



8570 EXECUTIVE PARK AVENUE  
FAIRFAX, VIRGINIA 22031

## Request for Proposals

**Number:** RFP 15-02

**Title:** Third-Party Administration Services for Health Plan

**Date Issued:** March 17, 2015

**Deadline for Questions: March 26, 2015** 5:00 p.m., March 27, 2015

**Deadline for Submitting Proposals:** 2:00 p.m., April 24, 2015

**Proposals to Be Delivered to:** Procurement Department  
Fairfax Water  
8570 Executive Park Avenue  
Fairfax, Virginia 22031

**Procurement Contact:** Donald R. Legg, CPPO  
Procurement Manager  
Telephone: 703-289- 6261  
Facsimile: 703-289-6262  
E-Mail: [ProclH@fairfaxwater.org](mailto:ProclH@fairfaxwater.org)

RFP # 15-02

<b>1.</b>	<b>SUMMARY INFORMATION .....</b>	<b>1</b>
<b>1.1</b>	<b>Introduction and Objective .....</b>	<b>1</b>
<b>1.2</b>	<b>Contract Award.....</b>	<b>1</b>
<b>1.3</b>	<b>Definitions .....</b>	<b>1</b>
<b>1.4</b>	<b>Term of Contract and Contract Renewal .....</b>	<b>3</b>
<b>1.5</b>	<b>Minimum Qualifications.....</b>	<b>3</b>
<b>2.</b>	<b>SCOPE OF WORK .....</b>	<b>4</b>
<b>2.1</b>	<b>Description and Summary Requirements.....</b>	<b>4</b>
<b>2.2</b>	<b>General Requirements.....</b>	<b>4</b>
<b>2.3</b>	<b>References .....</b>	<b>7</b>
<b>2.4</b>	<b>Insurance Claims Against Offeror.....</b>	<b>7</b>
<b>3.</b>	<b>SUBMISSION OF PROPOSALS AND METHOD OF EVALUATION .....</b>	<b>8</b>
<b>3.1</b>	<b>General.....</b>	<b>8</b>
<b>3.2</b>	<b>Proprietary Information.....</b>	<b>8</b>
<b>3.3</b>	<b>Questions and Communications .....</b>	<b>8</b>
<b>3.4</b>	<b>Addenda to the RFP .....</b>	<b>9</b>
<b>3.5</b>	<b>Duration of Proposals .....</b>	<b>9</b>
<b>3.6</b>	<b>Instructions for Submitting Proposals .....</b>	<b>9</b>
<b>3.7</b>	<b>Contractor Identification.....</b>	<b>10</b>
<b>3.8</b>	<b>Late Proposals .....</b>	<b>10</b>
<b>3.9</b>	<b>Proposal Organization .....</b>	<b>11</b>
<b>3.10</b>	<b>Evaluation Process.....</b>	<b>11</b>
<b>3.11</b>	<b>Acceptable and Unacceptable Proposals and Rejection of Offers .....</b>	<b>12</b>
<b>3.12</b>	<b>Oral Presentations .....</b>	<b>12</b>
<b>3.13</b>	<b>Final Ranking and Selection.....</b>	<b>12</b>
<b>3.14</b>	<b>Negotiation .....</b>	<b>13</b>
<b>4.</b>	<b>STANDARD TERMS AND CONDITIONS.....</b>	<b>14</b>
<b>4.1</b>	<b>Authorization to Do Business in Virginia * .....</b>	<b>14</b>
<b>4.2</b>	<b>Antitrust.....</b>	<b>14</b>
<b>4.3</b>	<b>Annual Economic Price Adjustment .....</b>	<b>14</b>
<b>4.4</b>	<b>Arrearage.....</b>	<b>14</b>
<b>4.5</b>	<b>Assignment of Interest * .....</b>	<b>15</b>
<b>4.6</b>	<b>Availability of Funds.....</b>	<b>15</b>
<b>4.7</b>	<b>Cancellation .....</b>	<b>15</b>
<b>4.8</b>	<b>Compliance with Laws.....</b>	<b>15</b>
<b>4.9</b>	<b>Contract Changes / Change Orders .....</b>	<b>15</b>
<b>4.10</b>	<b>Debarment Status .....</b>	<b>16</b>
<b>4.11</b>	<b>Drug-free workplace to be maintained by contractor *.....</b>	<b>16</b>
<b>4.12</b>	<b>Employment Discrimination by Contractor Prohibited; Required Contract Provisions*</b>	<b>17</b>
<b>4.13</b>	<b>Ethics in Public Contracting *.....</b>	<b>17</b>
<b>4.14</b>	<b>Examination of Records.....</b>	<b>17</b>
<b>4.15</b>	<b>Familiarity with Scope of Work.....</b>	<b>18</b>
<b>4.16</b>	<b>Formation of Contract with Successful Offeror .....</b>	<b>18</b>
<b>4.17</b>	<b>Governing Law; Venue; Waiver of Jury Trial * .....</b>	<b>18</b>
<b>4.18</b>	<b>Incorporation by Reference.....</b>	<b>19</b>
<b>4.19</b>	<b>Indemnification and Responsibility for Claims and Liability.....</b>	<b>19</b>

RFP # 15-02

4.20	Insurance .....	19
4.21	Partial Invalidity .....	21
4.22	Payment .....	21
4.23	Payment Clauses Required in All Contracts * .....	22
4.24	Precedence of Terms .....	22
4.25	Price Firm Period .....	23
4.26	Rider Clause .....	23
4.27	Tax Exemption .....	23
4.28	Termination of Contract .....	23
4.29	Unit Prices Prevail .....	24
4.30	Virginia Freedom of Information Act .....	24
4.31	Authority to Transact Business in Virginia* .....	24
4.32	Licensure .....	24
4.33	Contractual Disputes .....	25
4.34	Faith-Based Organizations * .....	25
4.35	Immigration Reform and Control Act of 1986 * .....	25
	<b>SECTION 5</b> .....	<b>26</b>
5.	<b>VENDOR QUESTIONNAIRE</b> .....	<b>26</b>
5.1	Company Background/Profile .....	26
5.2	Financial Profile .....	27
5.3	Organizational Experience and References .....	28
5.4	Plan Administration .....	28
5.5	Customer Service .....	29
5.6	Computer System, Support and Security .....	30
5.7	Reporting Capabilities .....	31
5.8	Audits .....	31
5.9	HIPAA Administration Simplification Provisions .....	32
5.10	Utilization Review and Case Management Services .....	32
5.11	Stop Loss .....	33
5.12	Out-of-Network Negotiations .....	33
5.13	Health Savings Account .....	33
5.14	Pharmacy Benefit Management .....	34
5.15	Medical PPO Network .....	35
5.16	Implementation and Transition Issues .....	35
6.	<b>Proposed Fees – Volume 2</b> .....	<b>37</b>
a.	<b>Summary of TPA Fees</b> .....	<b>38</b>

**RFP # 15-02**

**ATTACHMENT A - REFERENCES**

**ATTACHMENT B - TRANSMITTAL FORM**

**ATTACHMENT C - FREEDOM OF INFORMATION EXCLUSIONS**

**ATTACHMENT D - SUMMARY PLAN DESCRIPTION (SPD)**

**ATTACHMENT E - CLAIMS COUNT AND CALL CENTER USAGE BY MONTH**

**ATTACHMENT F - SUBSCRIBER GEOGRAPHIC DATA**

**RFP #**

**SECTION 1**

**1. SUMMARY INFORMATION**

**1.1 Introduction and Objective**

The Fairfax County Water Authority, doing business as Fairfax Water (FW) was created under the Virginia Water and Waste Authorities Act pursuant to resolutions adopted by Fairfax County on September 26, 1957. FW is managed by a ten member Board of Directors appointed for three-year terms by the Fairfax County Board of Supervisors.

The current contract for TPA services will reach the maximum five year renewal period and expire December 31, 2015. Under the Virginia Public Procurement Act, Fairfax Water is required to issue a Request For Proposals....

The objective of this Request for Proposals (RFP) is to establish a two-year, annually renewable contract for Third Party Administration Services (TPA) including claims administration for medical, indemnity dental, vision and prescription drugs, utilization review and case management services, subrogation services, and flexible spending account (FSA) administration. The TPA will also be expected to review FW's stop-loss renewals annually and obtain comparative quotes from other stop loss vendors each year.

**1.2 Contract Award**

A contract will be awarded to the Offeror whose proposal is determined to be the most advantageous to FW. The successful Offeror will be notified by issuance of a written contract and Purchase Order. Public notice of award will be posted on the official FW web site: [http://www.fairfaxwater.org/procurement/notice\\_of\\_award.htm](http://www.fairfaxwater.org/procurement/notice_of_award.htm).

**1.3 Definitions**

Whenever used in this solicitation or in the contract documents, the following terms have the following meanings, which are applicable to both the singular and plural and the male and female gender thereof:

- A. Acceptance** – FW's acceptance of the project from the contractor upon confirmation from the Project Manager and the contractor that the project is totally complete in accordance with the contract requirements and that all defects have been eliminated. Final acceptance is confirmed by the making of final payment of the contract amount including any change orders or adjustment thereto.
- B. Award** – Means the decision by FW to execute a contract after all necessary approvals have been obtained.
- C. Committee** – Means the Evaluation Committee.
- D. Contract** – Means the formal written acceptance of an offer by FW in the form of a written agreement that incorporates by reference the work to be performed (i.e. the Contract Documents).

## RFP #

- E. Contractor** – The person, firm or corporation with whom FW has entered into a contractual agreement and includes the plural number and the feminine gender when such are named in the contract as the contractor.
- F. Default** – means that the Contractor has failed to fulfill its contractual obligations properly and on time.
- G. Desirable** – The term "desirable" or "it is desirable" is used to identify features that are desired but are not mandatory.
- H. Evaluation Committee** – The Evaluation Committee is the group of individuals appointed to review, evaluate, and rank each proposal, and make a recommendation for award.
- I. Liquidated Damages** – A sum stated in a contract to be paid as ascertained damages for failure to perform in accordance with the contract. The damage figure stipulated must be a reasonable estimate of the probable loss, and not calculated simply to impose a penalty on the contractor.
- J. Must** – The term "must" or "shall" is used throughout this document to indicate mandatory requirements. It means that the Offeror will provide the goods and/or services specified in the RFP.
- K. Notice** – The term "Notice" or the requirement to notify means all Notices, demands, instructions, claims, approvals, and disapprovals required to obtain compliance with the contract requirements. Any Notice by either party to the contract shall be sufficiently given if delivered to the last known business address of the person, firm or corporation constituting the party to the contract, or to his, their or its authorized agent, representative or officer, by certified or registered mail, FedEx, or UPS, to the individual or firm, or to an officer of the Contractor for whom it is intended.
- L. O.E.M. / OEM** – Original Equipment Manufacturer.
- M. Offeror** – means any person submitting a response to an RFP.
- N. Performance Bond** – A contract of guarantee executed in the full sum of the contract amount subsequent to award by a successful Offeror to protect the government from loss due to his/her inability to complete the contract in accordance with its terms and conditions.
- O. Professional Services** – Work performed by an independent contractor within the scope of the practice of accounting, actuarial services, architecture, land surveying, landscape architecture, law, dentistry, medicine, optometry, pharmacy or professional engineering.
- P. Project Manager** – means the FW employee assigned to this Project for purposes of oversight of the project. The Project Manager is responsible for all aspects of the contract (excluding contract modifications) after contract award, including but not limited to approving design changes, and authorizing payment for completed work, etc.
- Q. Proposal** – means the response by an Offeror to a Request for Proposals issued by a procurement agency to obtain goods or labor. The response may include but is not limited to an Offeror's price and terms for the proposed contract, a description of technical expertise, work experience, and other information requested in the solicitation.
- R. RFP** – means Request for Proposals which means any document, whether attached or incorporated by reference, used for soliciting proposals from Offerors under any method allowed under current Virginia Procurement regulations.
- S. Scope of Work** - The term "Scope of Work" refers to the written technical description of services to be provided by the successful offeror to be applied to the Work and certain administrative details applicable thereto.

**RFP #**

**T. Shall** – Has the same meaning as the word must.

**1.4 Term of Contract and Contract Renewal**

- A. **Term:** The initial term of the contract will be for two years, with the option to renew the contract for up to three additional one-year periods, for a maximum total of five years.
- B. **Renewal:** Renewal will be at the then current rates, terms and conditions (see section 4.4“Annual Economic Price Adjustment”). Failure to renew by the expiration date of the then current contract year will not automatically cancel the contract. FW may retroactively renew the contract at any time prior to the last day of the following contract year providing that FW has not formally canceled the contract. Price adjustments requests for future years may or may not be approved by Fairfax Water depending on past performance of the contractor and the then current market conditions.

**1.5 Minimum Qualifications**

**Offerors must be able to meet all of the following minimum qualifications to be considered for this RFP. FW will not consider any vendor that does not meet these minimum qualifications. Offerors shall provide documentation with their proposal submission demonstrating they meet the following minimum requirements. This shall be provided in a separate section after offeror’s transmittal letter.**

- A. The TPA must be able to provide all of the following services:
  - 1. claims administration for medical, indemnity dental, vision and prescription drugs;
  - 2. utilization review;
  - 3. case management services;
  - 4. subrogation services; and
  - 5. FSA administration.
- B. The TPA must have access to a choice of PPO networks to provide discounts to the Plan and its members and must be able to adjudicate claims using the proposed network.
- C. The TPA must currently partner with and electronically interface to at least two (2) pharmacy benefit managers (PBMs).

**End Section 1**

SECTION 2

**2. SCOPE OF WORK**

**2.1 Description and Summary Requirements**

Overview

FW is Virginia's largest water utility, serving one out of every five Virginians who obtain their water from public utilities. FW was chartered in 1957 by the Virginia State Corporation Commission as a public, non-profit water utility. Nearly 2 million people in the Northern Virginia communities of Fairfax, Loudon, Prince William and Alexandria depend on FW for drinking water. FW is located in Fairfax, Virginia at 8570 Executive Park Avenue. Their website is [www.fairfaxwater.org](http://www.fairfaxwater.org).

FW offers a comprehensive benefits plan to its approximate 423 employees and 150 pre-65 retirees. The medical, prescription drugs, dental and vision plans for actives, COBRA participants and early retirees are self-funded and are administered by a third-party administrator (TPA).

The plan is currently considered a grandfathered plan under the Affordable Care Act. FW intends to remain grandfathered for the foreseeable future. Therefore, it is important that the current plan of benefits be administered exactly as outlined in the attached Summary Plan Description (SPD) to avoid a possible loss of grandfathered status.

As of March 2015, there are 366 Actives, 3 Disabled, and 2 COBRA employees and 128 early retirees enrolled with the Plan. (Additionally, there are approximately 195 Medicare retirees currently covered by a fully insured Medicare Supplement program. These retirees are not included in the scope of this RFP.)

Services currently performed by the TPA include claims administration for medical, prescription drugs, dental and vision coverage's. They also provide utilization review and case management, subrogation and recovery services and market FW's specific stop loss renewal on an annual basis.

The successful proposer must be able to provide all of the requested administration services outlined below and demonstrate excellence in benefit fund administration service with an emphasis on public sector health plan administration. They must also demonstrate consistently high levels of quality client and employee service.

**2.2 General Requirements**

The following list describes the key service requirements for plan administration that would be incorporated into the Service Agreement with the selected TPA. Offerors must respond to all mandatory requirements presented in this RFP. Failure to respond to a mandatory requirement

## RFP #15-02

may cause the disqualification of your proposal. Disqualification of a proposal due to the failure to respond to a mandatory requirement will be at the sole discretion of Fairfax Water.

### A. Mandatory Requirements:

The successful offeror shall:

1. Duplicate the existing benefit plan design for medical, prescription drugs, dental and vision for a grandfathered health plan as shown in Attachment D, "SPD"
2. Be responsible for processing and payment of medical, prescription drug, dental and vision claims
3. Account for and report on claims by department, (i.e., active, pre-65 retiree, COBRA), as well as in the aggregate.
4. On an annual basis, obtain specific stop-loss quotes for options both with and without prescription drug coverage for actives, disabled, COBRA and pre-65 retirees.
5. Provide FW a robust web portal for enrollment, maintenance of eligibility, and reporting.
6. Provide plan participants web access to EOBs, claims data and claims processing status including Rx, and FSA claims/reimbursements
7. Provide monthly and quarterly reports to employer on paid claims, utilization, etc.
8. Perform NY HCRA reporting (and reporting for other states as may be required in the future) and remittance of payment on FW's behalf. In addition, successful offeror shall maintain copies of all filings.
9. Perform annual PCORI fee calculation. .
10. Perform annual transitional reinsurance fee calculation and remittance of payment on FW's behalf.
11. Propose a PPO network that will maximize negotiated savings as well as minimize disruption to members.
12. Preparation of required annual notices, including Summary of Benefits and Coverage (SBC), as well as the Plan Document by required statutory deadlines.
13. Perform monthly bank checks reconciliation.
14. Offer robust performance guarantees.
15. Provide customer service call center hours from 8 am to 6 pm Eastern Standard Time.

## RFP #15-02

16. Offer a designated account manager to act as a primary contact for FW. The designated manager should possess the ability to resolve any and all issues for FW.
17. Demonstrate ability to offer outstanding customer and client service to FW.
18. Attend meetings as required by FW and assist in developing member communication materials
19. Work with FW in responding to appeals and defending against any legal actions filed against the Plan or FW relating to Plan operations, policies, specifications, etc.
20. Administer and adjudicate claims including re-pricing, detection of upcoding, unbundling and fraudulent claims.
21. Provide coordination of benefits with other group health plans, and private insurance coverage.
22. Provide coordination of appeals process, including issuing notices of decisions on appeal in accordance with the Plan Rules.

### B. Preferred Experience

While not mandatory requirements, FW would like to partner with a vendor that can demonstrate expertise in the following areas:

1. Employer self-service report generation.
2. Ability to provide access to a passive dental network.
3. Mobile applications for plan participants.
4. Experience with and ability to administer Health Savings Accounts.
5. Experience with and ability to offer wellness programs/capabilities.
6. Minimum two-year rate guarantee for administrative fees.
7. Experience with clients of similar size and complexity.
8. Ability to accept member-submitted claims via fax or e-mail.

## RFP #15-02

### 2.3 References

Using Attachment A, provide at least five references for which you have provided the same or similar services within the last three years. At least three references must be for clients that you have provided at least one complete year of services. FW reserves the right to require additional references from the Offeror, or to obtain additional references from other sources not provided by the Offeror.

### 2.4 Insurance Claims Against Offeror

In addition to the mandatory insurance requirements listed in Section 4.19 (Insurance) and at the request of FW Offerors shall submit a list of all insurance claims made against it within the past 12 months. FW reserves the right to reject any offer if in FW's opinion the amount or number of claims is deemed to be excessive. Failure to provide this information may result in rejection of your proposal.

- 1.

**END SECTION 2**

## RFP #15-02

### SECTION 3

#### 3. SUBMISSION OF PROPOSALS AND METHOD OF EVALUATION

##### 3.1 General

The following general information shall be provided. Offerors shall follow instructions carefully to ensure that proposals are properly prepared.

1. Either the attached Transmittal Form (Attachment B) or a transmittal letter prepared on the Offeror's business stationery must accompany the proposal. A transmittal letter must include a confirmation that the individual(s) signing the letter are authorized and agrees to furnish the services described in the Offeror's proposal and in accordance with this RFP; and as may be mutually agreed upon by subsequent negotiation.
2. Each Offeror must furnish all information required by the RFP. The person signing the proposal must initial erasures or other changes. Proposals signed by an agent of the corporation must be accompanied by evidence of his or her authority to bind the corporation to the terms and conditions of this solicitation.
3. FW reserves the right to conduct discussions with qualified Offerors in any manner necessary to serve the best interest of FW.

##### 3.2 Proprietary Information

1. Except as provided herein or as otherwise set forth in §2.2-4342 of the Virginia Public Procurement Act (Va. Code Ann. §2.2-4300 *et seq.*, the "Act"), all proceedings, records, contracts and other public records relating to procurement transactions shall be open to inspection in accordance with the Virginia Freedom of Information Act (Va. Code Ann. §2.2-3700 *et seq.*, the "Virginia FOIA").
2. Offeror or Contractor shall have the right to identify data or other materials submitted in connection with this procurement as trade secrets or proprietary information, which shall not be subject to inspection pursuant to either §2.2-4342 of the Act or the Virginia FOIA, by submitting to FW prior to or at the time of submission of its proposal a separate, written notice on its letterhead stationery setting forth the following: (i) a statement indicating that the Offeror, or Contractor wishes to invoke the protections of this section; (ii) an identification of the data or other materials for which protection is sought; and (iii) a statement with regard to why protection is necessary.

##### 3.3 Questions and Communications

1. All contact between prospective Offerors and FW with respect to this solicitation will be formally held at scheduled meetings or in writing through the Issuing Office. Questions and comments regarding the meaning or interpretation of any aspect of this solicitation must be submitted in writing to the Procurement Contact identified on the cover page to this solicitation and must be received by the Procurement Contact on or before the deadline for submitting questions that is specified on such cover page. Only written

## RFP #15-02

questions will be accepted. Questions and/or comments which are submitted after the deadline set forth on the cover page to this solicitation will not be answered.

2. FW shall respond to all timely questions and comments that are properly submitted hereunder and are deemed to address a matter that is relevant and substantive in nature within a reasonable period of time, in the form of a written Addendum that will be transmitted to all prospective Offerors at the addresses furnished to FW for such purpose. Oral communications between FW and any Offeror regarding the interpretation or meaning of any aspect of this RFP are not authorized and may not be relied upon for any purpose.

### 3.4 Addenda to the RFP

1. FW reserves the right to amend this solicitation at any time prior to the deadline for submitting Bids or Proposals. If it becomes necessary to revise any part of this RFP, notice of the revision will be given in the form of an Addendum that will be provided to all prospective Offerors who are on record with FW as having received this solicitation. If, in the opinion of FW, the deadline for the submission of proposals does not provide sufficient time for consideration of any Addendum, then such deadline may be extended at the discretion of FW.
2. It shall be the responsibility of each Offeror to contact the Purchasing Contact identified on the cover page to this solicitation prior to submission of a proposal hereunder in order to determine whether any Addenda have been issued in connection with this procurement. Notwithstanding any provision to the contrary, the failure of any Offeror to receive any Addenda shall neither constitute grounds for withdrawal of its proposal nor relieve such Offeror from any responsibility for incorporating the provisions of any Addenda in its proposal.

### 3.5 Duration of Proposals

Proposals shall be valid for a minimum of 120 days following the deadline for submitting offers. If an award is not made during that period, all offers shall be automatically extended for another 120 days. Offers will be automatically renewed until such time as either an award is made or proper notice is given to FW of Offeror's intent to withdraw its offer. Offers may only be withdrawn by submitting Notice at least 15 days before the expiration of the then current 120-day period.

### 3.6 Instructions for Submitting Proposals

1. The deadline for submitting Proposals is shown on the cover sheet. Offerors mailing proposals should allow sufficient mail delivery time to ensure timely receipt by the Purchasing Department. Proposals will be opened in accordance with the provisions of the Virginia Public Procurement Act. There will be no public proposal opening. The list of prospective Offerors shall be available for public inspection only after Contract award or upon cancellation of the solicitation.

**RFP #15-02**

2. The attached Transmittal Form (Attachment "B") must accompany the proposal. The purpose of this form is to formally submit the proposal and bind the Offeror to the terms, conditions and specifications contained in the solicitation. The Form must be signed by an individual who is authorized to bind the Offeror's firm to all items in the proposal including products, services, etc., and prices, contained in the proposal. A transmittal letter may be substituted for the attached form. If used, the transmittal letter must include an affirmative statement that binds the firm to the terms, conditions and specifications contained in the RFP; and also state that the person signing the transmittal letter is authorized to bind his/her firm. The letter must also provide all of the information contained on the Transmittal Form.
3. Submit one original and seven sets of your Proposal in two separate, sealed volumes. Volume 1 shall contain the technical portion of your proposal. Volume 2 shall contain the cost portion of your proposal. Offerors shall ensure that technical and price information is not commingled. The set of original signed documents must be uniquely identified on the cover of each volume. Costs are not to be included in the Technical Proposal (Volume 1). In addition, offerors shall submit two electronic (CD) versions of their technical and cost proposals.
4. All proposals must be submitted in a sealed package(s). No other form of submission will be accepted (i.e., E-mail, Facsimile, etc.). Proposal packages must be identified on the outside as follows:

*From:* \_\_\_\_\_

_____ <i>Name of Offeror</i>	_____ <i>Due Date</i>
_____ <i>Street</i>	_____ <i>RFP No.</i>
_____ <i>City, State, Zip Code</i>	_____ <i>RFP Title</i>

**3.7 Contractor Identification**

All Offerors must include the following in their transmittal letters:

- A. Individual contractors must provide their social security numbers, and
- B. Proprietorships, partnerships, and corporations must provide their federal employer identification numbers and
- C. Offerors Virginia State Corporation Commission license number

**3.8 Late Proposals**

Proposals or unsolicited amendments to proposals arriving after the closing date and time will not be considered. Proposals received after the proposal submission deadline will be returned to

## RFP #15-02

the Offeror unopened providing that sufficient proposal identification information is shown on the outside of the proposal envelope.

### 3.9 Proposal Organization

- A. Technical Proposal (Volume I): All proposal elements except price shall be included in the Technical Proposal and shall include at a minimum the following:
  - 1. Transmittal Form,
  - 2. Company History: The Offeror will briefly describe its company history, sales history, and history of performing work as described herein.
  - 3. Written Narrative: Each Offeror must provide a written narrative that discusses the Offeror's experience in providing the services described in Section 2. Include any special qualifications, experience, awards, etc. Each offeror shall demonstrate how they meet the requirements of the Minimum Requirements Section of this RFP.
  - 4. Confirmation of Compliance with the Scope of Work: The Offeror shall describe how the proposal meets FW's Scope of Work. If any portion of the Scope of Work cannot be met, the Offeror must identify the discrepancy in detail and describe an alternative solution.
  - 5. References
  - 6. Responses Section 5 – Vendor Questionnaire
- B. Cost Proposal (Volume II): The cost of the proposed solution shall be provided using Section 6 – Proposed Fees and described in sufficient detail to allow the Committee to understand all cost elements (materials, labor, design fees, etc.). Any related costs such as travel, housing, food, etc. must be included. Include as part of the cost proposal a list of all employees by position/title, hourly pay rate and number of hours the person will be working on this project. This information is for informational purposes and for budget planning in the event that additional services are required. The total cost to complete the project as offered shall be firm and fixed and requests by the Contractor to increase the Contract price will not be considered. FW reserves the right to expand or contract the scope of the project and project costs may increase or decrease accordingly. The FW Purchasing Department must approve changes proposed by the Contractor in writing prior to implementation. The Contractor will be given reasonable advance notice of any changes in the scope of the contract by FW. The cost proposal should include responses to Section 6 – Proposed Fees.

### 3.10 Evaluation Process

- 1. Evaluation Committee: FW will establish an Evaluation Committee (the "Committee") to review and rank each proposal. The Committee will be composed of the Purchasing Contact identified on the cover page and other individuals designated by FW. The Committee may request additional technical assistance from other sources.
  - A. Qualifying and Evaluating Proposals: Each proposal will first be reviewed for compliance with the requirements of this RFP. The Offeror assumes

## RFP #15-02

responsibility for addressing all necessary technical and operational issues in order to meet the objectives of the RFP. Each proposal will be evaluated according to the criteria listed below:

1. Responsiveness and completeness of the proposal,
2. Company history and qualifications,
3. Past performance,
4. Project understanding and approach,
5. Project team,
6. Written narrative,
7. Compliance with Contractual Terms
8. References, and
9. Price

### **3.11 Acceptable and Unacceptable Proposals and Rejection of Offers**

FW reserves the right to reject any or all proposals received. **All proposals are assumed to meet the minimum and mandatory qualifications outlined in the scope of work.** Proposals must meet or exceed the mandatory requirements of the Scope of Work. If an Offeror does not meet a mandatory requirement it will be rejected. The Evaluation Committee may determine that an Offeror is "not responsible," i.e., does not have the capabilities in all respects to perform the work required. The Committee may determine that a proposal meets the Scope of Work but does not raise itself to the competitive level of some or all of the other offers. In such instances, the Committee shall issue a determination that any and all such proposals are "not reasonably susceptible of being selected." Offers deemed by the Committee to be not responsive, not responsible, or not reasonably susceptible of being selected will be excluded from further consideration and the Offeror so notified. Upon notification that an Offeror is no longer being considered, the Offeror may request that the cost volume be returned. Requests must be received within 10 calendar days of the date the notice was issued by FW. If the Offeror does not request that the Cost proposal be returned within 10 days of notice, the Cost proposals will be destroyed. The Technical proposal will be retained in the bid file.

### **3.12 Oral Presentations**

Finalists may be required to make individual presentations to the Committee as part of the technical evaluation process. If so notified by the FW, the Offeror must provide a presentation within two calendar weeks of notification or as may be arranged by FW. Finalist interviews will be held during the week of June 15 – June 19, 2015. Failure to provide a satisfactory presentation will be grounds for a declaration that the offer is non-responsive. Presentations shall be conducted only at FW.

### **3.13 Final Ranking and Selection**

After each proposal has been evaluated, they will be ranked. FW shall invite the highest ranked Offerors to enter into negotiations with FW. Upon completion of negotiations, the Committee will make a recommendation to the Committee Chair to award the contract to the Offeror whose proposal is determined to be the most advantageous to FW.

## **RFP #15-02**

### **3.14 Negotiation**

After selection, but prior to contract award, the Committee reserves the unilateral right to negotiate any aspect of the proposal or proposed contract in any manner that best serves the needs of FW and is within the scope of the solicitation. FW also reserves the unilateral right to accept the best proposal as submitted without negotiation, and therefore Offerors must not assume that they will be given an opportunity to change any part of their proposal, including the Price Proposal.

**End Section 3**

SECTION 4

4. STANDARD TERMS AND CONDITIONS

The Agreement for Service (“Contract” or “Agreement”) with the successful offeror will contain the following Terms and Conditions. Offerors taking exception to these terms and conditions or intending to propose additional or alternative language must (a) identify with specificity the FW Terms and Conditions to which they take exception or seek to amend or replace; and (b) include any additional or different language with their proposal. Failure to both identify with specificity those terms and conditions offeror takes exception to or seeks to amend or replace as well as to provide offeror’s additional or alternate Contract terms may result in rejection of the proposal. **While FW may accept additional or different language if so provided with the proposal, the Terms and Conditions marked with an asterisk (\*) are mandatory and nonnegotiable.**

4.1 Authorization to Do Business in Virginia \*

Each Offeror that is organized or authorized to transact business in the Commonwealth of Virginia pursuant to Title 13.1 or Title 50 of the Virginia Code shall include with its bid the identification number issued to it by the Virginia State Corporation Commission. Any Offeror that is not authorized to transact business in Virginia as a foreign entity under Title 13.1 or title 50 of the Virginia Code or as otherwise required by law shall include in its bid a statement describing why the Offeror is not required to be so authorized.

4.2 Antitrust

By entering into a contract, the contractor conveys, sells, assigns, and transfers to FW all rights, title and interest in and to all causes of action it may now have or hereafter acquire under the antitrust laws of the United States and the Commonwealth of Virginia, relating to the particular goods or services purchased or acquired by FW.

4.3 Annual Economic Price Adjustment

In the case of annually renewable contracts, the Contractors may submit a request for contract price increases once annually, not to exceed 3% for each renewal year. Requests for price increase must be submitted within 90 days of publication by the Bureau of Labor Statistics. Price adjustments requests for future years may or may not be approved by Fairfax Water depending on past performance of the contractor and the then current market conditions.

4.4 Arrearage

By submitting an offer in response to this solicitation, the individual or firm submitting the offer shall be deemed to represent that it is not in arrears in the payment of any obligation due and owing FW, the Commonwealth of Virginia, or any public organization within Virginia. Said representation shall include the payment of taxes and employee benefits. Offeror further agrees that it shall make diligent effort to avoid becoming in arrears during the term of the contract.

## RFP # 15-02

### 4.5 Assignment of Interest \*

The Contractor shall not assign any interest in any resulting Contract and shall not transfer any interest in the same without prior written consent of FW, which FW shall be under no obligation to grant.

### 4.6 Availability of Funds

It is understood and agreed between the parties herein that FW shall be bound hereunder only to the extent of the funds available or which may hereafter become available for the purpose of this agreement.

### 4.7 Cancellation

FW may cancel this solicitation at any time and for any reason prior to award.

### 4.8 Compliance with Laws

The Offeror hereby represents and warrants that:

- A. It is qualified to do business in the Commonwealth of Virginia and that it will take such action as, from time to time hereafter, may be necessary to remain so qualified;
- B. It is not in arrears with respect to the payment of any monies due and owing FW, the Commonwealth of Virginia, or any department or unit thereof, including but not limited to the payment of taxes and employee benefits, and that it shall not become so in arrears during the term of this Contract;
- C. It shall comply with all federal, State and local laws, regulations, and ordinances applicable to its activities and obligations under this Contract; and
- D. It shall obtain at its expense, all licenses, permits, insurance, and governmental approval, if any, necessary to the performance of its obligations under this Contract.

### 4.9 Contract Changes / Change Orders

- A. No verbal agreement or conversation with any officer, agent or employee of FW either before or after the execution of any Contract resulting from this solicitation or follow-on negotiations, shall affect or modify any of the terms, conditions, specifications, or obligations contained in the solicitation, or resulting Contract. No alterations to the terms and conditions of the Contract shall be valid or binding upon FW unless made in writing and signed by the purchasing / designee contact identified on the cover page. Contract changes shall be in writing, and shall be on official FW Purchasing Department letterhead. In any event and in all circumstances, the Contractor shall be solely liable and responsible for any Contract changes, deviations, etc., made without first receiving written authorization to deviate from the Contract.
- B. Changes can be made to the contract in any of the following ways:

## RFP # 15-02

1. The parties may agree in writing to modify the scope of the contract. An increase or decrease in the price of the contract resulting from such modification shall be agreed to by the parties as a part of their written agreement to modify the scope of the contract.
2. FW may order changes within the general scope of the contract at any time by Notice to the Contractor. The Contractor shall comply with the notice upon receipt. The Contractor shall be compensated for any additional costs incurred as the result of such order and shall give FW a credit for any savings. Said compensation shall be determined by one of the following methods:
  - a. By mutual agreement between the parties in writing; or
  - b. By agreeing upon a unit price or using a unit price set forth in the contract, if the work to be done can be expressed in units, and the Contractor accounts for the number of units of work performed, subject to FW's right to audit the Contractor's records and/or to determine the correct number of units independently; or
  - c. By ordering the Contractor to proceed with the work and keep a record of all costs incurred and savings realized. A markup for overhead and profit may be allowed if provided by the contract. The same markup shall be used for determining a decrease in price as the result of savings realized. The Contractor shall present FW with all vouchers and records of expenses incurred and savings realized. FW shall have the right to audit the records of the Contractor, as it deems necessary to determine costs or savings. Any claim for an adjustment in price under this provision must be asserted by Notice to the Purchasing Department. Neither the existence of a claim nor a dispute resolution process, litigation or any other provision of this contract shall excuse the Contractor from promptly complying with the changes ordered by FW or with the performance of the contract generally.

### 4.10 Debarment Status

By submitting their proposals, Offerors certify that they are not currently debarred by the Commonwealth of Virginia from submitting offers or proposals on contracts for the type of goods and/or services covered by this solicitation, nor are they an agent of any person or entity that is currently so debarred.

### 4.11 Drug-free workplace to be maintained by contractor \*

During the performance of this contract, the contractor agrees to (i) provide a drug-free workplace for the contractor's employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of the contractor that the contractor maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract or

## RFP # 15-02

purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

### **4.12 Employment Discrimination by Contractor Prohibited; Required Contract Provisions \***

The following provision is required to be in every contract of more than \$10,000 (Virginia Public Procurement Act, § 2.2-4311)

A. During the performance of any ensuing contract, the Contractor agrees as follows:

1. The contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability, or other basis prohibited by state law relating to discrimination in employment, except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the contractor. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
2. The contractor, in all solicitations or advertisements for employees placed by or on behalf of the contractor, will state that such contractor is an equal opportunity employer.
3. Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting the requirements of this section.

B. The contractor will include the provisions of the foregoing paragraphs 1, 2 and 3 in every subcontract or purchase order of over \$10,000, so that the provisions will be binding upon each subcontractor or vendor.

### **4.13 Ethics in Public Contracting \***

Offeror hereby certifies that it has familiarized itself with Article 4 of Title 11 of the Virginia Public Procurement Act, Section 11-72 through 80, Virginia Code Annotated, and that all amounts received by it, pursuant to a contract resulting from this solicitation, are proper and in accordance therewith.

### **4.14 Examination of Records**

The Contractor agrees that in any resulting contract, either FW or its duly authorized representative shall have access to and the right to examine and copy any directly pertinent books, documents, papers, and records of the Contractor involving transactions related to any resulting contract. The Contractor further agrees to cooperate in an independent audit of claims processed and paid. This obligation shall expire five years after the final payment for the final service performed as a result of any and all contract(s) awarded pursuant to this solicitation, or until audited by FW, whichever is sooner. Contractor will provide reasonable access to any and all necessary documents and upon demand provide copies of documents if so required by FW or

## RFP # 15-02

its representative(s). FW will reimburse the Contractor for any reasonable expenses it incurs as a result of such a request.

### 4.15 Familiarity with Scope of Work

Each Offeror shall bear responsibility for thoroughly examining this solicitation in its entirety. In the event that an Offeror has any questions or comments regarding the proper meaning or intent of any aspect of this solicitation, then such Offeror shall submit all such questions and comments in writing to the Procurement Contact identified on the cover sheet of this solicitation in accordance with the provisions of Paragraph 3.3 (Questions and Communications) hereof.

The submission by an Offeror of a Proposal in response to this solicitation shall be deemed to constitute a representation on the part of such Offeror that it has thoroughly examined this solicitation and has submitted any and all questions and comments it may have regarding the meaning or interpretation of this solicitation to FW in the manner prescribed herein.

### 4.16 Formation of Contract with Successful Offeror

- A. Any contract entered into as a result of this RFP shall be by and between the Offeror as Contractor and FW. It shall include the following items, which are listed in order of precedence:
  - 1. The fully executed contract between the parties, or FW Purchase Order,
  - 2. The RFP and any Addenda to the RFP,
  - 3. The Offeror's response to the RFP (including any drawings and submittals), and
  - 4. All correspondence between the parties regarding this RFP.
- B. Anything called for by one of the contract documents and not called for by the others shall be of like effect as if required or called for by all, except that a provision clearly designed to negate or alter a provision contained in one or more of the other contract documents shall have the intended effect.
- C. By submitting an offer in response to this solicitation, the Offeror agrees to all Terms, Conditions and to the Scope of Work section contained herein, unless and except as otherwise noted as an exception in the Offeror's proposal. Any terms and conditions that the Offeror proposes to use must be submitted as part of the proposal. Terms and conditions submitted by an Offeror after the solicitation closing date shall not be accepted and will not be considered for incorporation into the terms of the awarded contract.
- D. All time limits stated in the contract documents, including but not limited to the time for completion of the work, are of the essence.

### 4.17 Governing Law; Venue; Waiver of Jury Trial \*

Notwithstanding any provision to the contrary, this solicitation and any resulting contract shall be governed in all respects by the laws of the Commonwealth of Virginia. Any dispute arising hereunder which is not otherwise resolved by the parties shall be resolved by a court of competent jurisdiction in the Commonwealth of Virginia. The Contractor and FW hereby waive any right such party may have to a trial by jury in connection with any such litigation.

**4.18 Incorporation by Reference**

- A. This solicitation is issued in accordance with, and controlled by, the Virginia Public Procurement Act (VPPA), which is incorporated into and made part of the solicitation. By submitting a proposal in response to this solicitation, all Offerors acknowledge the VPPA and agree to be bound by it. The VPPA may be accessed via the Virginia Department of General Services, Department of Purchases and Supply Website: (<http://www.eva.virginia.gov/buyers/pages/vppa.htm>).
- B. The terms, conditions and specifications contained herein including any attachments or addenda are incorporated into any contract issued as a result of this solicitation.

**4.19 Indemnification and Responsibility for Claims and Liability**

With respect to any contract that results from this solicitation, Offeror is bound by the following:

- A. The Contractor shall indemnify, save harmless and defend FW, or any employee of FW, against liability for any suits, actions, or claims of any character whatsoever arising from or relating to the performance of the Contractor or its subcontractors under this contract.
- B. FW has no obligation to provide legal counsel or defense, or pay attorney's fees to the Contractor or its subcontractors in the event that a suit or action of any character is brought by any person not party to the contract, against the Contractor or its subcontractors as a result of or relating to the Contractor's obligations under this contract.
- C. FW has no obligation for the payment of any judgments or the settlement of any claims against the Contractor or its subcontractors as a result of or relating to the Contractor's obligations under this contract.
- D. The Contractor shall immediately notify FW of any claim or suit made or filed against the Contractor or its subcontractors regarding any matter resulting from or related to the Contractor's obligations under the contract. If such a claim or suit is brought, the Contractor will cooperate, assist, and consult with FW in the defense or investigation of any suit or action made or filed against FW as a result of or relating to the Contractor's performance under this contract.
- E. The Contractor shall pay all royalties and license fees necessary for performance of the contract. The Contractor shall defend all suits or claims for infringement of any patent rights or other proprietary rights arising from or related to performance of the resulting contract and shall save FW harmless from any and all loss, including Attorneys' fees arising out of any such claim.

**4.20 Insurance**

- A. In addition to the mandatory insurance requirements listed in this Section and, at the request of FW, any Offeror may be required to provide a list of all insurance claims made against it within the past 36 months. FW reserves the right to reject any bid if in FW's opinion the amount or number of claims is deemed to be excessive. An Offeror's failure

**RFP # 15-02**

to comply with this requirement may result in rejection of its bid. If no claims have been made, then the Offeror shall so state in its bid. Fairfax Water may require such information from the Contractor as it deems necessary to assess the Contractor's financial ability to pay any deductibles with respect to the insurance policies required hereunder.

- B. Before commencing the work, the Contractor shall procure and maintain at its own expense, minimum insurance in forms and with insurance companies acceptable to FW to cover loss or liability arising out of the Work. All insurance policies must be underwritten by insurers authorized to conduct business within the Commonwealth of Virginia and must have a Best's rating of at least A- and a financial size of class VIII or better in the latest edition of Best's Insurance Reports.
- C. The Contractor shall immediately notify FW of any claim or suit made or filed against the Contractor or its subcontractors regarding any matter resulting from or related to the Contractor's obligations under the contract. If such a claim or suit is brought, the Contractor will cooperate, assist, and consult with FW in the defense or investigation of any suit or action made or filed against FW as a result of or relating to the Contractor's performance under this contract.
- D. With the exception of Workers' Compensation and Employers' Liability Insurance, all additional insurance policies specified herein shall name FW as an additional insured with regard to work performed under any subsequent Contract
- E. The Contractor will provide FW with copies of certificates of insurance coverage and proof of payment of all premiums. Each certificate of insurance must include: (a) an endorsement from the insurer that certifies that the Contractor maintains the referenced policy in full force and effect; (b) where applicable, a statement indicating that FW is included as an additional insured; and (c) a provision requiring that not less than 30 days written notice will be given to FW before any policy or coverage is canceled or modified in any material respect. Without limiting the requirements set forth above, the insurance coverages will include a minimum of:
1. Workers' Compensation and Employers' Liability Insurance: Statutory requirements and benefits as required by the Commonwealth of Virginia; and
  2. Required Commercial General Liability Insurance: This insurance must be written on an "occurrence" basis and shall be endorsed to include FW as an additional insured and shall provide at a minimum the following:

◆ General Aggregate Limit (Other than Products-Completed Operations)	\$1,000,000
◆ Products-Completed Operations Aggregate Limit	\$ 500,000
◆ Personal & Advertising Injury Limit	\$ 500,000
◆ Each Occurrence Limit	\$ 500,000
- F. Business Automobile Liability Insurance: This insurance coverage must extend to any motor vehicles or other motorized equipment regardless of whether it is owned, hired, or non-owned and must cover Bodily Injury and Property Damage with a combined single limit of at least \$1,000,000 each accident. This insurance must be written in comprehensive form and must protect the Contractor and FW against claims for injuries

## RFP # 15-02

to employees of the public and/or damage to the property of others arising from the Contractor's use of motor vehicles or other equipment and must cover both on-site and off-site operations.

- G. Nothing contained herein will be deemed to operate as a waiver of FW's sovereign immunity under the law.

### 4.21 Partial Invalidity

Neither any payment for, nor acceptance of, the whole or any part of the services by FW, nor any extension of time, shall operate as a waiver of any provision of any Contract resulting from this RFP, nor of any power herein reserved to FW, or any right to damages herein provided, nor shall any waiver of any breach of any Contract be held to be a waiver of any other or subsequent breach. Failure of FW to require compliance with any term or condition of any Contract shall not be deemed a waiver of such term or condition or a waiver of the subsequent enforcement thereof.

### 4.22 Payment

- A. **Invoices:** All invoices are to be sent directly to FW Accounts Payable department by mail, fax, or E-mail. Invoices shall include the FW Purchase Order / Contract number and the contractor's FEIN. Invoices are not to be sent to the contract Project Manager, or other departmental reps. Failure to comply may result in late payments for which FW will not be liable.
- B. **Terms:** All payments will be Net 30 from the date of receipt of a valid invoice at the FW Finance Department. Payment terms requiring payment in less than 30 days will be regarded as requiring payment 30 days after invoice or delivery, whichever occurs last. This shall not affect offers of discounts for payment in less than 30 days, however.
- C. **Invoices:** Invoices for items ordered, delivered and accepted shall be submitted by the Contractor directly to the payment address shown on the purchase order/contract. Invoices shall show the FW Purchase Order or contract number and either the social security (for individual Contractors) number or the federal employer identification number (for proprietorships, partnerships, and corporations) and are subject to review and approval by the FW Project Manager.
- D. **Partial Payments:** Requests for partial payments or advanced payments must be submitted as part of the Price Offer along with a justification. FW reserves the right to accept, reject or negotiate requests for partial payments. If the request is rejected, the Offeror must waive the requirement in order to remain in consideration.
- E. **Unreasonable Charges:** Under certain emergency procurements and for most time and material purchases, final job costs cannot be accurately determined at the time orders are placed. In such cases, final payment is contingent on a determination of reasonableness with respect to all invoiced charges. Charges that appear to be unreasonable will be researched and challenged, and that portion of the invoice held in abeyance until a settlement can be reached. Upon determining that invoiced charges are not reasonable,

## RFP # 15-02

FW shall promptly notify the Contractor, in writing, as to those charges that it considers unreasonable and the basis for the determination.

### 4.23 Payment Clauses Required in All Contracts \*

Section § 2.2-4352 of the Virginia Public Procurement Act requires the following:

- A. That any contract awarded by FW include the following clauses:
1. The Contractor shall take one of the two following actions within seven days after receipt of amounts paid to the contractor by FW for work performed by any subcontractor(s) under the contract:
    - a. The Contractor shall pay its subcontractor(s) for the proportionate share of the total payment received from FW attributable to the work performed by the subcontractor under that contract; or
    - b. Notify FW and any subcontractor(s), in writing, of his intention to withhold all or a part of the subcontractor's payment with the reason for nonpayment.
  2. Offerors shall include in their offer submissions either: (i) if an individual contractor, their social security numbers; and (ii) proprietorships, partnerships, and corporations to provide their federal employer identification numbers.
  3. The contractor shall pay interest to the subcontractor(s) on all amounts owed by the Contractor that remain unpaid after seven days following receipt by the Contractor of payment from FW for work performed by the subcontractor under the contract, except for amounts withheld as allowed in subdivision 1.
  4. Unless otherwise provided under the terms of this contract, interest shall accrue at the rate of one percent per month.
- B. The contractor shall include in each of its subcontracts a provision requiring each subcontractor to include or otherwise be subject to the same payment and interest requirements with respect to each lower-tier subcontractor.
- C. A contractor's obligation to pay an interest charge to a subcontractor pursuant to the payment clause in this section shall not be construed to be an obligation of FW. A contract modification shall not be made for the purpose of providing reimbursement for the interest charge. A cost reimbursement claim shall not include any amount for reimbursement for the interest charge.

### 4.24 Precedence of Terms

By submitting a proposal in response to this solicitation, the Offeror agrees that the terms and conditions contained in this solicitation shall control any contract arising from this solicitation. Any proposed terms and conditions, including any for a contract that the Offeror proposes to use, shall be submitted as part of the Offeror's proposal. Terms and conditions submitted by an Offeror after the deadline for submitting proposals will be rejected and the Offeror will be held to the terms and conditions contained herein. Contract award is contingent on the Offeror and FW agreeing on mutually acceptable terms and conditions. Failure to do so will automatically

## RFP # 15-02

disqualify the Offeror from contract award. To the extent that a conflict arises or is found to exist between the Offeror's proposal and this solicitation, including any addenda thereto, the terms, conditions and specifications contained in this solicitation and any addenda thereto shall in all cases prevail.

### 4.25 Price Firm Period

Proposal Prices: Pricing shall be firm and fixed as originally offered and accepted for the first 12 months of the contract.

### 4.26 Rider Clause

With the exception of contracts for Professional Engineering Services and subject to the mutual agreement between the parties, any contract awarded on the basis of this solicitation may be used by any public entity (to include jurisdictions comprising the Metropolitan Washington Council of Governments), to enter into a contract for the services described and defined herein. For single purchases, the contract may be used for up to 12 months from the actual date of contract award. For multi-year contracts, the contract may be used throughout the effective period of the contract. Contracts awarded as a result of this solicitation will be subject to these terms and conditions, and/or such terms and conditions as may be required by the controlling body for the public agency using the contract. Pricing shall be as offered by the successful Offeror and subsequently accepted by FW.

### 4.27 Tax Exemption

FW is exempt from Federal Excise Taxes, Virginia State Sales and Use Taxes, and the District of Columbia Sales Taxes and Transportation Taxes. FW's tax exempt number is 54-6025290.

### 4.28 Termination of Contract

- A. For Cause. In the event that the Contractor: (1) fails to deliver any Commodity or Service in accordance with the time period established therefore in the Contract; or (2) fails to furnish any Commodity or Service which conforms in all respects to the requirements of the Contract; then FW, without prejudice to any other rights or remedies it may have at law or in equity (including its right to seek damages from the Contractor), shall have the right to terminate the Contract and any outstanding Purchase Orders by issuing a written notice of termination to the Contractor. Such notice of termination shall describe in reasonable detail the grounds for the termination and shall take effect immediately upon receipt by the Contractor.
- B. If, after issuance of a notice of termination under this Section it is determined for any reason that cause for such termination did not exist, then the rights and obligations of the parties shall be the same as if the notice of termination had been delivered under the provisions of subsection B (termination for convenience) hereof; provided, however, that the Contractor in such event shall be deemed to have received seven days prior written notice of such termination. Any compensation due the Contractor pursuant to subsection B shall be offset by the cost to FW of remedying the default by the Contractor. The Contractor shall in no event be entitled to receive any consequential damages or any

## RFP # 15-02

anticipated profits with respect to Commodities not yet furnished to, and accepted by, FW as of the effective date of any such termination.

- C. For Convenience. FW shall have the right to terminate the Contract and/or any outstanding Purchase Orders issued hereunder at its own convenience for any reason by giving seven business days prior written notice of termination to the Contractor. In such event, the Contractor shall be paid an amount equal to the actual cost of any Commodity delivered to, and accepted by, FW and the actual cost of any equipment, goods or materials ordered by the Contractor hereunder in good faith which could not be canceled, less the salvage value thereof, provided sufficient substantiation is furnished to FW. Any subcontract entered into by the Contractor in connection with the transactions contemplated hereby shall contain a similar termination provision for the benefit of the Contractor and FW. The Contractor shall in no event be entitled to receive anticipated profits on any Commodities not yet furnished to and accepted by FW as of the effective date of any such termination.

### 4.29 Unit Prices Prevail

The Price Proposal shall include a complete listing of all prices (e.g., annual maintenance, labor, materials, training, etc.). Any work performed beyond the scope of the contract and within the first 12 months after contract award shall be at the prices specified in Volume II. In the event of a conflict between unit prices and extended prices, the unit price shall prevail. All proposals shall be complete and accurate as submitted.

### 4.30 Virginia Freedom of Information Act

Except as provided herein, all proceedings, records, contracts and other public records relating to procurement transactions shall be open to the inspection of any citizen, any interested person, firm, or corporation, in accordance with the Virginia Freedom of Information Act.

### 4.31 Authority to Transact Business in Virginia\*

A Contractor organized as a stock or nonstock corporation, limited liability company, business trust, or limited partnership or registered as a registered limited liability partnership shall be authorized to transact business in the Commonwealth as a domestic or foreign business entity if so required by Title 13.1 or Title 50 of the Code of Virginia or as otherwise required by law. Any business entity described herein that enters into a Contract with FW pursuant to the Virginia Public Procurement Act 2.2-4300 et seq. shall not allow its existence to lapse or its certificate of authority or registration to transact business in the Commonwealth, if so required under Title 13.1 or Title 50 of the Code of Virginia, to be revoked or cancelled at any time during the term of the Contract. FW may void any Contract with a business entity if the business entity fails to remain in compliance with the provisions of this section.

### 4.32 Licensure

To the extent required by the Commonwealth of Virginia (*see e.g.* 54.1-1100 *et seq.* of the Code of Virginia) or FW, the Contractor shall be duly licensed to perform the services required to be delivered pursuant to this Contract.

## **RFP # 15-02**

### **4.33 Contractual Disputes**

A Vendor, Contractor, or Service Provider shall give written notice to the Purchasing Agent of his/her intent to file a claim for money or other relief within ten (10) calendar days of the occurrence giving rise to the claim or at the beginning of the work upon which the claim is to be based, whichever is earlier. The written claim shall be submitted to the Purchasing Agent no later than sixty (60) days after final payment. If the claim is not disposed of by agreement, the Purchasing Agent shall reduce his decision to writing and mail or otherwise forward a copy thereof to the bidder within thirty (30) days of receipt of the claim. No Vendor, Contractor, or Service Provider shall institute any legal action until all statutory requirements have been met. Each party shall bear its own costs and expenses resulting from any litigation, including attorney's fees.

### **4.34 Faith-Based Organizations \***

FW does not discriminate against faith-based organizations.

### **4.35 Immigration Reform and Control Act of 1986 \***

By entering this Contract, the Contractor certifies that it does not and will not during the performance of this Contract violate the provisions of the Federal Immigration Reform and Control Act of 1986, which prohibits employment of illegal aliens.

**End Section 4**

SECTION 5

5. VENDOR QUESTIONNAIRE

Instructions:

- Provide an answer to each question and do not leave blank or unanswered questions.
- Answer the question as directly as possible and incorporate all information within the questionnaire section. Please avoid referring to attachments or collateral materials in lieu of answers. Do not include promotional materials.
- The bidder will be held accountable for accuracy/validity of all answers.
- RFP responses will become part of the contract between the winning bidder and FW.
- Please remember to return your responses to Section 5 within the Technical Proposal section of your submission.

5.1 Company Background/Profile

1. How long has your company been operational? Has your company been known by any other name(s) in the last ten years? Is your company a division or subsidiary of a parent firm?
2. Please list the address(es) of the office(s) that will service this account.
3. Do you have an affiliation with other entities either directly or indirectly? Please explain the nature of these arrangements and, if available, prepare a chart showing the affiliations and ownership connections.
4. How many employees are currently employed at your company (at the offices that would be serving FW), including clerical and support staff? What was the total 12 months ago? Is your firm anticipating any expansion or reorganization in the next year? If yes, please explain.
5. Do you plan to sub-contract any portion of the services required to another firm? If yes, please answer the following:
  - Which of the services would you plan to sub-contract and to which company?
  - Would you take responsibility for the quality, timeliness and accuracy of these services?
  - Describe how your staff would interface with the staff of the sub-contractor(s).
6. Provide a sample of the contract that you would propose for FW. What is the term of each contract that would apply to this bid and what are its termination provisions?
7. Do you agree that FW has the right to cancel the contract at any time should it find the actual services provided by your organization to be unsatisfactory? Do you agree to include this provision in your contract?

## RFP # 15-02

8. Please designate the individual(s) that will represent your organization in the noted capacities. Include name, title and address of each individual along with a brief description of his/her qualifications and experience.
  - a) the individual(s) representing your company during the proposal process
  - b) the individual responsible for overall account management
  - c) the individual responsible for day-to-day client service
  - d) the individual responsible for claims management
  - e) the individual responsible for utilization review and case management services
  - f) the individual responsible for stop loss claims filing, renewals and annual marketing of the stop loss

### 5.2 Financial Profile

1. Give a brief description of your company's financial structure, including ownership and general financial condition.
2. Provide the latest annual report or other financial reports (including audited financial statements) that indicate the financial position of your organization. If your company is privately held, list owners with 5 percent or more of equity.
3. Is your company or subcontractor(s) currently involved in any litigation or are there any outstanding legal actions pending regarding the proposed product/services? If yes, please explain the nature and current status of the action(s). Are there any outstanding legal actions pending that would affect your ability to provide the requested services? If yes, please explain.
4. Has your company, its affiliates or any of its staff, principals or owners ever been subject to a governmental or criminal investigation involving the requested services? Please describe.
5. In the past five (5) years has your firm or any client administered by your firm ever sustained a fidelity loss or claim? If yes, please provide details.
6. Indicate your firm's liability insurance limit with regard to errors, omission, negligence, etc. Please include deductible and annual limit (per occurrence and aggregate) information and name of insurer. Please note that if you are selected as a finalist you will be required to furnish a copy of all such policies.
7. Are there any pending investigations, regulatory proceedings, license renewals, litigation or legal actions concerning your organization or any employee of your company? If so, please explain the nature and current status of the action(s).
8. Please provide a sample of the invoice that will be used to bill FW for the services proposed in this RFP. Confirm that your organization will provide detailed monthly invoices to FW.

**RFP # 15-02**

**5.3 Organizational Experience and References**

1. Describe your company's experience administering the requested services for public entities. Please list the number of years your company has provided each of the following administrative services to public sector plans.

Service	Number of Years of Experience
Adjudicating Claims on the proposed PPO network	
Eligibility Administration, including COBRA Administration	
Claims Administration	
Utilization Review and Case Management Services	
Subrogation and Recovery Services	
FSA Administration	
Stop Loss Renewal and Marketing Services	

2. Has any client terminated the administration services of your firm during the past two years? If so, please provide the names along with the reason for each termination. May they be contacted if you are selected as a finalist for this RFP?

**5.4 Plan Administration**

1. Please confirm that you have reviewed the SPD included in the RFP and that you have administered similar plans of benefits for other clients.
2. Please confirm that you are able to administer the benefits exactly as outlined in the SPD. If you are unable to administer any benefit, please describe the benefit that you cannot administer.
3. Describe your COBRA administration procedures. How do you identify Qualifying Events? Describe all functions that are automatically tracked and/or processed through your COBRA system.
4. Describe the quality controls, auditing and peer review mechanism in place for your organization's claim-processing department? Do you use internal or independent/outside auditors?
5. Does your organization have a fraud detection unit or program in place? If so, please describe. What percent of claims submitted are denied because of misrepresentation and fraud? Is the fraud detection program performed by a subcontractor and is there a separate fee for this benefit program?

## RFP # 15-02

6. How does your organization avoid duplicate payments of the same claim? If duplicate payments or overpayments are made, what are your procedures for recovery of the overpayments or duplicate payments?
7. Please describe your process for measuring the accuracy of your claims processing.
8. How do you define a processed claim transaction (e.g. draft issued, draft cleared, claim form submitted)?
9. What do you do with claims that you receive that do not relate to a person who is eligible for benefits under your client's plan?
10. Explain the method in which medical review consultants are used and describe their qualifications and affiliations.
11. Explain your firm's COB procedures. Does your firm pursue COB prospectively or retrospectively to payments?
12. Do you have the capability to transmit and receive data electronically? Please describe your current capabilities.
13. Please describe your appeals process including intake process, and follow up investigations.

### 5.5 Customer Service

1. Describe how general account service would be handled. What is the location of the office that would provide day-to-day account service? Who would be responsible for daily ongoing administrative issues? How would account service be coordinated?
2. Provide a brief overview of the administration office you would propose for FW. How long has it been operational? What types of benefit plans does it handle? What is the expected daily workload per processor?
3. Do you require your staff to complete ongoing industry training? If so, please describe the typical training expected of claims processors and call center staff.
4. Please describe your current Internet capabilities as they relate to customer service including what features are available, what information can be accessed by FW and what information can be accessed and updated (self-service) by participants using the Internet. Would FW be able to access and download member data and reports via the Internet?
5. How are your customer services provided (telephone, web, IVR, etc.)?
6. Please provide the hours of operation for your customer-service call centers. Will you guarantee customer service call center availability from 8:00 am to 6:00 pm Monday-Friday at a minimum?

## RFP # 15-02

7. Do customer service representatives have on-line access to real-time claim status information?
8. Is customer service provided in the same location as claims processing?
9. Has your web portal experienced excessive downtime and slow response time in the past twelve months? Please provide reports which demonstrate the availability and response time of your web portal for the 2014 calendar year.

### 5.6 Computer System, Support and Security

1. Please describe your benefits administration system (hardware, platform, software, etc.). What other software is utilized (i.e., benefit calculations)? Describe how you would track and capture eligibility information, benefit calculations, benefit payments, etc., for FW. Please be specific.
2. Does your system have integrated imaging/scanning and workflow capabilities?
3. Please indicate the extent to which your administration systems are automated and the capabilities of the systems you would propose for FW. Could the systems be modified to suit the individual needs of FW, if needed?
4. Describe your policy for transitioning client data and files in the event of client termination.
5. Do you have a system and data file back-up policy? If yes, please outline. If it includes off-site storage of back-up media, please give address of such site and frequency.
6. Describe your disaster recovery program and business resumption strategy.
7. Describe your quality assurance controls when loading plan designs into the system.
8. Describe the testing and review performed by IT Staff during the implementation.
9. Describe your procedure for testing any upgrades that may be made to the systems that would be utilized by FW.
10. Do you have programmers on staff? If so, please describe the staffing of your IT department.
11. Has your organization been the target of a cyber-attack?
12. Has your organization had a known data breach or loss of customer data? If so, please describe.
13. Describe your data security policies including what notifications would be provided to FW and their employees in the event of a data breach. What relief would you offer FW and its employees in the event of a data breach or loss of personal information?

## RFP # 15-02

14. Does your organization have policies and practices in place to defend its systems and data from potential cyber-attacks and data breaches?
15. Please describe or attach a copy of your document retention policy. Do you charge your clients a fee for hard copy and/or electronic document storage?
16. How is security set up in the system? What are the different levels of security?
17. Is your system database encrypted?
18. Are data backups encrypted? Do you store backup media off-site and if so, how are they transported off site?

### 5.7 Reporting Capabilities

1. Describe your reporting capabilities. Reports should include the following:
  - Monthly/quarterly/annual summary report showing expenses by department (i.e. actives, pre-65 retirees, cobra etc.);
  - Monthly activity reports showing the types of transactions/disbursements processed, broken down by category; such as inpatient hospital, physician office visits, etc. and category.
  - Monthly utilization review and case management statistics by category.
2. Please describe any other reports you would be prepared to provide or that you provide as part of your standard reporting package. Provide samples of these reports and detail the frequency and availability of each report
3. Would you provide ad-hoc data reports at FW's request? If so, please describe your ad-hoc data reporting capabilities. Would there be additional fees for these reports? If so, please provide in Volume 2 your pricing schedule for any reports not included in your quoted fees.
4. Would FW have on-line access to your reporting system in order to produce their own ad-hoc reports? Describe any training that would be needed by FW to use your systems. Would any required training be provided on-site at FW and at no additional cost?
5. Describe any benchmarking data that would be available to FW for use in comparing their claims and utilization to regional/national results.

### 5.8 Audits

1. Describe the typical services you provide in support of an external audit. Confirm that FW's data would be made readily available to FW or its authorized agents for the purposes of an audit as required and that any requested audit data would be provided fully and completely within 3 weeks of the request.

## RFP # 15-02

### 5.9 HIPAA Administration Simplification Provisions

1. What is the date of your latest HIPAA Security Risk Assessment?
2. Describe the process used by your company to comply with HIPAA EDI, Privacy, and Security requirements. Have you received external or independent certification regarding your HIPAA compliance?
3. Who is the key individual in your organization responsible for compliance with the HIPAA Administrative Simplification provisions? Please identify that individual by name and title.
4. Regarding the HIPAA/HITECH Final Rule, have you identified all subcontractors affected and have you executed Business Associate Agreements with them?
5. Describe your HIPAA EDI compliance solution relative to providing eligibility data to vendors.
6. Is your staff trained on all Privacy and Security requirements? Describe your training program and enforcement policy.
7. Does your system produce sufficient audit trails to satisfy the HIPAA Privacy and Security regulations?
8. Are all electronic transmissions of PHI, including eligibility files, authorizations, reports, etc., encrypted or sent via secure means? Which encryption methods do you support for e-mails and file transmissions? Please describe.
9. What are your procedures for data destruction prior to hardware and media disposal?
10. Are you compliant with the HIPAA 5010 data set for electronic transactions? If no, please explain why.
11. Describe your capabilities for sending secure email transmissions.

### 5.10 Utilization Review and Case Management Services

1. Please describe in detail the utilization review and case management services that your organization proposes to offer FW.
2. What criteria are used to identify cases for medical case management?
3. During case management, what services does your firm's staff routinely perform on each case?
4. How often does your firm send summary data on case management services to the client?
5. How and when are medical specialists involved in the case management process? Describe their credentials.

## **RFP # 15-02**

6. On cases where an adverse decision has been rendered, does your firm agree to retain UR and medical information files for at least a twelve-month period or any period as requested by FW?
7. Is your firm willing to assist FW if a dispute arises over payment/nonpayment for health care services which your firm recommended were not medically necessary, appropriate and/or reasonable?
8. Does your proposed utilization management firm have any affiliations with other business entities? If yes, explain the nature of the affiliation.

### **5.11 Stop Loss**

1. Please confirm that you will market FW's specific Stop-Loss renewal effective January 1, 2016 at the current specific deductible of \$200,000 and at least two additional deductible levels. Stop Loss quotes should provide options both with and without prescription drug coverage.
2. Describe your stop loss administration process, including the tracking and reporting of large claims to the stop loss vendor, the renewal process, and how you coordinate and manage relationships with stop loss carriers.
3. Does your firm offer any arrangements with stop loss carriers? If yes, please list which vendors your organization has preferred relationships with.
4. Please describe any compensation that you may receive from the stop-loss vendors

### **5.12 Out-of-Network Negotiations**

1. Explain how you handle out-of-network negotiations with insurance carriers.
2. Does your firm provide its clients access to a secondary "wrap-around" network?

### **5.13 Health Savings Account**

1. Describe any experience your firm may have had with the administration of Health Saving Accounts (HSA).
2. Does your firm have a banking relationship to enable administration of Health Savings Accounts?
3. Please describe the fee structure associated with providing HSA services.

**RFP # 15-02**

**5.14 Pharmacy Benefit Management**

1. Please list the PBMs where you have contractual relationships. Please include the date that your contractual arrangement with each PBM is set to expire.
2. For the PBM that you are recommending to FW, please complete the following table.

a. Parent Company	
b. Total number of pharmacies included in your network	
c. Year PBM Established	
d. Number of PBM Employees	
e. Membership count (total covered lives)	
• % from top 10 clients	
f. Claims processed (most recent 12 months)	
• Retail	
• Mail Order	

3. Please describe the PBM account team proposed to work with the FW.
4. Please list the member PBM services available via the member website.
5. Are members able to look up the cost of drugs on your member website?
6. Are members able to compare the cost of drugs between pharmacies on the website and does the cost include U&C by pharmacy?
7. List any pharmacy chains excluded from your proposed retail pharmacy network.
8. Confirm that FW will receive a 90-day notice of any event or negotiation that may cause a disruption in the retail pharmacy network access.
9. Provide a copy of your proposed Formulary.
10. Please describe the process of communicating changes to the Formulary to both FW and plan participants.
11. Does your Formulary currently exclude any prescription drugs from coverage? If so, please provide a list.
12. Please confirm that 100% of the rebates will be returned to FW.
13. Provide a sample client management / performance report and the frequency that reports will be delivered. Are you able to provide FW with detailed claim-by-claim prescription data which would include all aspects of pricing, but would also be de-identified? Will you provide details on pharmacy payments versus plan payments.

## RFP # 15-02

14. Are you able to provide alternative pricing on a transparent (pass-through) basis? Please describe your transparency pricing alternative.
15. In the standard pricing model, please describe the pricing differential between prescription cost billed to FW and cost reimbursed to pharmacies.
16. Please confirm that your retail pricing includes MAC pricing and indicate the percentage of generic drugs that have a MAC price (based on AWP dollars).
17. Do you offer MAC pricing at mail order? If not, please describe how you will ensure generic pricing at mail will be equal to or better than retail.
18. How does the MAC pricing for the plan being offered to FW compare to the MAC pricing for the Federal Employee Health Program and Medicare?
18. Please confirm that the PBM agrees that FW has the right to audit PBM performance, at any time during the year, with the auditor of their choice, in order to verify contractual compliance, including discounts, fees, rebates, and performance guarantees. Please list any fees associated with an audit request.

### 5.15 Medical PPO Network

1. Please list the Medical PPO networks that your firm currently has established arrangements with.
2. What PPO network arrangement are you recommending for FW?
3. What are the expected PPO discounts using the recommended arrangement by line of coverage (Inpatient Hospital, Outpatient Hospital, Physician, etc.)? Are you able to provide a PPO discount guarantee? If so, please describe.
4. If requested, are you able to perform a claims repricing and disruption analysis based on FW's prior claims history?
5. a) Do you notify FW and/or participants if a network physician terminates his/her contract during the plan year? b) How and when are participants notified? c) What happens to patients that are receiving on-going treatment from that network physician?
6. Can the FW or Plan participant nominate providers to be considered for inclusion in the network panel? If so, what is the procedure for FW and/or participant? What is the average length of time for review of these nominations?

### 5.16 Implementation and Transition Issues

1. Please confirm that you will be able to successfully implement the required FW programs effective January 1, 2016.
2. Based upon past experience from other cases you have taken over directly from another TPA, what should FW expect as far as the conversion process is concerned?

**RFP # 15-02**

3. Do you have a special team and/or department assigned to handle the transition of new clients?
4. Provide an implementation schedule including dates, tasks and personnel responsible to successfully implement FW's programs effective January 1, 2016. What are the major milestones and events associated with your implementation plan? Describe the process and include a timetable, beginning with contract award to effective date. Your response should address the following:
  - Steps required to implement the program and timeframes;
  - Data requirements;
  - Production and distribution of transition announcements and other communications, enrollment materials, etc.; and
  - Contacts and personnel assigned to each step of the implementation process.

**End Section 5**

SECTION 6

**6. Proposed Fees – Volume 2**

Per capita and/or monthly fees should include all administration services outlined in this request for proposal. Please ensure that all services are accounted for and indicate “Included” in the appropriate fee box. Note any services that you would not provide or that are not included in your fees.

Please be advised that if your quotes are not “firm” or “final” you must clearly indicate it in your proposal and explain exactly what information will be needed in order for the quote to become final. In providing fee estimates please keep in mind the following:

- If you are quoting on a per-capita basis, please use a headcount of 500 subscribers on all calculations;
- Any set-up fees to transfer records from the current TPA’s system and/or manual records to your recordkeeping system should be listed separately; and
- Any special fees or charges of any kind for services or supplies that will not be covered by your proposed per-capita or monthly fee must be disclosed in your proposal. Please describe any services or supplies you will not cover.

**6.1 Program Questionnaire**

1. Please confirm that:

	Confirmed	Not Confirmed	Comments
All fees are guaranteed for 24 months from contract inception. Fees are guaranteed for 12 months upon renewal after the initial contract expiration (at FW’s option). All future rate adjustments will be subject to annual renewal (e.g., at least 12 months) in the absence of benefit revisions	<input type="checkbox"/>	<input type="checkbox"/>	
All future rate adjustments will be communicated at least 90 days in advance of the effective date	<input type="checkbox"/>	<input type="checkbox"/>	
Fees are payable at the end of the 30-day grace period	<input type="checkbox"/>	<input type="checkbox"/>	
Will you agree to Performance Guarantees with financial penalties?	<input type="checkbox"/>	<input type="checkbox"/>	
Fees should include the cost of all routine printing and mailing such as monthly benefit checks, annual statements, etc.	<input type="checkbox"/>	<input type="checkbox"/>	
Guarantee a post-termination administrative fee	<input type="checkbox"/>	<input type="checkbox"/>	

**RFP # 15-02**

of no more than your last month's monthly fee			
Transfer all records to any successor administrator within 30 days of termination in a form that is acceptable to the recipient at no charge	<input type="checkbox"/>	<input type="checkbox"/>	
Proposed fees include the cost of the annual stop-loss renewal review, marketing of the stop-loss contract on an annual basis to a minimum of four stop loss carriers as well as the cost of any and all stop-loss reporting that may be required by the stop-loss vendor			

2. Please describe how you handle the banking arrangement for your clients. What types of accounts does your organization propose for FW and what is your strategy for eliminating or minimizing banking fees?

Plan Administration including eligibility, enrollment, COBRA/self-pay administration, subrogation services, maintenance and updating of PPO schedules as provided by vendor, claims processing for medical, dental, vision and prescription drugs for 500 subscribers. Please complete the Fee exhibit below:

SERVICE	MONTHLY FEE	
	January 1, 2016 – December 31, 2016	January 1, – December 31, 2017
1. Medical Administrative Fees		
2. Dental Administrative Fees		
3. Prescription Drug Administrative Fees		
4. Vision Administrative Fees		
5. Network Access Fee – Proposed PPO		
6. PPACA Reinsurance Fee Calculation & Remittance		
7. NY HCRA Reporting/Remittance and other states surcharge administrative fee		
8. Monthly Bank Reconciliation Fee		
9. Other Administrative Fees: <ul style="list-style-type: none"> <li>• Communication Materials</li> <li>• Postage</li> <li>• Printing of Forms</li> </ul>		
10. Stop loss administration including marketing of stop loss to vendors on an annual basis as well as any and all claims reporting required by the stop loss contract.		

RFP # 15-02

SERVICE	MONTHLY FEE	
	January 1, 2016 – December 31, 2016	January 1, – December 31, 2017
11. COBRA Administrative Fees		
12. FSA Administrative Fees		
13. Pre-Certification Fees		
14. Case Management Fees		
<b>15. Total Monthly Fees</b>		
<b>16. Total Annual Fees</b>		

**6.2 Prescription Drug Pricing and Rebates**

Please complete the following table showing the discounts and terms that your organization has contracted with for the PBMs you are proposing in this RFP. Please duplicate the chart as needed for each PBM. If the contracted terms differ for the 2016 and 2017 contract year, please show the terms for each year separately for each PBM. Columns marked “AWP Discount” are to be completed using a discount from 100% AWP and separate dispensing fees. Terms should reflect the AWP unit cost dispensed at the point of sale, and post September 26, 2009 AWP rollback.

Notes:

1. Post September 26, 2009 AWP rollback
2. Include single-source generics.
3. Rebates are 100% pass-back with stated minimum guarantees

Broadest Retail Network (List any Major Retail Chains Excluded)	AWP Discount Retail Supply Up to 30 days	AWP Discount Retail Supply 31-90 days	AWP Discount Mail Supply 1- 90 days
<b>Brand Drugs</b>			
• Discount from AWP for all brands			
• Dispensing Fee Per Rx			
<b>Generic Drugs[2]</b>			
• Discount from AWP for all generics (composite discount of MAC and Non-MAC prices, discounted AWP, or usual and customary retail price)			
• Dispensing Fee Per Rx			
<b>Rebates[3]</b>			
• Three Tier Plan—Per Brand Rx			

Are any prescriptions excluded from the guaranteed prescription drug and specialty pharmacy program pricing as described in your responses in the Financial Sections above? If so, attach a document in the

**RFP # 15-02**

format provided below, and provide a minimum guaranteed AWP discount for these prescriptions at both retail and mail. Otherwise, your above responses will be assumed applicable to all prescriptions.

**6.3 Specialty Drug Pricing and Rebates**

Please provide your organization's definition and qualification criteria of a "specialty drug product".

Provide an AWP-based pricing list of all specialty pharmaceuticals that your company dispenses and distributes to providers and patients. Your pricing must include adequate supplies of ancillaries such as needles, swabs, syringes, and containers. The following items must be included in your list:

1. Product Name
2. Therapeutic Group/Therapeutic Category
3. Guaranteed Minimum AWP Discount for all specialty pharmacy program prescriptions for both Open and Exclusive specialty arrangements

Complete the following tables:

Open Specialty Pharmacy Program	2016	2017
Dispensing Fee—Per Rx		
Aggregate Guaranteed Discount from AWP		
Administrative Fee—Per Rx		
Minimum Rebate Guaranteed Rebate - per Rx		
Exclusive Specialty Pharmacy Program	2016	2017
Dispensing Fee—Per Rx		
Aggregate Guaranteed Discount from AWP		
Administrative Fee—Per Rx		
Minimum Rebate Guaranteed Rebate - per Rx		

Please provide the open and exclusive guaranteed specialty discount guarantees.

**RFP # 15-02**

**6.4 Prescription Drug Services**

Please complete the chart below indicating which services can be provided by your organization and/or the PBMs that you are proposing for FW. Not all services listed below are included in the current plan. Please duplicate the chart as needed.

Prescription Drug Services Included in Administrative Fees	1/1/2016-12/31/2016	1/1/2017-12/31/2017
Retail/Mail Administrative Fee per paid claim		
Services to be included in fees above:		
Toll Free Phone Lines	Yes/No	Yes/No
Monthly Data Feeds to the Client or Designee(s)	Yes/No	Yes/No
Prospective /Concurrent/Retro DUR	Yes/No	Yes/No
Standard Reports	Yes/No	Yes/No
Ad Hoc Reports	Yes/No	Yes/No
COB Program	Yes/No	Yes/No
Mandatory Mail Program	Yes/No	Yes/No
Dose Optimization Program	Yes/No	Yes/No
Prior Authorization Program	Yes/No	Yes/No
Step Therapy Program	Yes/No	Yes/No
Quantity Limitations	Yes/No	Yes/No
Custom System Overrides	Yes/No	Yes/No
Annual EOB Statements	Yes/No	Yes/No
Retro Termination Letters	Yes/No	Yes/No
Group Coding	Yes/No	Yes/No
Drug Notification Letters	Yes/No	Yes/No
Formulary Administration/Management	Yes/No	Yes/No
ID Cards	Yes/No	Yes/No
Pharmacy Directories and other enrollee materials	Yes/No	Yes/No
Standard 1 <sup>st</sup> level appeals processing	Yes/No	Yes/No
Standard 2 <sup>nd</sup> level appeals processing	Yes/No	Yes/No
Urgent Appeals Processing	Yes/No	Yes/No
Overrides	Yes/No	Yes/No
Audit Recovery Fees	Yes/No	Yes/No
<b>Services not included in fees above (i.e., services marked "N" above) (show fees separately):</b>		

**RFP # 15-02**

Prescription Drug Services Included in Administrative Fees	1/1/2016-12/31/2016	1/1/2017-12/31/2017
Other		

**6.5 First Year Set-Up Fees**

Service	Set-Up Fees (January 1, 2016- December 31, 2016 Only)
1. Initial Set-Up Charge	
2. Development of Communication Materials (e.g., transition announcement letters, etc.)	
3. Other (Specify)	
<b>Total Set-Up Fees</b>	
Are these fees included in the Summary of Fees chart above?	



**6.7 Performance Standards and Guarantees**

Please complete the chart below noting any performance guarantee that you would be willing to offer FW.

Standard Description	Standard Description Standard/Goal	% of Fees at Risk	Willing to Comply
Claim turnaround time	> 90% - 95% within 10 business days or within 14 calendar days		
Financial accuracy	>99%		
Payment accuracy	>97%		
Time to answer	>90% answered within 30 seconds		
Abandonment rate	>97% of calls answered before abandonment		
Eligibility accuracy	>97%		
Eligibility processing	Eligibility will be updated within 3 business days of receipt of a usable data		
Management reports	Reports provided by agreed upon schedule		
Website availability	Except for agreed upon maintenance downtimes, web portals will be available 24/7, 365 days a year.		
ID Card	Initial enrollees to receive ID cards no later than December 1 <sup>st</sup> . Ongoing ID cards to be received within 14 days of receipt of enrollment.		

End Section 6

**RFP # 15-02**

**ATTACHMENT A**

**REFERENCES**

**OFFERORS' NAME:** \_\_\_\_\_

1. COMPANY NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

CONTACT PERSON: \_\_\_\_\_

TELEPHONE: (\_\_\_\_) - \_\_\_\_\_ - \_\_\_\_\_

FAX: (\_\_\_\_) - \_\_\_\_\_ - \_\_\_\_\_

E-MAIL: \_\_\_\_\_

2. COMPANY NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

CONTACT PERSON: \_\_\_\_\_

TELEPHONE: (\_\_\_\_) - \_\_\_\_\_ - \_\_\_\_\_

FAX: (\_\_\_\_) - \_\_\_\_\_ - \_\_\_\_\_

E-MAIL: \_\_\_\_\_

3. COMPANY NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

CONTACT PERSON: \_\_\_\_\_

TELEPHONE: (\_\_\_\_) - \_\_\_\_\_ - \_\_\_\_\_

FAX: (\_\_\_\_) - \_\_\_\_\_ - \_\_\_\_\_

E-MAIL: \_\_\_\_\_

**OFFERORS' NAME:** \_\_\_\_\_

**RFP # 15-02**

4. COMPANY NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

CONTACT PERSON: \_\_\_\_\_

TELEPHONE: (\_\_\_\_) - \_\_\_\_\_ - \_\_\_\_\_

FAX: (\_\_\_\_) - \_\_\_\_\_ - \_\_\_\_\_

E-MAIL: \_\_\_\_\_

5. COMPANY NAME: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

CONTACT PERSON: \_\_\_\_\_

TELEPHONE: (\_\_\_\_) - \_\_\_\_\_ - \_\_\_\_\_

FAX: (\_\_\_\_) - \_\_\_\_\_ - \_\_\_\_\_

E-MAIL: \_\_\_\_\_

**ATTACHMENT B  
TRANSMITTAL FORM**

In compliance with this Request for Proposal and to all the conditions imposed therein and hereby incorporated by reference, the undersigned offers and agrees to furnish the goods and/or services described herein in accordance with the attached proposal and as may be mutually agreed upon by subsequent negotiation.

<b>Company Name (printed)</b>		<b>Federal ID Number</b>	
<b>Street (printed)</b>		<b>Telephone:</b>	
<b>City, State, Zip (printed)</b>		<b>Facsimile:</b>	
<b>Printed</b>	<b>Title</b>	<b>E-mail:</b>	
<b>Signed</b>	<b>Dated</b>	<b>F.O.B.:</b> <b>(Shipments are FOB Destination unless otherwise specified)</b>	
<p>Pursuant to Title 13.1 or Title 50 of the Virginia Code provide the identification number issued to your firm by the Virginia State Corporation Commission (VSCC) in the space provided below, If your firm is not required to be authorized to transact business under Title 12.1 or Title 50, or any other law; provide a statement why your firm is not required to be so authorized.</p> <p><b>VSSC ID Number:</b> _____</p>			
<p>If you do not have a VSCC identification number, explain why it is not required in the space below:</p> <p>_____</p> <p>_____</p> <p>_____</p>			



## ATTACHMENT E

## CLAIMS COUNT AND CALL CENTER USAGE

<b>Fairfax Water Claims and Enrollment</b>			
<b>Calendar Year 2013</b>			
<b>Benefit Coverage</b>	<b>Claims Paid</b>	<b># of Claims</b>	<b>Subscribers</b>
Medical	\$4,102,480	14,872	437
Rx	\$1,448,707	14,811	437
Dental	\$436,724	2,036	437
Vision	\$46,425	235	437
<b>Total</b>	<b>\$6,034,336</b>	<b>31,954</b>	<b>437</b>
<b>Calendar Year 2014</b>			
Medical	\$4,654,080	15,144	485
Rx	\$1,638,740	16,712	485
Dental	\$499,725	2,170	485
Vision	\$48,202	312	485
<b>Total</b>	<b>\$6,840,747</b>	<b>34,338</b>	<b>485</b>

The increase in subscribers in 2014 over 2013 was due to the acquisitions of two public water utilities resulting in 60 additional new employees.

<b>Fairfax Water 2014 Monthly Call Volume</b>	
Jan-14	329
Feb-14	338
Mar-14	320
Apr-14	375
May-14	294
Jun-14	350
Jul-14	319
Aug-14	320
Sep-14	360
Oct-14	359
Nov-14	315
Dec-14	417
<b>Total</b>	<b>4,096</b>

