

ADDENDUM ONE

DATE: January 11, 2013

TO: All Vendors

FROM: Ruth Gray/Mary Lanning, Buyers
 State Purchasing Bureau

RE: Questions and Answers for RFP Number 4191Z1
 to be opened January 24, 2013

Following are the questions submitted and answers provided for the above mentioned Request For Proposal. The questions and answers are to be considered as part of the Request For Proposal.

QUESTIONS	ANSWERS
<p>1. We are not exactly sure about the differences between SOW1 (capitation rate setting) and SOW2 (capitation rate rebasing). Can you be more specific about the differences between the two in terms of the scope of the work and the expectation of the deliverables?</p>	<p>SOW 1 would include updates to the base capitation rates. SOW 2 would rebase the capitation rates based on a new data set.</p>
<p>2. The RFP requires the consultant or analyst to have a minimum of 5 years' experience in the SOW project they are assigned. Does the five years' experience have to be related to the SOW project they are assigned? For example, for behavioral health managed care rate setting and rebasing (SOW1 and SOW2), does the consultant or analyst assigned to perform the work have to have 5+ years of experience in behavioral health managed care rate setting? Or it is sufficient to meet this requirement with 5+ years of general rate setting experience?</p>	<p>It is sufficient to meet this requirement with five (5) plus years of general rate setting experience.</p>

QUESTIONS	ANSWERS
<p>3. Please confirm that only FFS data will be available to develop the capitation rates for behavioral health program and PACE program since they will be newly implemented in 2013.</p>	<p>Initially FFS data will be only be available to develop the capitation rates for behavioral health as the program will be newly implemented in 2013.</p>
<p>4. Could the State please provide an explanation of why these services are being procured at this time?</p>	<p>The current contract is set to expire March 31, 2013.</p>
<p>5. Are there any incumbent contractors currently completing all or some of the services outlined in the RFP? If so, how long have they been under contract?</p>	<p>The current contractor has been working with the State since 2006.</p>
<p>6. Will the State be willing to accept a limit on the Contractor's liability to a multiple of fee's, such as 3 times the fees, or to some fixed amount?</p>	<p>All terms and conditions are negotiable; however, it is understood by the parties that in the State of Nebraska's opinion, any limitation on the contractor's liability is unconstitutional under the Nebraska State Constitution, Article XIII, Section 3, and that any limitation of liability shall not be binding on the State of Nebraska despite inclusion of such language in documents supplied with the contractor's bid or in the final contract.</p>

QUESTIONS	ANSWERS
<p>7. Throughout the RFP, the bidder is asked to agree to the terms and conditions outlined (Contractual Services Form and Section III, Terms and Conditions - accept and initial); however, the bidder is also allowed per Section III, Terms and Conditions (page 7) to indicate any exceptions and provide suggested language. Please confirm that if the State intends to contract with a successful bidder, there will be an opportunity to negotiate exceptions noted even if the bidder signs the Contractual Services Form and initials terms and conditions in Section III as required by the RFP.</p>	<p>By signing the "Request For Proposal For Contractual Services" form, the bidder guarantees compliance with the provisions stated in the Request for Proposal, agrees to the terms and conditions and certifies bidder maintains a drug free work place environment.</p> <p>Bidders are expected to closely read the Terms and Conditions and provide a binding signature of intent to comply with the Terms and Conditions; provided, however, a bidder may indicate any exceptions to the Terms and Conditions by (1) clearly identifying the term or condition by subsection, (2) including an explanation for the bidder's inability to comply with such term or condition which includes a statement recommending terms and conditions the bidder would find acceptable. Rejection in whole or in part of the Terms and Conditions may be cause for rejection of a bidder's proposal.</p> <p>The State will not proceed with awarding a contract to a bidder who has noted exceptions to the Terms and Conditions in its proposal response prior to negotiation with bidder even if the bidder signs the Contractual Services form.</p>

QUESTIONS	ANSWERS
<p>8. Page 15, Section III, Paragraph DD - This paragraph indicates a performance bond may be required. Please clarify if a performance bond will be required of the successful bidder.</p>	<p>Section III, Paragraph DD is hereby amended to read as follows:</p> <p>The selected contractor will be required to supply a certified check or a bond executed by a corporation authorized to contract surety in the State of Nebraska, payable to the State of Nebraska, which shall be valid for the life of the contract to include any renewal and/or extension periods. The amount of the certified check or bond must be twenty percent (20%) of the contract amount. The check or bond will guarantee that the selected contractor will faithfully perform all requirements, terms and conditions of the contract. Failure to comply shall be grounds for forfeiture of the check or bond as liquidated damages. Amount of forfeiture will be determined by the agency based on loss to the State. The bond or certified check will be returned when the service has been satisfactorily completed as solely determined by the State, after termination or expiration of the contract.</p>
<p>9. Page 20, Section III, Paragraph UU - How does the State anticipate that the Nebraska Technology Access Standards will impact the scope of services to this contract?</p>	<p>The State does not expect Section III, Paragraph UU to have a material impact to the scope of services to a contract resulting from this RFP.</p>
<p>10. Page 20, Section III, Paragraph WW - Please clarify that the Disaster Recovery/Back Up Plan is only necessary to be provided upon notification of intent to award.</p>	<p>Yes, this is correct.</p>
<p>11. Page 20, Section III, Paragraph YY - What is meant by "preference will be given" in relation to recycled materials?</p>	<p>Disregard. YY is not relevant to this Request for Proposal.</p>
<p>12. Page 21, Section III, Paragraph AAA - Please clarify that the verification of work eligibility status is only necessary to be provided upon notification of intent to award.</p>	<p>Term and Condition AAA. New Employee Work Eligibility is only required to be provided by the successful contractor.</p>

QUESTIONS	ANSWERS
<p>13. Page 22, Section IV, Paragraph A - This section indicates that the term of the contract is up to 3 years with 2 additional one-year renewal periods; however, in other areas of the RFP the timing provided does not appear consistent with this term. Please see Section 1, Page 1 that indicates "...date of contract award through March 31, 2015..." and Contractor start date of April 1, 2013. Additionally, Attachment A includes Plan Years than end June 2015. Please clarify the term of the contract.</p>	<p>Section I, paragraph 2 of the RFP is hereby amended to read:</p> <p>A contract resulting from this Request for Proposal will be effective from the date of contract award through March 31, 2016, with the option to renew for two (2) additional one (1) year periods as mutually agreed upon by all parties.</p>
<p>14. Page 23, Section IV, Paragraph C - This section indicates that "Each Consultant or Analyst must have a minimum of five (5) years' experience in the SOW project they are assigned. The Bidder must identify the Consultant or Analyst assigned to each project." Is it acceptable to the State that each project include staff that meet this minimum requirement and that other staff with lesser experience are also included on the team to help support the SOW project? This will allow the bidder to produce high, quality work and be as cost effective as possible.</p>	<p>Yes.</p>
<p>15. Page 25, Section IV, SOW 5 - Should the table requested for hourly rates for the special projects be included only in the Cost Proposal? How will this table be considered in the evaluation of the proposals?</p>	<p>The special projects table will not be considered in the evaluation of proposals.</p>
<p>16. Page 25, Section IV, SOW 5 - What is the State expecting to see in the Technical Proposal to support the bidder's ability to perform special projects and how will this experience be considered in the evaluation of the proposals? Section V currently does not include any specifications regarding SOW 5 in the Technical or Cost Proposals.</p>	<p>Proposals should list or describe experience in other actuarial-type projects and work experience to demonstrate flexibility and range of experience in other actuarial type work.</p>
<p>17. Page 27, Section V - Please clarify what is specifically meant by the statement "Bidders should identify the subdivisions of "Project Description and Scope of Work" clearly in their proposals..."</p>	<p>The bidder's proposal response should be formatted using the same outline as described in Section IV. Project Description and Scope of Work.</p>

QUESTIONS	ANSWERS
<p>18. Page 30, Section V - Does the State expect references for all staff proposed for this contract or is it acceptable to included references for key staff: Principal, Consultant and Analyst (meeting minimum requirements), actuaries and project managers, etc.?</p>	<p>As stated in Section V.A.3.i. Paragraphs 1, 2, 3 and 4 describe the requirements for references for all personnel proposed by the bidder to work on the project.</p>
<p>19. Page 31, Section V, Cost Proposal - Our understanding of the RFP is that SOW 1 differs from SOW 2 in that SOW 1 is for rate updates rather than a full rate rebasing. It appears that the State is requesting additional pricing for SOW 1 in this section and in Attachment A for additional rate updates. Please clarify what circumstances may necessitate additional rate updates.</p>	<p>As per Section IV.D.2 of the RFP, Replication may be required due to changes resulting in Federal and/or State requirements, program changes or changes in coverage.</p>
<p>20. Page 31, Section V, Cost Proposal - Our understanding of the RFP is that SOW 3 includes project work for the State's 1915(b) renewal every 2 years and any necessary amendments. The Cost Proposal requests a single annual price for this work. Is it the State's expectation that the bidder propose the same price in every year regardless of waiver renewal or amendment or is it acceptable to provide a price in each year reflective of the timing for renewals and amendments? Also similar to the capitation rate development SOW, will the State allow for this work to be billed once the waiver has been finalized and provided to the State for submission to CMS?</p>	<p>This is at the bidder's decision.</p> <p>Yes, once the deliverable is approved by DHHS.</p>

QUESTIONS	ANSWERS
<p>21. Attachment A - Please clarify the plan years to be used by the bidder in providing pricing. The initial plan year will be nearly complete upon contract award. Additionally, should the plan year coincide with the contract years for these services? Is the State expecting pricing for the first three contract years only? If so, how will future pricing be established for the 2 potential one-year renewals?</p>	<p>The contract years and plan years are 4/1/2013-3/31/2014 for year 1; 4/1/2014-3/31/2015 for year 2; and 4/1/2015-3/30/2016 for year 3. The RFP is hereby amended in Section III, PP. Prices, first paragraph to read as follows:</p> <p>All prices, costs, terms and conditions outlined in the proposal shall remain fixed and valid commencing on the opening date of the proposal until an award is made (and for bidder receiving award prices shall remain as bid for the duration of the initial contract period. For the optional renewal periods the State will allow up to a five per cent (5%) increase to the prior year's total firm fixed cost as mutually agreeable to both parties.</p>
<p>22. Attachment A - Please clarify that the State is expecting pricing in each plan year to be reflective of the actual services performed during that plan year and not corresponding to the period for capitation rate ranges or waiver renewals. For the work completed prior to this contract award, please provide the effective periods of the capitation rate ranges for the physical health, behavioral health and PACE programs and the effective waiver period.</p>	<p>No work is to be commenced or completed prior to the contract initial start date of 4/1/2013.</p>
<p>23. Attachment A - The State is requesting a single price for each SOW. Please clarify if the State expects the winning bidder to invoice for services when the SOW is completed each year or if the State will consider interim billing for deliverables that demonstrate the completion of key project milestones.</p>	<p>Each SOW will be invoiced for services when the SOW is completed and approved by the DHHS.</p>