



August 2012
PE 12-07-520

SPECIAL REPORT

THE BUREAU FOR MEDICAL SERVICES DEPARTMENT OF HEALTH AND HUMAN RESOURCES

Overview

The Bureau for Medical Services' Purchasing Exemption
Has Not Assisted the Agency with the MMIS Procurement
Process



WEST VIRGINIA LEGISLATIVE AUDITOR



WEST VIRGINIA LEGISLATIVE AUDITOR

Building 1, Room E-132
State Capitol Complex
Charleston, West Virginia 25305
(304) 347-4800

Aaron Allred
Legislative Auditor

Shannon Landrum
Senior Health Policy Analyst

CONTENTS

Issue 1: The Bureau for Medical Services' Purchasing Exemption Has Not Assisted the Agency with the MMIS Procurement Process.....	5
List of Appendices	
Appendix A: Transmittal Letter to Agency	13
Appendix B: Objective, Scope and Methodology	15
Appendix C: Performance Bond Survey.....	17
Appendix D: Agency Response	19

ISSUE 1

The Bureau for Medical Services' Purchasing Exemption Has Not Assisted the Agency with the MMIS Procurement Process.

In the 2009 regular session, the Legislature amended the state code to exempt BMS from the requirements of the Department of Administration's (DOA) Purchasing Division. The West Virginia Department of Health and Human Resources' (DHHR) Bureau for Medical Services (BMS) requested the purchasing exemption due to the agency's supposed difficulty working with the DOA Purchasing Division. In response to the Legislative Auditor's 2008 satisfaction survey on the DOA Purchasing Division, BMS indicated that the Purchasing Division's inability to work with the Bureau in developing RFPs was a hindrance to the Medicaid program and resulted in wasteful spending.

The exemption authorizes the Secretary of DHHR to develop procedures and requirements for competitive bidding and the awarding of contracts and allows BMS to develop contracts using their own subject matter experts. However, BMS did not develop adequate staff resources for the procurement process. The lack of procurement expertise within BMS coupled with weak statutory protections for the state's interest has resulted in weaknesses in the agency's current procurement process.

The Medicaid Purchasing Manual has limited language defining "conflict of interest." It is of concern that the interests of the agency, not the interests of the state, are protected by the manual. On page 8, the manual defines a conflict of interest as:

A situation where the personal interests of a contractor, public official or employee are, or appear to be, at odds with the best interest of the BMS.

This differs sharply from the accepted legal definition of the term. Black's Law Dictionary defines a conflict of interest as "A real or seeming incompatibility between one's private interests and one's public or fiduciary duties." Conflicts of interest have the potential to cancel vendor contracts according to the WV BMS Medicaid Services Contracts Purchasing Manual. The manual states:

The Secretary or designee reserves the right to cancel any contract upon written notice to the vendor under any one of (but not limited to) the following conditions:

- *The contractor agrees to the cancellation.*
- *The contractor has obtained the contract by fraud, collusion, conspiracy, or in conflict with any statutory or constitutional provision of the State of West Virginia.*
- *The contractor has failed to conform to contract requirements or standard commercial practices.*
- *The existence of an organizational conflict of interest is identified.*

The secretary referenced in the previous excerpt is the Secretary of the Department of Health and Human Resources.

WV State Purchasing Division rules, from which BMS is exempted, also address conflicts of interest in relation to the evaluation of vendor bids. 148 C.S.R. 1 §6.6 states the following:

Evaluators of bids, proposals or solicitations must certify that no conflict of interest exists, including financial or personal, with any vendor or vendor representative in the evaluation of bids, proposals or solicitations in excess of \$25,000, evaluators may not contact vendors, except through Purchasing Division buyer or with his/her consent. No spending unit personnel may have any communication concerning the particular solicitation, bid, evaluation or award with any vendor during the solicitation, bid, evaluation or award periods except through the Purchasing Division buyer or with his/her consent.

West Virginia Code §9-2-9b(c) authorizes the Secretary of DHHR to develop procedures and requirements for competitive bidding and the awarding of contracts. West Virginia Code §9-2-9b(e) specifically prohibits conflicts of interests with contracted professional consultants. State purchasing law, from which BMS is exempted, contains much stronger language regarding conflicts of interest. West Virginia Code §5A-3-31 reads as follows:

It shall be unlawful for any person to corruptly combine, collude or conspire with one or more other persons with respect to the purchasing or supplying of commodities or printing to the state under the provisions of this article if the purpose or effect of such combination, collusion or conspiracy is either to (1) lessen competition among prospective vendors, or (2) cause the state to pay a higher price for such commodities or printing than would be or would have been paid in the absence of such combination, collusion or conspiracy, or (3) cause one prospective vendor or vendors to be preferred over one or more other prospective vendor or vendors. Any person who violates any provision of this section shall be guilty of a felony, and, upon conviction thereof, shall be confined in the penitentiary not less than one nor more than five years, and be fined not exceeding five thousand dollars.

The purchasing protections in Chapter 5A, from which BMS is exempted, offers much stronger protections for the state than those found in BMS' own statute. Purchasing exemptions shield exempted agencies from laws and regulations that protect the fiscal integrity of the state.

Conflict of Interest in MMIS Procurement

BMS has struggled with the procurement of Medicaid Management Information System (MMIS) procurement process. The MMIS is an integrated group of procedures and computer processing operations developed to meet principal objectives of the Medicaid program. The current RFP (MED 13006) is the agency's third attempt to procure these services. The first RFP was withdrawn for reasons that have not been disclosed by the agency. The second RFP was withdrawn due to concerns of the Legislative Auditor. There have been no substantive changes in the RFPs. The contract will last for ten to twelve years.

The current RFP contains specific language in relation to conflicts of interest. Section 1.21.1 of the RFP states:

Vendor affirms that it, its officers or members or employees presently have no interest and shall not acquire any interest, direct or indirect, which would conflict or compromise in any manner or degree with the performance or its services hereunder. The Vendor further covenants that in the performance of the contract, the Vendor shall periodically inquire of its officers, members and employees concerning such interests. Any such interests discovered shall be promptly presented in detail to the Bureau.

At the May meeting of the Legislative Oversight Commission on Health and Human Resources Accountability (LOCHHRA), the BMS Commissioner was asked about the MMIS contract. The Commissioner stated that she could not answer the question due to a conflict of interest and deferred all questions to a Deputy. However, the RFP authorizes the Commissioner, or an individual designated by the Commissioner to select the evaluation committee, despite the fact that the conflict of interest prohibits her from answering questions regarding the RFP from LOCHHRA.

The current MMIS RFP describes the procedure for vendor selection. Section 1.10.4.3 states:

The evaluation committee will be made up of no less than three (3) and no more than seven (7) Subject Matter Experts (SMEs)... These SMEs will be drawn from the BMS and other agencies, as appropriate, and will be approved by the BMS commissioner or designee.

Since the BMS Commissioner has shared a conflict of interest in regards to this particular RFP, the Secretary of DHHR decided to alter the process outlined in the RFP regarding the selection of the evaluation committee members. In a letter dated May 18 2012, the Secretary states:

You are correct to note that section 1.10.4.3 of MED 13006 states that the subject matter experts on the evaluation committee will be approved by the Commissioner or her designee. Commissioner Atkins has made no secret of the fact that she has removed herself from any decision-making role in regard to this RFP, including the selection of the subject matter experts. For this RFP Deputy Commissioner Ed Dolly has been designated by the Secretary of DHHR and the Commissioner as the person who is responsible for the selection of the subject matter experts. Mr. Dolly is the head of BMS's Division of Process Applications and Methodologies and, by virtue of his position, is responsible for all information technology initiatives with this bureau.

Since this process has now become an alteration of the original written plan contained in the RFP for selecting the committee, the disclosure provided by the Certificate of Non-Conflict of Interest will be crucial in demonstrating the integrity of the procurement process.

Other Potential Conflicts of Interest in the MMIS Procurement

The BMS Deputy Commissioner for Process, Applications and Methodologies, who has been designated by the Secretary of DHHR as responsible for the selection of the evaluation committee for the MMIS also serves as the designated Health Information Technology (HIT) Coordinator for the \$7.8 million grant award from the U.S. Department of Health and Human Services' Office of the National Coordination for Health Information Technology (ONC). This grant was awarded for the purpose of developing West Virginia's Health Information Exchange through the WV Health Information Network (WVHIN). The Chief Operating Officer of the WVHIN is Phil Weikle, who also served as a private consultant to DHHR in the development of the MMIS RFP.

DHHR and the West Virginia Health Care Authority contracted with Fenwick Technologies Inc. in February 2011 to conduct contract evaluation and consulting services. This included reviewing the MMIS RFP. Fenwick provided DHHR with a single consultant, Phil Weikle. Deliverables from the Fenwick contract indicate that the vendor assisted DHHR in the MMIS procurement process, but does not specify what advice or direction the vendor provided. It is the opinion of the Legislative Auditor that if Phil Weikle assisted *in any way* in the preparation or review of MMIS RFPs prior to January 2012, then Fenwick Technologies may not benefit as a subcontractor. Fenwick Technologies and Phil Weikle were listed as a subcontractor in one of the vendor bids on the second MMIS RFP.

In response to the Legislative Auditor's concerns regarding this matter, DHHR withdrew the second MMIS RFP in March 2012. The DHHR Secretary stated "In our investigation of the issues that you identified for us in your previous letter, we determined that the system in place within our department to alert us to potential conflicts of interest relating to procurements was inadequate." In the same letter, the Secretary indicated that the Department planned to put into place three changes in the re-issued RFP to correct the conflict of interest problems in the second procurement attempt. The Secretary's description of these changes is quoted below:

First, we specifically list in the RFP all outside organizations that have participated in the preparation of the technical specifications or assisted in any way in the development of the RFP. This will be followed by a statement to advise potential vendors that these organizations are disqualified from participating in any way in the development of bids in response to this RFP or to act as subcontractors for this project, and that association with any of these groups will result in disqualification of the bidder. Our second change will be to require potential bidders to submit a sworn affidavit that they have not consulted with any of the named organizations in the development of their response. Finally, we are putting into place a new review to occur upon receipt of the bids, to check for potential conflicts of interest.

The Secretary also informed the Legislative Auditor that the Department formed a workgroup consisting of representatives from the Secretary's Office, the Bureau for Medical Services and the DHHR Office of Purchasing to review each vendor response. The process for the third MMIS RFP, as described by the Secretary is as follows:

Each response will be searched for names of pertinent current or former employees and pertinent current or former contractors. Any response that contain any of these names will be flagged and reviewed by General Counsel's Office. General Counsel's Office must clear or disqualify prior to any evaluation on technical merit.

BMS issued the third MMIS RFP on April 24 2012. The agency implemented the changes attested to by the Secretary. It is not clear if the agency intends to revise their entire procurement process in response to this issue.

DHHR has in place a system of reporting used by staff to report media and legislative contacts. These forms are available on the DHHR website and could be adapted for use in reporting contacts with vendors during the procurement process. This would assist the agency in documenting the operationally necessary communications between staff and current vendors during procurements.

Performance Bond Not Required on MMIS

A performance bond is a contractual tool which protects the financial interests of the purchasing entity. The current MMIS RFP does not contain a performance bond to protect the state's interests. In a letter to the Legislative Auditor, the previous DHHR Secretary stated:

...This topic was discussed by our team prior to the issuance of the RFP. We explored the costs of performance bonds in general and we came to the conclusion that the cost of the bond might become prohibitive to some smaller vendors. Also, since the cost of the bond is usually included in the cost proposal, a requirement of this nature adds to the proposed price of the system. We choose to add a retainage of 15%, which protects us in those situations where the vendor fails to complete the work in a satisfactory manner. We believe that this provision provides adequate protection for us without adding significantly to the overall cost of the project.

Based upon research conducted by the Legislative Auditor, performance bonds for MMIS procurements vary significantly from state to state. The Legislative Auditor surveyed 47 out of 50 states to determine whether the use of performance bonds is a common practice. Half of those states use performance bonds. The terms of the bond may be based on the size of the contract or a flat dollar amount. In the states requiring performance bonds the amount varies from \$1 million in Rhode Island to 100 percent of the contract value in Georgia. [Survey results are available in Appendix C.] Rates for performance bonds vary depending on the qualifications of the contractor, the past performance of the contractor, the contractor's financial standing and the type of contract. The average cost for a performance bond is one to five per cent. A highly qualified contractor can obtain lower rates than a contractor with credit issues or financial deficiencies.

DHHR and BMS have spent a significant amount on consulting contracts to assist in the development of the MMIS RFP. BMS has authority to do so in W. Va. Code §9-2-9b(e), which states:

The secretary may employ the services of independent professional consultants to assist in preparing solicitations or for the evaluation of any responses to such solicitations: Provided, That the independent professional consultant, or member of his or her immediate family, or business with which he or she is associated may not have any interest in the profits or benefits of the contract for which he or she may participate in the preparation of the solicitation or in the evaluation of the response.

In addition to the Fenwick consultant, discussed in depth in Issue 1, BMS has used another consultant for MMIS project management as well. The current contract with Berry Dunn, McNeil & Parker LLC (BDMP) encompasses the preparation of the RFP for the MMIS re-procurement project. The contract calls for BDMP to “ensure that industry standard language is used in the RFP document.” Since 2004, BMS has paid BDMP \$10.9 million. The Legislative Auditor has requested the deliverables from the BDMP contract in order to determine what advice and guidance the vendor gave the state regarding the use of performance bonds in the MMIS RFP. However DHHR has failed to provide the information as requested.

Despite high cost consultant services and a purchasing exemption, which was granted to assist the agency in procuring a cost-effective system, the agency still failed to take every available precaution in regards to the state’s fiscal interests. Discussions with federal officials indicate that not all states require performance bonds on MMIS contracts. However, the inherent risk to the state of a vendor failing to deliver is substantial, as the current vendor receives approximately \$20 million annually.

The Division of Purchasing also has statutory authority to protect the state’s financial interests in the procurement process. West Virginia Code §5A-3-4(a)(6) allows the Purchasing Division director to “prescribe the amount and type of deposit or bond to be submitted with a bid or contract and the amount of deposit or bond to be given for the faithful performance of a contract;” Agencies with exemptions from the Division of Purchasing have no such statutory protections.

In the Bureau’s second MMIS RFP (MED 12011) a performance bond was included in Addendum 1. The bond was for 50 per cent of the cost of Design/Develop/Implementation upon execution of the contract. The vendor was also required to provide a performance bond for 100 per cent of the estimated cost of annual operation prior to commencement of operations. (Based upon initial information, these amounts appear to be higher than other states requiring performance bonds.) This bond was to be renewed annually. However, in the second addendum to the RFP, the original RFP language, indicating a performance bond was “non-applicable” was reinserted. State law also gives the Director of the Purchasing Division the authority to determine the type of bond needed in a procurement. It is the opinion of the Legislative Auditor that the inclusion of a performance bond (as per the second MMIS RFP) would afford the state significantly greater contractual protections than the current RFP offers.

Retainage and Liquidated Damages as a Contractual Protection

In order to hold the vendor responsible for the timely production of their deliverables, the RFP addresses the retainage of monthly payments to the vendor. If the vendor is unable to meet the required deadlines for key deliverables on or ahead of schedule, the state will retain a certain percentage of the payment due to the vendor. This percentage will not exceed 15% of the total payment due to the vendor. The retained percentage is held until such time as the work is completed by the vendor. Upon completion of the deliverable in question, the funds are released to the vendor.

It is the opinion of the Legislative Auditor that the retainage of small portions of monthly payments is too weak a measure to compel vendor compliance with important deadlines for key deliverables. Other states have seen the departure of their selected vendor, have been forced to terminate projects in the middle of an extended contract, or have experienced significant delays and cost overruns causing great harm to state programs that many of their constituents depend on¹.

In addition to the retainage of small portions of the monthly payouts during the implementation phase of this project if certain goals are not met in a timely manner, section 1.21.15, titled “Liquidated Damages”, of the RFP, states the following:

The Vendor agrees that liquidated damages shall be imposed at the rate of \$1,000.00 per day for failure to provide deliverables, meet milestones identified to keep the project on target, or failure to meet exclusive deadlines.

While weak contractual protections may create a more comfortable set of business conditions for a smaller scale vendor, the lack of protection for the vast amount of state resources involved with this particular project is concerning.

Conclusion

The Bureau for Medical Services was granted a purchasing exemption in order to alleviate burdensome requirements which were believed to impair the procurement process. Many other health policy agencies, such as the Public Employees Insurance Agency, the West Virginia Health Care Authority and the West Virginia Health Information Network also possess purchasing exemptions. These exemptions make the coordination of policy objectives through procurement strategies difficult. Agencies other than BMS are outside the scope of this review. However, it is important to note that the exemptions have been awarded to all agencies in an effort to improve the functioning and fiscal integrity of state programs.

The Division of Purchasing has no oversight authority over agencies with statutory exemptions to state purchasing law. There is no central repository for contract information when agencies are exempted from the Purchasing Division’s authority. The Legislative oversight and audit functions are also hampered by the necessity of compelling agencies to make information available, which otherwise would be easily available through the Purchasing Division.

¹ Nebraska, North Carolina, North Dakota, South Dakota, New Hampshire and Georgia have all experienced such issues.

BMS has not developed adequate staff resources for the procurement process. The lack of procurement expertise within BMS coupled with weak statutory protections for the state's interest could lead to significant costs for the state. While BMS staff are subject matter experts, it is apparent to the Legislative Auditor that there are significant improvements which can be made in the procurement process.

Recommendations:

1. *The Legislature should consider repealing the Bureau for Medical Services' purchasing exemption.*
2. *If the Legislature does repeal the exemption, it should consider addressing the interagency relationship between Division of Purchasing and other state agencies by studying the feasibility of a Model Procurement Act.*
3. *If the Legislature does not repeal the purchasing exemption, it should consider applying additional statutory oversight measures and requirements for BMS.*
4. *The Legislature should also consider studying the impact of the numerous existing purchasing exemptions in the health policy agencies in order to determine the impact on state expenditures and health care outcomes.*
5. *The Legislature should consider requiring all exempt agencies to submit RFPs and all other associated documents to the Purchasing Division, which should serve as a neutral repository of information.*

Appendix A: Transmittal Letter

WEST VIRGINIA LEGISLATURE
Joint Committee on Government and Finance

Building 1, Room E-132
1900 Kanawha Boulevard, East
Charleston, WV 25305-0610
(304) 347-4800
(304) 347-4819 FAX



Aaron Allred

Legislative Manager
Legislative Auditor

August 8, 2012

Rocco Fucillo, Acting Cabinet Secretary
West Virginia Department of Health and Human Services
One Davis Square, Suite 100 East
Charleston, West Virginia 25301

Dear Acting Secretary Fucillo:

I hereby transmit a draft copy of the Performance Review of the West Virginia Department of Health and Human Resources' Bureau for Medical Services. This report is scheduled to be presented to the August 14, 2012 interim meetings of the Joint Committee on Government Operations, the Joint Committee on Government Organization and the Legislative Oversight Commission on Health and Human Resources Accountability (LOCHHRA). It is expected that a representative from your agency will be present to respond to the report and to answer any questions the committee may have.

As we already discussed this report on Monday, August 6, 2012, there is no need to schedule an additional exit conference. However, please feel free to contact me if you wish to discuss it. If you would like a written agency response to be included on the report, please provide DHHR's written report by Noon, Friday, August 10, 2012 in order for it to be included in the final report. If your agency intends to distribute additional material to the committee members during the meeting, please contact the House Government Organization Committee staff at 304 340-3192 and the House Health Committee at 304 340-3269, by Thursday, August 9, 2012, to make arrangements.

Sincerely,

A handwritten signature in blue ink that reads "Aaron Allred".

Aaron Allred

Appendix B: Objective, Scope and Methodology

Objective

The Legislative Auditor conducted an analysis of the Bureau for Medical Services' use of its purchasing exemption as part of the Agency Review of the Department of Health and Human Resources, as required by §4-10-8. The objective of this review is to examine the Bureau's use of the purchasing exemption.

Scope

The scope of this review consisted of the MMIS procurement process. The time period covers calendar year 2008 to present. Attorneys in Legislative Services were consulted in the scope of this review.

Methodology

This report utilizes information compiled from the West Virginia Department of Health and Human Resources and the Bureau for Medical Services. Information was also obtained from: the *West Virginia Code*; the *Code of State Regulations*; the Bureau's draft *Purchasing Methodology Manual*; and the West Virginia Financial Information Management System (FIMS). Staff reviewed 35 MMIS contracts from other states and conducted telephone interviews with procurement staff from 14 states.

Appendix C: Performance Bond Survey

Performance Bond Survey		
State	Bond Requirement	Amount
Alabama	Yes	\$10 million
Alaska	Yes	20%/30%/50%/50%
Arizona	No	
Arkansas	No	
California	No	
Colorado	No	
Delaware	No	
Florida	Yes	15%
Georgia	Yes	100%
Idaho	Yes	
Illinois	No	No modern MMIS
Indiana	No	
Iowa	No	
Kansas	Yes	\$2.5 million
Kentucky	Yes	\$10 million
Louisiana	Yes	\$6 million
Maryland	No	
Michigan	No	
Minnesota	No	No modern MMIS
Mississippi	Yes	50%/20%/50%
Missouri	Yes	50%/20%/50%
Montana	No	LOC for \$2-5 million
Nebraska	No	No modern MMIS
Nevada	Yes	\$5 million
New Hampshire	Yes	20%
New Jersey	Yes	
New Mexico	Yes	\$5 million
North Carolina	No	
North Dakota	Yes	10%
Ohio	Yes	\$10 million
Oklahoma	Yes	\$5 million
Oregon	No	
Pennsylvania	No	
Rhode Island	Yes	\$1 million
South Carolina	Yes	10%
South Dakota	Yes	10%
Tennessee	Yes	\$10 million
Texas	No	
Utah	Yes	100%
Vermont	Yes	15%
Virginia	No	
Washington	No	
West Virginia	No	
Wisconsin	No	
Wyoming	No	No modern MMIS

Appendix D: Agency Response



STATE OF WEST VIRGINIA
DEPARTMENT OF HEALTH AND HUMAN RESOURCES

Office of the Secretary
Otto Davis Square, Suite 100 East
Charleston, West Virginia 25301
Telephone: (304) 558-0684
Fax: (304) 558-1130

Earl Ray Tomblin
Governor

Rocco S. Fucillo
Cabinet Secretary

August 10, 2012

Mr. Aaron Allred
West Virginia Legislature
Joint Committee on Government and Finance
Building 1, Room E-132
1900 Kanawha Boulevard, East
Charleston, West Virginia 25305-0610

Dear Mr. Allred:

In response to the Performance Review of the West Virginia Department of Health and Human Resources' Bureau for Medical Services, the DHHR concurs with the recommendation that the Legislature repeal the Bureau for Medical Services purchasing exemption. Additionally, we have provided clarification to some of the issues discussed in the report.

The Bureau for Medical Services' Purchasing Exemption Has Not Assisted the Agency with the MMIS Procurement

The report states that BMS did not develop adequate staff resources for the procurement process and the lack of procurement expertise within BMS coupled with weak statutory protections has resulted in weaknesses in the agency's current procurement process.

To provide some background regarding what the BMS has in place, the Bureau for Medical Services procurement office consists of two administrative staff who report directly to the Director of Managed Care and Procurement Services. The Deputy Commissioner of Finance is responsible for the operations of the Bureau's procurement services. Collectively, BMS staff has 17 years of purchasing experience. Additionally, the Department of Health and Human Resources Office of Purchasing provides direct oversight of the Bureau's purchasing activities and provides procurement expertise, guidance and enforcement of best practices using Department, State and Federal guidelines.

Aaron Alfred
August 8, 2012
Page 2

West Virginia State Code §9-2-9(b) establishes contract procedures for the Medicaid program that exempts certain Medicaid contracts from the competitive bid process of the Division of Purchasing and authorizes the Secretary of the DHHR to establish procedures for competitive bidding and award of such contracts. The Medicaid Services Contracts Purchasing Methodology and Manual states mandatory and minimal standards to ensure that all transactions relating to the expenditure of public funds require the highest degree of public trust. In addition to adhering to the policies and procedures presented in this manual, the Medicaid program is further obligated to adhere to the National Institute of Governmental Purchasing Code of Ethics, all current and future DHHR policies, rules, regulations and standards, current and future State standards including the West Virginia Code and current and future Federal standards in the procedures were designed to model the State Department of Purchasing regulations.

While the statutory provisions under §9-2-9(b) exempts Medicaid contracts bid under this authority from article three, chapter five-a provisions, the BMS is not exempt from WV State Code §6B-2-5 or any other relevant code sections. Furthermore, the Medicaid Services Contracts Purchasing Methodology and Manual requires that a Certificate of Non-Conflict of Interest form be signed by all evaluators or advisors acknowledging that their service on the evaluation committee is not in violation of WV Code §5A-3-31. This form was subsequently revised by the State Purchasing Division in March 2012 and adopted by BMS thereafter. The revision includes the acknowledgement of further compliance with code section §6B-2-5, or any other relevant code section provisions.

Conflict of Interest in MMIS Procurement

The report indicates that the BMS Commissioner has shared a conflict of interest in regards to the MMIS RFP and that a response provided by the Secretary on May 18, 2012 represents an alteration of the original written plan in the RFP for selecting the committee.

The Medicaid Services Contracts Purchasing Methodology and Manual states that all RFPs shall follow the standard format defined by the Department of Administration (DOA). The template used in the development of the MMIS RFP was a prior version approved by DOA. Section 1.10.4.3 of the RFP allows the appointment of subject-matter experts (SMEs) by the Commissioner or designee. That role was delegated to the Deputy Commissioner of Process, Application and Methodology in that the option was provided for and invoked.

Performance Bond Not Required on MMIS

The report identifies that the Legislative Auditor requested deliverables from the Berry, Dunn, McNeil & Parker contract to determine what advice and guidance the

Aaron Allred
August 8, 2012
Page 3

vendor gave the State regarding the use of performance bonds in the MMIS RFP; however, DHHR failed to provide the information as requested.

While the Department acknowledges the delay, the initial request received by BMS was to provide all deliverables and Statements of Work (SOWs) associated with the BDMP contract. The request identified in the report is much narrower in scope than what the BMS perceived of the initial request. Click this link <http://www.wvdhhr.org/PDFs/purchase/MED13006RFPfinal.pdf> to view the Request for Proposal (RFP) MED13006. Attached to this letter is the Request for Quotation BMS80650.

Retainage and Liquidated Damages as a Contractual Protection

The report concludes that the absence of a performance bond requirement in the release of the MMIS RFP will result in weak contractual protections. Further, that the retainage of small portions of monthly payments is too weak a measure to compel vendor compliance with important deadlines for key deliverables.

The Department would like to clarify that retainage percentages will be applied to the design, development and implementation (DDI) phase of the contract based on the key contract deliverables and milestones listed in Appendix C of the solicitation. Each contract deliverable and milestone presented in the appendices is related to DDI activities. Once the MMIS is certified and operational, BMS will monitor system performance through the Service Level Agreements (SLA's) found in Appendix G of the solicitation. Each SLA is assigned certain Key Performance Indicators (KPI) that has an associated retainage amount assigned if not met. If the vendor fails to meet the KPI's identified in the SLA, BMS will retain a percentage of the total monthly administrative fee. Retainage associated with missing SLA's is forfeited, it is not returned to the vendor upon corrective action. It is important to note that Performance Bonds are invoked only when severing the contract with the existing vendor, and therefore a one-time penalty; whereas retainage associated with SLA's is calculated monthly. This strategy was believed to be more compelling to the vendor to correct deficiencies in a timely manner and to continue to closely align their solution with the needs of the Bureau.

Please feel free to contact me if you have further questions or additional clarification is needed.

Sincerely,



Rocco S. Fucillo
Cabinet Secretary

RSF:TB/ko
Attachment

cc: The Honorable Ron Stollings
The Honorable Don C. Perdue



State of West Virginia
 Department of Administration
 Purchasing Division
 2019 Washington Street East
 Post Office Box 50130
 Charleston, WV 25305-0130

**Request for
 Quotation**

***** BIDDING NUMBER *****
 BMS80650

***** PAGE *****
 1

***** ADDRESS OF RESPONDER(S) AT THE TIME OF BIDDING *****
 ROBERTA WAGNER
 304-558-0067

RFO COPY
 TYPE NAME/ADDRESS HERE

HEALTH AND HUMAN RESOURCES
 BUREAU FOR MEDICAL SERVICES
 ROOM 251
 350 CAPITOL STREET
 CHARLESTON, WV
 25301-3709 304-558-1737

***** DATE PRINTED *****		***** PRINTED BY *****		***** SHEET NO. *****		***** OF NO. *****		***** PAGE *****	
01/09/2008								1	
BID OPENING DATE: 02/12/2008				BID OPENING TIME: 01:30PM					
***** PROJECT *****		***** UNIT *****		***** ITEM NUMBER *****		***** QUANTITY *****		***** UNIT PRICE *****	
		REQUEST FOR PROPOSAL							
0001		1		920-20					
		REQUEST FOR PROPOSAL							
<p>TO OBTAIN THE SERVICES OF A QUALIFIED VENDOR TO PROVIDE PROFESSIONAL CONTRACTOR SERVICES FOR THE PROJECT MANAGEMENT OF THE WV MEDICAID MANAGEMENT INFORMATION SYSTEM (MMIS) REPROCUREMENT IN ACCORDANCE WITH THE ATTACHED REQUEST FOR PROPOSAL.</p> <p>THIS IS A RE-BID OF BMS80640.</p> <p>CANCELLATION: THE DIRECTOR OF PURCHASING RESERVES THE RIGHT TO CANCEL THIS CONTRACT IMMEDIATELY UPON WRITTEN NOTICE TO THE VENDOR IF THE COMMODITIES AND/OR SERVICES SUPPLIED ARE OF AN INFERIOR QUALITY OR DO NOT CONFORM TO THE SPECIFICATIONS OF THE BID AND CONTRACT HEREIN.</p> <p>BANKRUPTCY: IN THE EVENT THE VENDOR/CONTRACTOR FILES FOR BANKRUPTCY PROTECTION, THIS CONTRACT IS AUTOMATICALLY NULL AND VOID, AND IS TERMINATED WITHOUT FURTHER ORDER.</p>									
***** SEE REVERSE SIDE FOR TERMS AND CONDITIONS *****									
SIGNATURE				TELEPHONE		DATE			
TITLE		FEE		ADDRESS CHANGES TO BE NOTED ABOVE					

WHEN RESPONDING TO RFO, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'

**GENERAL TERMS & CONDITIONS
REQUEST FOR QUOTATION (RFQ) AND REQUEST FOR PROPOSAL (RFP)**

1. Awards will be made in the best interest of the State of West Virginia.
2. The State may accept or reject in part, or in whole, any bid.
3. All quotations are governed by the West Virginia Code and the Legislative Rules of the Purchasing Division.
4. Prior to any award, the apparent successful vendor must be properly registered with the Purchasing Division and have paid the required \$125.00 registration fee.
5. All services performed or goods delivered under State Purchase Order/Contracts are to be continued for the term of the Purchase Order/Contract, contingent upon funds being appropriated by the Legislature or otherwise being made available. In the event funds are not appropriated or otherwise available for these services or goods, this Purchase Order/Contract becomes void and of no effect after June 30.
6. Payment may only be made after the delivery and acceptance of goods or services.
7. Interest may be used for late payment in accordance with the West Virginia Code.
8. Vendor preference will be granted upon written request in accordance with the West Virginia Code.
9. The State of West Virginia is exempt from federal and state taxes and will not pay or reimburse such taxes.
10. The Director of Purchasing may cancel any Purchase Order/Contract upon 30 days written notice to the seller.
11. The laws of the State of West Virginia and the Legislative Rules of the Purchasing Division shall govern all rights and duties under the Contract, including without limitation the validity of this Purchase Order/Contract.
12. Any reference to automatic renewal is hereby deleted. The Contract may be renewed only upon mutual written agreement of the parties.
13. **BANKRUPTCY:** In the event the vendor/contractor files for bankruptcy protection, this Contract may be deemed null and void, and terminated without further order.
14. **HIPAA Business Associate Addendum -** The West Virginia State Government HIPAA Business Associate Addendum (BAA), approved by the Attorney General, and available online at the Purchasing Division's web site (<http://www.state.wv.us/admin/purchasing/vtch/hipaa.htm>) is hereby made part of the agreement. Provided that, the Agency makes the definition of a Covered Entity (45 CFR §160.103) and will be disclosing Protected Health Information (45 CFR §160.103) to the vendor.

INSTRUCTIONS TO BIDDERS

1. Use the quotation forms provided by the Purchasing Division.
2. **SPECIFICATIONS:** Items offered must be in compliance with the specifications. Any deviation from the specifications must be clearly indicated by the bidder. Alternates offered by the bidder as EQUAL to the specifications must be clearly defined. A bidder offering an alternate should attach complete specifications and literature to the bid. The Purchasing Division may waive minor deviations to specifications.
3. Complete all sections of the quotation form.
4. Unit prices shall prevail in cases of discrepancy.
5. All quotations are considered F.O.B. destination unless alternate shipping terms are clearly identified in the quotation.
6. **BID SUBMISSION:** All quotations must be delivered by the bidder to the office listed below prior to the date and time of the bid opening. Failure of the bidder to deliver the quotations on time will result in bid disqualification.

SIGNED BID TO:

Department of Administration
Purchasing Division
2016 Washington Street East
Post Office Box 50130
Charleston, WV 25305-0130

Rev. 5/25/07



State of West Virginia
 Department of Administration
 Purchasing Division
 2019 Washington Street East
 Post Office Box 50130
 Charleston, WV 25305-0130

**Request for
 Quotation**

RFP NUMBER
 BMS20650

PAGE
 2

ADDRESS/PHONE/FAX/E-MAIL/ATTENTION TO
 ROBERTA WAGNER
 304-558-0067

REQ COPY
 TYPK NAME/ADDRESS HERE

HEALTH AND HUMAN RESOURCES
 BUREAU FOR MEDICAL SERVICES
 ROOM 251
 350 CAPITOL STREET
 CHARLESTON, WV
 25301-3709 304-558-1737

DATE PRINTED 01/05/2008	DATE OF BIDS 02/12/2008	TIME BID OPENING TIME	LOCATION 01:30PM	FRIGHT TERMS
BID OPENING DATE: 02/12/2008				
DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	AMOUNT
INQUIRIES WRITTEN QUESTIONS SHALL BE ACCEPTED THROUGH CLOSE OF BUSINESS ON 1/22/2008. QUESTIONS MAY BE SENT VIA USPS, FAX, COURIER OR E-MAIL. IN ORDER TO ASSURE NO VENDOR RECEIVES AN UNFAIR ADVANTAGE, NO SUBSTANTIVE QUESTIONS WILL BE ANSWERED ORALLY. IF POSSIBLE, E-MAIL QUESTIONS ARE PREFERRED. ADDRESS INQUIRIES TO: ROBERTA WAGNER DEPARTMENT OF ADMINISTRATION PURCHASING DIVISION 2019 WASHINGTON STREET, EAST CHARLESTON, WV 25311 FAX: 304-558-4115 E-MAIL: ROBERTA.A.WAGNER@WV.GOV				
VENDOR PREFERENCE CERTIFICATE				
CERTIFICATION AND APPLICATION* IS HEREBY MADE FOR PREFERENCE IN ACCORDANCE WITH WEST VIRGINIA CODE, EA-3-37 (DOES NOT APPLY TO CONSTRUCTION CONTRACTS)				
A. APPLICATION IS MADE FOR 2.5% PREFERENCE FOR THE REASON CHECKED:				
() BIDDER IS AN INDIVIDUAL, RESIDENT VENDOR AND HAS RESIDED CONTINUOUSLY IN WEST VIRGINIA FOR FOUR (4) YEARS IMMEDIATELY PRECEDING THE DATE OF THIS CERTIFICATION; OR				
() BIDDER IS A PARTNERSHIP, ASSOCIATION OR CORPORA-				
SEE REVERSE SIDE FOR TERMS AND CONDITIONS				
SIGNATURE	DATE	PRICE	DATE	
NAME	FBI	ADDRESS CHANGES TO BE NOTED ABOVE		

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED "VENDOR"



State of West Virginia
 Department of Administration
 Purchasing Division
 2018 Washington Street East
 Post Office Box 50130
 Charleston, WV 25305-0130

**Request for
 Quotation**

DEPARTMENT: BMS00650

PAGE: 3

ADDRESS/RESPONSE/TERMINAL OF: ROBERTA WAGNER
 304 558 0067

RFO COPY
 TYPE NAME/ADDRESS HERE

HEALTH AND HUMAN RESOURCES
 BUREAU FOR MEDICAL SERVICES
 ROOM 251
 350 CAPITOL STREET
 CHARLESTON, WV
 25301 3709 304-558-3337

DATE PRINTED 01/09/2008	TERM/DESCRIPTION	STATUS	PROJ	TRM/CHG
BID OPENING DATE: 02/12/2008	BID OPENING TIME: 01:30PM			
NO	DESCRIPTION	UNIT PRICE	AMOUNT	STATUS
TION RESIDENT VENDOR AND HAS MAINTAINED ITS HEAD- QUARTERS OR PRINCIPAL PLACE OF BUSINESS CONTINUOUSLY IN WEST VIRGINIA FOR FOUR (4) YEARS IMMEDIATELY PRECEDING THE DATE OF THIS CERTIFICATION; OR 80% OF THE OWNERSHIP INTEREST OF BIDDER IS HELD BY ANOTHER INDIVIDUAL, PARTNERSHIP, ASSOCIATION OR CORPORATION RESIDENT VENDOR WHO HAS MAINTAINED ITS HEADQUARTERS OR PRINCIPAL PLACE OF BUSINESS CONTINUOUSLY IN WEST VIRGINIA FOR FOUR (4) YEARS IMMEDIATELY PRECEDING THE DATE OF THIS CERTIFICATION; OR () BIDDER IS A CORPORATION NONRESIDENT VENDOR WHICH HAS AN AFFILIATE OR SUBSIDIARY WHICH EMPLOYS A MINIMUM OF ONE HUNDRED STATE RESIDENTS AND WHICH HAS MAINTAINED ITS HEADQUARTERS OR PRINCIPAL PLACE OF BUSINESS WITHIN WEST VIRGINIA CONTINUOUSLY FOR THE FOUR (4) YEARS IMMEDIATELY PRECEDING THE DATE OF THIS CERTIFICATION. 8. APPLICATION IS MADE FOR 2.5% PREFERENCE FOR THE REASON CHECKED: () BIDDER IS A RESIDENT VENDOR WHO CERTIFIES THAT, DURING THE LIFE OF THE CONTRACT, ON AVERAGE AT LEAST 75% OF THE EMPLOYEES WORKING ON THE PROJECT BEING BID ARE RESIDENTS OF WEST VIRGINIA WHO HAVE RESIDED IN THE STATE CONTINUOUSLY FOR THE TWO YEARS IMMEDIATELY PRECEDING SUBMISSION OF THIS BID; OR () BIDDER IS A NONRESIDENT VENDOR EMPLOYING A MINIMUM OF ONE HUNDRED STATE RESIDENTS OR IS A NONRESIDENT VENDOR WITH AN AFFILIATE OR SUBSIDIARY WHICH MAINTAINS ITS HEADQUARTERS OR PRINCIPAL PLACE OF BUSINESS WITHIN WEST VIRGINIA EMPLOYING A MINIMUM OF ONE HUNDRED STATE RESIDENTS WHO CERTIFIES THAT, DURING THE LIFE OF THE CONTRACT, ON AVERAGE AT LEAST				
SEE REVERSE SIDE FOR TERMS AND CONDITIONS				
SIGNATURE	TELEPHONE	DATE		
NAME	LN	ADDRESS CHANGES TO BE NOTED ABOVE		

WHEN RESPONDING TO RFO, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'



State of West Virginia
 Department of Administration
 Purchasing Division
 2019 Washington Street East
 Post Office Box 50130
 Charleston, WV 25305-0130

**Request for
 Quotation**

RFQ NUMBER: **EMR80650**

PAGE: **4**

ADDRESS, CORRESPONDENCE TO ATTENTION OF:
**ROBERTA WAGNER
 204-558-0657**

RFQ COPY
 TYPE NAME/ADDRESS HERE

HEALTH AND HUMAN RESOURCES
 BUREAU FOR MEDICAL SERVICES
 ROOM 251
 350 CAPITOL STREET
 CHARLESTON, WV
 25301-3705 204-558-1737

DATE PRINTED: 11/03/2008	TERMS OF SALE	SUPPLY	LOT	ISSUE PRICE
RFQ OPENING DATE: 02/12/2008	RFQ OPENING TIME:		01:00PM	
QTY	UNIT	DESCRIPTION	AMOUNT	AMOUNT
<p>75% OF THE EMPLOYEES OR BIDDERS' AFFILIATE'S OR SUBSIDIARY'S EMPLOYEES ARE RESIDENTS OF WEST VIRGINIA WHO HAVE RESIDED IN THE STATE CONTINUOUSLY FOR THE TWO YEARS IMMEDIATELY PRECEDING SUBMISSION OF THIS BID.</p> <p>BIDDER UNDERSTANDS IF THE SECRETARY OF TAX & REVENUE DETERMINES THAT A BIDDER RECEIVING PREFERENCE HAS FAILED TO CONTINUE TO MEET THE REQUIREMENTS FOR SUCH PREFERENCE, THE SECRETARY MAY ORDER THE DIRECTOR OF PURCHASING TO: (1) RESCIND THE CONTRACT OR PURCHASE ORDER ISSUED; OR (2) ASSESS A PENALTY AGAINST SUCH BIDDER IN AN AMOUNT NOT TO EXCEED 5% OF THE BID AMOUNT AND THAT SUCH PENALTY WILL BE PAID TO THE CONTRACTING AGENCY OR DEDUCTED FROM ANY UNPAID BALANCE ON THE CONTRACT OR PURCHASE ORDER.</p> <p>BY SUBMISSION OF THIS CERTIFICATE, BIDDER AGREES TO DISCLOSE ANY REASONABLE REQUESTED INFORMATION TO THE PURCHASING DIVISION AND AUTHORIZES THE DEPARTMENT OF TAX AND REVENUE TO DISCLOSE TO THE DIRECTOR OF PURCHASING APPROPRIATE INFORMATION VERIFYING THAT BIDDER HAS PAID THE REQUIRED BUSINESS TAXES, PROVIDED THAT SUCH INFORMATION DOES NOT CONTAIN THE AMOUNTS OF TAXES PAID NOR ANY OTHER INFORMATION DEEMED BY THE TAX COMMISSIONER TO BE CONFIDENTIAL.</p> <p>UNDER PENALTY OF LAW FOR FALSE SWEARING (WEST VIRGINIA CODE 61-5-3), BIDDER HEREBY CERTIFIES THAT THIS CERTIFICATE IS TRUE AND ACCURATE IN ALL RESPECTS; AND THAT IF A CONTRACT IS ISSUED TO BIDDER AND IF ANYTHING CONTAINED WITHIN THIS CERTIFICATE CHANGES DURING THE TERM OF THE CONTRACT, BIDDER WILL NOTIFY THE PURCHASING DIVISION IN WRITING IMMEDIATELY.</p> <p>BIDDER: _____</p>				
SEE REVERSE SIDE FOR TERMS AND CONDITIONS				
SIGNATURE	TITLE	DATE		
			ADDRESS CHANGES TO BE NOTED ABOVE	

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'



State of West Virginia
 Department of Administration
 Purchasing Division
 2015 Washington Street East
 Post Office Box 50130
 Charleston, WV 25305-0130

**Request for
 Quotation**

RFQ NUMBER
 BMS80650

PAGES
 5

BUYER ADDRESS (PREFERENCE CONSIDERATION OR CP)
 ROBERTA WAGNER
 304-558-0067

RFQ COPY

TYPE NAME/ADDRESS HERE

STATE OF WEST VIRGINIA
 DEPARTMENT OF ADMINISTRATION
 PURCHASING DIVISION

HEALTH AND HUMAN RESOURCES
 BUREAU FOR MEDICAL SERVICES

HEALTH AND HUMAN RESOURCES
 BUREAU FOR MEDICAL SERVICES
 ROOM 251
 350 CAPITOL STREET
 CHARLESTON, WV
 25301-3709 304-558-2737

DATE PRINTED	TERMS OF SALE	SHIP VIA	ETA	FREIGHT TERM
01/09/2008				
BUY OFFERING DATE:	02/12/2008	BID OPENING TIME		01:30PM
URL	QUANTITY	UOS	UNIT PRICE	AMOUNT
DATE: ----- SIGNED: ----- TITLE: -----				
* CHECK ANY COMBINATION OF PREFERENCE CONSIDERATION (S) IN EITHER "A" OR "B", OR BOTH "A" AND "B" WHICH YOU ARE ENTITLED TO RECEIVE. YOU MAY REQUEST UP TO THE MAXIMUM % PREFERENCE FOR BOTH "A" AND "B". (REV. 12/00)				
NOTICE ONE (1) ORIGINAL, TECHNICAL AND COST PLUS TEN (10) CONVENIENCE COPIES; AND THREE (3) ELECTRONIC COPIES OF TECHNICAL ONLY IN PDF FORMAT ON CD TO: DEPARTMENT OF ADMINISTRATION PURCHASING DIVISION BUILDING 15 2019 WASHINGTON STREET, EAST CHARLESTON, WV 25305-0130				
THE BID SHOULD CONTAIN THIS INFORMATION ON THE FACE OF THE ENVELOPE OR THE BID MAY NOT BE CONSIDERED: SEALED BID				
BUYER:		ROBERTA WAGNER/FILE 22		
SEE REVERSE SIDE FOR TERMS AND CONDITIONS				
SIGNATURE	TELEPHONE		FAX	
TITLE	FAX		ADDRESS CHANGES TO BE NOTED ABOVE	

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'



State of West Virginia
 Department of Administration
 Purchasing Division
 2019 Washington Street East
 Post Office Box 50130
 Charleston, WV 25305-0130

**Request for
 Quotation**

RFQ NUMBER
BMS80650

PAGE
6

ADDRESS CORRESPONDENCE TO/ATTENTION
**ROBERTA WAGNER
 304-558-0067**

RFQ COPY
 TYPE NAME/ADDRESS HERE

STATE OF WEST VIRGINIA
 DEPARTMENT OF ADMINISTRATION
 PURCHASING DIVISION

HEALTH AND HUMAN RESOURCES
 BUREAU FOR MEDICAL SERVICES

HEALTH AND HUMAN RESOURCES
 BUREAU FOR MEDICAL SERVICES
 ROOM 251
 350 CAPITOL STREET
 CHARLESTON, WV
 25301-3709 304-558-1737

UNPRINTED 01/09/2009		BID OPENING DATE 03/12/2008		BID OPENING TIME 01:30PM	
RFQ NO.:	BMS80650	BID OPENING DATE:	2/12/2008	BID OPENING TIME:	1:30 PM
PLEASE PROVIDE A FAX NUMBER IN CASE IT IS NECESSARY TO CONTACT YOU REGARDING YOUR BID:					
CONTACT PERSON (PLEASE PRINT CLEARLY):					
***** THIS IS THE END OF RFQ BMS80650 ***** TOTAL:					
SEE DELETED PAGE FOR TERMS AND CONDITIONS					
SIGNATURE:	DATE:	ADDRESS CHANGES TO BE NOTED ABOVE			

WHEN RESPONDING TO RFQ, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'

REQUEST FOR PROPOSAL

Bureau for Medical Services
BMSR0650

PART 1 GENERAL INFORMATION, TERMS AND CONDITIONS**1.1 Purpose:**

The Acquisition and Contract Administration Section of the Purchasing Division, hereinafter referred to as "State", is soliciting proposals for the Department of Health & Human Resources (DHHR), Bureau for Medical Services (BMS) Division, hereinafter referred to as "Agency", to provide professional contractor services for Project Management of the West Virginia Medicaid Management Information System (MMIS) Re-procurement. This solicitation serves as notice, pursuant to West Virginia Code 55A-3-10b, of the commodity or service being sought and is to be considered the opportunity for vendors to indicate their interest in bidding on such commodity or service.

1.2 Project:

The purpose of the project is to procure an MMIS Re-procurement Project Manager.

As a result of the award of this RFP, the Bureau will be issuing an RFP for the MMIS Re-procurement and a separate RFP for Quality Assurance (QA) Implementation Monitoring. The awarded vendor of this Project Management RFP will be precluded from bidding on either the RFP for the MMIS Re-procurement or the RFP for QA Implementation Monitoring.

1.3 RFP Format:

This RFP has four parts. "Part 1" contains general information, terms and conditions; "Part 2" describes the background and working environment of the project; "Part 3" is a statement of the specifications for the services requested pursuant to this RFP, contractual requirements, and special terms and conditions; and "Part 4" explains the required format of the Bidder's response to the RFP, the evaluation criteria the State will use in evaluating the proposals received and how the evaluation will be conducted.

1.4 Inquiries:

Additional information inquiries regarding specifications of this RFP must be submitted in writing to the State Buyer with the exception of questions regarding the proposal submission which may be oral. The deadline for written inquiries is identified in the Schedule of Events, Section 1.15. All inquiries of specification clarification must be addressed to:

Roberta Wagner, Senior Buyer
Purchasing Division
2019 Washington Street, East
P.O. Box 50130
Martinsburg, WV 25305-0130
Fax: (304) 555-4115
Email: Roberta.A.Wagner@wv.gov

The vendor, or anyone on the vendor's behalf, is not permitted to make any contact whatsoever with any member of the evaluation committee. Violation may result in rejection of the bid. The State Buyer named above is the sole contact for any and all inquiries after this RFP has been released.

- 1.5 Vendor Registration:**
Vendors participating in this process should complete and file a *Vendor Registration and Disclosure Statement* (Form WV-1) and remit the registration fee. Vendor is not required to be a registered vendor in order to submit a proposal, but the successful bidder must register and pay the fee prior to the award of an actual purchase order or contract.
- 1.6 Oral Statements and Commitments:**
Vendor must clearly understand that any verbal representation made or assumed to be made during any oral discussion held between Vendor's representatives and any State personnel is **not** binding. Only the information issued in writing and added to the Request for Proposal specifications (e.g. by an official written addendum) are binding.
- 1.7 Economy of Preparation:**
Proposals should be prepared simply and economically, providing a straightforward, concise description of Vendor's abilities to satisfy the requirements of the RFP. Emphasis should be placed on completeness and clarity of content.
- 1.8 Labeling of RFP Sections:**
The sections within this RFP contain instructions governing how the Vendor's proposal is to be arranged, submitted and to identify the material to be included therein.
- 1.8.1 Mandatory Requirements:**
The mandatory sections included in Part 3 and 4 require a response, and they describe the minimum requirements requested in this RFP. Any specification or statement containing the word "must," "shall," or "will" are mandatory. The Vendor is required to meet the mandatory specifications in order to be eligible for consideration and to continue in the evaluation process. A simple "yes" or "no" response to these sections is not adequate. Failure to meet mandatory items shall result in disqualification of the Vendor's proposal and the evaluation process terminated for that vendor. Decisions regarding compliance with the intent of any mandatory specification shall be at the sole discretion of the State.
- 1.8.2 Contract Terms and Conditions:**
This Request for Proposals contains all the contractual terms and conditions under which the State of West Virginia will enter into a contract.
- 1.8.3 Informational Sections:**
All non-mandatory information specifications do not require a response from the Vendor. They are intended to aid the vendor in structuring an effective proposal, capable of meeting the needs of the issuing agency.
- 1.9 Proposal Format and Submission:**
- 1.9.1** Vendors must complete a response to all mandatory specifications in order to be considered. Each proposal should be formatted as per the outline in Part 4 of this RFP. No other arrangement or distribution of the proposal information may be made by the bidder. Failure on the part of the bidder to respond to specific requirements detailed in the RFP may be the basis for disqualification of the proposal. The State reserves the right to waive any informality in the proposal format and minor irregularities.
- 1.9.2** State law requires that the original technical and cost proposal be submitted to the Purchasing Division. All proposals must be submitted to the Purchasing Division prior to the date and time stipulated in the RFP as the opening date. All bids will be dated and time stamped to verify official time and date of receipt.

BUREAU FOR MEDICAL SERVICES

MMS PROJECT MANAGEMENT

9

1.9.3 Vendors making proposals should allow sufficient time for mail delivery to ensure timely arrival. In accordance with West Virginia Code §5A-9-11, the Purchasing Division cannot waive or excuse late receipt of a proposal which is delayed and late for any reason. Any proposal received after the bid opening date and time will be immediately disqualified in accordance with State law and the administrative rules and regulations.

Vendors responding to this RFP shall submit:

One (1) original technical and cost plus ten (10) convenience copies; and Three (3) electronic copies of technical only in PDF format on CD to:

Purchasing Division
2019 Washington Street, East
P.O. Box 50130
Charleston, WV 25305-0130

The outside of the envelope or package(s) should be clearly marked:

Buyer: RW-22
Req#: BMS80650
Opening Date: 2/12/2008
Opening Time: 1:30 pm

1.9.4 Best Value Purchasing Standard Format

All Requests for Proposals should follow the standard format defined by the Purchasing Division. This format addresses required areas and enables the agency to modify the background and scope of work to meet its needs.

1.9.4.1 *Evaluation Criteria:* All evaluation criteria must be clearly defined in the specifications section and based on a 100 point total score. Based on a 100 point total, cost shall represent a minimum of 30 of the 100 total points in the criteria.

1.9.4.2 *Proposal Format and Content:* Proposals shall be requested and received in two distinct parts: Technical and Cost. The cost portion shall be sealed in a separate envelope and will not be opened initially.

1.9.4.3 *Technical Bid Opening:* The Purchasing Division will open only the technical proposals on the date and time specified in the Request for Proposal. The Purchasing Division representative will read aloud the names of those who responded to the solicitation. The Purchasing Division Buyer will confirm that the original packages contain a separately sealed cost proposal prior to providing the courtesy copies to the agency to begin the evaluation process.

1.9.4.4 *Technical Evaluation:* The pre-selected, approved evaluation committee will review the technical proposals, deduct appropriate points for deficiencies and make a final written consensus recommendation to the Purchasing Division Buyer. If the Buyer approves the committee's recommendation, the technical evaluation will be forwarded to an internal review committee within the Purchasing Division.

1.9.4.5 *Cost Bid Opening:* Upon approval of the technical evaluation from the internal review committee, the Purchasing Division shall schedule a time and date to publicly open and read aloud the cost proposals. The agency and the vendors shall be notified of this date.

1.9.4.6 *Cost Evaluation and Resident Vendor Preference:* The evaluation committee will review the cost proposals, assign appropriate points and make a final consensus recommendation to

the Purchasing Division. In accordance with West Virginia Code §6A-9-37, the Purchasing Division will make the determination of the Resident Vendor Preference, if applicable. Resident Vendor Preference provides an opportunity for qualifying vendors to request at the time of bid preference for their residency status. Such preference is an evaluation method only and will be applied only to the cost bid. In accordance with the West Virginia Code, a certificate of application is used to request this preference. A West Virginia vendor may be eligible for two 2.5% preferences in the evaluation process.

1.9.4.7 Contract Approval and Award: After the cost proposals have been opened, the evaluation committee completes its review and prepares the final evaluation making its recommendation for contract award based on the highest scoring vendor. The final evaluation is submitted to the Purchasing Division buyer. Once approved by the buyer, the final evaluation must be reviewed and approved by the Purchasing Division internal review committee. The contract is prepared and signed in the Purchasing Division, forwarded to the Attorney General's Office for approval as to form, encumbered and mailed to the appropriate parties.

1.10 Rejection of Proposals:

The State shall select the best value solution according to the evaluation criteria. However, the State reserves the right to accept or reject any or all proposals, in part or in whole at its discretion. The State reserves the right to withdraw this RFP at any time and for any reason. Submission of, or receipt by the State of proposals confers no rights upon the bidder nor obligates the State in any manner.

A contract based on this RFP and the Vendor's proposal, may or may not be awarded. Any contract resulting in an award from this RFP is not valid until properly approved and executed by the Purchasing Division and approved as to form by the Attorney General.

1.11 Incurred Costs:

The State and any of its employees or officers shall not be held liable for any expenses incurred by any bidder responding to this RFP for expenses to prepare, deliver the proposal, or to attend any mandatory prebid meeting or oral presentations.

1.12 Addenda:

If it becomes necessary to revise any part of this RFP, an official written addendum will be issued by the State to all bidders of record.

1.13 Independent Price Determination:

A proposal will not be considered for award if the price in the proposal was not arrived at independently without collusion, consultation, communication or agreement as to any matter relating to prices with any competitor unless the proposal is submitted as a joint venture.

1.14 Price Quotations:

The price(s) quoted in the bidder's proposal will not be subject to any increase and will be considered firm for the life of the contract unless specific provisions have been provided for adjustment in the original contract.

1.15 Public Record:

1.15.1 Submissions are Public Record

All documents submitted to the State Purchasing Division related to purchase orders or contracts are considered public records. All bids, proposals or offers submitted by bidders shall become public information and are available for inspection during normal official business hours in the Purchasing Division Records and Distribution center after the bid opening.

BUREAU FOR MEDICAL SERVICES

MMIS PROJECT MANAGEMENT

11

1.15.2 Written Release of Information:

All public information may be released with or without a Freedom of Information request, however, only a written request will be acted upon with duplication fees paid in advance. Duplication fees shall apply to all requests for copies of any document. Currently the fees are \$0.50/page, or a minimum of \$10.00 per request which ever is greater.

1.15.3 Risk of Disclosure:

The only exemptions to disclosure of information are listed in West Virginia Code §29B-1-4. Primarily, only trade secrets, as submitted by a bidder, are exempt to public disclosure. The submission of any information to the State by a vendor puts the risk of disclosure on the vendor. The State does not guarantee non-disclosure of any information to the public.

1.16 Schedule of Events:

Release of the RFP	1/11/2008
Vendor's Written Questions Submission Deadline	1/22/2008
Addendum Issued	1/29/2008
Bid Opening Date	2/12/2008

1.17 Mandatory Prebid Conference: Not applicable to this proposal**1.18 Purchasing Affidavit:**

West Virginia Code §5A-3-10a requires that all bidders submit an affidavit regarding any debt owed to the State. The affidavit must be signed and submitted prior to award. It is preferred that the affidavit be submitted with the proposal. This form is required for all purchases exceeding \$5,000.

1.19 General Terms and Conditions:

By signing and submitting its proposal, the successful Vendor agrees to be bound by all the terms contained in this RFP.

1.19.1 Conflict of Interest:

Vendor affirms that it, its officers or members or employees presently have no interest and shall not acquire any interest, direct or indirect, which would conflict or compromise in any manner or degree with the performance of its services hereunder. The Vendor further covenants that in the performance of the contract, the Vendor shall periodically inquire of its officers, members and employees concerning such interests. Any such interests discovered shall be promptly presented in detail to the Agency.

1.19.2 Prohibition Against Gratuities:

Vendor warrants that it has not employed any company or person other than a bona fide employee working solely for the vendor or a company regularly employed as its marketing agent to solicit or secure the contract and that it has not paid or agrees to pay any company or person any fee, commission, percentage, brokerage fee, gifts or any other consideration contingent upon or resulting from the award of the contract.

For breach or violation of this warranty, the State shall have the right to annul this contract without liability at its discretion or to pursue any other remedies available under this contract or by law.

1.19.3 Certifications Related to Lobbying:

Vendor certifies that no federal appropriated funds have been paid or will be paid, by or on behalf of the company or an employee thereof, to any person for purposes of influencing or

attempting to influence an officer or employee of any Federal entity, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment or modification of any Federal contract, grant, loan or cooperative agreement.

If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress or an employee of a Member of Congress in connection with this Federal contract, grant, loan or cooperative agreement, the Vendor shall complete and submit a disclosure form to report the lobbying.

Vendor agrees that this language of certification shall be included in the award documents for all sub-awards at all tiers, including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements, and that all sub-recipients shall certify and disclose accordingly. This certification is a material representation of fact upon which reliance was placed when this contract was made and entered into.

1.13.4 Vendor Relationship:

The relationship of the Vendor to the State shall be that of an independent contractor and no principal-agent relationship or employer-employee relationship is contemplated or created by the parties to this contract. The Vendor as an independent contractor is solely liable for the acts and omissions of its employees and agents.

Vendor shall be responsible for selecting, supervising and compensating any and all individuals employed pursuant to the terms of this RFP and resulting contract. Neither the Vendor, nor any employees or contractors of the vendor, shall be deemed to be employees of the State for any purposes whatsoever.

Vendor shall be exclusively responsible for payment of employees and contractors for all wages and salaries, taxes, withholding payments, penalties, fees, fringe benefits, professional liability insurance premiums, contributions to insurance and pension or other deferred compensation plans, including but not limited to, Workers' Compensation and Social Security obligations, and licensing fees, etc. and the filing of all necessary documents, forms and returns pertinent to all of the foregoing.

Vendor shall hold harmless the State, and shall provide the State and Agency with a defense against any and all claims including but not limited to the foregoing payments, withholdings, contributions, taxes, social security taxes and employer income tax returns.

The Vendor shall not assign, convey, transfer or delegate any of its responsibilities and obligations under this contract to any person, corporation, partnership, association or entity without expressed written consent of the Agency.

1.13.5 Indemnification:

The Vendor agrees to indemnify, defend and hold harmless the State and the Agency, their officers, and employees from and against: (1) Any claims or losses for services rendered by any subcontractor, person or firm performing or supplying services, materials or supplies in connection with the performance of this contract; (2) Any claims or losses resulting in any person or entity injured or damaged by the Vendor, its officers, employees, or subcontractors by the publication, translation, reproduction, delivery, performance, use or disposition of any data used under the contract in a manner not authorized by the contract, or by Federal or State

statutes or regulations; and (3) Any failure of the Vendor, its officers, employees or subcontractors to observe State and Federal laws, including but not limited to labor and wage laws.

1.19.6 Contract Provisions:

After the successful Vendor is selected, a formal contract document will be executed between the State and the Vendor. In addition, the RFP and the Vendor's response will be included as part of the contract by reference. The order of precedence is the contract, the RFP and the Vendor's proposal in response to the RFP.

1.19.7 Governing Law:

This contract shall be governed by the laws of the State of West Virginia. The Vendor further agrees to comply with the Civil Rights Act of 1964 and all other applicable laws and regulations, Federal, State and Local Government.

1.19.8 Compliance with Laws and Regulations:

The vendor shall procure all necessary permits and licenses to comply with all applicable laws, Federal, State or municipal, along with all regulations, and ordinances of any regulating body.

The Vendor shall pay any applicable sales, use or personal property taxes arising out of this contract and the transactions contemplated thereby. Any other taxes levied upon this contract, the transaction, or the equipment, or services delivered pursuant here to shall be borne by the contractor. It is clearly understood that the State of West Virginia is exempt from any taxes regarding performance of the scope of work of this contract.

1.19.9 Subcontracting/Ventures:

The Vendor is solely responsible for all work performed under the contract and shall assume prime contractor responsibility for all services offered and products to be delivered under the terms of this contract. The State will consider the Vendor to be the sole point of contact with regard to all contractual matters. The Vendor may, with the prior written consent of the State, enter into written subcontracts for performance of work under this contract; however, the vendor is totally responsible for payment of all subcontractors.

1.19.10 Term of Contract & Renewals:

This contract will be effective (date set upon award) and shall extend for the period of three (3) years, at which time the contract may, upon mutual consent, be renewed. Such renewals are for a period of up to one (1) year, with a maximum of three (3) one (1) year renewals, or until such reasonable time thereafter as is necessary to obtain a new contract. The "reasonable time" period shall not exceed twelve (12) months. During the "reasonable time" period Vendor may terminate the contract for any reason upon giving the Agency ninety (90) days written notice. Notice by Vendor of intent to terminate will not relieve Vendor of the obligation to continue to provide services pursuant to the terms of the contract.

Any change in Federal or State law, or court actions which constitute binding precedent in West Virginia, and which significantly alters the Vendor's required activities or any change in the availability of funds, shall be viewed as binding and shall warrant good faith renegotiation of the compensation paid to the Vendor by the Agency and of such other provisions of the contract that are affected. If such renegotiation proves unsuccessful, the contract may be terminated by the State upon written notice to the Vendor at least thirty (30) days prior to termination of this contract.

1.19.11 Non-Appropriation of Funds:

If the Agency is not allotted funds in any succeeding fiscal year for the continued use of the

service covered by this contract by the West Virginia Legislature, the Agency may terminate the contract at the end of the affected current fiscal period without further charge or penalty. The Agency shall give the vendor written notice of such non-availability of funds as soon as possible after the Agency receives notice. No penalty shall accrue to the Agency in the event this provision is exercised.

1.19.12 Contract Termination:

The State may terminate any contract resulting from this RFP immediately at any time the vendor fails to carry out its responsibilities or to make substantial progress under the terms of this RFP and resulting contract. The State shall provide the Vendor with advance notice of performance conditions which are endangering the contract's continuation. If after such notice the Vendor fails to remedy the conditions contained in the notice, within the time period contained in this notice, the State shall issue the Vendor an order to cease and desist any and all work immediately. The State shall be obligated only for services rendered and accepted prior to the date of the notice of termination.

The contract may also be terminated by the State with thirty (30) days prior notice.

1.19.13 Changes:

If changes to the original contract become necessary, a formal contract change order will be negotiated by the State, the Agency and the Vendor, to address changes to the terms and conditions, costs of work included under the contract. An approved contract change order is defined as one approved by the Purchasing Division and approved as to form by the West Virginia Attorney General's Office, circumbered and placed in the U.S. Mail prior to the effective date of such amendment. An approved contract change order is required whenever the change affects the payment provision or the scope of the work. Such changes may be necessitated by new and amended Federal and State regulations and requirements.

As soon as possible after receipt of a written change request from the Agency, but in no event more than thirty (30) days thereafter, the Vendor shall determine if there is an impact on price with the change requested and provide the Agency a written statement to identify any price impact on the contract or to state that there is no impact. In the event that price will be impacted by the change, the Vendor shall provide a description of the price increase or decrease involved in implementing the requested change.

NO CHANGE SHALL BE IMPLEMENTED BY THE VENDOR UNTIL SUCH TIME AS THE VENDOR RECEIVES AN APPROVED WRITTEN CHANGE ORDER.

1.19.14 Invoices, Progress Payments, & Retainage:

The Vendor shall submit invoices, in arrears, to the Agency at the address on the face of the purchase order labeled "Invoice To" pursuant to the terms of the contract. Progress payments may be made at the option of the Agency on the basis of percentage of work completed if so defined in the final contract. Any provision for progress payments must also include language for a minimum 10% retainage until the final deliverable is accepted.

If progress payments are permitted, Vendor is required to identify points in the work plan at which compensation would be appropriate. Progress reports must be submitted to Agency with the invoice detailing progress completed or any deliverables identified. Payment will be made only upon approval of acceptable progress or deliverables as documented in the Vendor's report. Invoices may not be submitted more than once monthly and State law forbids payment of invoices prior to receipt of services.

1.19.15 Liquidated Damages:

According to West Virginia State Code §6A-3-4(8), Vendor agrees that liquidated damages shall be imposed at the rate of one-thousand dollars (\$1,000) per day for failure to provide deliverables, meet milestones identified to keep the project on target, or failure to meet specified deadlines. This clause shall in no way be considered exclusive and shall not limit the State or Agency's right to pursue to any other additional remedy to which the State or Agency may have legal cause for action including further damages against the Vendor.

1.19.16 Record Retention (Access & Confidentiality):

Vendor shall comply with all applicable Federal and State of West Virginia rules and regulations, and requirements governing the maintenance of documentation to verify any cost of services or commodities rendered under this contract by Vendor. The Vendor shall maintain such records a minimum of five (5) years and make available all records to Agency personnel at Vendor's location during normal business hours upon written request by Agency within 10 days after receipt of the request.

Vendor shall have access to private and confidential data maintained by Agency to the extent required for Vendor to carry out the duties and responsibilities defined in this contract. Vendor agrees to maintain confidentiality and security of the data made available and shall indemnify and hold harmless the State and Agency against any and all claims brought by any party attributed to actions of breach of confidentiality by the Vendor, subcontractors or individuals permitted access by Vendor.

PART 2 OPERATING ENVIRONMENT**2.1 Location:**

Agency is located at 350 Capitol Street, Room 251, Charleston, West Virginia 25301-3703

2.2 Background:

The operating environment is described in the following three (3) sections.

2.2.1 Medicaid Program (Title XIX of the Social Security Act)**2.2.2 Fiscal Agent****2.2.3 State Environmental Networks****2.2.1 Medicaid Program (Title XIX of the Social Security Act):**

The Bureau for Medical Services, within the West Virginia Department of Health and Human Resources, is the single state agency responsible for statewide administration of the Title XIX Medicaid Program. The nature, extent, and scope of West Virginia Medicaid Program coverage, including reimbursement rates and methodologies, are defined in detail in the federally approved West Virginia Medicaid State Plan, which constitutes the formal contract between West Virginia and the Centers for Medicare and Medicaid Services (CMS). The Bureau also interacts with other interdepartmental divisions as well as with all medical service practitioners, providers and provider organizations.

The total Medicaid expenditures for SFY2006 were \$2.2 billion. The Medicaid program provides healthcare benefits to approximately 980,000 people in 55 counties using a network of 25,000 active providers. The MMIS processes 19 million claims annually including pharmacy claims. Ninety percent (90%) of claims are received electronically of which 52% are pharmacy. One hundred fifty eight thousand (158,000) Medicaid members (families with dependent children, low-income children, and pregnant women) are enrolled in three (3) HMO's or the Bureau's Primary Care Case Management program, the Physician Assured Access System (PAAS). The Medicaid program pays for certain non-covered services for HMO recipients, specifically pharmacy and behavioral health services. The Medicaid MMIS also processes claims for two

(2) waiver programs and covers State funded eligibility programs including Children with Special Health Care Needs (CCHCN).

2.2.2 Fiscal Agent:

The current Fiscal Agent, Unays, whose contract began on April 01, 2008, currently performs the following activities for The Bureau: 1) electronic receipt of claims in HIPAA format; 2) paper claims receipt and filing; 3) online entry of claims; 4) problem claim resolution; 5) provider enrollment and provider relations; 6) configuration changes requested and approved by Bureau staff; 7) Technical Liaison support; 8) maintenance of a provider Web Portal; 9) Medical, Dental, and Pharmacy POS claims processing; and 10) reporting.

2.2.3 State Environment Networks:

2.2.3.1 State of West Virginia:

The State's network is operated by the Department of Administration's Information Services and Communications (IS&C) Division. Their website address is www.state.wv.us/admin/leo/default.htm.

2.2.3.2 WVDHHR MIS:

The West Virginia Department of Health and Human Resources (WVDHHR) network is operated by the Office of Management Information System (MIS) staff. Their website address is www.wvdhhr.org/mis/.

2.2.3.3 Bureau for Medical Services Network:

The Bureau for Medical Services' website address is www.wvdhhr.org/bms/

PART 3 PROCUREMENT SPECIFICATIONS

3.1 Requirements:

3.1.1 Agency Responsibilities:

The Bureau for Medical Services will:

- 3.1.1.1 Serve as a liaison and coordinate communication between the Vendor and the current Fiscal Agent, Unisys
- 3.1.1.2 Establish policy and notify the Vendor of any change in policy
- 3.1.1.3 Review and approve all Vendor letters, forms and documents prepared on the Bureau's behalf
- 3.1.1.4 Monitor all contract requirements and provide Vendor feedback
- 3.1.1.5 Review and approve the format and content of all final outputs
- 3.1.1.6 Approve all deliverables for each task - before the task in question will be considered complete. Vendor will describe in detail the approach and end results necessary to produce the deliverables and to obtain BMS approval. In addition, the Vendor should use examples, spreadsheets, project planning, and reports to describe the format and content of the deliverables
- 3.1.1.7 Provide office space for Vendor staff, including phone, fax, internet access, and meeting rooms as needed
- 3.1.1.8 Review the Vendor's draft RFP components and provide direction regarding any modifications necessary to finalize the documents
- 3.1.1.9 Provide required State of West Virginia model RFP/contract standard language for the Vendor to follow as required, in accordance with applicable state regulations
- 3.1.1.10 Ensure the BMS requirements are well communicated and represented throughout the implementation and operational phases of the project to the Inter Agency Committee (IAC) representatives from DHR, BMS, and key business stakeholders. The committee, acting under the authority of the Bureau's MMS Director is responsible for oversight of this contract.

3.1.2 Vendor Responsibilities: (Mandatory)

Vendor must:

- 3.1.2.1 Provide a Certified Project Management Professional (PMP) to serve as project manager for the MMIS Re-procurement project.
- 3.1.2.2 Perform a State self-assessment based on the Medicaid Information Technology Architecture (MITA) Business Process Model Version 2.0 (Both "As-Is" and "To-Be" Versions)
- 3.1.2.3 Perform an analysis of the current Fiscal Agent's MMIS and Operations functions
- 3.1.2.4 Prepare the Advanced Planning Document (APD) and RFP for the MMIS Re-procurement project
- 3.1.2.5 Serve as non-voting Subject Matter Expert (SME) advisor for the RFP proposal review and award process.
- 3.1.2.6 Meet weekly with the DHR Inter Agency Committee (IAC) and the BMS staff at the BMS offices to discuss the status of the re-procurement project.

BUREAU FOR MEDICAL SERVICES

MMIS PROJECT MANAGEMENT

18

- 3.1.2.7 Provide a Weekly Status Report
- 3.1.2.8 Provide Key Vendor staff on-site at least three (3) full days weekly and available by phone daily during the duration of this project.
- 3.1.2.9 Provide all deliverables in this contract, including all necessary supplies, equipment and staff support required to generate these deliverables.
- 3.1.2.10 Provide additional services for RMS regarding externally driven changes to program or system design and requirements (Optional Service).

3.2 Scope of Work3.2.1 Certified Project Management Professionals (PMP) to Serve as Project Manager for the MMIS Re-procurement Project

Vendor is to provide a Certified Project Management Professional (PMP) to serve as Project Manager for the MMIS Re-procurement Project and staff with appropriate experience in Medicaid policy and Medicaid claims processing to serve the Project Manager.

Vendor is to ensure that industry standard language is used in the RFP document.

Vendor is to develop a staffing plan for each project with the most appropriate experience and expertise to address the requirements of the project and this contract. The assigned PMP will be dedicated solely to the MMIS Re-procurement project during the life of the awarded contract.

The team is to be comprised of individuals who can or are:

- 3.2.1.1 Experienced in Medicaid, Medicare and health plan operations.
- 3.2.1.2 Experienced in developing policies and procedures.
- 3.2.1.3 Experienced in project management of large scale information management system initiatives.
- 3.2.1.4 Experienced in application software development, including requirements definition, design and testing.
- 3.2.1.5 Experienced in procurement, installation, evaluation, operations and maintenance of Medicaid or similar large health care claims processing systems.
- 3.2.1.6 Knowledgeable of enterprise wide network communications and automation infrastructure development and interoperability.
- 3.2.1.7 Experienced with relational database (mainframe, client/server, call center, data capture and web portal technology).
- 3.2.1.8 Experienced in Managed Care/Medicaid data.
- 3.2.1.9 Experienced with technical writing.
- 3.2.1.10 Experienced in health care related systems design, configuration and management.
- 3.2.1.11 Provide project management structure.
- 3.2.1.12 Provide methods for measuring the project progress and status.
- 3.2.1.13 Provide milestones and deliverables tools, documentation standards and meeting schedules.
- 3.2.1.14 Develop a communications and outreach plan.

BUREAU OF MEDICAL SERVICES

MIS PROJECT MANAGEMENT

19

- 3.2.1.6 Develop an electronic record of all Project Management documents and deliverables
- 3.2.1.6 Provide a Weekly Status Report
- 3.2.1.7 Meet weekly with the DHHR IAC and the BMS staff at the BMS offices to discuss the status of the project

3.2.2 Perform a MTA State Self-Assessment and an Analysis of the Current Fiscal Agents' MMIS and Operations Functions:

Vendor is to:

- 3.2.2.1 Perform a State self-assessment based on MTA Version 2.0 (Both "As-Is" and "To-Be" Versions)
- 3.2.2.2 Perform an analysis of the current fiscal agent's MMIS and operations functions.
- 3.2.2.3 Hold requirement validation sessions to identify, compile, define and refine requirements
- 3.2.2.4 Perform research and analysis to estimate the cost of new requirements
- 3.2.2.5 Identify any major system and process initiatives that might significantly impact the scope of the RFP

Vendor Deliverables:

- A MTA State Self-Assessment Document
- B Analysis of Current Fiscal Agent's MMIS and Operations Functions Document
- C Provide a Weekly Status Report.
- D Meet weekly with the DHHR IAC and the BMS staff at the BMS offices to discuss the status of the project

3.2.3 Prepare the Advanced Planning Document for the MMIS Re-procurement Project:

Vendor is to compile information required for and prepare the required MMIS Re-procurement APD document for submission to CMS. The Vendor is to update the APD as required.

At a minimum, the APD is to contain the following components:

- 3.2.3.1 Statement of Need and Objectives
- 3.2.3.2 MTA State Self-Assessment
- 3.2.3.3 Alternatives Analysis
- 3.2.3.4 Cost/Benefit Analysis
- 3.2.3.5 Project Management Plan
- 3.2.3.6 Proposed Project Budget
- 3.2.3.7 Assurance
- 3.2.3.8 Cost Allocation

Vendor Deliverables:

- A MMIS Re-procurement APD.
- B APD Revisions/Updates as required.
- C Provide a Weekly Status Report.
- D Meet weekly with the DHHR IAC and the BMS staff at the BMS offices to discuss the status of the project

3.2.4 Prepare the RFP for the HMIS Re-procurement Project:

Vendor is to compile information required for and prepare the required HMIS Re-procurement RFP document. In order to determine the scope of services for the RFP, the Vendor is to review selected business processes, current requirements, as well as contractual relationship, performance and deficiencies. Vendor is to review the systems documentation, user manuals, BMS handbooks and interview BMS and current Vendor staff to gain a thorough understanding of the current programs and processes. Vendor is to ensure that industry standard language is used in the RFP.

Vendor is to schedule, facilitate, and participate in all meetings required to define the scope of services to be included in the RFP. Vendor is responsible for capturing and communicating the content (e.g., requirements) of all such meetings as input to the RFP as well as contributing relevant subject matter expertise to all phases of the re-procurement project.

At a minimum, the Vendor is to:

- 3.2.4.1 Define required meetings and proposed schedule.
- 3.2.4.2 Schedule meetings, unless otherwise requested by BMS.
- 3.2.4.3 Prepare and distribute agendas for each meeting at least one (1) day prior to the scheduled meeting.
- 3.2.4.4 Facilitate scheduled meetings, unless otherwise requested by BMS.
- 3.2.4.5 Prepare and distribute meeting minutes for review to appropriate staff within at least two (2) to five (5) working days.
- 3.2.4.6 Update minutes with feedback from appropriate staff.
- 3.2.4.7 File an agenda and minutes in appropriate location in electronic project record which can be retained by the Bureau at contract end.
- 3.2.4.8 Prepare decision documents as needed within three (3) days of the meeting.
- 3.2.4.9 Maintain a file copy of the decision documents in electronic project record.

Vendor Deliverables:

- A Meeting Agendas.
- B Meeting Minutes.
- C Decision Documents.
- D Re-procurement RFP.
- E Provide a Weekly Status Report.
- F Meet weekly with the DHHR IAC and the BMS staff at the BMS offices to discuss the status of the project.

3.2.5 Serve as Non-Voting BMS (Subject Matter Expert) Advisor for the RFP Proposal Review and Award Process:

Vendor is to coordinate the bidder conference for the HMIS and Fiscal Agent Services RFP and prepare the written responses to bidder's questions submitted in regards to the RFP. Vendor's written responses will be reviewed and approved by BMS, prior to publication.

Vendor is to coordinate the RFP response and evaluation process to be conducted and scored by state employees. Vendor is to review all proposals and provide feedback during the evaluation meetings.

Vendor Deliverables:

- A. Q&A Response Document
- B. Proposal Review Recommendations
- C. Provide a Weekly Status Report.
- D. Meet weekly with the DHHR IAC and the BMS staff at the BMS office to discuss the status of the project.

3.2.6. Project Manage the MMIS Re-procurement Project:

At the minimum, the Vendor is to:

- 3.2.6.1 Prepare a comprehensive transition plan for each re-procurement option outlined in the RFP.
- 3.2.6.2 Review the awarded Firm's Agent's acceptance test plan to insure that the plan identifies all aspects of an operational system, including training, user documentation, technical, system environment and system functionality.
- 3.2.6.3 Assist BMS in developing and implementing a user acceptance test plan.
- 3.2.6.4 Develop criteria to evaluate test results and assist the Bureau in determining readiness to move to implementation.
- 3.2.6.5 Post Implementation Wrap-Up Including Certification activities.

Vendor Deliverables:

- A. Project Work Plan.
- B. Detailed Implementation Schedule (DIS)
- C. User Acceptance Test Plan.
- D. Provide a Weekly Status Report.
- E. Meet weekly with the DHHR, IAC, and the BMS staff, at the BMS offices to discuss the status of the re-procurement project.

3.2.7. Provide Additional Services for BMS Regarding Medicaid, Medicare and Other Major Programs and Policy and Operational Changes (Optional Services):

Vendor is to provide additional services as requested by the Bureau to comply with externally driven changes to BMS program or system design and requirements, including any state or federal laws, rules, and regulations. Services provided by the Vendor could include assistance with policy development, impact analysis, requirements definition, system design and testing activities that require substantial subject matter expertise derived from experience with other states, other health care organizations, or participation in federal activities.

Vendor is to bill such services at the all-inclusive hourly rate as specified in Attachment 4 and is responsible for providing an estimate of the effort and staff required for each project prior to beginning work. The Agency must approve the proposed effort and staff prior to work beginning. The Vendor must be able to provide suitable staff for a proposed project within two (2) weeks of agency approval.

The PMP assigned to the MMIS Re-procurement project cannot serve as a Project Manager to a second project.

3.3. Special Terms and Conditions:

3.3.1 *Bid and Performance Bonds* Not applicable to this proposal.

3.3.2 *Insurance Requirements:*

The Vendor as an Independent Contractor is solely liable for the acts and omissions of its employees and agents. Proof of insurance will be provided by the Vendor at the time the contract is awarded. The Vendor will maintain and furnish proof of coverage of liability insurance for loss, damage, or injury (including death) of third parties arising from acts and omissions on the part of the Vendor, its agents and employees in the following amounts:

- a. For bodily injury (including death): \$500,000.00 per person a minimum of \$1,000,000.00 per occurrence
- b. For property damage and professional liability: a minimum of \$1,500,000.00 per occurrence

3.3.3 License Requirements:

Provide certification that Vendor is registered with the West Virginia Secretary of State's Office to do business in West Virginia; provide evidence that Vendor is in good standing with the State Agency of Employment Programs as to Unemployment Compensation coverage and Worker's Compensation coverage or exempt from such coverage.

3.3.4 Bid/Bond: Not applicable to this proposal.

3.3.5 HIPAA Business Associate Addendum:

The West Virginia State Government HIPAA Business Associate Addendum (BAA), approved by the Attorney General, and available online at the Purchasing Division's web site (<http://www.state.wv.us/admin/purchasing/wvohipaa.htm>) is hereby made part of the agreement. Provided that, the Agency meets the definition of a Covered Entity (45 CFR§160.103) and will be disclosing Protected Health Information (45 CFR§160.106) to the vendor.

3.3.6 Agreement Addendum Form WY-96:

Any contract resulting from an award of this RFP, shall include the terms and conditions contained herein and the Agreement Addendum Form WY-96 attached hereto. The Agreement Addendum Form is available at <http://www.state.wv.us/admin/purchasing/wy96.pdf>.

3.3.7 Debarment and Suspension:

Vendor will not be considered in proposal process if debarred or suspended. Vendor must certify that they are not debarred or suspended. Successful vendor must certify that no entity, agency or person associated with the vendor is debarred or suspended.

3.3.8 Drug Free Workplace Act of 1988:

Vendor will provide a drug free workplace, and an individual shall not engage in the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance in the performance of the Contract.

PART 4 PROPOSAL FORMAT

4.1 Vendor's Proposal Format:

TECHNICAL PROPOSAL (WIN Contains No Cost Information)

The Technical Proposal should be limited to three hundred (300) pages, including all charts and attachments.

The proposal should be formatted in the same order, providing the information listed below because the vendor's response will become the contract document for the services identified in the request for proposal.

Title Page - Should state the RFP Subject and number, the name of the Vendor, Vendor's business address, telephone number, name of authorized contact person to speak on behalf of the Vendor, dated and signed.

Table of Contents - Clearly identify the material by section and page number. RFP responses should follow the same order as the RFP and use the same titles.

Executive Summary -- Vendor shall demonstrate their ability and capability to provide knowledgeable and skilled/experienced personnel to accomplish the each mandatory requirement of Part 3.1.2. The Executive Summary should be limited to twenty (20) pages.

Section I Understanding of the Project Objectives and Time Line

Vendor should discuss their understanding of the overall project in Part 3.2; list current projects with which they are now engaged; and, list their workload scheduled through June 30, 2008. The Vendor is to provide a Gantt or PERT chart for the activities required based on industry best practices and reasonable timeframes to complete the work. Vendor is required to identify deliverables in the time line at which compensation would be appropriate. Vendor should include a statement that the Vendor understands the project objectives/timeline and will meet the deliverable deadlines stated herein. The vendor should complete an RFP Requirements Checklist (Attachment II).

Section II Vendor Experience

Vendor should provide verifiable, detailed evidence of their experience and capabilities in writing APDs or RFPs and especially in the project management of a project the size and complexity of an MMIS Re-procurement. Vendor should provide details of: the background of the company/organization; the size and location of the company/organization; the resources related to the required services that are available to the company/organization; and, the experience and capabilities of the company/organization which qualify and enable them to provide the service. At least two (2) Vendor references in the writing of RFPs and three (3) Vendor references in project management within the previous five (5) years should be included, along with a detailed description of the project management services work performed for each reference.

Section III Qualifications of Project Staff

Vendor is to provide resumes of qualified staff to be assigned to the project, and a project staffing chart. If proposed staff are not employed by the Vendor, the Vendor is to provide a signed letter of intent from the individual indicating that they will accept employment if the Vendor is awarded the contract. Key personnel assigned are to be identified and the percentage of time that each individual will be dedicated to this project for the first three contract years. BMS reserves the right to reject any staff proposed or later assigned to the project, and require the successful Vendor to remove them from the project. Resumes are to be

provided for the key personnel staff to be assigned to the project, including their licenses, credentials, and experience in Medicaid as it pertains to the MMIS system. Resumes should use the RFP Personnel Resume Format (Attachment II) in order to be considered. List all work experience beginning with your present or most recent job and work back. Resumes should be limited to three (3) pages each and should be submitted for all personnel named in the proposal, including all subcontractors, if applicable.

Section IV – Cost

The Vendor's all-inclusive not-to-exceed cost and all-inclusive hourly rate (refer to Attachment I, Items #1 through #6) will include all staffing (administrative, secretarial, clerical, technical, etc.), travel, and other resource cost necessary to perform all services within Part 3.2 of this RFP.

Section V – Documentation

Include any proposed software licenses, WV-96, and Purchasing Affidavit forms. All forms should be signed and dated. The successful vendor shall be required to comply with the HPAA Business Associate Addendum (BAA). If applicable, sign and submit a Resident Vendor Preference Certificate with the proposal.

COST PROPOSAL (Separately Sealed)

The cost proposal must be separately sealed from the technical proposal and will contain:

Bid Sheet (Attachment I) - Vendor is to provide an all-inclusive not-to-exceed cost and all-inclusive hourly rate (Items #1 through #6) which will include all staffing (administrative, secretarial, clerical, technical, etc.), travel, and other resource cost necessary to perform all services within Part 3.2 of this RFP. The bid sheet itemization is as follows:

1. MITA State Self-Assessment

Vendor will provide an all-inclusive 'not-to-exceed' cost for performing a MITA State self-assessment and an analysis of the current local agent's MMIS and operations functions. The all-inclusive 'not-to-exceed' cost will include all staffing (administrative, secretarial, clerical, technical, etc.), travel, and other resource costs necessary to perform all services within Part 3.2.2.

2. Advanced Planning Document

Vendor will provide an all-inclusive 'not-to-exceed' cost to prepare the Advanced Planning Document for the MMIS Re-procurement project. The all-inclusive 'not-to-exceed' cost will include all staffing (administrative, secretarial, clerical, technical, etc.), travel, and other resource cost necessary to perform all services within Part 3.2.3.

3. RFP for the MMIS Re-procurement Project

Vendor will provide an all-inclusive 'not-to-exceed' cost to prepare the RFP for the MMIS Re-procurement project. The all-inclusive 'not-to-exceed' cost will include all staffing (administrative, secretarial, clerical, technical, etc.), travel, and other resource cost necessary to perform all services within Part 3.2.4.

4. Non-voting SME Advisor (Subject Matter Expert)

Vendor will provide an all-inclusive 'not-to-exceed' cost to serve as a non-voting SME Advisor for the RFP proposal review and award process. The all-inclusive 'not-to-exceed' cost will include all staffing (administrative, secretarial, clerical, technical, etc.), travel, and other resource cost necessary to perform all services within Part 3.2.5.

5. Project Management Professional (PMP) for the MMIS Re-procurement Project

Vendor will provide an all-inclusive hourly rate to provide a Certified PMP to serve as Project Manager for the MMIS Ho-procurement project. The all-inclusive hourly rate cost will include all staffing (administrative, secretarial, clerical, technical, etc.), travel, and other resource cost necessary to perform all services within Part 3 2 1 and Part 3 2 7.

An estimate of 6,500 hours has been provided for cost evaluation purposes only. The hours are used for the sole purpose of evaluation comparison and are not a guaranteed amount of hours.

6. Additional Services for BMS

The Vendor will provide an all-inclusive hourly rate to provide additional services for BMS regarding Medicaid, Medicare and other major program and policy and operation changes. This is an optional service. The all-inclusive hourly rate will include all staffing (administrative, secretarial, clerical, technical, etc.), travel, and other resource cost necessary to perform all services within Part 3 2 7.

The Agency and Vendor will jointly determine a 'not-to-exceed' number of hours, time frame, and staff for each service. The Agency must approve the actual 'not-to-exceed' hours, time frame, and staff prior to work beginning.

An estimate of 1,625 hours has been provided for cost evaluation purposes only. The hours are used for the sole purpose of evaluation comparison and are not a guaranteed amount of hours.

4.2. Evaluation Process:

4.2.1 Method of Evaluation:

The proposals will be evaluated by a committee of three (3) or more individuals in accordance with the criteria stated. The Vendor who meets all the mandatory specifications and attains the highest point score of all vendors shall be awarded the contract. The selection of the successful vendor will be made by a consensus of the evaluation committee.

4.3 Evaluation Criteria: The following are the evaluation factors and maximum points possible for technical point scores:

Section I	Understanding of the Project Objectives & Time Lines Part 4 1, Section I	25 Points Possible
Section II	Vendor Experience: Part 4 1, Section II	20 Points Possible
Section III	Qualifications of Project Staff Part 4 1, Section III	25 Points Possible
Section IV	Cost Proposal Part 4 1, Section IV	30 Points Possible
Total		100 Points Possible

Each cost proposal cost will be scored by use of the following formula for all vendors who attained the Minimum acceptable score:

$$\frac{\text{Lowest price of all proposals}}{\text{Price of Proposal being evaluated}} \times 30 = \text{Price Score}$$

4.4 Minimum Acceptable Score:

Vendors must score a minimum of 70% of the total technical points possible. The technical points are listed above in Section 4.3. The minimum qualifying score on the technical portion is 45 points. All vendors not obtaining the minimum acceptable score (MAS) shall be disqualified.

and removed from further consideration.

The State will select the successful vendor's proposal based on best value purchasing which is not necessarily the vendor with the lowest price. Cost is considered but is not the sole determining factor for award. The State does reserves the right to accept or reject any or all of the proposals, in whole or in part, without prejudice, if to do so is felt to be in the best interests of the State.

Vendor's failure to provide complete and accurate information may be considered grounds for disqualification. The State reserves the right, if necessary, to ask vendors for additional information to clarify their proposals.

4.5. Cost Proposal Format/Bid Sheets:

The Vendor's all-inclusive not-to-exceed cost and all-inclusive hourly rate (Items #1 through #8) will include all staffing (administrative, secretarial, clerical, technical, etc), travel and other resource cost necessary to perform all services within Part 3.2 of this RFP.

The Vendor must use the RFP Cost Proposal Bid Sheet (Attachment I) in order to be considered. The Vendor will not alter, change, or modify the cost proposal bid sheet format.

ATTACHMENT I
COST PROPOSAL BID SHEET

All-Inclusive Hourly Rate/Cost Breakdown:

1. **MITA State Self-Assessment – Refer to Part 3.2.2**

All-Inclusive Not-to-Exceed Cost \$ _____

2. **Advanced Planning Document – Refer to Part 3.2.3**

All-Inclusive Not-to-Exceed Cost \$ _____

3. **RFP for the MMIS Re-procurement Project – Refer to Part 3.2.4**

All-Inclusive Not-to-Exceed Cost \$ _____

4. **Non-Voting SME Advisor – Refer to Part 3.2.5**

All-Inclusive Not-to-Exceed Cost \$ _____

5. **Project Management Professional (PMP) for the MMIS Re-procurement Project – Refer to Part 3.2.1 and Part 3.2.6**

6,500 Hours X \$ _____ All-Inclusive Hourly Rate = \$ _____

(An estimate of 6,500 hours has been provided for cost evaluation purposes only.)

6. **Additional Services for BMS – Refer to Part 3.2.7**

(The Agency and Vendor will jointly determine a 'not-to-exceed' number of hours, time frame, and staff for each service. The Agency must approve the actual 'not-to-exceed' hours, time frame, and staff prior to work beginning.)

1,625 Hours X \$ _____ All-Inclusive Hourly Rate = \$ _____

(An estimate of 1,625 hours has been provided for cost evaluation purposes only.)

Grand Total of Item #1 through Item #6 above: \$ _____

Signature

Title

Date

ATTACHMENT II RFP REQUIREMENTS CHECKLIST

RFP Requirements Checklist:

The RFP Requirements Checklist is a detailed listing of every general, technical, functional, staffing, and performance requirement.

- The Vendor is to crosswalk each RFP requirement to the site where it is addressed in its proposal (Columns B and C)

A		B	C
MMIS RFP Requirements		Proposal Section	Proposal Page No.
3.1.2	Vendor Responsibilities (Mandatory)		
3.1.2.1	Provide Certified Project Management Professional (PMP)		
3.1.2.2	Perform a State self-assessment based on Medicaid Information Technology Architecture (MITA)		
3.1.2.3	Perform Analysis of current FA's MMIS & Operations functions		
3.1.2.4	Prepare Advanced Planning Document (APD)		
3.1.2.4	Prepare RFP		
3.1.2.5	Serve as Non-voting Subject Matter Expert (SME) advisor		
3.1.2.6	Meet weekly with DHHR (IAC) and BMS Staff		
3.1.2.7	Provide weekly Status Report		
3.1.2.8	Provide Key Vendor staff on-site at least 3 full days weekly		
3.1.2.9	Provide all deliverables, including necessary supplies, equipment, etc.		
3.1.2.10	Provide additional services (optional service)		
3.2.1	Certified Project Management Professional		
"	Staff with appropriate experience in Medicaid policy & Medicaid claims processing		
"	Ensure industry standard language used in RFP		
"	Develop staffing plan for each project		
"	PMP dedicated solely to MMIS Re-procurement project		
3.2.2	Perform MITA State Self-Assessment		
3.2.2	Perform Analysis of Current FA's MMIS & Operations Function		
3.2.2.1	State self-assessment based on MITA Version 2.0		
3.2.2.2	Analysis of current FA's MMIS & Operations functions		
3.2.2.3	Requirement validation sessions		
3.2.2.4	Research & analysis to estimate cost		
3.2.2.5	Identify major system & process initiatives		
3.2.3	Prepare APD for MMIS Re-procurement Project		
"	Compile required information for APD		
"	Update APD as required		
3.2.3.1	APD to contain specified components		
3.2.3.6			
3.2.4	Prepare RFP for MMIS Re-procurement Project		
"	Compile required information for RFP		
"	Review business processes, current requirements, etc.		
"	Review system documentation, user manuals, etc.		

	A	B	C
	MMIS RFP Requirements	Proposal Section	Proposal Page No.
"	Ensure industry standard language used in RFP		
"	Contribute relevant subject matter expertise		
3.2.4.1	Define required meeting & proposed schedule		
3.2.4.2	Schedule meetings		
3.2.4.3	Agendas for meeting at least 1 day prior to meeting		
3.2.4.4	Facilitate scheduled meetings		
3.2.4.5	Meeting minutes within at least 2-5 working days		
3.2.4.6	Update minutes with feedback		
3.2.4.7	File agenda & minutes in electronic project record		
3.2.4.8	Decision document within 3 days of meeting		
3.2.4.9	File copy of decision docs in electronic project record		
3.2.5	Serve as Non-Voting SME Advisor for RFP Proposal review/award process		
"	Coordinate bidders conference		
"	Written responses to bidder questions		
"	Coordinate RFP response & evaluation process		
"	Review all proposals & provide feedback		
3.2.6	Project Manage the MMIS Re-procurement Project		
3.2.6.1	Comprehensive transition plan for each RFP option		
3.2.6.2	Review awarded FA's acceptance test plan		
3.2.6.3	Assist BMS in developing & implementing user acceptance test plan		
3.2.6.4	Criteria to evaluate test results & assist Bureau in readiness to move to implementation		
3.2.6.5	Post implementation Wrap-up including Certification activities		
3.2.7	Provide Additional Services (optional service)		
"	Bill services at all-inclusive hourly rate		
"	Estimate of effort & staff required for each project prior to begin work		
"	Staff for proposed project within 2 weeks of approval		
"	PM assigned to MMIS Re-procurement project cannot serve as PM to second project		
3.3.3	License Requirements		
"	Certify WV Secretary of State's Office registration		
"	State Agency of Employment Programs-evidence in good standing with Unemployment Compensation/Worker's Compensation or exempt from coverage		
3.3.7	Debarment & Suspension		
"	Certify not debarred or suspended		
"	Certify no entity, agency or person associated with vendor is debarred or suspended		
3.3.8	Drug Free Workplace Act of 1988		
"	Drug free workplace		
"	Individual not engaged in unlawful manufacture, distribution, etc.		
Section I	Understanding of the Project Objectives and Time Line		
"	Understanding of overall project in Part 3.2		
"	List current projects they are now engaged		
"	List workload scheduled through June 30, 2008		
"	Provide a timeline or Gantt chart		
"	Identify deliverables in time line at which completion		

BUREAU FOR MEDICAL SERVICES

MMIS PROJECT MANAGEMENT

30

A		B	C
MMIS RFP Requirements		Proposal Section	Proposal Page No.
	would be appropriate		
"	Statement Vendor understands objectives/time line		
"	RFP Requirements Checklist (Attachment II)		
Section II	Vendor Experience		
"	Verifiable, detailed evidence of experience, capabilities and Project Management in writing APDs or RFPs for size and complexity of MMIS Re-procurement project		
"	Details of background of company/organization; etc.		
"	Two vendor reference in writing RFPs		
"	Three vendor references in project management within previous 5 years		
Section III	Qualifications of Project Staff		
"	Resumes of qualified staff assigned to project		
"	Project staffing chart		
"	Signed letter of Intent		
"	Key personnel assigned are identified and percentage of time each individual dedicated to project for first three contract years		
Section IV	Documentation		
1.1B	Purchasing Affidavit		
3.3.6	WV-06		

ATTACHMENT III PERSONNEL RESUME FORMAT

Individual's Name
Proposed Position
Education Background

WORK EXPERIENCE

- A. Individual's Experience with the Following (If Applicable):
- Project management and issue tracking
 - Information technology planning and strategy
 - Management of IT outsourcing and procurement processes
 - Large scale system analysis, design, development and testing
 - Large scale production systems operations
 - Medicare and Medicaid programs
 - MMIS, MTA and Medicaid technology
 - Commercial health plan systems and processes
 - Eligibility and enrollment
 - Claims and encounter processing, HIPAA transactions and code sets
 - Provider credentialing and provider data
 - Health care financial and utilization data reporting and analysis
 - IT staffing and organizational design
 - Definition of policies and procedures
 - Development and delivery of training curricula
 - Technical writing
 - Capacity planning and evaluation
- B. Employed from _____ to _____
- Employer's Name _____
- Job Title _____
- Project 1:
- Client's Name (if different from employers) _____
 - Project Name _____
 - Project Start and End Date (include percent of time allotted to the project) _____
 - Description of Project _____
 - Individual's Job Title (include length of time position held) _____
 - Individual's Project Duties and Responsibilities _____

Repeat B for as many jobs and projects as needed.

APPENDIX A ACRONYMS LIST

APD	Advanced Planning Document
BAA	Business Associate Addendum
BMS	Bureau for Medical Services
CD	Compact Disk
CMS	Centers for Medicare and Medicaid Services
CSHCN	Children with Special Health Care Needs
DHHR	Department of Health & Human Resources
DIS	Detailed Implementation Schedule
HIPAA	Health Insurance Portability and Accountability Act of 1996
HMO	Health Maintenance Organization
IAC	Inter Agency Committee
IS&C	Information Services and Communications
MAS	Minimum Acceptable Score
MIS	Management Information System
MITA	Medicaid Information Technology Architecture
MMIS	Medicaid Management Information System
PAAS	Physician Assured Access System
PDF	Portable Document File
PMP	Project Management Professional
POS	Point of Sale
QA	Quality Assurance
RFP	Request for Proposal
SME	Subject Matter Expert
SFY	State Fiscal Year
WVDHHR	West Virginia Department of Health & Human Resources

ATTACHMENT
P.O.# _____

This agreement constitutes the entire agreement between the parties, and there are no other terms and conditions applicable to the licenses granted hereunder.

Agreed

Signature Date

Title

Company Name

Signature Date

Title

Agency/Division

779-96
Rev. 10/97

AGREEMENT ADDENDUM

In the event of conflict between this addendum and the agreement, this addendum shall control:

1. **DISPUTES** - Any reference in the agreement to arbitration or to the jurisdiction of any court are hereby deleted. Disputes arising out of the agreement shall be presented to the West Virginia Court of Claims.
2. **NOT BE HARMLESS** - Any clause requiring the Agency to indemnify or hold harmless any party is hereby deleted in its entirety.
3. **GOVERNING LAW** - The agreement shall be governed by the laws of the State of West Virginia. This provision replaces any references to any other state's governing law.
4. **TAXES** - Provisions to the agreement requiring the Agency to pay taxes are deleted. As a State entity, the Agency is exempt from State and local taxes and will not pay taxes for any Vendor including individuals, nor will the Agency file any tax returns or report on behalf of Vendor or any other party.
5. **PAYMENT** - Any reference to prepayment are deleted. Payment will be in arrears.
6. **INTEREST** - Should the agreement include a provision for interest on late payments, the Agency agrees to pay the maximum legal rate under West Virginia law. All other references to interest or late charges are deleted.
7. **RECOMPENSE** - Any language in the agreement waiving the Agency's right to set-off, counterclaim, recoupment, or other defenses is hereby deleted.
8. **FISCAL YEAR FUNDING** - Services performed under the agreement may be continued in succeeding fiscal years for the term of the agreement, contingent upon funds being appropriated by the Legislature for the purpose being available for this service. In the event funds are not appropriated or otherwise available for this service, the agreement shall terminate without penalty on June 30. After that date, the agreement becomes of no effect and is null and void. However, the Agency agrees to use its best efforts to have the amounts contemplated under the agreement included in its budget. Non-appropriation or non-funding shall not be considered an event of default.
9. **STATUTE OF LIMITATION** - Any clause limiting the time in which the Agency may bring suit against the Vendor, lessee, individual, or any other party are deleted.
10. **SIMILAR SERVICES** - Any provisions limiting the Agency's right to obtain similar services or equipment in the event of default or non-funding during the term of the agreement are hereby deleted.
11. **ATTORNEY FEES** - The Agency recognizes an obligation to pay attorney's fees or costs only when assessed by a court of competent jurisdiction. Any other provision is invalid and considered null and void.
12. **ASSIGNMENT** - Notwithstanding any clause to the contrary, the Agency reserves the right to assign the agreement to another State of West Virginia agency, board or commission upon thirty (30) days written notice to the Vendor and Vendor shall obtain the written consent of Agency prior to assigning the agreement.
13. **LIMITATION OF LIABILITY** - The Agency, as a State entity, cannot agree to assume the potential liability of a Vendor. Accordingly, any provision limiting the Vendor's liability for direct damages to a certain dollar amount or to the amount of the agreement is hereby deleted. Limitations on general, incidental or consequential damages are acceptable. In addition, any limitation is null and void to the extent that it precludes any action for injury to persons or for damages to personal property.
14. **RIGHT TO TERMINATE** - Agency shall have the right to terminate the agreement upon thirty (30) days written notice to Vendor. Agency agrees to pay Vendor for services rendered or goods received prior to the effective date of termination.
15. **TERMINATION CLAIMS** - Any provision requiring the Agency to pay a fixed amount or liquidated damages upon termination of the agreement is hereby deleted. The Agency may only agree to reimburse a Vendor for actual costs incurred or losses sustained during the current fiscal year due to wrongful termination by the Agency prior to the end of any current agreement term.
16. **RENEWAL** - Any reference to automatic renewal is hereby deleted. The agreement may be renewed only upon mutual written agreement of the parties.
17. **INSURANCE** - Any provision requiring the Agency to insure equipment or property of any kind and owned by the Vendor as beneficiary or as an additional insured is hereby deleted.
18. **RIGHT TO NOTICE** - Any provision for repossession of equipment without notice is hereby deleted. However, the Agency does recognize a right of repossession with notice.
19. **ACCELERATION** - Any reference to acceleration of payments in the event of default or non-funding is hereby deleted.
20. **CONFIDENTIALITY** - Any provision regarding confidentiality of the terms and conditions of the agreement is hereby deleted. State contracts are public records under the West Virginia Freedom of Information Act.
21. **AMENDMENTS** - All amendments, modifications, alterations or changes to the agreement shall be in writing and signed by both parties. No amendment, modification, alteration or change may be made to this addendum without the express written approval of the Purchasing Division and the Attorney General.

ACCEPTED BY:

STATE OF WEST VIRGINIA

VENDOR

Spending Unit: _____

Company Name: _____

Signed: _____

Signed: _____

Title: _____

Title: _____

Date: _____

Date: _____

**West Virginia Department of Health & Human Resources
FEDERAL PROGRAM PARTICIPATION ACKNOWLEDGMENT,
AUTHORIZATION, CONSENT, AND RELEASE**

No person who is currently excluded, debarred, suspended, or otherwise ineligible to participate in federal health care programs or in federal procurement or non-procurement programs shall be hired by the West Virginia Department of Health and Human Resources.

I am am not currently excluded, debarred, suspended, or otherwise ineligible to participate in federal health care programs or in federal procurement or non-procurement programs.

Signature

Date

I authorize and consent to a background check by the West Virginia Department of Health and Human Resources specifically to determine whether I am currently excluded, debarred, suspended, or otherwise ineligible to participate in federal health care programs or in federal procurement or non-procurement programs. If hired, I also agree to periodic conduct of additional such background checks during the course of employment by the West Virginia Department of Health and Human Resources.

I release any persons and the West Virginia Department of Health and Human Resources and its agents, officials, representatives, employees, officers, or related personnel both individually and collectively, from any and all liability for damages of any kind that may result because of compliance with this acknowledgment and authorization.

For positive identification purposes, the following information is required when conducting a background check. This information is confidential and will not be used for any other purposes (please print):

Name _____
last name first name middle initial

Maiden/Other Names: _____
(This should include other married names by which you have been known.)

Current Address: _____
street/box# city state

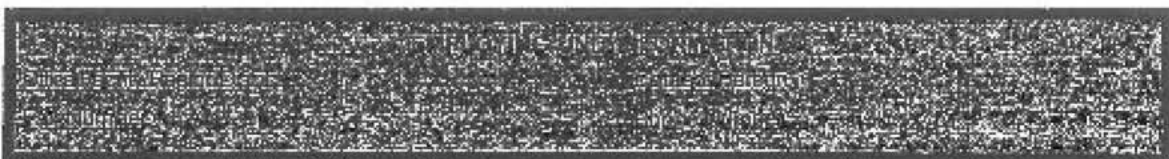
NOTE: Your social security card must be presented for verification purposes.

Social Security # _____ **Date of Birth** _____
month/day/year

Driver's License Number _____ **State of Issue** _____

Signature

Date



STATE OF WEST VIRGINIA
Purchasing Division

PURCHASING AFFIDAVIT

West Virginia Code §5A-3-10a states: No contract or renewal of any contract may be awarded by the state or any of its political subdivisions to any vendor or prospective vendor when the vendor or prospective vendor or a related party to the vendor or prospective vendor is a debtor and the debt owed is an amount greater than one thousand dollars in the aggregate.

DEFINITIONS:

"Debt" means any assessment, premium, penalty, fine, tax or other amount of money owed to the state or any of its political subdivisions because of a judgment, fine, permit violation, license assessment, defaulted workers' compensation premium, penalty or other assessment presently delinquent or due and required to be paid to the state or any of its political subdivisions, including any interest or additional penalties accrued hereon.

"Debtor" means any individual, corporation, partnership, association, limited liability company or any other form or business association owing a debt to the state or any of its political subdivisions. "Political subdivision" means any county commission; municipality; county board of education; any instrumentality established by a county or municipality; any separate corporation or instrumentality established by one or more counties or municipalities, as permitted by law; or any public body charged by law with the performance of a government function or whose jurisdiction is coextensive with one or more counties or municipalities. "Related party" means a party, whether an individual, corporation, partnership, association, limited liability company or any other form or business association or other entity whatsoever, related to any vendor by blood, marriage, ownership or contract through which the party has a relationship of ownership or other interest with the vendor so that the party will actually or by effect receive or control a portion of the benefit, profit or other consideration from performance of a vendor contract with the party receiving an amount that meets or exceeds five percent of the total contract amount.

EXCEPTION: The prohibition of this section does not apply where a vendor has contested any tax administered pursuant to chapter eleven of this code, workers' compensation premium, permit fee or environmental fee or assessment and the matter has not become final or where the vendor has entered into a payment plan or agreement and the vendor is not in default of any of the provisions of such plan or agreement.

LICENSING: Vendors must be licensed and in good standing in accordance with any and all state and local laws and requirements by any state or local agency of West Virginia, including, but not limited to, the West Virginia Secretary of State's Office, the West Virginia Tax Department, West Virginia Insurance Commission, or any other state agencies or political subdivision. Furthermore, the vendor must provide all necessary releases to obtain information to enable the Director or spending unit to verify that the vendor is licensed and in good standing with the above entities.

CONFIDENTIALITY: The vendor agrees that he or she will not disclose to anyone, directly or indirectly, any such personally identifiable information or other confidential information gained from the agency, unless the individual who is the subject of the information consents to the disclosure in writing or the disclosure is made pursuant to the agency's policies, procedures and rules. Vendors should visit www.state.wv.us/admin/purchase/privacy for the Notice of Agency Confidentiality Policies.

Under penalty of law for false swearing (West Virginia Code, §61-5-8), it is hereby certified that the vendor acknowledges the information in this said affidavit and are in compliance with the requirements as stated.

Vendor's Name: _____

Authorized Signature: _____ Date: _____

Purchasing Affidavit (Revised 04/15/07)



WEST VIRGINIA LEGISLATIVE AUDITOR

Building 1, Room E-132, State Capitol Complex, Charleston, West Virginia 25305
telephone: 1-304-347-4800 | www.legis.state.wv.us | fax: 1-304-347-4819