July 3, 2019

REQUEST FOR PROPOSALS - Primary
HEALTH CARE SERVICE PLAN MERGERS AND ACQUISITIONS
RFP No. 19MC-SA004

You are invited to review and respond to this Request for Proposals (RFP) entitled “Health Care Service Plan Mergers and Acquisitions”. Potential Proposers are encouraged to download the solicitation package as well as any future addendums from Cal eProcure at: https://caleprocure.ca.gov/. In submitting your proposal, you must comply with the instructions found herein. The deadline for submitting proposals is August 1, 2019 4:00 p.m. Pacific Standard Time (PST).

The Department of Managed Health Care (DMHC) is soliciting proposals from qualified entities to provide consulting services to conduct analyses regarding health plan mergers and acquisitions meeting the criteria outlined in Assembly Bill (AB) 595. The successful Proposer will be awarded a contract term up to two years that is anticipated to begin on October 1, 2019 and end on September 30, 2021. The DMHC reserves the right to extend the contract for an additional one-year term at the same rates and maximum dollar amount per year as the original Agreement. Contract extensions are subject to satisfactory performance, funding availability and approval by the Department of General Services (DGS).

The Small Business Preference and other preference programs apply to this solicitation. The Disabled Veteran Business Enterprise (DVBE) participation requirement has been waived; however, the DVBE Incentive Program will apply for this solicitation.

Note that all agreements entered into with the State of California will include by reference General Terms and Conditions and Contractor Certification Clauses that may be viewed and downloaded at Internet site: https://www.dgs.ca.gov/OLS/Resources/Page-Content/Office-of-Legal-Services-Resources-List-Folder/Standard-Contract-Language.

If you do not have Internet access, a hard copy can be provided by contacting the person listed below.

In the opinion of DMHC, this RFP is complete. However, if you have questions, or need clarifying information, the contact person for this RFP is:

Ekta Sahay
DMHC Contract Analyst
Ekta.Sahay@dmhc.ca.gov

Please note that no verbal information given will be binding upon the State unless such information is issued in writing as an official addendum.
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A. PURPOSE AND DESCRIPTION OF SERVICES

The successful Proposer will conduct analyses, activities and communications regarding health plan mergers and acquisitions meeting the criteria outlined in AB 595. The successful Proposer will also be responsible for developing a report based on findings from the analyses. A detailed description of the services to be provided is included in Section C, Scope of Work.

The DMHC intends to award one Agreement, to one Proposer, but shall not guarantee any specific volume of work once the award is made. The total amount awarded under this RFP is $1,500,000 for one Agreement. For each proposal submitted, the total cost of all deliverables and tasks cannot exceed the specified Agreement amount.

The DMHC reserves the right to extend the Agreement up to an additional one year at the same rates and maximum dollar amount per year as the original Agreement and/or amend to increase funding for additional consulting services. All terms and conditions shall remain the same, unless changes are mutually agreed upon by the Contractor and the DMHC and incorporated into the amendment. All agreement amendments are subject to satisfactory performance, funding availability and approval from the DGS. Agreement amendments will not take effect until the Contractor has received a copy of the final contract document that has been signed by the DMHC Contract Officer or designee and approved by DGS.

B. BACKGROUND

California AB 595 added to the California Health and Safety Code (HSC) was approved by the California Governor on September 7, 2018 and became effective on January 1, 2019. AB 595 adds Article 10.2, Mergers and Acquisitions of Health Care Service Plans to Chapter 2.2, Health Care Service Plans of California to the Knox-Keene Health Care Service Plan Act of 1975 (KKA).

The KKA requires every health care service plan applying to restructure or convert its activities to secure the DMHC Director’s approval, as well as providing notification to the DMHC Director of any material modifications of its plan or operations. AB 595 includes additional requirements and considerations related to the DMHC Director’s assessment and approval of the competitive impact of proposed transactions. Several key provisions of AB 595, as outlined in HSC section 1399.65 are summarized as follows:

a. The DMHC Director has express authority to disapprove a transaction or agreement upon finding that the transaction or agreement would substantially lessen competition or create a monopoly in California, including, but not limited
to, health coverage products for a specific line of business. In making this finding, the DMHC Director may obtain an opinion from a consultant with the expertise to assess the competitive impact of the transaction or agreement.

b. AB 595 distinguishes certain types of transactions or agreements as “major” if any of the following criteria are met:

i. Affects a significant number of enrollees;
ii. Involves a material amount of assets; or
iii. Adversely affects either the subscribers or enrollees or the stability of the health care delivery system because of the entity’s market position, including, but not limited to, the entity’s market exit from a market segment or the entity’s dominance of a market segment.

c. If the subject transaction or agreement is deemed “major,” the following provisions apply:

i. The DMHC Director must obtain an independent analysis to determine the impact of a major transaction or agreement on subscribers, enrollees and the stability of the health care delivery system.
ii. Prior to approving, conditionally approving or disapproving a major transaction or agreement, the DMHC Director must hold a public meeting on the proposed transaction or agreement and subsequently consider the testimony and comments received at the public meeting in making the determination to approve, conditionally approve or disapprove the transaction or agreement.
iii. If the DMHC Director determines a health care plan’s material amount of assets is subject to purchase, acquisition or control, the DMHC Director must prepare a statement describing the proposed transaction or agreement and make it available to the public before the public meeting.

d. If the subject transaction or agreement is not deemed “major,” the following provisions apply:

i. The DMHC Director is not required to but may obtain an independent analysis.
ii. The DMHC Director is not required to but may hold a public meeting on the proposed transaction or agreement.
C. SCOPE OF WORK

The Contractor agrees to provide the DMHC with the services as described herein. On an as-needed basis, the Contractor shall conduct analyses, activities and communications regarding health plan mergers and acquisitions meeting the criteria outlined in AB 595. The Contractor shall report its findings and recommendations to the DMHC Contract Manager, and provide all related documentation.

When requested, the Contractor shall assess the competitive impact major transactions may have on health coverage in California, as well as perform an independent analysis of the impact on subscribers and enrollees and the stability of the healthcare delivery system. The Contractor shall provide reports outlining the various impacts of the applicable transactions to assist DMHC in determining to approve or deny a merger.

The Contractor shall provide support to the DMHC in defending its decisions or recommendations about the merger when challenged by health plan(s) and/or stakeholders. The Contractor shall attend public meetings to represent the DMHC on related matters anywhere throughout California.

When requested, the Contractor shall train DMHC staff on the process of conducting medical/health merger analysis and evaluations.

This is a time and material contract and payment will be made in accordance with, and within the time specified in, Government Code, Chapter 4.5, commencing with section 927.

**Task 1 – Analytical Review of Health Plan Mergers**

1.1 As assigned, review available and relevant market, financial and operational data of all parties to the transaction in relation to the access to healthcare for the impacted service area. The contractor shall evaluate and identify the following:

   a. The geographic area served based on existing and projected enrollment of the combined entities.

   b. The impact on enrollees and their ability to access a comprehensive range of primary, specialty, institutional and ancillary services.

   c. The impact on provider-enrollee ratios.

   d. The existing and proposed healthcare accessibility standards as outlined within the KKA.

   e. The health insurance service contracts with regard to premiums and coverage.
f. The group and individual contract enrollment projections including the geographic areas served, and the number of potential subscribers and enrollees.

g. The impact on the target population’s demographics of the individual contract market.

h. The financial viability of all entities subject to the transaction and determine if they would be able to continue to operate on a standalone basis in absence of a transaction.

i. The market impact to competition and its potential impact on pricing and availability of health plans to the community.

j. Business plans, future performance estimates, community impact factors and/or budgets for the entities subject to the transaction, 1) as currently operated and 2) as a result of the proposed transaction.

k. The industry, economic and market competitive factors which impact the operation of all subject entities, including relevant historical and future estimated trends.

1.2 Conduct interviews with designated members of the Board of Directors and executive management of all parties to understand the rationale in completing the proposed transaction.

1.3 For nonprofit healthcare service plans, additional analysis will be undertaken to consider the impact of the proposed transaction on the public benefit or charitable activities undertaken by the plan and to understand the expected post-transaction expenditures that will accrue to public benefit or charitable activities.

1.4 Assess the California licensed health plan’s value when the merger/acquisition transaction involves multiple entities at the California licensed health plan’s parent entity level. Determine how much of the transaction cost should be allocated to the California licensed health plan.

1.5 Provide testimony regarding analyses and report findings as required by the DMHC during public meetings or hearings.

1.6 Provide support in defending DMHC’s decisions and/or recommendations concerning the merger that are challenged by health plans and/or stakeholders.

**Task 2 – Reporting**

2.1 Upon completion of the analytical review for each health plan merger, the Contractor will develop report(s) that address the requirements of AB 595. These report(s) shall be provided to DMHC on a mutually agreed upon
date. The report will summarize the analyses and assumptions on which the assessment through valuation calculations is based upon and determinations of the impact on the community. The Contractor shall submit to the DMHC Contract Manager one reproducible master and one copy of the final report for review and acceptance.

2.2 Additionally, the Contractor shall submit a weekly status report at a mutually agreed upon time, detailing the progress, the scope of services performed, professional standards used, procedures used and recommendations. As agreed, the weekly status report may also be provided via a phone call.

The reports shall meet the document accessibility requirements of Section 508 of the U.S. Rehabilitation Act, Web Content Accessibility Guidelines (WCAG 2.1) and DMHC’s accessible document standards. Additional information regarding document accessibility requirements can be found in Exhibit D, Special Terms and Conditions, Item 6.

**Task 3 – Training of DMHC Staff**

3.1 When requested, the Contractor shall provide training to the DMHC staff on how to conduct evaluations and analyses of health plan mergers.

**D. MINIMUM QUALIFICATIONS**

The Proposer and subcontractor(s) must meet all of the following basic education and experience requirements indicated below. If the Proposer is a firm, all lead project personnel must meet the minimum qualifications.

Lead project personnel are individuals who direct staff that are directly involved in conducting analyses, activities and communications regarding health plan mergers and acquisitions. Staff conducting the analyses, activities and communications shall also meet the minimum qualifications.

The Proposer must complete Attachment 3, Minimum Qualifications Certification, certifying that the Proposer satisfies all minimum qualifications and requirements. Failure to certify will result in the immediate rejection of the proposal.

The proposal shall provide résumés for the proposed project personnel. The résumés for all project personnel must demonstrate the minimum required experience as identified below.
Résumés should list the most recent experience first. Multiple companies may be listed to support the project personnel's experience. It is the responsibility of the Proposer submitting the proposal to clearly describe how the experience meets the requirements. All work to meet the requirements set below must be paid work performed in the past five years.

1. Two years of experience in reviewing the analyses, activities and communications regarding health plan mergers.
2. Two years of experience in assessing the competitive impact major transactions may have on health coverage.
3. Two years of experience in performing an independent analysis of the impact major transactions have on subscribers and enrollees and the stability of the health care delivery system.
4. Two years of experience in creating reports outlining the various impacts of the applicable transactions.

E. ADMINISTRATIVE REQUIREMENTS

The successful Proposer who is awarded an Agreement must fulfill the following Administrative Requirements prior to commencing work, and is responsible for any fees or expenses, including time, for completing these items:

1. **Statement of Economic Interests (Form 700)**

   The California Political Reform Act requires individuals holding positions designated within an agency's conflict of interest code to file an annual Statement of Economic Interests (Form 700). The DMHC's conflict of interest code designates "Consultants" among the positions that must file a Form 700. Your employees or independent contractors, working on the above named contract, have been designated as such consultants and are required to file an original Form 700 with the DMHC. (See Government Code Sections 82019 and 87302.).

2. **Ethics Certification**

   The Government Code requires all officials, employees and contracted consultants designated to file a Form 700, to also complete an Ethics Certification when first assuming a designated position and then every odd numbered year thereafter. In some cases, this means that consultants may be required to complete the Ethics Certification two years in a row if they assumed their designated position during an even numbered year. (See Government Code Sections 11146 through 11146.4.)
F. PROPOSAL REQUIREMENTS AND INFORMATION

1. Key Action Dates

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
<th>Time</th>
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<tbody>
<tr>
<td>RFP Available to Prospective Proposers</td>
<td>July 3, 2019</td>
<td></td>
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<tr>
<td>Last Day for Proposers to Submit Questions</td>
<td>July 11, 2019</td>
<td>4:00 p.m. PST</td>
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<tr>
<td>Answers to Questions Posted</td>
<td>July 17, 2019</td>
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<tr>
<td>Proposal Submittal Deadline</td>
<td>August 1, 2019</td>
<td>4:00 p.m. PST</td>
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<tr>
<td>Cost Proposal Opening</td>
<td>August 8, 2019</td>
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<tr>
<td>Notice of Intent to Award (Anticipated)</td>
<td>August 8, 2019</td>
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<tr>
<td>Proposed Award Date</td>
<td>August 23, 2019</td>
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<tr>
<td>Contract Term (Anticipated)</td>
<td>October 1, 2019 – September 30, 2021</td>
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**Note:** The DMHC may modify this RFP prior to the Proposal Submittal Deadline above through the issuance of a formal addendum posted at https://caleprocure.ca.gov/ and on http://healthhelp.ca.gov/. All dates after the Proposal Submittal Deadline are approximate and may be adjusted as conditions indicate, without an Addendum to this RFP.

2. Submission of Questions

All questions must be submitted in writing **prior to 4:00 p.m. PST on July 11, 2019** to Ekta Sahay at Ekta.Sahay@dmhc.ca.gov. The responses to all questions received will be posted on https://caleprocure.ca.gov/ under Health Care Service Plan Mergers and Acquisitions RFP (19MC-SA004) and on http://HealthHelp.ca.gov.

To ensure receipt of any addenda or questions and answers that may be issued, interested parties are encouraged to regularly check for new postings on http://HealthHelp.ca.gov under “What’s New.” All addenda and questions will also be posted on https://caleprocure.ca.gov. Instructions for free registration to Cal eProcure can be found at: www.documents.dgs.ca.gov/pd/caleprocure/RegistrationInstructions.pdf.

3. General Requirements

a) The Proposer must provide documentation (i.e. Certificate of Good Standing from the California Secretary of State) to substantiate that they are in good standing and qualified to conduct business in California.

b) The Proposer must not be an affiliate or a subsidiary of, nor in any way owned or controlled by, a health care service plan or a trade association of health
care service plans. A board member, director, officer or employee of the Contractor shall not serve as a board member, director or employee of a health care service plan. A board member, director or officer of a health care service plan or a trade association of health care service plans shall not serve as a board member, director, officer or employee of the Proposer’s firm.

c) The Proposer’s staff working under this Agreement must not be currently engaged in services with a health care service plan or a trade association of health care service plans in California or any activities that could appear to be a conflict of interest.

4. References

The Proposer is required to provide three references, on Attachment 5, Proposer References, for which the Proposer has provided similar services as described in Section C, Scope of Work, within the last five years. The DMHC retains the right to conduct reference checks beyond those supplied by the Proposer.

5. Work Plan Format and Requirements

The Proposer shall develop a narrative Work Plan for task completion outlining their ability to fulfill the requested services as identified in Section C, Scope of Work. Please list “Attachment 6” at the top of your Work Plan. The Work Plan must include the following:

a. Proposers' Expertise and Experience

Proposer must provide the following information and/or materials to demonstrate their level of expertise, capacity and knowledge to successfully conduct the work required by this RFP. The entire narrative is to be limited to 25 pages.

i) Proposer’s résumés for project personnel on the project (either staff or consultants to the Contractor or subcontractor(s)). Résumés are to be limited to two pages.

ii) Proposer shall provide a detailed description of the techniques, approaches and methods, including classification of individuals and/or teams that will be responsible for performing services and tasks outlined in Section C, Scope of Work. The Organization is responsible for identifying any and all additional information and/or equipment (facilities, equipment, network connectivity, etc.) that it deems necessary to successfully complete all deliverables, activities or tasks detailed within Section C, Scope of Work.
iii) Proposer shall provide a detailed description of its qualifications, skills, knowledge and expertise related to California health plans and the overall health care market (narrative is to be limited to two pages).

iv) Proposer shall describe their current and past experience working with the health insurance industry, (e.g., HMOs, PPOs and medical groups) government and non-profit health entities in California (narrative is to be limited to two pages).

b. A detailed plan estimating the number of individuals and different teams that will be responsible for performing the requested services mentioned in Section C, Scope of Work, and any administrative functions such as collecting and submitting the necessary forms for each employee for statements of economic interest. Provide a description of the lead project personnel and anticipated supporting personnel to be employed during contract performance by name, classification/title, and their qualifications to perform the work.

c. If subcontractors are contemplated, identify those persons or firms, the portions of the work to be done by the subcontractors, and how and why they were selected. Provide résumés of each major subcontract participant, and a description of how subcontracted work will be controlled, monitored and evaluated. Subcontractors will need to complete the same administratively required forms as the Proposer’s personnel.

d. A detailed description of the techniques, approaches, methods and timeframes to be used in performing the services described in Section C, Scope of Work.

e. Three work samples created for similar projects within the last five years. The work samples must demonstrate the following:

i) Review of Statements assessing the competitive impact major transactions may have on health coverage.

ii) Evaluation of supporting documentation for merger/acquisition findings.

iii) Review of the Proposer’s approach in reviewing the analyses, activities and communications regarding health plan mergers.

iv) Review of the Proposer’s experience in creating reports, providing testimony and defending their findings during public meetings or hearings.

v) Review of final report sample with analysis, findings and recommendation.
f. A written statement on the financial and organizational stability of the Proposer. Include how long the Proposer has been in business; if the Proposer is nation-wide or local; and the number of years performing services similar to the services mentioned in the Section C, Scope of Work. The statement of the financial stability should include any probable contingencies that may affect the Proposer’s financial and organizational stability.

g. A detailed description of any assistance expected from the DMHC staff in performing the requested services.

h. A detailed description of how the Proposer will monitor for potential conflicts of interest that may preclude it from accepting work assignments from the DMHC. The description should include the criteria to determine a conflict of interest and timeframe for notifying the DMHC after a conflict of interest has been identified. The Proposer must also include their policy and procedures for monitoring conflicts of interest. If the Proposer does not have a policy, they must provide an explanation of how they monitor for potential conflicts of interest.

If for any reason, the personnel listed in the original proposal are unable to perform services during the term of the contract, the DMHC retains the right to approve in advance any changes to the personnel, or terminate the Agreement.

6. Cost Proposal Format and Requirements

   a. The Proposer must complete the Cost Proposal, Attachment 4, in the prescribed format. Any deviation from the prescribed format, which in the opinion of the DMHC is material, may result in the rejection of the proposal. The proposed cost shall include all fees and expenses for providing services described in this RFP. The successful organization shall only be compensated based on actual services performed at the rates submitted.

   b. All pricing shall remain firm and constant during the entire Agreement term and any extensions.

7. Submission of Proposal

   a. Proposals should provide straight-forward and concise descriptions of the Proposer’s ability to perform the requirements of this RFP. The proposal must be complete and accurate. Omissions, inaccuracies or misstatements may be cause for rejection of a proposal.

   b. Proposals must be submitted for the performance of all the services described herein. Any deviation from the work specifications will not be considered and
may cause a proposal to be rejected. A proposal may be rejected if it is
cConditional or incomplete, or if it contains any alterations of any form or other
Irregularities of any kind. The State may reject any or all proposals and may
Waive an immaterial deviation in a proposal. [The State's waiver of an
Immaterial deviation shall in no way modify the RFP document, or excuse the
Proposer from full compliance with all requirements if awarded the
Agreement.]

c. All proposals shall include the documents identified in Attachment 1, Required
Attachment Check List. Proposals not including the Attachments listed below
shall be deemed non-responsive. A non-responsive proposal is one that does
not meet the basic proposal requirements. All proposals must include the
following Attachments:

   i. Attachment 1, Required Attachment Checklist
   ii. Attachment 2, Proposal/Proposer Certification Sheet
   iii. Attachment 3, Minimum Qualifications Certification
   iv. Attachment 4, Cost Proposal
   v. Attachment 5, Proposer References
   vi. Attachment 6, Work Plan
   vii. Attachment 7, DVBE Incentive Application Request (If
       Applicable)
   viii. Attachment 8, Darfur Contracting Act Certification (If
       Applicable)
   ix. Attachment 9, California Civil Rights Laws Certification
   x. Attachment 10, CCC 04/2017 Certification
   xi. Attachment 11, Iran Contracting Act

d. An individual who is contractually authorized to bind the proposing
organization shall sign Attachment 2, Proposal/Proposer Certification Sheet.
The signature must indicate the title or position that the individual holds in the
organization. An unsign proposal may be rejected.

e. If the proposal is made under a fictitious name or business title, the actual
legal name of the Proposer must be provided.

f. More than one proposal from an individual, firm, partnership, corporation or
association under the same or different names, will not be considered.

g. Joint proposals are not acceptable. A joint proposal is when two or more
Proposers sign and submit a proposal together for requested services.

h. The proposal package should be prepared in the least expensive method (i.e.,
cover page with a staple in upper left-hand corner, no elaborate bindings, etc.).
i. All pages of the proposal shall have the following header and consecutive page numbering format in the upper right-hand corner:

(Proposer’s Legal Name)
RFP #19MC-SA004
Health Care Service Plan Mergers and Acquisitions

j. The Proposer must submit one original and four copies of the original in its entirety, as well as e-mail an electronic version in its entirety, with the exception of the Cost Proposal, in Microsoft Office Word and/or Excel formats to: Ekta.Sahay@dmhc.ca.gov. Please do not include Attachment 4, Cost Proposal in the electronic version.

k. The original proposal must be marked “Original Copy”. All documents contained in the original proposal package must have original signatures and must be signed by a person who is authorized to bind the proposing organization. All additional proposal sets may contain photocopies of the original package.

l. The proposal box/envelope must list the Proposer’s legal name and address, the RFP number and title, and must be marked “DO NOT OPEN” as shown in the following example, and shall be mailed or hand-delivered to:

<table>
<thead>
<tr>
<th>(Proposer’s Legal Name)</th>
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<tbody>
<tr>
<td>(Proposer’s Address)</td>
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</tbody>
</table>

DO NOT OPEN
RFP # 19MC-SA004
Health Care Service Plan Mergers and Acquisitions
Department of Managed Health Care
Attn: Ekta Sahay
980 9th Street, Suite 500
Sacramento, CA 95814

m. The Proposal, Attachments, and/or Exhibits must be submitted separately from the Cost Proposal. Submit the Proposal and associated documents in a sealed box/envelope that is named “Envelope No. 1” and in a separately sealed box/envelope that is named “Envelope No. 2 – DO NOT OPEN” which will contain the Cost Proposal.

n. All proposals must be received under sealed cover and sent to the DMHC contact listed above by 4:00 p.m. PST on August 1, 2019. Proposals received after this date and time will not be considered. Proposals not submitted under sealed cover and marked as indicated may be rejected.
o. When hand-delivering a proposal, the Proposer should have the receptionist date/time stamp the envelope immediately upon delivery. Proposals date/time stamped after the due date and time will not be accepted.

p. A Proposer may modify a proposal after submission by withdrawing its original proposal and resubmitting a new proposal prior to the proposal submission deadline as set forth in Section F, Proposal Requirements and Information, Item 1, Key Action Dates. Proposal modifications offered in any other manner, oral or written, will not be considered.

q. A Proposer may withdraw its proposal by submitting a written withdrawal request to the DMHC, signed by the Proposer or an authorized agent for the organization. A Proposer may then submit a new proposal prior to the proposal submission deadline. Subsequent to proposal submission deadline, proposals may not be withdrawn without cause.

r. The Proposers are cautioned to not rely on the DMHC during the evaluation to discover and report to the Proposer any defects and errors in the submitted documents. Proposers, before submitting their documents, should carefully proof them for errors and adherence to the RFP requirements.

s. The Proposer agrees that in submitting a proposal they authorize the DMHC to verify any or all claimed information, proprietary or non-proprietary, by any reasonable means, including on-site inspection and to verify any references named in their proposal.

t. Costs incurred for developing proposals and in anticipation of award of an Agreement, are entirely the responsibility of the Proposer and shall not be charged to the State of California.

u. The DMHC reserves the right to reject all proposals and is not required to award an Agreement.

v. No oral understanding or Agreement shall be binding on either party.

8. Disposition of Proposals

a. Upon proposal opening, all documents submitted in response to this RFP will become the property of the State of California, and will be regarded as public records under the California Public Records Act (Government Code Section 2650, et. seq.) and subject to review by the public.
b. Proposal packages may be returned only at the Proposer’s expense, unless such expense is waived by the DMHC.

9. Evaluation Process and Criteria

a. At the time of proposal opening, each proposal will be checked for the presence or absence of the required information in conformance with the submission requirements of this RFP. A responsive proposal is one which meets or exceeds the requirements stated in this RFP.

b. Proposals that contain false or misleading statements, or which provide references which do not support an attribute or condition claimed by the Proposer, may be rejected.

c. Proposers claiming any of the bid preferences shall submit the proper required certification documents and check the box next to the applicable Attachment number on “Attachment 1, Required Attachment Check List”. Refer to the links in Section G, Preference Programs, in this RFP for information regarding these preference programs.

Evaluation Criteria are set as follows:

Stage 1: Minimum Qualifications

The proposals that meet the minimum qualifications will be evaluated and scored according to the criteria indicated below. A minimum of 49 points must be achieved in this phase to be considered responsive. (A responsive proposal is one, which meets or exceeds the requirements stated in this RFP.) A minimum of 3.5 points must be achieved for each rating/scoring criteria.
<table>
<thead>
<tr>
<th>Evaluation Criteria</th>
<th>Maximum Possible Score</th>
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<tbody>
<tr>
<td><strong>1. WORK PLAN EVALUATION (70 points maximum)</strong></td>
<td></td>
</tr>
<tr>
<td><strong>A. Proposer Qualifications:</strong> The Proposer’s qualifications and previous</td>
<td>5</td>
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<tr>
<td>experience in the health insurance industry related to analyses, activities and</td>
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<tr>
<td>communications regarding health plan mergers.</td>
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<tr>
<td><strong>B. Project Personnel:</strong> The staff expertise and qualifications for those</td>
<td>5</td>
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<tr>
<td>individuals who will be assigned to perform contract work for the DMHC.</td>
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<tr>
<td><strong>C. Project Description:</strong></td>
<td></td>
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<tr>
<td>• Techniques to analyze merger/acquisition filings.</td>
<td>5</td>
</tr>
<tr>
<td>• Techniques to identify impact to subscribers and enrollees.</td>
<td>5</td>
</tr>
<tr>
<td>• Methods of reporting findings and recommendations to the DMHC.</td>
<td>5</td>
</tr>
<tr>
<td>• Methods of providing support/advice to DMHC staff.</td>
<td>5</td>
</tr>
<tr>
<td>• Methods of providing training on the evaluation and analysis of health plan</td>
<td>5</td>
</tr>
<tr>
<td>mergers/acquisitions to enhance the DMHC’s knowledge.</td>
<td></td>
</tr>
<tr>
<td><strong>D. Work Samples:</strong></td>
<td></td>
</tr>
<tr>
<td>• Review of Statements assessing the competitive impact major transactions may</td>
<td>5</td>
</tr>
<tr>
<td>have on health coverage.</td>
<td></td>
</tr>
<tr>
<td>• Evaluation of supporting documentation for merger/acquisition findings.</td>
<td>5</td>
</tr>
<tr>
<td>• Review of the Proposer’s approach in reviewing the analyses, activities and</td>
<td>5</td>
</tr>
<tr>
<td>communications regarding health plan mergers/acquisitions.</td>
<td></td>
</tr>
<tr>
<td>• Review of the Proposer’s experience in creating reports, providing testimony</td>
<td>5</td>
</tr>
<tr>
<td>and defending their findings during public meetings or hearings.</td>
<td></td>
</tr>
<tr>
<td>• Review of final report sample with analysis, findings and recommendation.</td>
<td>5</td>
</tr>
<tr>
<td><strong>E. Financial Stability</strong></td>
<td>5</td>
</tr>
<tr>
<td><strong>F. Conflicts of Interest:</strong> The Proposer’s methodology for monitoring potential</td>
<td>5</td>
</tr>
<tr>
<td>conflicts.</td>
<td></td>
</tr>
<tr>
<td><strong>Total Possible Points</strong></td>
<td><strong>70</strong></td>
</tr>
</tbody>
</table>
Stage 2: Lowest Responsible Bidder

a. This phase consists of opening and evaluating the sealed cost proposals. All proposals that enter Phase II will have received 49 points (70%) or more and are considered fully capable of performing the required services.

b. The sealed envelopes containing the bid price and cost information for the proposals that meet the format requirements and standards shall then be publicly opened and read. The Agreement will be awarded to the lowest responsible bidder meeting the requirements outlined in this RFP.

10. Award and Protest

a. Notice of the proposed award shall be posted in the DMHC lobby at 980 9th Street, Suite 500, Sacramento, California and at http://www.dmhc.ca.gov for five days prior to award of the Agreement.

b. If any Proposer, prior to award of the Agreement, files a protest with the DMHC and the DGS, Office of Legal Services, 707 Third Street, 7th Floor, Suite 7-330, West Sacramento, CA 95605, on the grounds that the (protesting) Proposer would have been awarded the Agreement had the DMHC evaluated and scored their proposal as described in the RFP, the Agreement shall not be awarded until either the protest has been withdrawn or the DGS has decided the matter. It is suggested that any protest be sent by certified or registered mail.

c. Within five days after filing the initial protest, the protesting Proposer shall file with the DGS, Office of Legal Services and the DMHC a detailed statement specifying the grounds for the protest. The protest must be submitted to the address listed in item b, above.

d. Upon resolution of the protest and award of the Agreement, Contractor must complete and submit the Payee Data Record (STD. 204 Form) to determine if the Contractor is subject to state income tax withholding pursuant to the California Revenue and Taxation Code Sections 18662 and 26131. This form is available at https://www.documents.dgs.ca.gov/dgs/fmc/pdf/std204.pdf. No payment shall be made unless a completed STD. 204 has been returned to the DMHC.

e. Upon resolution of protest and award of an Agreement, the Contractor must sign and submit the Contractor Certification Clauses (CCC 04/2017) which are available at http://www.dgs.ca.gov/ols/Resources/StandardContractLanguage.aspx.
11. Agreement Execution and Performance

a. Performance shall start on the express date set by the DMHC and the Contractor, after all approvals have been obtained and the Agreement is fully executed. Should the Contractor fail to commence work at the agreed upon time, the DMHC, upon five days written notice to the Contractor, reserves the right to terminate the Agreement.

b. The State's General Terms and Conditions (GTC) are not negotiable. The DMHC does not accept alternate Agreement language from a Contractor. A proposal with such language will be considered a counter proposal and will be rejected. The GTC 04/2017 may be viewed at [https://www.dgs.ca.gov/OLS/Resources/Page-Content/Office-of-Legal-Services-Resources-List-Folder/Standard-Contract-Language](https://www.dgs.ca.gov/OLS/Resources/Page-Content/Office-of-Legal-Services-Resources-List-Folder/Standard-Contract-Language). If you do not have internet access, a hard copy of the GTC can be provided by contacting the person identified within this solicitation.

c. All performance under the Agreement shall be completed on or before the termination date of the Agreement.

G. PREFERENCE PROGRAMS

The standard Agreement language for the preference programs applied to this RFP can be found at the Internet websites listed below:


If applying for one of these preference programs, please be sure to complete and submit the required documents, which can be found at the above links.

H. DISABLED VETERAN BUSINESS ENTERPRISE (DVBE) INCENTIVE PROGRAM

Note: The DVBE participation requirement has been waived; however, the DVBE Incentive Program will apply for this solicitation.

Under California Code of Regulations (CCR) Title 2, Section 1896.99.100, the California DVBE Incentive provides responsive and responsible organization the
opportunity to receive additional incentive calculations. The incentive is applied at the time of solicitation evaluation when a proposing organization selects a California-certified DVBE subcontractor to provide services or commodities in support of the overall contract effort. Application of the DVBE Incentive may place the proposing organization in line for contract award.

The following are key elements of the DVBE Incentive Program:

The DVBE Incentive is applied during the evaluation process and is only applied to responsive proposals from responsible organizations proposing the percentage(s) of DVBE participation for the incentive(s) specified in the solicitation.

1. The DVBE Incentive participation is optional and at the discretion of the proposing organization.

2. When requesting the Incentive Application, proposing organizations must complete and return the DVBE Incentive Application Request (Attachment 7) with their proposal at time of submission.

3. The incentive is applied by reducing the cost proposed by the amount of incentive as computed from the lowest responsive and responsible proposal. Computation is for evaluation purposes only. (2 CCR 1896.99.100 (c)).

4. Services or commodities provided by the DVBE firm MUST meet the definition of a “Commercially Useful Function” (CUF) as defined under Government Codes 14837(d)(4) and Military and Veterans Code 999(b)(5)(B). A DVBE firm not meeting CUF regulations will render the proposing organization ineligible for the DVBE Incentive application.

5. The DVBE Incentive application will be based on the Low Cost Method and follows the guidelines identified below:

   a. Application of the incentive is based on the proposing firm’s level of DVBE participation identified (1% - 5% and higher).

   b. For awards based on low cost, the incentive is applied by reducing the cost proposed by the amount of incentive as computed from the lowest responsive and responsible proposal. (CCR 1896.99.100 (c)).

   **SAMPLE:** Using the incentive scale below (Display is for illustration purposes only)
c. Order of Evaluation:
   i. In applying the calculation preferences, first Small Business preference will be applied, followed by the DVBE Incentive calculation.
I. ATTACHMENTS

ATTACHMENT 1

REQUIRED ATTACHMENT CHECK LIST

Proposer’s Name: ________________________________

A complete proposal package will consist of all required items listed in the RFP as well as those identified below. Place an “X” next to each Attachment that you are submitting to the State. For your proposal to be considered responsive, all required Attachments must be submitted with this checklist on top.

<table>
<thead>
<tr>
<th>Included</th>
<th>Attachment Number</th>
<th>Attachment Name / Description</th>
<th>Form Provided in RFP</th>
<th>Form Required</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐</td>
<td>1</td>
<td>Required Attachment Check List</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>☐</td>
<td>2</td>
<td>Proposal/Proposer Certification Sheet</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>☐</td>
<td>3</td>
<td>Minimum Qualifications Certification</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>☐</td>
<td>4</td>
<td>Cost Proposal</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>☐</td>
<td>5</td>
<td>Proposer References</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>☐</td>
<td>6</td>
<td>Work Plan</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>☐</td>
<td>7</td>
<td>DVBE Incentive Application Request</td>
<td>Yes</td>
<td>If Applicable</td>
</tr>
<tr>
<td>☐</td>
<td>8</td>
<td>Darfur Contracting Act Certification</td>
<td>Yes</td>
<td>If Applicable</td>
</tr>
<tr>
<td>☐</td>
<td>9</td>
<td>California Civil Rights Laws Certification</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>☐</td>
<td>10</td>
<td>CCC 04/2017 Certification</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>☐</td>
<td>11</td>
<td>Iran Contracting Act</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>
ATTACHMENT 2
(Page 1 of 2)

PROPOSAL/PROPOSER CERTIFICATION SHEET

This sheet must be signed and returned along with all the Required Attachments and must bear an original signature of someone authorized to bind your organization contractually.

The signature affixed hereon and dated certifies compliance with all the requirements of this proposal document. The signature below authorizes the verification of this certification.

An Unsigned Proposal/Proposer Certification Sheet May Be Cause for Rejection

<table>
<thead>
<tr>
<th>1. Organization/Company Name</th>
<th>2. Telephone Number ( )</th>
<th>2a. Fax Number ( )</th>
</tr>
</thead>
<tbody>
<tr>
<td>3. Address</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Indicate your organization type:

Indicate the applicable employee and/or corporation number:

9. Indicate applicable license and/or certification information:

10. Proposer’s Name (Print)  | 11. Title |

12. Signature  | 13. Date |

14. Are you certified with the Department of General Services, Office of Small Business and Disabled Veteran Certification (OSDC) as:
   a. Small Business Enterprise Yes ☐ No ☐ If yes, enter certification number: 
   b. Disabled Veteran Business Enterprise Yes ☐ No ☐ If yes, enter your service code below:

**NOTE:** A copy of your Certification is required to be included if either of the above items is checked “Yes”. Date application was submitted to OSDC, if an application is pending:
Completion Instructions for Proposal/Proposer Certification Sheet

Complete the numbered items on the Proposal/Proposer Certification Sheet by following the instructions below.

<table>
<thead>
<tr>
<th>Item Numbers</th>
<th>Instructions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1, 2, 2a, 3</td>
<td>Must be completed. These items are self-explanatory.</td>
</tr>
<tr>
<td>4</td>
<td>Check if your firm is a sole proprietorship. A sole proprietorship is a form of business in which one person owns all the assets of the business in contrast to a partnership and corporation. The sole proprietor is solely liable for all the debts of the business.</td>
</tr>
<tr>
<td>5</td>
<td>Check if your firm is a partnership. A partnership is a voluntary agreement between two or more competent persons to place their money, effects, labor, and skill, or some or all of them in lawful commerce or business, with the understanding that there shall be a proportional sharing of the profits and losses between them. An association of two or more persons to carry on, as co-owners, a business for profit.</td>
</tr>
<tr>
<td>6</td>
<td>Check if your firm is a corporation. A corporation is an artificial person or legal entity created by or under the authority of the laws of a state or nation, composed, in some rare instances, of a single person and his successors, being the incumbents of a particular office, but ordinarily consisting of an association of numerous individuals.</td>
</tr>
<tr>
<td>7</td>
<td>Enter your Federal Employee Tax Identification Number.</td>
</tr>
<tr>
<td>8</td>
<td>Enter your corporation number assigned by the California Secretary of State’s Office. This information is used for checking if a corporation is in good standing and qualified to conduct business in California.</td>
</tr>
<tr>
<td>9</td>
<td>Indicate applicable license and/or certification information that your firm possesses and that is required for the type of services being procured.</td>
</tr>
<tr>
<td>10, 11, 12, 13</td>
<td>Must be completed. These items are self-explanatory.</td>
</tr>
<tr>
<td>14</td>
<td>If certified as a Small Business Enterprise, place a check in the &quot;yes&quot; box, and enter your certification number on the line. If certified as a Disabled Veteran Business Enterprise, place a check in the &quot;Yes&quot; box and enter your service code on the line. If you are not certified, place a check in the &quot;No&quot; box. If your certification is pending, enter the date your application was submitted to OSDC.</td>
</tr>
</tbody>
</table>
ATTACHMENT 3

MINIMUM QUALIFICATIONS CERTIFICATION

The Proposer must substantiate that the organization satisfies each of the minimum qualifications, to DMHC’s satisfaction, to be given further consideration for a contract award. The statement must contain sufficient information as prescribed to assure DMHC of its accuracy. Failure to provide complete information, based on DMHC’s sole judgment, will result in the immediate rejection of the bid.

Please indicate the page number where documentation for each minimum qualification is located in the proposal.

<table>
<thead>
<tr>
<th>Qualification</th>
<th>Included in Bid</th>
<th>Documentation can be found on:</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Two years of experience in reviewing the analyses, activities and communications regarding health plan mergers.</td>
<td>□ Yes □ No</td>
<td>Page ______</td>
</tr>
<tr>
<td>2. Two years of experience in assessing the competitive impact major transactions may have on health coverage</td>
<td>□ Yes □ No</td>
<td>Page ______</td>
</tr>
<tr>
<td>3. Two years of experience in performing an independent analysis of the impact major transactions have on subscribers and enrollees and the stability of the health care delivery system.</td>
<td>□ Yes □ No</td>
<td>Page ______</td>
</tr>
<tr>
<td>4. Two years of experience in creating reports outlining the various impacts of the applicable transactions.</td>
<td>□ Yes □ No</td>
<td>Page ______</td>
</tr>
</tbody>
</table>

Name of Responding Firm:  
Signature:  
Printed Name of Person Signing:  
Date:
ATTACHMENT 4

COST PROPOSAL

Proposers must submit their justification for the weighted hourly rate in the format prescribed below. The Cost Proposal must list an all-inclusive Blended Hourly Rate for each classification that will be billed for contracted services throughout the term of the Agreement and any extensions. The Total Weighted Hourly Rate will be used to determine the Proposers total Agency costs. PLEASE ROUND THE "WEIGHTED PER HOUR" RATE FOR EACH CLASSIFICATION AND TOTAL WEIGHTED HOURLY RATE TO THE NEAREST TWO (2) DECIMAL PLACES (i.e., $10.536 SHOULD BE NOTED AS $10.54).

The hourly rates shall include all costs associated with personnel, fringe benefits, operating expenses, overhead and all other miscellaneous costs to be incurred for all contracted services mentioned in Section C, Scope of Work. All subcontractors must be identified and a separate Cost Proposal must be submitted. Please note that equipment may not be purchased under this Agreement.

All costs shall not exceed the budgeted amount.

Proposers may modify position/classification titles as applicable.

A. Partner/Principal and Manager $_____ per hour X _____% of project time = $_____ weighted per hour
B. Senior Staff $_____ per hour X _____% of project time = $_____ weighted per hour
C. Journey Level Staff $_____ per hour X _____% of project time = $_____ weighted per hour
D. Administrative Staff $_____ per hour X _____% of project time = $_____ weighted per hour

Total % of project time of (A+B+C+D) should equal 100%

Total Weighted Hourly Rate $___________
(A+B+C+D)
ATTACHMENT 5

PROPOSER REFERENCES

List below three references for organizations for which your firm performed similar type of work as specified in Section C, Scope of Work, within the last five years. Evaluation of references will be primarily based on the description provided below for each reference.

<table>
<thead>
<tr>
<th>REFERENCE 1</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Name of Firm</strong></td>
</tr>
<tr>
<td><strong>Street Address</strong></td>
</tr>
<tr>
<td><strong>Contact Person</strong></td>
</tr>
<tr>
<td><strong>Dates of Service</strong></td>
</tr>
<tr>
<td><strong>Brief Description of Service Provided</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>REFERENCE 2</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Name of Firm</strong></td>
</tr>
<tr>
<td><strong>Street Address</strong></td>
</tr>
<tr>
<td><strong>Contact Person</strong></td>
</tr>
<tr>
<td><strong>Dates of Service</strong></td>
</tr>
<tr>
<td><strong>Brief Description of Service Provided</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>REFERENCE 3</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Name of Firm</strong></td>
</tr>
<tr>
<td><strong>Street Address</strong></td>
</tr>
<tr>
<td><strong>Contact Person</strong></td>
</tr>
<tr>
<td><strong>Dates of Service</strong></td>
</tr>
<tr>
<td><strong>Brief Description of Service Provided</strong></td>
</tr>
</tbody>
</table>
ATTACHMENT 6

WORK PLAN

Please refer to Section F.5, Work Plan Format and Requirements, for specific instructions.
ATTACHMENT 7

DVBE INCENTIVE APPLICATION REQUEST

Under the DVBE Incentive Regulations, CCR Title 2, Section 1896.99.100, I request the application of the DVBE Program Incentive to RFP 17MC-SA004 to determine if my firm may be in line for bid award.

a. I understand that the DVBE Incentive application will be applied using the “Low Cost Method” and cannot be used to achieve any applicable minimum point requirements.

b. I understand the DVBE firm(s) selected must provide a “Commercially Useful Function” as required under Government Codes 14837(d)(4) and Military and Veterans Code 999(b)(5)(B).

c. I understand I will be required to report my firm’s DVBE activities quarterly to the DMHC Contract Unit.

d. I understand that subsequent amendments to the Agreement may require continued use of the identified DVBE firm if that contract amendment adds additional funding for continued services.

e. As the Proposing firm, I identify the following percentage of DVBE participation for this solicitation: _____ percent.

SECTION A - PROPOSING FIRM INFORMATION

Firm Name:

Firm Representative: Title:

Firm Address:

City: State: Zip:

Firm Telephone:

Firm Email Contact:

SECTION B - PROPOSED DVBE FIRM

DVBE Firm Name:

Firm Representative: Title:

Firm Address:

City: State: Zip:

Firm Telephone: Firm Fax:

Firm Email Contact:

DVBE Certification: DGS OSDS No.: Date of Expiration:

Services to be Performed:

Proposer Instructions:

1. Complete information in Section A.
2. Fax this form to DVBE firm(s) to complete Section B.
3. Instruct the DVBE firm(s) to provide a copy of their DGS Office of Small and DVBE Services Certification.
4. This form must be included with your proposal to be considered for the DVBE Incentive application.
ATTACHMENT 8

DARFUR CONTRACTING ACT CERTIFICATION

Public Contract Code Sections 10475 - 10481 applies to any company that currently or within the previous three years has had business activities or other operations outside of the United States. For such a company to bid on or submit a proposal for a State of California contract, the company must certify that it is either a) not a scrutinized company; or b) a scrutinized company that has been granted permission by the Department of General Services to submit a proposal.

If your company has not, within the previous three years, had any business activities or other operations outside of the United States, you do **not** need to complete this form.

**OPTION #1 - CERTIFICATION**

If your company, within the previous three years, has had business activities or other operations outside of the United States, in order to be eligible to submit a bid or proposal, please insert your company name and Federal ID Number and complete the certification below.

I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that a) the prospective Proposer/Bidder named below is **not** a scrutinized company per Public Contract Code 10476; and b) I am duly authorized to legally bind the prospective Proposer/Bidder named below. This certification is made under the laws of the State of California.

<table>
<thead>
<tr>
<th>Company/Vendor Name (Printed)</th>
<th>Federal ID Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>By (Authorized Signature)</td>
<td></td>
</tr>
<tr>
<td>Printed Name and Title of Person Signing</td>
<td></td>
</tr>
<tr>
<td>Date Executed</td>
<td>Executed in the County and State of</td>
</tr>
</tbody>
</table>

**OPTION #2 - WRITTEN PERMISSION FROM DGS**

Pursuant to Public Contract Code section 10477(b), the Director of the Department of General Services may permit a scrutinized company, on a case-by-case basis, to bid on or submit a proposal for a contract with a State agency for goods or services, if it is in the best interests of the State. If you are a scrutinized company that has obtained written permission from the DGS to submit a bid or proposal, complete the information below.

We are a scrutinized company as defined in Public Contract Code section 10476, but we have received written permission from the Department of General Services to submit a bid or proposal pursuant to Public Contract Code section 10477(b). A copy of the written permission from DGS is included with our bid or proposal.

<table>
<thead>
<tr>
<th>Company/Vendor Name (Printed)</th>
<th>Federal ID Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initials of Submitter</td>
<td></td>
</tr>
<tr>
<td>Printed Name and Title of Person Initialing</td>
<td></td>
</tr>
</tbody>
</table>
Pursuant to Public Contract Code section 2010, if a bidder or proposer executes or renews a contract over $100,000 on or after January 1, 2017, the bidder or proposer hereby certifies compliance with the following:

1. **CALIFORNIA CIVIL RIGHTS LAWS**: For contracts over $100,000 executed or renewed after January 1, 2017, the contractor certifies compliance with the Unruh Civil Rights Act (Section 51 of the Civil Code) and the Fair Employment and Housing Act (Section 12960 of the Government Code); and

2. **EMPLOYER DISCRIMINATORY POLICIES**: For contracts over $100,000 executed or renewed after January 1, 2017, if a Contractor has an internal policy against a sovereign nation or peoples recognized by the United States government, the Contractor certifies that such policies are not used in violation of the Unruh Civil Rights Act (Section 51 of the Civil Code) or the Fair Employment and Housing Act (Section 12960 of the Government Code).

**CERTIFICATION**

I, the official named below, certify under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

*Proposer/Bidder Firm Name (Printed)*

*By (Authorized Signature)*

*Printed Name and Title of Person Signing*

*Date Executed*

*Executed in the County and State of*
CCC 04/2017 CERTIFICATION

I, the official named below, CERTIFY UNDER PENALTY OF PERJURY that I am duly authorized to legally bind the prospective Contractor to the clause(s) listed below. This certification is made under the laws of the State of California.

<table>
<thead>
<tr>
<th>Contractor/Bidder Firm Name (Printed)</th>
<th>Federal ID Number</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

By (Authorized Signature)

Printed Name and Title of Person Signing

Date Executed

Executed in the County of

CONTRACTOR CERTIFICATION CLAUSES

1. STATEMENT OF COMPLIANCE: Contractor has, unless exempted, complied with the nondiscrimination program requirements. (Gov. Code §12990 (a-f) and CCR, Title 2, Section 11102) (Not applicable to public entities.)

2. DRUG-FREE WORKPLACE REQUIREMENTS: Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:
   
a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.
   
b. Establish a Drug-Free Awareness Program to inform employees about:
      
1) the dangers of drug abuse in the workplace;

2) the person's or organization's policy of maintaining a drug-free workplace;

3) any available counseling, rehabilitation and employee assistance programs; and,

4) penalties that may be imposed upon employees for drug abuse violations.

   c. Every employee who works on the proposed Agreement will:

1) receive a copy of the company's drug-free workplace policy statement; and,

2) agree to abide by the terms of the company's statement as a condition of employment on the Agreement.
Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both and Contractor may be ineligible for award of any future State agreements if the department determines that any of the following has occurred: the Contractor has made false certification, or violated the certification by failing to carry out the requirements as noted above. (Gov. Code §8350 et seq.)

3. NATIONAL LABOR RELATIONS BOARD CERTIFICATION: Contractor certifies that no more than one (1) final unappealable finding of contempt of court by a Federal court has been issued against Contractor within the immediately preceding two-year period because of Contractor's failure to comply with an order of a Federal court, which orders Contractor to comply with an order of the National Labor Relations Board. (Pub. Contract Code §10296) (Not applicable to public entities.)

4. CONTRACTS FOR LEGAL SERVICES $50,000 OR MORE- PRO BONO REQUIREMENT: Contractor hereby certifies that Contractor will comply with the requirements of Section 6072 of the Business and Professions Code, effective January 1, 2003.

Contractor agrees to make a good faith effort to provide a minimum number of hours of pro bono legal services during each year of the contract equal to the lessor of 30 multiplied by the number of full time attorneys in the firm’s offices in the State, with the number of hours prorated on an actual day basis for any contract period of less than a full year or 10% of its contract with the State.

Failure to make a good faith effort may be cause for non-renewal of a state contract for legal services, and may be taken into account when determining the award of future contracts with the State for legal services.

5. EXPATRIATE CORPORATIONS: Contractor hereby declares that it is not an expatriate corporation or subsidiary of an expatriate corporation within the meaning of Public Contract Code Section 10286 and 10286.1, and is eligible to contract with the State of California.

6. SWEATFREE CODE OF CONDUCT:

a. All Contractors contracting for the procurement or laundering of apparel, garments or corresponding accessories, or the procurement of equipment, materials, or supplies, other than procurement related to a public works contract, declare under penalty of perjury that no apparel, garments or corresponding accessories, equipment, materials, or supplies furnished to the state pursuant to the contract have been laundered or produced in whole or in part by sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor, or with the benefit of sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor.

The contractor further declares under penalty of perjury that they adhere to the Sweatfree Code of Conduct as set forth on the California Department of Industrial Relations website located at www.dir.ca.gov, and Public Contract Code Section 6108.

b. The contractor agrees to cooperate fully in providing reasonable access to the contractor’s records, documents, agents or employees, or premises if reasonably required by authorized officials of the contracting agency, the Department of Industrial Relations, or the Department of Justice to determine the contractor’s compliance with the requirements under paragraph (a).

7. DOMESTIC PARTNERS: For contracts of $100,000 or more, Contractor certifies that Contractor is in compliance with Public Contract Code section 10295.3.

8. GENDER IDENTITY: For contracts of $100,000 or more, Contractor certifies that Contractor is in compliance with Public Contract Code section 10295.35.
DOING BUSINESS WITH THE STATE OF CALIFORNIA

The following laws apply to persons or entities doing business with the State of California.

1. CONFLICT OF INTEREST: Contractor needs to be aware of the following provisions regarding current or former state employees. If Contractor has any questions on the status of any person rendering services or involved with the Agreement, the awarding agency must be contacted immediately for clarification.


   1). No officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any state agency, unless the employment, activity or enterprise is required as a condition of regular state employment.

   2). No officer or employee shall contract on his or her own behalf as an independent contractor with any state agency to provide goods or services.

   Former State Employees (Pub. Contract Code §10411):

   1). For the two-year period from the date he or she left state employment, no former state officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transactions, planning, arrangements or any part of the decision-making process relevant to the contract while employed in any capacity by any state agency.

   2). For the twelve-month period from the date he or she left state employment, no former state officer or employee may enter into a contract with any state agency if he or she was employed by that state agency in a policy-making position in the same general subject area as the proposed contract within the 12-month period prior to his or her leaving state service.

   If Contractor violates any provisions of above paragraphs, such action by Contractor shall render this Agreement void. (Pub. Contract Code §10420)

   Members of boards and commissions are exempt from this section if they do not receive payment other than payment of each meeting of the board or commission, payment for preparatory time and payment for per diem. (Pub. Contract Code §10430 (e))

2. LABOR CODE/WORKERS' COMPENSATION: Contractor needs to be aware of the provisions which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions, and Contractor affirms to comply with such provisions before commencing the performance of the work of this Agreement. (Labor Code Section 3700)

3. AMERICANS WITH DISABILITIES ACT: Contractor assures the State that it complies with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA. (42 U.S.C. 12101 et seq.)
4. CONTRACTOR NAME CHANGE: An amendment is required to change the Contractor's name as listed on this Agreement. Upon receipt of legal documentation of the name change the State will process the amendment. Payment of invoices presented with a new name cannot be paid prior to approval of said amendment.

5. CORPORATE QUALIFICATIONS TO DO BUSINESS IN CALIFORNIA:

a. When agreements are to be performed in the state by corporations, the contracting agencies will be verifying that the contractor is currently qualified to do business in California in order to ensure that all obligations due to the state are fulfilled.

b. "Doing business" is defined in R&TC Section 23101 as actively engaging in any transaction for the purpose of financial or pecuniary gain or profit. Although there are some statutory exceptions to taxation, rarely will a corporate contractor performing within the state not be subject to the franchise tax.

c. Both domestic and foreign corporations (those incorporated outside of California) must be in good standing in order to be qualified to do business in California. Agencies will determine whether a corporation is in good standing by calling the Office of the Secretary of State.

6. RESOLUTION: A county, city, district, or other local public body must provide the State with a copy of a resolution, order, motion, or ordinance of the local governing body which by law has authority to enter into an agreement, authorizing execution of the agreement.

7. AIR OR WATER POLLUTION VIOLATION: Under the State laws, the Contractor shall not be: (1) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district; (2) subject to cease and desist order not subject to review issued pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation of provisions of federal law relating to air or water pollution.

8. PAYEE DATA RECORD FORM STD. 204: This form must be completed by all contractors that are not another state agency or other governmental entity.
ATTACHMENT 11

IRAN CONTRACTING ACT
(Public Contract Code sections 2202-2208)

Prior to bidding on, submitting a proposal or executing a contract or renewal for a State of California contract for goods or services of $1,000,000 or more, a vendor must either: a) certify it is not on the current list of persons engaged in investment activities in Iran created by the California Department of General Services (“DGS”) pursuant to Public Contract Code section 2203(b) and is not a financial institution extending twenty million dollars ($20,000,000) or more in credit to another person, for 45 days or more, if that other person will use the credit to provide goods or services in the energy sector in Iran and is identified on the current list of persons engaged in investment activities in Iran created by DGS; or b) demonstrate it has been exempted from the certification requirement for that solicitation or contract pursuant to Public Contract Code section 2203(c) or (d).

To comply with this requirement, please insert your vendor or financial institution name and Federal ID Number (if available) and complete one of the options below. Please note: California law establishes penalties for providing false certifications, including civil penalties equal to the greater of $250,000 or twice the amount of the contract for which the false certification was made; contract termination; and three-year ineligibility to bid on contracts. (Public Contract Code section 2205.)

OPTION #1 - CERTIFICATION
I, the official named below, certify I am duly authorized to execute this certification on behalf of the vendor/financial institution identified below, and the vendor/financial institution identified below is not on the current list of persons engaged in investment activities in Iran created by DGS and is not a financial institution extending twenty million dollars ($20,000,000) or more in credit to another person/vendor, for 45 days or more, if that other person/vendor will use the credit to provide goods or services in the energy sector in Iran and is identified on the current list of persons engaged in investment activities in Iran created by DGS.

<table>
<thead>
<tr>
<th>Vendor Name/Financial Institution (Printed)</th>
<th>Federal ID Number (or n/a)</th>
</tr>
</thead>
<tbody>
<tr>
<td>By (Authorized Signature)</td>
<td></td>
</tr>
<tr>
<td>Printed Name and Title of Person Signing</td>
<td></td>
</tr>
<tr>
<td>Date Executed</td>
<td>Executed in</td>
</tr>
</tbody>
</table>

OPTION #2 – EXEMPTION
Pursuant to Public Contract Code sections 2203(c) and (d), a public entity may permit a vendor/financial institution engaged in investment activities in Iran, on a case-by-case basis, to be eligible for, or to bid on, submit a proposal for, or enters into or renews, a contract for goods and services.

If you have obtained an exemption from the certification requirement under the Iran Contracting Act, please fill out the information below, and attach documentation demonstrating the exemption approval.

<table>
<thead>
<tr>
<th>Vendor Name/Financial Institution (Printed)</th>
<th>Federal ID Number (or n/a)</th>
</tr>
</thead>
<tbody>
<tr>
<td>By (Authorized Signature)</td>
<td></td>
</tr>
<tr>
<td>Printed Name and Title of Person Signing</td>
<td></td>
</tr>
<tr>
<td>Date Executed</td>
<td></td>
</tr>
</tbody>
</table>
1. This Agreement is entered into between the Contracting Agency and the Contractor named below:

CONTRACTING AGENCY NAME
Department of Managed Health Care

CONTRACTOR NAME

2. The term of this Agreement is:

START DATE

THROUGH END DATE

3. The maximum amount of this Agreement is:

4. The parties agree to comply with the terms and conditions of the following exhibits, which are by this reference made a part of the Agreement.

<table>
<thead>
<tr>
<th>EXHIBITS</th>
<th>TITLE</th>
<th>PAGES</th>
</tr>
</thead>
<tbody>
<tr>
<td>Exhibit A</td>
<td>Scope of Work</td>
<td></td>
</tr>
<tr>
<td>Exhibit B</td>
<td>Budget Detail and Payment Provisions</td>
<td></td>
</tr>
<tr>
<td>Exhibit B-1</td>
<td>Budget Detail</td>
<td></td>
</tr>
<tr>
<td>Exhibit C*</td>
<td>General Terms and Conditions</td>
<td></td>
</tr>
<tr>
<td>Exhibit D</td>
<td>General Terms and Conditions</td>
<td></td>
</tr>
<tr>
<td>Exhibit E</td>
<td>Information Security, Integrity and Confidentiality</td>
<td></td>
</tr>
<tr>
<td>Exhibit F</td>
<td>Résumés</td>
<td></td>
</tr>
</tbody>
</table>

Items shown with an asterisk (*), are hereby incorporated by reference and made part of this agreement as if attached hereto. These documents can be viewed at www.dgs.ca.gov/ols/resources/standardcontractlanguage.aspx

IN WITNESS WHEREOF, THIS AGREEMENT HAS BEEN EXECUTED BY THE PARTIES HERETO.

CONTRACTOR

CONTRACTOR NAME (if other than an individual, state whether a corporation, partnership, etc.)

CONTRACTOR BUSINESS ADDRESS

PRINTED NAME OF PERSON SIGNING

CONTRACTOR AUTHORIZED SIGNATURE

STATE OF CALIFORNIA

CONTRACTING AGENCY NAME
Department of Managed Health Care

CONTRACTING AGENCY ADDRESS
980 9th Street, Suite 500

PRINTED NAME OF PERSON SIGNING
Teresa Gonzales

CONTRACTING AGENCY AUTHORIZED SIGNATURE

STATE OF CALIFORNIA - DEPARTMENT OF GENERAL SERVICES

AGREEMENT NUMBER
19MC-SA004

PURCHASING AUTHORITY NUMBER (if applicable)
DMHC-4150

Page 1 of 2
EXHIBIT A
SCOPE OF WORK

1. BACKGROUND

(Provide the context for the need for the services: federal grant, regulation or statute that requires the services or the need for an amendment, etc…)

2. SERVICE OVERVIEW

The Contractor, _______________ agrees to provide to the Department of Managed Health Care (DMHC) __________________________ (type of service) as described herein:

(Service Types: consulting, services, legal, expert witness, etc.)
(Give a brief overview of services to be provided)

3. SERVICE LOCATION AND HOURS (as necessary)

The services shall be performed at ________________ (location).

(This can be a geographical location, city/county, contractor’s place of business, State department, etc…)

The services shall be provided during (time frame, i.e.- working hours, 8am-5pm Monday-Friday except State holidays).

4. CONTRACT TERM

The term of this contract is ________ (Month/Day/Year) through ____________ (Month/Day/Year)

5. CONTRACT MANAGERS

The Contract Managers during the term of this Agreement will be:

<table>
<thead>
<tr>
<th>Department of Managed Health Care</th>
<th>Contractor Name:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Division/Unit</td>
<td>Division/Unit:</td>
</tr>
<tr>
<td>Name:</td>
<td>Name:</td>
</tr>
<tr>
<td>Address: 980 9th Street, Suite 500 Sacramento, CA 95814</td>
<td>Address:</td>
</tr>
<tr>
<td>Phone:</td>
<td>Phone:</td>
</tr>
<tr>
<td>Fax:</td>
<td>Fax:</td>
</tr>
<tr>
<td>E-mail: <a href="mailto:Jane.Smith@dmhc.ca.gov">Jane.Smith@dmhc.ca.gov</a></td>
<td>E-mail: <a href="mailto:John.Doe@Contractor.com">John.Doe@Contractor.com</a></td>
</tr>
</tbody>
</table>
The parties may change their Contract Manager upon providing ten (10) days written notice to the other party. Said changes shall not require an amendment to this Agreement.

6. ADMINISTRATIVE REQUIREMENTS

Contractor agrees to complete the Administrative Requirements outlined in Exhibit C or D – Special Terms and Conditions, Item 5 or 12.

7. SERVICES TO BE PERFORMED

This is a time and material contract and payment will be provided on a monthly basis upon delivery and acceptance of an invoice.

A. SERVICES:

   Task 1: List Task
   Task 2: List Task
   Task 3: List Task
   Task 4: List Task

B. CONTRACTOR’S RESPONSIBILITIES:

   1. List responsibilities
   2. List responsibilities
   3. List responsibilities
   4. List responsibilities

C. DMHC’S RESPONSIBILITIES:

   1. List responsibilities
   2. List responsibilities
   3. List responsibilities
   4. List responsibilities
EXHIBIT B
BUDGET DETAIL AND PAYMENT PROVISIONS

1. INVOICING AND PAYMENT

A. For services satisfactorily rendered, and upon receipt of detailed invoices, the State agrees to compensate the Contractor for actual authorized expenditures incurred in accordance with the rates specified herein, which is attached hereto and made a part of this Agreement.

B. Invoices shall be submitted in duplicate not more frequently than monthly in arrears to:

Department of Managed Health Care
Accounting Office
980 9th Street, Suite 500
Sacramento, CA 95814

C. Invoices shall contain the following information:

1. DMHC Agreement Number
2. Service period covered;
3. Detailed description of services provided. Each activity must be identified by date performed and the number of hours worked on each activity. In addition and as applicable:
   a. Identify specific deliverable, task or service outlined in SOW
   b. Number of hours billed for each activity based upon rounding to the nearest quarter hour increment;
   c. Name of individual performing service and their hourly billing rate
   d. Meeting topics and names of participants
   e. Case names
   f. Change Request numbers
   g. Receipts for any costs requesting reimbursement such as travel, meals and lodging

The DMHC reserves the right to return invoices that do not include this level of detail.

Subject to the terms of this Agreement, reimbursement may only be sought for those costs and/or cost categories expressly identified as allowable in this Agreement and approved by DMHC.

All final invoices must be submitted within 30 days of contract completion or termination.
2. BUDGET CONTINGENCY CLAUSE

A. It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, the State shall have no liability to pay any funds whatsoever to Contractor or to furnish any other considerations under this Agreement and Contractor shall not be obligated to perform any provisions of this Agreement.

B. If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the option to either cancel this Agreement with no liability occurring to the State, or offer an Agreement amendment to Contractor to reflect the reduced amount.

3. PROMPT PAYMENT CLAUSE

Payment will be made in accordance with, and within the time specified in, Government Code Chapter 4.5, commencing with Section 927.

4. BUDGET

A. The total amount for this agreement for duties specified under Exhibit A, Scope of Work, shall not exceed $\text{XXX,XXX}$. Exhibit B-1, Budget Detail, outlines the Contractor’s rates.

B. Movement of funds between line items is permissible as long as it does not exceed the total budgeted amount and with approval of the DMHC Contract Manager.

(Insert budget breakdown here)
EXHIBIT C
GENERAL TERMS AND CONDITIONS

General Terms and Conditions can be viewed online at:
https://www.dgs.ca.gov/OLS/Resources/Page-Content/Office-of-Legal-Services-
EXHIBIT D
SPECIAL TERMS AND CONDITIONS

1. RESOLUTION OF DISPUTES

Notwithstanding the General Terms and Conditions (Exhibit C), and in compliance with Public Contract Code 10381, DMHC adds:

The Contractor should first discuss the problem informally with the Department of Managed Health Care (DMHC) Contract Manager. If the problem cannot be resolved at this stage, the Contractor must direct the grievance together with any evidence, in writing, to the DMHC program Section Chief. The grievance must state the issues in dispute, the legal authority or other basis for the Contractor’s position and the remedy sought. The program Section Chief must make a determination on the problem within ten (10) working days after receipt of the written communication from the Contractor. The program Section Chief shall respond in writing to the Contractor indicating the decision and reasons therefore. Should the Contractor disagree with the program Section Chief’s decision, the Contractor may appeal to the next level.

The Contractor must prepare a letter indicating why the program Section Chief’s decision is unacceptable, attaching to it the Contractor’s original statement of the dispute with supporting documents along with a copy of the program Section Chief’s response. This letter shall be sent to the DMHC Deputy Director or designee in which the Section is organized within ten (10) working days from receipt of the program Section Chief’s decision. The Deputy Director or designee shall meet with the Contractor to review the issues raised. A written decision signed by the Deputy Director or designee shall be returned to the Contractor within twenty (20) working days of receipt of the Contractor’s letter.

Authority to terminate performance under the terms of this Agreement is not subject to appeal under this section. All other issues including, but not limited to, the amount of any equitable adjustment and the amount of any compensation or reimbursement that should be paid to the Contractor shall be subject to the disputes process under this section. (Public Contract Code (PCC) Sections 10240.5, 10381, 22200, et seq.)

2. RIGHTS IN DATA

The Contractor agrees that all data, plans, drawings, specifications, reports, computer programs, operating manuals, notes, and other written or graphic work produced in the performance of this Agreement are subject to the rights of the State as set forth in this section. The State shall have the right to reproduce, publish, and use all such work, or any part thereof, in any manner and for any purposes whatsoever and to authorize others to do so, on its behalf. If any Deliverable Work set forth in the Scope of Work is copyrightable, the Contractor,
through this Agreement transfers ownership of that copyright to the State, and the State may, as an illustration but not a limitation, reproduce, publish, and use such work, or any part thereof, and authorize others to do so (40 CFR 31.34, 31.36). The State grants the Contractor a royalty-free, nonexclusive, nontransferable, irrevocable license to reproduce, publish and prepare derivative works of the copyrightable work, for noncommercial research and noncommercial educational purposes.

Any material that does not conform to the requirements of this Agreement may be rejected by the State at its discretion. Notice of such a rejection shall be given to the Contractor by the State within ten (10) days of receipt of the materials, and final payment shall not be made for such material until substantial compliance has been obtained within the time and manner determined by the State.

3. CONTRACTOR'S RIGHTS AND OBLIGATIONS

Public Contract Code Sections 10335-10381 contain language describing the Contractor's duties, obligations, and rights under this Agreement. By signing this Agreement, the Contractor certifies that he or she has been fully informed regarding these provisions of the Public Contract Code.

As required by Public Contract Code Section 10371(e)(2), résumés attached hereto and by this reference are incorporated herein.

4. CONTRACTOR EVALUATION

The Contractor's performance under this Agreement shall be evaluated within sixty (60) days after completion. For this purpose a form designated by the Department of General Services (the "Contract/Contractor Evaluation," Form STD 4) shall be used. Post-evaluations shall remain on file for a period of thirty-six (36) months. If the Contractor did not satisfactorily perform the work or service specified in the Agreement, Contract Manager shall place one copy of the evaluation form in the Agreement file and send one copy of the form to the Department of General Services within five (5) working days of the completion of the evaluation. Upon filing an unsatisfactory evaluation with the Department of General Services, the Contract Manager shall notify and send a copy of the evaluation to the Contractor within fifteen (15) days. The Contractor shall have thirty (30) days to prepare and send statement to the Contract Manager and the Department of General Services defending his or her performance under the Agreement. The Contractor's statement shall be filed with the evaluation in the Contract Manager's file and at the Department of General Services. (PCC 10369)

5. DISCLOSURE REQUIREMENTS

The Contractor shall acknowledge the support of DMHC when publicizing the work performed under this Agreement. Materials developed with contract funds
shall contain an acknowledgement of the use of State funds in the development of materials and a disclaimer that the contents do not necessarily reflect the position or policy of DMHC.

If the Contractor or subcontractor(s) are required to prepare multiple documents or written reports, the disclosure statement may also contain a statement indicating that the total Agreement amount represents compensation for multiple documents or written reports.

The Contractor shall include in each of its subcontracts for work under this Agreement a provision which incorporates the requirements stated within this Section.

6. DOCUMENT ACCESSIBILITY REQUIREMENTS

Documents provided by the Contractor to the DMHC must meet the requirements of Section 508 of the U.S. Rehabilitation Act, Web Content Accessibility Guidelines (WCAG 2.1), or a subsequent version published by the Web Accessibility Initiative of the World Wide Web Consortium at minimum Level AA success criteria, and DMHC’s accessible document standards as outlined below. Prior to submitting document(s) to the DMHC, the Contractor shall perform a document accessibility test using human testing, built-in accessibility tools, color contrast analyzer, PDF Accessibility Checker and a screen reader and shall remediate any problems identified with accessibility prior to submission to the DMHC. The following outlines DMHC standards for creating accessible documents:

a. Font style: Arial
b. Font size: 12-point or larger
c. Color is appropriately used
d. Do not use color alone to convey meaning; for example, using red text for required form fields and black text for optional form fields.
e. Text color and background color must have a sufficiently high level of contrast. Black text on a white background should be used whenever possible. Other colors may be used if they provide a contrast ratio between text and background of at least 4.5:1 for font sizes up to 17-point, and 3:1 for font sizes 18-point and larger. This contrast ratio also applies to the text and background of an image/picture of text. Color contrast ratios can be verified using the Colour Contrast Analyser. Logos are exempt from this rule.
f. Alternative text (used to describe images in a document) is identifiable to a screen reader and provides accurate descriptions of images. For example, a picture of the Park Tower building could use alternative text, “photograph of DMHC Headquarters building”. Descriptive alternative text must be included for all visual elements that convey relevant information in a document, including pictures or images of text.
7. LICENSES AND PERMITS

The Contractor shall be an individual or firm licensed to do business in California and shall obtain at his/her expense all license(s) and permit(s) required by law for accomplishing any work required in connection with this Agreement.

If you are a contractor located within the state of California, a business license from the city/county in which you are headquartered is necessary and must be submitted. However, if you are a corporation, a copy of your incorporation documents/letter from the Secretary of State’s Office can be submitted. If you are a contractor outside the state of California, you will need to submit a copy of your business license or incorporation papers for your respective state showing that your company is in good standing in that state.

In the event any license expires at any time during the term of this Agreement, the Contractor agrees to provide the State with a copy of the renewed license within 30 days following the expiration date. In the event the Contractor fails to keep in effect at all times all required license(s) and permit(s), the State may, in addition to any other remedies it may have, terminate this Agreement upon occurrence of such event.

8. INSURANCE REQUIREMENTS

When the Contractor submits a signed agreement to the State, if DMHC requests, the Contractor shall furnish a certificate of insurance, stating that there is liability insurance presently in effect of not less than $2,000,000 per occurrence for bodily injury and property damage liability combined.
The Certificate of Insurance will include provisions a, b, and c in their entirety:

a. The insurer will not cancel insured’s coverage without 30 days prior written notice to the state.

b. The State of California, its officers, agents, employees, and servants are included as additional insureds, but only insofar as operations under this Agreement are concerned.

c. The State will not be responsible for any premiums or assessments on the policy. The Contractor agrees that the bodily injury liability insurance herein provided for shall be in effect at all times during the term of this Agreement. In the event said insurance coverage expires at any time during the term of this Agreement, the Contractor agrees to provide at least 30 days prior to said expiration date, a new certificate of insurance evidencing insurance coverage as provided for herein for not less than the remainder of the term of the Agreement, or for a period of not less than one year. New certificates or insurance are subject to the approval of the Department of General Services and the Contractor agrees that no work or services shall be performed prior to the giving of such approval. In the event the Contractor fails to keep in effect at all times insurance coverage as herein provided, the State may, in addition to other remedies it may have, terminate this Agreement upon occurrence of such event.

The State will not provide for nor compensate the Contractor for any insurance premiums or costs for any type or amount of insurance.

Automobile Liability

The Contractor shall maintain commercial auto liability insurance with limits not less than $1,000,000 per accident. Such insurance shall cover liability arising out of a motor vehicle including owned, hired and non-owned motor vehicles. Should the scope of the Agreement involve transportation of hazardous materials, an MCS-90 endorsement is required.

Commercial General Liability

The Contractor, along with any of its subcontractors engaged to perform work pursuant to this Agreement, shall maintain Commercial Liability insurance with limits of at least $2,000,000 covering any damages caused by an error, omission, or negligent act of the Contractor in connection with the work provided such claims arise during the period commencing upon the preparation of the project work documents and ending 5 years following substantial completion.
Workers' Compensation

The Contractor certifies and is aware of the provisions of Section 3700 of the Labor Code which requires every employer to be insured against liability for Workers' Compensation or to undertake self-insurance in accordance with the provisions of that Code and the Contractor agrees to comply with such provisions before commencing performance of the work of this Agreement.

By signing this Agreement, the Contractor hereby warrants that it carries Workers' Compensation insurance on all of its employees who will be engaged in the performance of this Agreement. If staff provided by the Contractor are defined as independent contractors, this clause does not apply.

9. TERMINATION WITHOUT CAUSE

Notwithstanding GTC termination clause, DMHC adds the following:

The DMHC may terminate this Agreement for any or no reason whatsoever, upon giving the Contractor thirty (30) calendar days prior written notice.

Any termination shall be effected by written notice to the Contractor, either hand-delivered to the Contractor or sent certified mail, return receipt requested. The notice of termination shall specify the effective date of termination.

Upon receipt of notice of termination, and except as otherwise directed in the notice, the Contractor shall:

a. Stop work on the date specified in the notice;

b. Place no further orders or enter into any further subcontracts for materials, services or facilities except as necessary to complete work under the Agreement up to effective date of termination;

c. Terminate all orders and subcontracts;

d. Promptly take all other reasonable and feasible steps to minimize any additional cost, loss, or expenditure associated with work terminated, including, but not limited to reasonable settlement of all outstanding liability and claims arising out of termination of orders and subcontracts;

e. Deliver or make available to the DMHC all data, drawings, specifications, reports, estimates, summaries, and such other information and material as may have been accumulated by the Contractor under this Agreement, whether completed, partially completed, or in progress.

In the event of termination, an equitable adjustment in the price provided for in this Agreement shall be made. Such adjustment shall include reasonable compensation for all services rendered, materials supplied, and expenses incurred pursuant to this Agreement prior to the effective date of termination.
10. COMPUTER SOFTWARE COPYRIGHT COMPLIANCE

By signing this Agreement, the Contractor certifies that it has appropriate systems and controls in place to ensure that State funds will not be used in the performance of this Agreement for the acquisition, operation or maintenance of computer software in violation of copyright laws.

11. ADMINISTRATIVE REQUIREMENTS

The following administrative requirements must be completed before performing services under this Agreement. The Contractor is responsible for any costs or expenses, including time, for completing these items.

a. Statement of Economic Interests (Form 700)

The California Political Reform Act requires individuals holding positions designated within an agency’s conflict of interest code to file an annual Statement of Economic Interests (Form 700). The DMHC’s conflict of interest code designates “Consultants” among the positions that must file a Form 700. Your employees or independent contractors, working on the above named contract, have been designated as such consultants and are required to file an original Form 700 with the DMHC. (See Government Code Sections 82019 and 87302.)

Additionally, the Government Code requires all officials, employees and contracted consultants designated to file a Form 700, to also complete an Ethics Certification when first assuming a designated position and then every odd numbered year thereafter. In some cases, this means that consultants may be required to complete the Ethics Certification two years in a row if they assumed their designated position during an even numbered year. (See Government Code Sections 11146 through 11146.4.)

b. Conflict of Interest

No Contractor shall participate in the making of, or in any way attempt to influence, a decision in which the Contractor knows, or has reason to know, that it has a financial interest. The Contractor shall notify the DMHC Contract Manager immediately in writing if the Contractor has a potential, or actual, conflict of interest relating to this Agreement.

The Contractor shall abide by the provisions of Government Code Sections 1090, 81000 et seq., 82000 et seq., 87100 et seq., and 87300 et seq., Public Contract Code (PCC) Sections 10335 et seq. and 10410 et seq., California Code of Regulations, Title 2, Section 18700 et seq., and the DMHC Incompatible Activities Policy.
Each of the Contractor’s employees assigned to the DMHC project shall file a Statement of Economic Interests, Fair Political Practices Commission (FPPC) Form 700 within thirty (30) days of commencing services under the Agreement, annually during the life of the Agreement, and within thirty (30) days after the expiration of the Agreement.

The Contractor shall have a continuing duty to disclose to the DMHC, in writing, all interests and activities that create an actual or potential conflict of interest in performance of the Agreement.

The Contractor shall have a continuing duty to keep the DMHC timely and fully apprised in writing of any material changes in the Contractor’s business structure and/or status. This includes any changes in business form, such as a change from sole proprietorship or partnership into a corporation or vice-versa; any changes in company ownership; any dissolution of the business; any change of the name of the business; any filing in bankruptcy; any revocation of corporate status by the Secretary of State; and any other material changes in the Contractor’s business status or structure that could affect the performance of the Contractor’s duties under the Agreement.

If the Contractor violates any provision of the above paragraphs, such action by the Contractor shall render this Agreement void.

12. PROHIBITION OF FOLLOW-ON CONTRACTS

No Contractor or subsidiary thereof who has been awarded a consulting services contract may submit a bid for, nor be awarded a contract for, the provision of services, procurement of goods or supplies, or any other related action which is required, suggested, or otherwise deemed appropriate in the end product of the consulting services contract. (PCC 10365.5)

13. POTENTIAL SUBCONTRACTORS

Nothing contained in this Agreement or otherwise, shall create any contractual relationship between the State and any subcontractors, and no subcontractor shall relieve the Contractor of responsibilities and obligations hereunder. The Contractor agrees to be as fully responsible to the State for the acts and omissions of its subcontractors and of persons either directly or indirectly employed by Contractor. The Contractor’s obligation to pay its subcontractors is an independent obligation from the State’s obligation to make payments to the Contractor. Although the State shall have no obligation to pay any moneys directly to any subcontractor, the Contractor is encouraged to make timely payment to its subcontractors under all applicable State laws, rules and regulations.
14. APPROVAL OF SUBCONTRACTS

The Contractor shall adhere to the rules governing subcontracting as set forth in the subcontracting Fair Practices Act, commencing with Public Contract Code Section (PCC) 4100. Any and all subcontractors must be approved by the DMHC Contract Manager. Subcontractor substitutions also shall be in accordance with the above and shall require the approval of the Contract Manager. Violations of this Act by the Contractor may subject the Contractor to penalties and disciplinary action.

15. SUBSTITUTION OF SUBCONTRACTORS/STAFFING

Upon Agreement award, the Contractor must use the subcontractors and/or suppliers which they proposed in their bid submittal to the State unless a substitution is requested in writing for approval by the State’s Contract Manager. The request for substitution may not be used as an excuse for non-compliance with any other provision of State or federal law including, but not limited to subletting and subcontracting.

16. FORCE MAJEURE

Except for defaults of subcontractors at any tier, the Contractor shall not be liable for any excess costs if the failure to perform the contract arises from causes beyond the control and without the fault or negligence of the Contractor. Examples of such causes include, but are not limited to:

- Acts of God or of the public enemy, and
- Acts of the federal or State government in either its sovereign or contractual capacity

If the failure to perform is caused by the default of a subcontractor at any tier, and if the cause of the default is beyond the control of both the Contractor and subcontractor, and without the fault or negligence of either, the Contractor shall not be liable for any excess costs for failure to perform.

17. WAIVER OF RIGHTS

Any action or inaction by the State or the failure of the State on any occasion, to enforce any right or provision of the contract, shall not be construed to be a waiver by the State of its rights hereunder and shall not prevent the State from enforcing such provision or right on any future occasion. The rights and remedies of the State herein are cumulative and are in addition to any other rights or remedies that the State may have at law or in equity.
18. AMENDMENTS

The DMHC reserves the right to extend the Agreement up to an additional one year at the same rates and maximum dollar amount per year as the original Agreement and/or amend to increase funding for additional mergers and acquisitions related services. All terms and conditions shall remain the same, unless changes are mutually agreed upon by the Contractor and the DMHC and incorporated into the amendment. All agreement amendments are subject to satisfactory performance, funding availability and may require approval from the Department of General Services. Agreement amendments will not take effect until the Contractor has received a copy of the final contract document that has been signed by the DMHC Contract Officer or designee.
EXHIBIT E
INFORMATION SECURITY, INTEGRITY AND CONFIDENTIALITY

Where access to personal[1], confidential[2], and/or sensitive[3] information assets[4] (hereafter, collectively referred to as Confidential Information) is required in the performance of this Agreement for the Department of Managed Health Care (Department); or access to such information is not required but physical access to facilities or computer systems is required and such access presents the potential for incidental access and/or inadvertent disclosure of such information, Contractor agrees to the following:

1. General Confidentiality of Data Provision: Contractor shall protect all Confidential Information from unauthorized use and disclosure through the observance of the same or more effective procedural requirements as are applicable to the State. This includes but is not limited to the secure transport, transmission, and storage of data used or acquired in the performance of this Agreement. No reports, information, discoveries, or data obtained, assembled, or developed by Contractor in the performance of this Agreement may be released, published, or made available to any individual or entity without prior written approval from the Department. Contractor shall retain as confidential all work performed under this Agreement, recommendations and/or reports made to the Department, and all discussions between Contractor and Department staff, including all communications, whether oral, written, or electronic. The Department may deem non-confidential all or part of the work or other information referenced in this Paragraph without prior permission of Contractor.

2. Contractor warrants and certifies that in the performance of this Agreement it will comply with all applicable statutes, rules, regulations, and orders of the United States and the State of California and agrees to indemnify the State against any loss, cost, damage, or liability by reason of Contractor’s violation of this provision, including but not limited to information handling and confidentiality requirements outlined in the California Information Practices Act (Civil Code section 1798 et. seq.).

3. Contractor shall not, except as authorized or required by his or her duties by law, reveal or divulge to any person or entity any of the Confidential Information

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[1] Information maintained by state agencies that identifies or describes an individual, including but not limited to, name, social security number, physical description, home address, home telephone number, education, financial matters, and medical or employment history. It includes statements made by, or attributed to, the individual. (See Civil Code Section 1798.3)

[2] Information maintained by state agencies that is exempt from disclosure under the provisions of the California Public Records Act (Government Code 6250-6265) or has restrictions on disclosure in accordance with other applicable state or federal laws. (See SIMM 5305-A).

[3] Information maintained by state agencies that requires special precautions to protect from unauthorized use, access, disclosure, modification, loss, or deletion. Sensitive information may be either public or confidential. It is information that requires a higher than normal assurance of accuracy and completeness. Thus the key factor for sensitive information is that of integrity. Typically, sensitive information includes records of state entity financial transactions and regulatory actions. (See SIMM 5305-A).

[4] The state's information assets, including and electronic records, automated files, and databases are essential public resources that must be given appropriate protection from unauthorized use, access, disclosure, modification, loss, or deletion (See SIMM 5305-A).
concerning the Department and its affiliates which becomes known to him or her during the execution of this Agreement.

4. Contractor shall keep confidential all Confidential Information entrusted to him or her and shall not use or attempt to use any such Confidential Information in any manner which may injure or cause loss, either directly or indirectly, to the Department.

5. Contractor shall comply, and shall cause its agents, subcontractors, and individual employees to comply, with such directions as the Department shall make to ensure the safeguarding or confidentiality of all its resources.

6. The Department reserves the right to require that, prior to commencing work on this contract, Contractor, its agents, subcontractors, and individual employees who will be involved in the performance of this Agreement, sign an information security and confidentiality statement, in a form to be provided by the Department. In such cases, Contractor shall attest that its agents, subcontractors and individual employees who will be involved in the performance of this Agreement sign an information security and confidentiality statement, in a form to be provided by the Department, corroborating that they are bound by terms of a confidentiality agreement with Contractor similar in nature to this statement.

7. Contractor shall immediately notify the Department when it discovers that there may have been a breach in security which has or may have resulted in compromise to Confidential Information. For purposes of this Paragraph, immediately is defined as within 2 hours of discovery. The Department contact for such notification is as follows:

   Information Security Officer
   Department of Managed Health Care
   980 9th Street, Suite 500
   Sacramento, CA 95814

   916-323-7908 - Phone
   916-322-0662 - FAX
   iso@dmhc.ca.gov - email

   Contractor shall also furnish written notification of the discovery, including a description of the nature of the breach or potential breach in security, in a form to be provided by the Department, to the Department contact within 48 hours of Contractor's discovery.

8. Contractor agrees to properly secure and maintain any computer systems (hardware and software applications) that Contractor will use in the performance of this Agreement. This includes ensuring that all security patches, upgrades,
and anti-virus updates are applied appropriately to secure data that may be used, transmitted, or stored on such systems in the performance of this Agreement.

9. Whenever Contractor utilizes non-State issued equipment in the performance of this Agreement, Contractor agrees, in addition to Paragraphs 1 through 8 above, to abide by the requirement of State Administrative Manual (SAM) Section 5305.8.

10. The Department as the data owner shall have the right to participate in the investigation of a security incident involving its data or conduct its own independent investigation. The contractor shall cooperate fully in such investigations.

11. Contractor shall be responsible for all costs incurred by the Department due to security incidents resulting from the Contractor’s failure to perform or negligent acts of its personnel, and resulting in an unauthorized disclosure, release, access, review, or destruction; or loss, theft or misuse of an information asset. If the Contractor experiences a loss or breach of data, the Contractor shall immediately report the loss or breach to the Department. If the Department determines that notice to the individuals whose data has been lost or breached is appropriate, the Contractor will bear any and all costs associated with the notice or any mitigation selected by the Department. These costs include but are not limited to staff time, material costs, postage, media announcements, and other identifiable costs associated with the breach or loss of data.

12. Contractor shall immediately work cooperatively with the Department to respond timely and correctly to Public Records Act requests. “Public Records” includes any writing containing information relating to the conduct of the public’s business prepared, owned, used or retained by the Department. A “writing” means any handwriting, typewriting, printing, transmitting by electronic mail or facsimile and every other means of recording upon any tangible thing any form of communication or presentation, and any record created, regardless of the manner in which the record is stored. (See Government Code 6250-6265).

13. All materials provided for this Project, except where explicitly stated, will be promptly returned or destroyed, as instructed by an authorized Department representative. If the materials are destroyed and not returned, a letter attesting to their complete destruction which documents the destruction procedures must be sent to the contract monitor at the Department before payment can be made for services rendered. In addition, all copies or derivations, including any working or archival backups of the information, will be physically and/or electronically destroyed within five calendar days immediately following either the end of the contract period or the final payment, as determined by the Department.