inquiries and/or responses that DHS agrees should be held in confidence shall be held in confidence only until the Notice of Intent to Award is posted.

To the extent practical, inquiries shall remain as submitted. However, DHS may consolidate and/or paraphrase similar or related inquiries.

Proposers are responsible for their costs to attend/participate in the conference. Those costs cannot be charged to DHS or included in any cost element of the Proposers price offering.

For driving and parking instructions for the Pre-Proposal Conference, see Appendix 1.

G. Reasonable Accommodations

Upon request, DHS will provide reasonable accommodation to a prospective Proposer with a physical impairment who needs assistance to participate/attend the Pre-Proposal Conference. Call Jesse Tanguileg at (916) 323-7406 **no later than February 7, 2003** to arrange for reasonable accommodations. Contact the Office of Civil Rights for assistance in obtaining accommodations for the disabled.

H. "Voluntary" Letter of Intent

1. General information

Prospective Proposers asked to voluntarily indicate either their intention to submit a proposal or to indicate the reason(s) for not submitting a proposal. Failure to submit a Letter of Intent will not affect the acceptance of any proposal. The Letter of Intent is not binding and prospective Proposers are not required to submit a proposal merely because a Letter of Intent is submitted. **Use the Letter of Intent (Attachment 12) for this purpose.**

2. Submitting a Letter of Intent

Regardless of delivery method, the "Voluntary" Letter of Intent must be received by **4:00 p.m. on February 25, 2003.**

Submit the Letter of Intent using one of the following methods.

U.S. Mail, Hand Delivery or Overnight Express:	Fax:
Letter of Intent RFP 03-75060 Department of Health Services Office of Med-Cal Procurement Attention: Jesse Tanguileg 600 North 10th Street, Room 240C P.O. Box 942737 Sacramento, CA 94234-7320	**Letter of Intent RFP 03-75060** Department of Health Services Office of Medi-Cal Procurement Attention: Jesse Tanguileg **Fax:** (916) 323-7456

Proposers transmitting a Letter of Intent by fax are responsible for confirming the receipt of the faxed Letter of Intent by the stated deadline.

Call Jesse Tanguileg at (916) 323-7406 to confirm faxed transmissions.

3. **Proposer Warning**

DHS' internal processing of U.S. mail may add 48 hours or more to the delivery time. If you mail the Letter of Intent, consider using certified or expressed mail and request a receipt confirming delivery date and time. If you choose hand delivery, allow sufficient time to locate parking and to sign-in at the security desk.

For driving and parking instructions, see Appendix 1.

I. Scope of Work

See Exhibit A entitled, "Scope of Work" that is included in the Sample Contract Forms and Exhibits section of this RFP. Exhibit A contains a detailed description of the services and work to be performed as a result of this procurement.

J. Qualification Requirements

Failure to meet the following requirements by the proposal submission deadline will be grounds for DHS to deem a Proposer non-responsive. Evaluators may choose not to thoroughly review or score proposals that fail to meet these requirements. In submitting a proposal, each Proposer must certify and prove that it possesses the following qualification requirements.

1. At lease three consecutive years of experience of the type(s) listed below. All experience must have occurred within the past five years. It is possible to attain the experience types listed below during the same time period. Each Proposer must have the legal capacity to enter into a contract with the State and must meet the State's financial viability requirements. If a Proposer is bidding for more than one Region, it must meet the cumulative financial requirements for all the Region bids. Any contract awarded to a Proposer must identify such Proposer as the contractor, who shall assume all rights and responsibilities.

2. The Proposer must have relevant prior experience similar to the work contemplated by this RFP, and which demonstrates the Proposers ability to perform the work. Such experience may consist of a combination of experience either by the Proposer or by a parent corporation of the Proposer, or the relevant work experience of a subcontractor. If the prior experience and demonstrated ability requirements are to be met by the experience of subcontractors, documentation of the subcontractors' experience of and ability must be formally submitted and accepted as part of the Proposers' Technical Proposal. Consideration will be given to

the takeover, development, modification and/or operation of any recovery program with particular emphasis on:

a. Workers' Compensation Recovery Programs

b. Medicaid Programs

c. Government Contracts

d. Other Third Party Liability Recovery Programs

3. Proposers must certify that they have read and are willing to comply with all proposed terms and conditions addressed in the RFP section entitled, "Contract Terms and Conditions", including the terms appearing in the referenced contract exhibits and attachments.

4. **Corporations** must certify that they are in good standing and qualified to conduct business in California.

5. **Non-profit organizations** must certify they are eligible to claim nonprofit status.

6. Proposers must certify that they have a past record of sound business integrity and a history of being responsive to past contractual obligations.

7. Proposers must certify they are financially stable and solvent and have adequate cash reserves to meet all financial obligations while awaiting reimbursement from the State.

8. Proposers must either achieve actual Disabled Veteran Business Enterprise (DVBE) participation **or** make an adequate Good Faith Effort (GFE) to meet the DVBE participation requirements. Detailed requirements are outlined in **Attachment 8** (DVBE Instructions/Forms). This requirement applies if you offer a total cost or price that is $10,000 or more.

9. The winning Proposer must supply, before contract execution, proof of liability insurance that meets the requirements of Provision 17 of **Exhibit D (F)** entitled, Special Terms and Conditions.

10. Proposers must certify and submit proof that no prohibited conflict of interest exists.

K. Proposal Format and Content Requirements

1. General Instructions

a. Each firm or individual may submit only one proposal for each RFP region

For the purposes of this paragraph, "firm" includes a parent corporation of a firm and any other subsidiary of that parent corporation. If a firm or individual submits more than one proposal, DHS will reject all proposals submitted by that firm or individual.

A firm or individual proposing to act as a prime contractor may be named as a subcontractor in another Proposer's proposal. Similarly, more than one Proposers may use the same subcontractors and/or independent consultants.

b. Develop proposals by following all RFP instructions and/or clarifications issued by DHS in the form of question and answer notices, clarification notices, Administrative Bulletins or RFP addenda.

c. Before submitting your proposal, seek timely written clarification of any requirements or instructions that you believe to be vague, unclear, or that you do not fully understand.

d. In preparing your proposal response, all narrative portions should be straightforward, detailed and precise. DHS will determine the responsiveness of a proposal by its quality, not its volume, packaging or colored displays.

e. Arrange for the timely delivery of your proposal package(s) to the address specified in this RFP. Do not wait until shortly before the deadline to submit your proposal.

2. Format Requirements

a. Submit one (1) original proposal and five (5) copies or sets, and one (1) copy on CD-R in any DHS standard platform (i.e. Word, Excel, Adobe).

1) Write **"Original"** on the original proposal set.

2) Each proposal set must be complete with a copy of all required attachments and documentation.

b. Format the narrative portions of the proposal as follows:

1) Use one-inch margins at the top, bottom, and both sides.

2) Use a font size of not less than 11 points.

3) Print pages single-sided on white bond paper.

4) Sequentially paginate the pages in each section. It is not necessary to paginate items in the Forms Section or Appendix Section.

c. Bind each proposal set in a way that enables easy page removal. Loose leaf or three-ring binders are acceptable.

d. All RFP attachments that require a signature must be signed in ink, preferably in a color other than black.

1) Have a person who is authorized to bind the proposing firm sign each RFP attachment that requires a signature. Signature stamps are not acceptable.

2) Place the originally signed attachments in the proposal set marked "Original".

3) The RFP attachments and other documentation placed in the extra proposal sets may reflect photocopied signatures.

4) For the CD-R copy: any document requiring a signature or any document that cannot be electronically copied should be scanned and placed on the Compact Disc as a PDF file.

e. Do not mark any portion of your proposal response, any RFP attachment or other item of required documentation as "Confidential" or "Proprietary". DHS will disregard any language purporting to render all or portions of a proposal confidential.

DHS' right to approve personnel or staffing selections or changes made after the contract award.

ii. For subcontractors and/or independent consultants that cannot be identified when the proposal is submitted to DHS or are to be determined (TBD) after the contract is executed, include:

A. An identification of the functions, activities and responsibilities that you intend to assign to each subcontractor and/or independent consultant.

B. A description of the process that you will use to obtain DHS approval of each subcontractor and/or independent consultant selection along with approval of their budgeted costs and assigned responsibilities.

h. Cost Section

1) Basic content

The cost proposal must be submitted in separate sealed envelope with the statement "Cost Proposal for RFP 03-75060" written on the outside of the envelope.

The Cost section will consist of the following documents:

a) The Cost Proposal Form as described below.
b) Cost recovery amount and annual recovery amount with justification and methodology.
c) Financial Stability and Guaranty Provisions Plan as described below.
d) Subcontractor Budgets for each fiscal year or budget period, if applicable.

2) General instructions

a) All cost forms must be typewritten or completed in ink. Errors, if any, should be crossed out and corrections should be printed in ink or typewritten adjacent to the error. The person who signs the Cost Proposal should initial all corrections, preferably in blue ink.

b) On the Cost Proposal Form, indicate the annual cost for each budget period and include a total cost.

c) When completing the cost forms, include all estimated costs to perform the services for the entire term, including applicable annual rate adjustments attributable to merit increases, profit margins, and inflation or cost of living adjustments.

d) This is a contingency based contract, as such DHS will not fund:

1) All unit rates/costs, if any for each fiscal year.

2) Personnel costs.

3) Fringe benefits.

4) Operating expenses.

5) Equipment expenses.

6) Travel expenses.

7) Costs of Litigation.

8) Indirect Costs.

9) Other Costs.

3) Cost Proposal

a) Proposers shall submit a cost proposal at the time as their narrative proposal.

b) The Proposer shall prepare and submit one original cost proposal, typewritten or laser printed. The five (5) additional copies of the cost proposal, may reflect photocopied signatures and initials. The Contractor's Representative, pursuant to the requirements of Delegation of Authority, shall sign the document.

4) Cost Recovery Amount and Annual Recovery Amount

For the purpose of this RFP, the cost proposal is to be expressed as a fixed percentage bid by the Contractor to recover Medi-Cal expenditures involving WC and the WCAB on behalf of the State. The Contractor's bid shall be representative of the percentage that will be received for each dollar collected for the State. Justification of the proposed cost recovery rate should be included. The cost recovery rate may not exceed 25 percent, which is the statutory limitation set forth in Welfare & Institutions (W&I) Code Section 14124.83(b). Deviation from this range shall render a cost proposal non-responsive. The Centers for Medicare and Medicaid has suggested the maximum cost recovery rate for contingency fee contracts should not exceed 15 percent.

The Proposers cost recovery rate will remain the same for the duration of the contract.

The Proposer shall submit an estimated annual projected recovery amount with the methodology on how the estimate was derived. The Proposer's recoveries will be expected to meet the annual projected recovery amount beginning with State fiscal year 2003/2004 of the $1.25 million contract. The cost proposal will be deemed non-responsive and will be disqualified from further consideration in the procurement process.

The DHS will not accept any annual projected recovery amount less than $1.25 million. Should any cost proposal include an amount less than $1.25 million in annual projected recoveries, the cost proposal will be deemed non-responsive and will be disqualified from further consideration in the procurement process.

The Proposer's annual projected recovery amount will be evaluated based on the formula described in Section M, Evaluation and Selection.

5) Cost Proposal Form

The Proposer shall submit the completed Cost Proposal Form, **Attachment 11**, for the recovery rate being bid for this contract.

a) Enter Estimated Annual Recovery Amount

Attachment and/or Documentation	Instructions
8a - Actual DVBE Participation and applicable DVBE certification(s) **and/or** 8b - Good Faith Effort with required documentation	Read and carefully follow the completion instructions in Attachment 8. Attach the documentation that is required for the form(s) you choose to submit. One and/or both of these two forms may be required. **Submission of these forms only applies to contract awards that equal $10,000 or more for the entire contract term.**
9 -Target Area Contract Preference Act Request	Complete and return this form, only if your firm is based in California, your total bid is $100,000 or more, DHS has not pre-set any part of the work location, and you wish to apply for TACPA preference.
10-Enterprise Zone Act (EZA) Preference Request	Complete and return this form, only if your firm is based in California, the total bid offered is $100,000 or more, no part of the work location has been preset by DHS, and you wish to apply for EZA preference.
11- Cost Proposal Form	Completion of this form is self-explanatory.
12- "Voluntary" Letter of Intent	Completion of this form is self-explanatory.
13- Conflict of Interest Compliance Certificate	Completion of this form is self-explanatory.

L. Proposal Submission

1. General Instructions

a. Assemble an original, five (5) copies and the CD-R version of your proposal together. Place the proposal set marked "Original" on top, followed by the five (5) extra copies and then the CD-R copy.

b. Place all proposal copies in a single envelope or package, if possible. Seal the envelope or package.

If you submit more than one envelope or package, carefully label each one as instructed below and mark on the outside of each envelope or package "1 of X", "2 of X", etc.

c. Mail or arrange for hand delivery of your proposal to the DHS, Office of Medi-Cal Procurement (OMCP). **Proposals may not be transmitted electronically by fax or email.**

d. The OMCP must receive your proposal, regardless of postmark or method of delivery, by **4:00 p.m. on April 9, 2003.** Late proposals will not be reviewed or scored.

e. Label and submit your proposal using one of the following methods.

Hand Delivery or Overnight Express:	U.S. Mail:
Proposal RFP 03-75060 Department of Health Services Office of Medi-Cal Procurement 600 North 10th Street, Room 240C Sacramento, CA 95814	**Proposal RFP 03-75060** Department of Health Services Office of Medi-Cal Procurement P.O. Box 942732 Sacramento, CA 94234-7320

Proposer Warning

DHS' internal processing of U.S. mail may add 48 hours or more to the delivery time. If you mail your proposal, consider using certified or express mail and request a receipt upon delivery. If you choose hand delivery, allow sufficient time to locate parking and to sign-in at the security desk

2. **Proof of Timely Receipt**

   a. DHS staff will log and attach a date/time stamped slip or bid receipt to each proposal package/envelope received. If a proposal envelope or package is hand delivered, DHS staff will give a bid receipt to the hand carrier upon request.

   b. To be timely, DHS' Contract Management Unit must receive each proposal at the stated delivery address no later than 4:00 p.m. on the proposal submission due date. Neither delivery to the department's mailroom or a U.S. postmark will serve as proof of timely delivery.

   c. DHS will deem late proposals non-responsive.

3. **Proposer Costs**

   Proposers are responsible for all costs of developing and submitting a proposal. Such costs cannot be charged to DHS or included in any cost element of a Proposers price offering.

M. Evaluation and Selection

Evaluation and Selection will consist of multiple stages as further described below. An evaluation committee will be used for all stages. This evaluation committee is comprised of three separate groups. One group will function as the evaluation scoring committee (ESC), the second group will function as the rating review committee (RRC), and the third group will be an executive review committee (ERC).

Individuals assigned to the ESC will be responsible for the separate review of proposals as described in the stages below. The RRC will be comprised of OMCP management staff and evaluation team leads. The RRC will interact with the ESC throughout the evaluation process as described in the following stages. The ERC, composed of Department management officials, will review the evaluation process and recommended scores for each proposal as a final stage to the procurement process. This is to assure all appropriate procedures and processes have been followed.

Additionally, the ERC may seek independent review or advice from individuals within the Department or elsewhere regarding procurement policy matters, proposal scoring, technical proposal deficiencies, and acceptability.

The primary objective of the evaluation process is to award the Medi-Cal/MWCRP project contract to the Proposer who has best demonstrated the ability, capability, and willingness to meet all of the contract requirements. The evaluation of the technical and cost proposals will place an emphasis on a high level of technical competency in managing an identification and recovery system. It will also place an emphasis on the approach with which the Proposers prior experience and their demonstrated abilities and capabilities will be applied to maximizing the recovery of Medi-Cal expenditures. Consideration will also be given to the Proposers ability to develop innovative and creative approaches to the Medi-Cal/WCRP project that are realistic and have practical applicability to the State. In the selection of a Contractor, as provided for in Public Contract Code Section 10344(c), cost to the State is 30 percent.

A multiple stage evaluation process will be used to review and/or score technical proposals. DHS will reject any proposal that is found to be non-responsive at any stage of evaluation.

1. **Stage 1 – Required Attachment / Certification Checklist Review**

   a. Shortly after the proposal submission deadline, DHS staff will convene to review each proposal for timeliness, completeness and initial responsiveness to the RFP requirements. This is a pass/fail evaluation.

   b. In this review stage, DHS will compare the contents of each proposal to the claims made by the Proposer on the Required Attachment / Certification Checklist to determine if the Proposers claims are accurate.

   c. If deemed necessary, DHS may collect additional documentation (i.e., missing forms, missing data from RFP attachments, missing signatures, etc.) from a Proposer to confirm the claims made on the Required Attachment / Certification Checklist and to ensure that the proposal is initially responsive to the RFP requirements.

   d. If a Proposers claims on the Required Attachment / Certification Checklist cannot be proven or substantiated, the proposal will be deemed non-responsive and rejected from further consideration.

2. **Stage 2 – Acceptable/Unacceptable Determination of Technical Proposals**

   a. Proposals that appear to meet the basic format requirements, initial qualification requirements and contain the required documentation, as evidenced by passing the Stage 1 review, will be submitted to a rating committee.

      The raters will individually and/or as a team review, evaluate and numerically score proposals based on the proposal's adequacy, thoroughness, and the degree to which it complies with the RFP requirements.

   b. DHS will use the following scoring system to assign points. Following this chart is a list of the considerations that raters may take into account when assigning individual points to a technical proposal.

Points	Interpretation	General basis for point assignment
0	Inadequate	Proposal response (i.e., content and/or explanation offered) is inadequate or does not meet DHS' needs/requirements or expectations. The omission(s), flaw(s), or defect(s) are significant and unacceptable.

Points	Interpretation	General basis for point assignment
1	**Barely Adequate**	Proposal response (i.e., content and/or explanation offered) is barely adequate or barely meets DHS' needs/requirements or expectations. The omission(s), flaw(s), or defect(s), are inconsequential and acceptable.
2	**Fully Adequate**	Proposal response (i.e., content and/or explanation offered) is fully adequate or fully meets DHS' needs/requirements or expectations. The omission(s), flaw(s), or defect(s), if any, are inconsequential and acceptable.
3	**Excellent or Outstanding**	Proposal response (i.e., content and/or explanation offered) is above average or exceeds DHS' needs/requirements or expectations. Minimal weaknesses are acceptable. Proposer offers one or more enhancing feature, method or approach that will enable performance to exceed our basic expectations.

c. In assigning points for individual rating factors, raters may consider issues including, but not limited to, the extent to which a proposal response:

1) Is lacking information, lacking depth or breadth or lacking significant facts and/or details, and/or

2) Is fully developed, comprehensive and has few if any weaknesses, defects or deficiencies, and/or

3) Demonstrates that the Proposer understands DHS' needs, the services sought, and/or the contractor's responsibilities, and/or

4) Illustrates the Proposers' capability to perform all services and meet all scope of work requirements, and/or

5) If implemented, will contribute to the achievement of DHS'goals and objectives, and/or

6) Demonstrates the Proposers' capacity, capability and/or commitment to exceed regular service needs (i.e., enhanced features, approaches, or methods; creative or innovative business solutions).

d. Below are the point values for each rating category that will be scored.

1) Proposals, will be scored on a scale of 0 to 147 points, as follows:

Rating Category	Points
Executive Summary	21
Agency Capability	21
Work Plan	24
Management Plan	18
Project Personnel	9
Start-Up/Take-Over Plan	15
Scope of Work	39
Grand Total	**147**

6. Stage 6 – Final Score Calculation

DHS will use the formula shown below to calculate final proposal scores and to determine the highest scored proposal.

a. Narrative Proposal Score X 70% = Technical Score
b. Cost Section Score X 30% = Cost Score

c. Technical Score
+ Cost Score
= Total Point Score

The contract will be awarded to the responsive and responsible Proposer with the highest total point score received when the numeric scores of the narrative proposal and the cost proposal are combined, including Small Business and TACPA preference points, if applicable. In the event that two Proposers receive the same total combined score, the Department shall award the contract to the Proposer with the highest narrative proposal score.

N. Narrative Proposal Rating Factors

Raters will use the following criteria to score the narrative portion of each proposal.

1. Executive Summary

Executive Summary Rating Factors	Points Possible	Points Earned
To what extent did the Proposer express, in its own words, its understanding of DHS' needs and the importance of this project? **Assign 1 point or 0 points if the Proposer restates or paraphrases information in the RFP.**	3	
To what extent did the Proposer demonstrate the tangible results that it expects to achieve? **Assign 1 point or 0 points if the Proposer restates or paraphrases information in the RFP.**	3	
To what extent did the Proposer express a sincere commitment to perform this work in an efficient and timely manner?	3	
To what extent did the Proposer demonstrate that it can effectively integrate this project into its current obligations and existing workload?	3	
To what extent did the Proposer adequately explain why it should be chosen to undertake this project at this time?	3	
To what extent did the Proposer demonstrate that this contract is a high priority to the Proposer and it's subcontractor(s), if applicable? Consider the priority this contract would have among the Proposer's current activities and projects.	3	
To what extent does the proposer demonstrate there are available resources to perform obligations under this contract?	3	

Executive Summary Rating Factors	Points Possible	Points Earned
To what extent is the Proposer committed to research, develop, and produce Medi-Cal WCRP recoveries?	3	
Executive Summary Score	**__21__ Points earned =**	**_____**

2. Agency Capability

Agency Capability Rating Factors	Points Possible	Points Earned
To what extent does the Proposer's demonstrate the capability and experience necessary to fulfill all tasks/deliverables detailed in the Scope of Work? Considerations Does the Proposer have: a. Previous Worker's Compensation Appeals Board contract recovery experience? b. Medi-Cal contract experience? c. Medicaid contract experience? d. Third Party Liability recovery experience?	3	
To what extent does the Proposer's description of accounts or projects begun and/or completed in the last three years demonstrate that the Proposer has contract recovery experience that is similar in nature or closely related to the "Scope of Work" in this RFP? Considerations: a) Name of agency or firm for whom services were performed. b) Duration or length of the project. c) Total cost or value of the project (amount of recoveries). d) Description of the type and nature of the services performed, include the volume of WC recovery cases handled on an ongoing basis.	3	
Based on the Proposer's experience described, to what extent does the Proposer possess experience in Workers' Compensation? If a Subcontractor is being used, the Subcontractor's experience should also be considered.	3	
Based on the Proposer's experience described, to what extent does the Proposer possess experience in the identification and recovery from Workers' Compensation? If a Subcontractor is being used, the Subcontractor's experience should also be considered.	3	

1) The prices in this bid or proposal have been arrived at independently without any consultation, communication or agreement with any other Proposer or competitor for the purpose of restricting competition relating to:

   a) The prices or costs offered,
   b) The intention to submit a bid or proposal,
   c) The methods or factors used to calculate the costs or prices offered.

2) The prices in this bid or proposal have not been and will not be knowingly disclosed by the Proposer, directly or indirectly, to any other Proposer or competitor before the bid/cost proposal opening date or date of contract award posting, unless otherwise required by law.

3) No attempt has been made or will be made by the Proposer to induce any other firm or entity to submit or not to submit a bid or proposal for the purpose of restricting competition.

b. Each signature appearing on the documents contained in this bid package/proposal is considered to be a certification by the signatory that the signatory:

   Is the person in the Proposer's organization that is either responsible for determining the prices offered in this bid or proposal and/or is designated to complete the bid or proposal forms on behalf of the bidding firm, and the signatory has not participated and will not participate in any action contrary to all subsections of paragraph A.

2. Debarment and Suspension Certification

a. The Contractor certifies to the best of its knowledge and belief, that it and its principals:

1) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any federal department or agency;

2) Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) transaction or contract under a public transaction; violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;

3) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph a.2) of this certification; and

4) Have not within a three-year period preceding this application/proposal had one or more public transactions (Federal, State or local) terminated for cause or default.

5) It shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in such transaction, unless authorized by the State.

6) It will include a clause entitled "Debarment and Suspension Certification" that essentially sets forth the provisions herein, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

b. If the Contractor is unable to certify to any of the statements in this certification, the Contractor shall submit an explanation to the program funding this contract.

3. Lobbying Restrictions and Disclosure

(This certification only applies if the resulting contract total will equal or exceed $100,000 and the contract will be federally funded in part or whole.)

a. The Contractor certifies, to the best of its knowledge and belief, that:

1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the Contractor, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

2) If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the Contractor shall complete and submit federal Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.

3) The Contractor shall require that the contents of this certification be collected from the recipients of all sub-awards, exceeding $100,000, at all tiers (including subcontracts, sub-grants, etc.) and shall be maintained for three years following final payment/settlement of those agreements.

b. This certification is a material representation of fact upon which reliance was placed when this contract was made and/or entered into. The making of the above certification is a prerequisite for making or entering into this contract pursuant to 31 U.S.C. 1352 (45 CFR 93). Any person who fails to file the required certification shall be subject to a civil penalty of not less than $10,000 and not more than $100,000 for each such failure.

c. The Standard Form-LLL may be obtained from various federal agencies, federally sponsored World Wide Web Internet sites, DHS upon request or may be copied from Exhibit D (F) entitled, Special Terms and Conditions.

R. Preference Programs

To confirm the identity of the highest scored responsible Proposer, DHS will adjust the total point score for applicable claimed preference(s). DHS will apply preference adjustments to eligible Proposers according to State regulations following verification of eligibility with the appropriate office of the DGS.

1. Small Business Enterprises (including Micro-businesses)

a. Responsive and responsible California Proposers claiming preference and verified as a certified small business (including micro-business) in a relevant business type will be granted a preference of five percent of the total point score earned by the responsive and responsible Proposer with highest combined score, if the highest scored proposal is

the right to use the latest version of any form or exhibit listed below in the resulting agreement if a newer version is available.

The exhibits identified below illustrate many of the terms and conditions that may appear in the final agreement between DHS and the winning Proposer. Other terms and conditions, not specified in the exhibits identified below, may also appear in the resulting agreement. Some terms and conditions are conditional and may only appear in an agreement if certain conditions exist (i.e., contract total exceeds a certain amount, federal funding is used, etc.).

In general, DHS will not accept alterations to the General Terms and Conditions (GTC), DHS' Special Terms and Conditions, the Scope of Work, other exhibit terms/conditions, or alternate language that is proposed or submitted by a prospective contractor. DHS may consider a proposal containing such provisions "a counter proposal" and DHS may reject such a proposal as non-responsible.

1. Sample Contract Forms / Exhibits

Exhibit Label	Exhibit Name
a. Exhibit A1	Standard Agreement
b. Exhibit A	Scope of Work (16 pages)
c. Exhibit B	Budget Detail and Payment Provisions (4 pages)
d. Exhibit C - View on-line.	General Terms and Conditions (GTC 103). View or download this exhibit at this Internet site http://www.dgs.ca.gov/Standard+Language/default.htm
e. Exhibit D (F)	Special Terms and Conditions (26 pages)
f. Exhibit E	Additional Terms and Conditions (31 pages)
g. Exhibit F	Contractor's Release (1 page)
h. Exhibit G	Attestation of Understanding/Agreement Form (2 pages)

2. Unanticipated Tasks

In the event unanticipated or additional work must be performed that is not identified in this RFP, but in DHS' opinion is necessary to successfully accomplish the scope of work, DHS will initiate a contract amendment to add that work. All terms and conditions appearing in the final contract including the cost recovery/bid rate will apply to any additional work.

3. Resolution of Language Conflicts (RFP vs. Final Agreement)

If an inconsistency or conflict arises between the terms and conditions appearing in the final agreement and the proposed terms and conditions appearing in this RFP, any inconsistency or conflict will be resolved by giving precedence to the final agreement.