



*Delaware Health
And Social Services*

DIVISION OF MANAGEMENT SERVICES

PROCUREMENT

DATE: July 25, 2017

HSS 17-026

Health System Transformation Project Facilitation

for

DHSS/Office of the Secretary/Health Care Commission

Date Due: August 4, 2017

By 11:00 AM Local Time

ADDENDUM # 4

Additional Questions and Answers

PLEASE NOTE:

THE ATTACHED SHEETS HEREBY BECOME A PART OF THE ABOVE
MENTIONED RFP.

Kimberly Jones
Procurement Administrator

Helen Arthur
Director of Planning & Policy

**STATE OF DELAWARE
DELAWARE HEALTH CARE COMMISSION
REQUEST FOR PROPOSALS (RFP)
HSS-17-026 Health System Transformation Project Facilitation**

Proposed Schedule

Public Notice: 6/12/2017

RSVP for Pre-Bid Call: 7/5/2017

Pre-Bid Conference Call: 7/6/2017

Deadline for Questions: 6/26/2017

Response to Questions Posted by: 7/17/2017

Deadline for Receipt of Proposals: 8/4/2017

Estimated Notification of Award: 8/15/2017

DE RFP HHS-17-026 – Health System Transformation Project Facilitation - QUESTIONS

72. **Question:** For the purposes of receiving comparable budgets from bidders, does HCC have an estimated number of onsite stakeholder discussions, workgroup meetings, and/or workshops the contractor should facilitate for the following:

- For Component A, Program Organization and Management
- For Component B, Program Management
- And for Component C, Program Management?

Answer: There will be many meetings associated with the Health System Transformation project. The Health Care Commission (HCC) cannot provide a quantifiable number of hours for implementing the project. Bidders should know that there is a broad set of stakeholders engaged in this work which includes the State of Delaware, our private and public partners as well as our federal partners at the Centers for Medicare and Medicaid (CMMI).

73. **Question:** Related to the question above, does HCC have an idea for the total number of meetings for each component? How many of these meetings does HCC foresee to be on-site versus off-site?

Answer: No, HCC is unable to provide a quantifiable number of hours for implementing the project. Bidders should know that there is a broad set of stakeholders engaged in this work which includes the State of Delaware, our private and public partners as well as our federal partners at the Centers for Medicare and Medicaid (CMMI).

74. **Question:** How many stakeholder meetings (beyond weekly internal state SIM leadership meetings and monthly HCC meetings) does HCC expect the Bidder to attend?

Answer: The HCC will expect the Awarded Vendor to attend any and all meetings necessary to achieve outcomes included in each Component's Scope of Work. At this time, HCC is unable to provide a quantifiable number of meetings that will be necessary for implementing the project.

75. **Question:** What does HCC mean by "facilitating the development of..."? Does this include project management activities such as facilitating meetings and conducting research? Or could this also include drafting of new proposed legislative/regulatory language and policies?

Answer: The Awarded Vendor will provide such services as necessary to complete the scope of work for the Component to which they are responding.

76. **Question:** Please describe if the Bidder will have responsibilities associated with the funding and financial reporting, other than summarizing this information for the purposes of the annual and

quarterly reports. If the Bidder will have other responsibilities related to funding and financial reporting, please describe what these are.

Answer: HCC staff will maintain responsibility for financial management of the Cooperative Agreement. For the annual and quarterly reports, the Awarded bidder will work collaboratively with HCC staff to understand, summarize and report to CMMI any spending associated with the implementation of the projects.

77. **Question:** Have all the payers referenced in the paragraph transitioned to some form of Value Based Payment Model, including Dual Eligibles?

Answer: Payers in Delaware are in various stages of implementing pay for value and total cost of care models among their beneficiaries.

78. **Question:** Is the state planning to include providers who successfully address social determinants of health in its value based payment methodologies?

Answer: This has not been determined at this time. The HCC is interested in understanding bidder perspectives on this issue.

79. **Question:** Is the state considering allowing Community Mental Health Centers as the primary entity for managing patients with a primary behavioral health diagnosis, particularly those with serious mental illness or children with serious emotional disturbance??

Answer: This has not been determined at this time. The HCC is interested in understanding bidder perspectives on this issue.

80. **Question:** Does the state intend that all funding to support BH EMR implementation be used to implement the same IT systems across all providers?

Answer: The HCC has no preference; however, the EMR vendor/tool chosen must have interoperable capabilities with the DHIN system.

81. **Question:** On RFP Attachment 5 – Business References form, it only requires bidders to list the names of references. However, in RFP Section V.B.6 (page 14), letters of reference are required. Please clarify.

Answer: Attachment 5 is required per the State procurement process. The Health Care Commission requires bidders submit three (3) professional reference letters as indicated on page 8 of the RFP. Both are required.

82. **Question:** If both letters of reference and reference names and contact info are required, please clarify if the clients listed in a bidder's RFP Attachment 5 – Business References form must be the same as the clients who provide the letters of reference.

Answer: Both are required; the Bidders Professional Reference Letters (Page 14 of the RFP) may come from the three business references (Attachment 5) or from other reference sources.

83. **Question:** If a bidder's Professional Reference Letters may come from different individuals than those listed on Attachment 5, will HCC contact the bidder's references from both the Professional Reference Letters and from Attachment 5? Or will HCC only contact the references listed on Attachment 5?

Answer: The HCC may contact references from both sources.

84. **Question:** We understand that the State has requested at least three (3) professional reference letters. Will the State consider a reference letter from a client of a subcontractor as satisfying one of the reference letters?

Answer: As indicated on page 14 of the RFP, the primary bidder should submit at least three (3) professional reference letters. The State of Delaware contract, thus relationship, will be with the

primary bidder/selected vendor. Subcontractor letters cannot replace the required professional reference letters.

85. **Question:** Or, relative to the above question, does the State require that all reference letters be from clients of the **prime** contractor?

Answer: As indicated on page 14 of the RFP, the primary bidder should submit at least three (3) professional reference letters. The State of Delaware contract, thus relationship, will be with the primary bidder/Awarded Vendor. Subcontractor letters cannot replace the required professional reference letters.

86. **Question:** Are letters of reference required from subcontractors?

Answer: No, subcontractors are not required to provide letters of recommendation. The subcontractor works for the prime, and has no relationship with the State other than signing of Attachment 6 (State form) and Attachment 10 (Federal form).

87. **Question:** Is the RFP Attachment 5 – Business References form required from subcontractors?

Answer: No.

88. **Question:** We understand that the State has requested contact information for three references on RFP Attachment 5 – Business References form. Will the State consider a client reference from a client of a subcontractor as satisfying one of the references on this form?

Or, relative to the above question, does the State require that all references be from clients of the **prime** contractor?

Answer: Only the primary bidder should submit Business References as per Attachment 5. The sub-contractor works for the prime, and has no relationship with the State other than signing of Attachment 6 (State form) and Attachment 10 (Federal form).

89. **Question:** We understand that the State has requested at least three (3) professional reference letters. Are three reference letters required per Component? Or are only three letters required in total from the bidder?

Answer: No, three (3) reference letters are not required for each Component. Reference letters can be relative to the general project and will be used to verify the quality of a bidder's company/organization. Please review page 14 of the RFP.

90. **Question:** Can bidders include the Budget and Budget Justification with the balance of the HARD COPY proposal or must the Budget and Budget Justification be submitted in a sealed separate container?

Answer: The Budget and Budget Justification can be submitted with the entire proposal together or separately. Either way is acceptable. Please make sure that it is easily identifiable.

91. **Question:** Can bidders include the Budget and Budget Justification with the balance of the ELECTRONIC copies of the proposal or must the Budget and Budget Justification be submitted in a separate file on the USB/CD?

Answer: The Budget and Budget Justification can be submitted with the balance of the Electronic copies of the proposal or separately. Either way is acceptable. Please make sure that it is easily identifiable.

92. **Question:** Section V.B.5 requires that bidders "Attach articles of incorporation . . . if applicable." Please clarify the instance in which it would be appropriate for a bidder to submit their articles of incorporation with their proposal.

Answer: If the bidder has articles of incorporation and IRS certification of tax exempt status they should submit the information with the proposal as indicated on Page 14 of the RFP.

93. **Question:** If a Vendor is awarded any Components from this RFP, will the resulting contract preclude that Vendor from winning any other SIM or transformational work in the State of Delaware?
Answer: If there are other procurement opportunities related to SIM or transformational work in the State of Delaware, the awarded vendor will not be precluded from bidding or winning other work.
94. **Question:** If, for instance, a Vendor bids on Components A and B, could HCC award the Vendor only Component A, or only Component B, while awarding the other Component to a different bidder?
Answer: Page 5 of the RFP states that bidders applying for Component A must select, at a minimum, one additional Component (B and/or C) to implement. The HCC will entertain proposals for a single component for Components B and C. As stated in the RFP (p. 4), the preference is to contract with one single vendor that will have the capacity to implement all of the components, or through the compliment of subcontractors. If more than one vendor is selected under this RFP, the vendors will be required to work collaboratively together to assist Delaware in achieving its objectives.
95. **Question:** Please clarify what the “additional fee” means here. [Ref: ACA Safe Harbor Additional Fee (5 points out of 100)]
Answer: Please review pages 30-31 of the RFP for specific requirements of the ACA Safe Harbor. Bidders should acknowledge their approach to - and understanding of - the ACA Safe Harbor position of the State of Delaware. The State of Delaware does not consider vendors, contractors and/or subcontractors employees of the state and/or eligible for health benefits by the State of Delaware. As documented in the RFP on Page 31, “....The State requires that all Vendors shall identify the Additional Fee to obtain health coverage from the Vendor and delineate the Additional Fee from all other charges and fees. The Vendor shall identify both the Additional Fee to be charged and the basis of how the fee is applied (i.e. per employee, per invoice, etc.). The State will consider the Additional Fee and prior to award reserves the right to negotiate any fees offered by the Vendor. Further, the Additional Fee shall be separately scored in the proposal to ensure that neither prices charged nor the Additional Fee charged will have a detrimental effect when selecting vendor(s) for award.
96. **Question:** Is the Additional Fee applicable to a bidding company that is not a staffing company?
Answer: The additional fee is applicable to all bidders.
97. **Question:** Please clarify what the appropriate response would be to this particular scoring criteria such that the bidder would secure all five possible points in this scoring category.
Answer: Bidders should acknowledge their approach to - and understanding of - the ACA Safe Harbor position of the State of Delaware. The State of Delaware does not consider vendors, contractors and/or subcontractors employees of the state and/or eligible for health benefits by the State of Delaware. If applicable, bidders shall identify the Additional Fee to obtain health coverage from the Vendor and delineate the Additional Fee from all other charges and fees.
98. **Question:** Please clarify where in its proposal the bidder should place its response to the ACA Safe Harbor Additional Fee requirement.
Answer: The Health Care Commission will not be prescriptive how bidders chose to make this acknowledgement; however, a suggested location for this acknowledgement is within the budget narrative and justification.
99. **Question:** There is an asterisk but what does the asterisk refer to?
Answer: The Asterisk related to internal instruction, regarding advising bidders to clearly identify how the ACA Safe Harbor fee is charged (i.e. by frequency, including by invoice, by hour, or by employee).

100.

Question: This indicates the ACA Safe Harbor Additional Fee is 5% of scoring, however page 31 of the RFP indicates that, "Additional Fee shall be separately scored in the proposal to ensure that neither prices charged nor the Additional Fee charged will have a detrimental effect when selecting vendor(s) for award." Please clarify.

Answer: ACA Safe Harbor Additional Fee must be scored, however, since pricing is not the sole factor in award, the scoring will not have a detrimental effect when selecting a vendor.

101.

Question: In the section of the RFP where scoring criteria is described, there is a grid which indicates that bidders must "circle Yes or No" to a number of questions that will not be used in the weighted evaluation of the proposal. Please clarify where in the bidder's proposal this information should be placed.

Answer: The Health Care Commission will not be prescriptive how bidders chose to make this acknowledgement; however, a suggested location for this acknowledgement is within the budget narrative and justification (aka pricing file).

102.

Question: Please define what is mean by an "inclusion policy."

Answer: One definition for "inclusion policy" would be that the bidder organizations have a policy on inclusion of diverse populations within the organization, and in the larger systems, that constitute our environment, programs and the clients we serve. For information on the DHSS Inclusion Policy Resources please visit: <http://dhss.delaware.gov/dhss/inclusion/index.html>

103.

Question: This section of the RFP indicates that, "Additional Fee shall be separately scored in the proposal to ensure that neither prices charged nor the Additional Fee charged will have a detrimental effect when selecting vendor(s) for award."

- (a) Please define "prices charged" as used in this clause
- (b) Is "prices charged" considered Required Information from the bidder?
- (c) If "prices charged" is Required Information from the bidder, please indicate where bidders should place this information in their proposal.

Answer: Bidders should acknowledge their approach to - and understanding of - the ACA Safe Harbor position of the State of Delaware. The State of Delaware does not consider vendors, contractors and/or subcontractors employees of the state and/or eligible for health benefits by the State of Delaware. If applicable, bidders shall identify the Additional Fee to obtain health coverage from the Vendor and delineate the Additional Fee from all other charges and fees.

The Health Care Commission will not be prescriptive how bidders chose to make this acknowledgement; however, a suggested location for this acknowledgement is within the budget narrative and justification (aka pricing file).

104.

Question: Most national carriers such as UPS and FedEx guarantee delivery by 10:30 am which is very close to the 11:00 am due time. Would the State consider extending the due time from 11 am to 3 pm to accommodate for any minor delays from national carriers such as FedEx or UPS?

Answer: No, it is recommended that your proposal be submitted the day before the deadline stated on <http://bids.delaware.gov>

105.

Question: Budget Summary Sheet does not appear to have a line item for profit. Please clarify (1) if profit is permitted by the laws governing the grant funding for this work and (2) if profit is allowed, please clarify where on the Budget Summary Sheet bidders should place the profit line item.

Answer: No. According to the federal Notice of Grant Award, profit is not permitted under the Centers for Medicare & Medicaid Services Standard Grant/Cooperative Agreement Terms and Conditions. Also, please remember that Attachment 11 is a modifiable template.

106.

Question: Where on the Budget Summary Sheet bidders should place subcontractor costs?

Answer: The Health Care Commission will not be prescriptive how bidders chose to develop their budget as each organization is unique. Attachment 11 is a modifiable template. Please check with your Fiscal/Budget Office for specific instruction on developing your budget.

107.

Question: Please clarify the meaning of the statement, “must comply with GSA.”

Answer: GSA- General Services Administration. Please visit the GSA Home page at <https://www.gsa.gov/portal/category/100000> . For GSA Travel and Per Diem information please visit: <https://www.gsa.gov/portal/category/26429>

108.

Question: In our experience, fee (profit) may or may not be allowed in contracts funded by Federal grants and cooperative agreements – in particular those that fall under OMB Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, 2 CFR 200 (“Uniform Guidance”) such as SIM grants. Please clarify:

- Is fee (profit) allowed under this contract?

Answer: No. According to the federal Notice of Grant Award, profit is not permitted under the Centers for Medicare & Medicaid Services Standard Grant/Cooperative Agreement Terms and Conditions.

- If fee (profit) is allowed, please indicate if there is a cap on fee (profit), and provide the cap

Answer: According to the federal Notice of Grant Award, profit is not permitted under the Centers for Medicare & Medicaid Services Standard Grant/Cooperative Agreement Terms and Conditions.

- If fee (profit) is allowed, please indicate where fee (profit) should be outlined in the Delaware budget template provided in RFP Attachment 11 – Budget Summary Sheet.

Answer: According to the federal Notice of Grant Award, profit is not permitted under the Centers for Medicare & Medicaid Services Standard Grant/Cooperative Agreement Terms and Conditions.

- Is there a salary cap?

Answer: The HCC is not aware of a salary cap; however, CMMI may request justification for any budget line items submitted for approval to un-restrict funds for this project. Anything deemed excessive may be denied by CMMI.

- If there is a salary cap, please provide an example of how that is calculated.

Answer: The HCC is not aware of a salary cap; however, CMMI may request justification for any budget line items submitted for approval to un-restrict funds for this project. Anything deemed excessive may be denied by CMMI.

109.

Question: Is subcontractor mark-up allowable under this contract? Please clarify:

- If subcontractor mark-up is allowable under this contract, please indicate if there is a cap on the subcontractor mark-up.

- If subcontractor mark-up is allowed, please indicate where subcontractor mark-up should be outlined in the Delaware budget template provided in RFP Attachment 11 – Budget Summary Sheet.

Answer: The HCC cannot make a determination regarding sub-contractor mark-ups at this time. CMS may have regulatory guidelines on this allowance and may request justification for any budget line items during the un-restriction process. Such a mark-up, especially if deemed excessive by CMMI, may be denied under this federal SIM Cooperative Agreement grant. Attachment 11 is a modifiable template and this information should be provided here.

110.

Question: Please confirm that since this work is being funded by a Federal grant, the State is bound by OMB Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, 2 CFR 200 (“Uniform Guidance”).

Answer: Yes. SIM Awards are bound by the Uniformed Guidance since it is a federal award.

111.

Question: In light of the underlying federal grant from CMS, please confirm that HCC has evaluated the role of the respondents to this HSS-17-026 to be “Contractors” under the OMB Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, 2 CFR 200 (“Uniform Guidance”) by applying the criteria outlined in 2 CFR 200.330? If not, how is HCC categorizing the respondent under the Uniform Guidance

Answer: The Awarded vendor(s) will be deemed contractors under this RFP. The HCC cannot make any further determination at this time.

112.

Question: If the HCC determines that the respondents under this RFP are contractors under the OMB Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, 2 CFR 200 (“Uniform Guidance”), please confirm that Contractors (and their subcontractors) will not be required to provide any additional cost detail on invoices or be subject to the cost principles under the Uniform Guidance, including but not limited to indirect cost limitations and salary level limits.

Answer: The HCC complies with CMMI on all requests (programmatic and budgetary) to un-restrict funds for this project. As such, the HCC cannot make that determination at this time.

113.

Question: How is the state defining “Contractual” and “Supplies” costs listed in Items 5 and 6? Are these direct costs related to performance of the contract? If so, are bidders required to provide the line-item level detail requested in Attachment 11 (e.g., specific entries for rent, utilities, etc.)? Our organization typically does not track these types of costs at the project level. If these are not direct costs (i.e., they are indirect costs), how are they different than what is to be reported for Item 3?

Answer: The Health Care Commission will not be prescriptive how bidders chose to develop their budget as each organization is unique. Attachment 11 is a sample and is a modifiable template. To conform with the Centers for Medicare and Medicaid federal procedures to un-restrict contractual SIM funding, CMMI may request justification for any budget line items during the un-restriction process. According to CMMI, to claim indirect costs, the applicant organization must have a current approved indirect cost rate agreement. If the organization does not have an approved indirect cost rate agreement, costs normally identified as indirect costs (overhead costs) can be budgeted and identified as direct costs. According to the federal Notice of Grant Award under this Cooperative Agreement, indirect costs rate cannot exceed 10 percent.