



State of Oklahoma  
Department of Central Services  
Central Purchasing

Solicitation

1. Solicitation #: 5160000046

2. Solicitation Issue Date: 5-10-11

3. Brief Description of Requirement:

CONTRACT FOR FEE SCHEDULE CONSULTANT

4. Response Due Date<sup>1</sup>: 07/13/2011

Time: 3:00 PM CST/CDT

5. Issued By and RETURN SEALED BID TO:

Personal or Common Carrier Delivery:

Department of Central Services, Central Purchasing  
Will Rogers Building  
2401 N. Lincoln Blvd, Suite 116,  
Oklahoma City, OK 73105

U.S. Postal Delivery:

Department of Central Services, Central Purchasing  
P.O. Box 528803,  
Oklahoma City, Oklahoma 73152-8803

6. Solicitation Type (check one below):

- Invitation to Bid  
 Request for Proposal  
 Request for Quote

7. Requesting Agency: OKLAHOMA EMPLOYEES GROUP INSURANCE BOARD

8. Contracting Officer:

Name: Irene Bowman

Phone: (405) 521-4058

Email: irene\_bowman@dcs.state.ok.us

<sup>1</sup> Amendments to solicitation may change the Response Due Date (read GENERAL PROVISIONS, section 3, "Solicitation Amendments")



**State of Oklahoma  
Department of Central Services  
Central Purchasing**

**Responding Bidder Information**

*"Certification for Competitive Bid and Contract" (see page 3) **MUST** be submitted along with the response to the Solicitation.*

1. **RE: Solicitation #** 5160000046

2. **Bidder General Information:**

FEI / SSN : \_\_\_\_\_ VEN ID: \_\_\_\_\_

Company Name: \_\_\_\_\_

3. **Bidder Contact Information:**

Address: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Contact Name: \_\_\_\_\_

Contact Title: \_\_\_\_\_

Phone #: \_\_\_\_\_ FAX#: \_\_\_\_\_

Email: \_\_\_\_\_ Website: \_\_\_\_\_

4. **Oklahoma Sales Tax Permit<sup>1</sup>:**

YES – Permit #: \_\_\_\_\_

NO – Exempt pursuant to Oklahoma Laws or Rules

5. **Registration with the Oklahoma Secretary of State:**

YES - Filing Number: \_\_\_\_\_

NO - Prior to the contract award, the successful bidder will be required to register with the Secretary of State or must attach a signed statement that provides specific details supporting the exemption the supplier is claiming ([www.sos.ok.gov](http://www.sos.ok.gov) or 405-521-3911).

6. **Workers' Compensation Insurance Coverage:**

Bidder is required to provide with the bid a certificate of insurance showing proof of compliance with the Oklahoma Workers' Compensation Act.

YES – include a certificate of insurance with the bid

NO - attach a signed statement that provides specific details supporting the exemption you are claiming from the Workers' Compensation Act (Note: Pursuant to Attorney General Opinion #07-8, the exemption from 85 O.S. 2001, § 2.6 applies only to employers who are natural persons, such as sole proprietors, and does not apply to employers who are entities created by law, including but not limited to corporations, partnerships and limited liability companies.)<sup>2</sup>

\_\_\_\_\_  
Authorized Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

<sup>1</sup> For frequently asked questions concerning Oklahoma Sales Tax Permit, see <http://www.tax.ok.gov/faq/faqbus-sales.html>

<sup>2</sup> For frequently asked questions concerning workers' compensation insurance, see [http://www.ok.gov/oid/Consumers/Workers'\\_Compensation\\_Information.html](http://www.ok.gov/oid/Consumers/Workers'_Compensation_Information.html)



**State of Oklahoma  
Department of Central Services  
Central Purchasing**

**Certification for Competitive  
Bid and/or Contract  
(Non-Collusion Certification)**

*A certification shall be included with any competitive bid and/or contract submitted to the State for goods or services.*

Solicitation or Purchase Order #: 5160000046  
 Supplier Legal Name: \_\_\_\_\_

**SECTION I [74 O.S. § 85.22]:**

A. For purposes of competitive bid,

1. I am the duly authorized agent of the above named bidder submitting the competitive bid herewith, for the purpose of certifying the facts pertaining to the existence of collusion among bidders and between bidders and state officials or employees, as well as facts pertaining to the giving or offering of things of value to government personnel in return for special consideration in the letting of any contract pursuant to said bid;
2. I am fully aware of the facts and circumstances surrounding the making of the bid to which this statement is attached and have been personally and directly involved in the proceedings leading to the submission of such bid; and
3. Neither the bidder nor anyone subject to the bidder's direction or control has been a party:
  - a. to any collusion among bidders in restraint of freedom of competition by agreement to bid at a fixed price or to refrain from bidding,
  - b. to any collusion with any state official or employee as to quantity, quality or price in the prospective contract, or as to any other terms of such prospective contract, nor
  - c. in any discussions between bidders and any state official concerning exchange of money or other thing of value for special consideration in the letting of a contract.

B. I certify, if awarded the contract, whether competitively bid or not, neither the contractor nor anyone subject to the contractor's direction or control has paid, given or donated or agreed to pay, give or donate to any officer or employee of the State of Oklahoma any money or other thing of value, either directly or indirectly, in procuring this contract herein.

**SECTION II [74 O.S. § 85.42]:**

For the purpose of a contract for services, the supplier also certifies that no person who has been involved in any manner in the development of this contract while employed by the State of Oklahoma shall be employed by the supplier to fulfill any of the services provided for under said contract.

The undersigned, duly authorized agent for the above named supplier, by signing below acknowledges this certification statement is executed for the purposes of:

- the competitive bid attached herewith and contract, if awarded to said supplier;  
**OR**  
 the contract attached herewith, which was not competitively bid and awarded by the agency pursuant to applicable Oklahoma statutes.

\_\_\_\_\_  
Supplier Authorized Signature

\_\_\_\_\_  
Certified This Date

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Phone Number

\_\_\_\_\_  
Email

\_\_\_\_\_  
Fax Number

## **A. GENERAL PROVISIONS**

### **A.1. Definitions**

As used herein, the following terms shall have the following meaning unless the context clearly indicates otherwise:

- A.1.1.** "Acquisition" means items, products, materials, supplies, services and equipment a state agency acquires by purchase, lease purchase, lease with option to purchase, or rental pursuant to the Oklahoma Central Purchasing Act;
- A.1.2.** "Bid" means an offer in the form of a bid, proposal or quote a bidder submits in response to a solicitation;
- A.1.3.** "Bidder" means an individual or business entity that submits a bid in response to solicitation;
- A.1.4.** "Solicitation" means a request or invitation by the State Purchasing Director or a state agency for a supplier to submit a priced offer to sell acquisitions to the state. A solicitation may be an invitation to bid, request for proposal, or a request for quotation; and
- A.1.5.** "Supplier" means an individual or business entity that sells or desires to sell acquisitions to state agencies.

### **A.2. Bid Submission**

- A.2.1.** Submitted bids shall be in strict conformity with the instructions to bidders and shall be submitted with a completed "Responding Bidder Information", DCS-FORM-CP-076, and any other forms required by the solicitation.
- A.2.2.** Bids shall be submitted to the Central Purchasing Division in a single envelope, package, or container and shall be sealed. The name and address of the bidder shall be inserted in the upper left corner of the single envelope, package, or container. SOLICITATION NUMBER AND SOLICITATION RESPONSE DUE DATE AND TIME MUST APPEAR ON THE FACE OF THE SINGLE ENVELOPE, PACKAGE, OR CONTAINER.
- A.2.3.** The required certification statement, "Certification for Competitive Bid and/or Contract (Non-Collusion Certification)", DCS-FORM-CP-004, must be made out in the name of the bidder and must be properly executed by an authorized person, with full knowledge and acceptance of all its provisions.
- A.2.4.** All bids shall be legibly written or typed. Any corrections to bids shall be initialed. Penciled bids and penciled corrections shall NOT be accepted and will be rejected as non-responsive.
- A.2.5.** All bids submitted shall be subject to the Oklahoma Central Purchasing Act, Central Purchasing Rules, and other statutory regulations as applicable, these General Provisions, any Special Provisions, solicitation specifications, required certification statement, and all other terms and conditions listed or attached herein—all of which are made part of this solicitation.

### **A.3. Solicitation Amendments**

- A.3.1.** If an "Amendment of Solicitation", DCS-FORM-CP-011, is issued, the bidder shall acknowledge receipt of any/all amendment(s) to solicitations by signing and returning the solicitation amendment(s). Amendment acknowledgement(s) may be submitted with the bid or may be forwarded separately. If forwarded separately, amendment acknowledgement(s) must contain the solicitation number and response due date and time on the front of the envelope. The Central Purchasing Division must receive the amendment acknowledgement(s) by the response due date and time specified for receipt of bids for the bid to be deemed responsive. Failure to acknowledge solicitation amendments may be grounds for rejection.
- A.3.2.** No oral statement of any person shall modify or otherwise affect the terms, conditions, or specifications stated in the solicitation. All amendments to the solicitation shall be made in writing by the Central Purchasing Division.
- A.3.3.** It is the Bidder's responsibility to check the DCS/Central Purchasing Division website frequently for any possible amendments that may be issued. The Central Purchasing Division is not responsible for a bidder's failure to download any amendment documents required to complete a solicitation.

### **A.4. Bid Change**

If the bidder needs to change a bid prior to the solicitation response due date, a new bid shall be submitted to the Central Purchasing Division with the following statement "This bid supersedes the bid previously submitted" in a single envelope, package, or container and shall be sealed. The name and address of the bidder shall be inserted in the upper left corner of the single envelope, package, or container. SOLICITATION NUMBER AND SOLICITATION RESPONSE DUE DATE AND TIME MUST APPEAR ON THE FACE OF THE SINGLE ENVELOPE, PACKAGE, OR CONTAINER.

### **A.5. Certification Regarding Debarment, Suspension, and Other Responsibility Matters**

By submitting a response to this solicitation:

- A.5.1.** The prospective primary participant and any subcontractor certifies to the best of their knowledge and belief, that they and their principals or participants:
  - A.5.1.1.** Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded by any Federal, State or local department or agency;

- A.5.1.2.** Have not within a three-year period preceding this proposal been convicted of or had a civil judgment rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (Federal, State or local) contract; or for violation of Federal or State antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
- A.5.1.3.** Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (Federal, State or local) with commission of any of the offenses enumerated in paragraph A.5.1.2. of this certification; and
- A.5.1.4.** Have not within a three-year period preceding this application/proposal had one or more public (Federal, State or local) contracts terminated for cause or default.

**A.5.2.** Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to its solicitation response.

## **A.6. Bid Opening**

Sealed bids shall be opened by the Central Purchasing Division at the Department of Central Services, Will Rogers Building, 2401 N. Lincoln Blvd. First Floor, Suite 116, Oklahoma City, Oklahoma, 73105 at the time and date specified in the solicitation as Response Due Date and Time.

## **A.7. Bids Subject to Public Disclosure**

Unless otherwise specified in the Oklahoma Open Records Act, Central Purchasing Act, or other applicable law, documents and information a bidder submits as part of or in connection with a bid are public records and subject to disclosure. Bidders claiming any portion of their bid as proprietary or confidential must specifically identify what documents or portions of documents they consider confidential and identify applicable law supporting their claim of confidentiality. The State Purchasing Director shall make the final decision as to whether the documentation or information is confidential pursuant to 74 O.S. §85.10.

## **A.8. Late Bids**

Bids received by the Central Purchasing Division after the response due date and time shall be deemed non-responsive and shall NOT be considered for any resultant award.

## **A.9. Legal Contract**

- A.9.1.** Submitted bids are rendered as a legal offer and any bid, when accepted by the Central Purchasing Division, shall constitute a contract.
- A.9.2.** The Contract resulting from this solicitation will consist of the following documents in order of preference: Contract award documents, including but not limited to the Purchase Order, Contract Modifications, required certification statement, affidavit, and change orders; the solicitation including any amendments; and the successful bid to the extent that the bid does not conflict with the requirements of the Contract award documents or solicitation or applicable law. In the event there is a conflict between any of the preceding documents, the Contract award documents prevail over the solicitation, and both the Contract award documents and the solicitation shall prevail over the successful bid.
- A.9.3.** Any contract(s) awarded pursuant to the solicitation shall be legibly written or typed.

## **A.10. Pricing**

- A.10.1.** Bids shall remain firm for a minimum of sixty (60) days from the solicitation closing date.
- A.10.2.** Bidders guarantee unit prices to be correct.
- A.10.3.** In accordance with 74 O.S. §85.40, ALL travel expenses to be incurred by the supplier in performance of the Contract shall be included in the total bid price/contract amount.

## **A.11. Manufacturers' Name and Approved Equivalents**

Unless otherwise specified in the solicitation, manufacturers' names, brand names, information and/or catalog numbers listed in a specification are for information and not intended to limit competition. Bidder may offer any brand for which they are an authorized representative, which meets or exceeds the specification for any item(s). However, if bids are based on equivalent products, indicate on the bid form the manufacturer's name and number. Bidder shall submit sketches, descriptive literature, and/or complete specifications with their bid. Reference to literature submitted with a previous bid will not satisfy this provision. The bidder shall also explain in detail the reason(s) why the proposed equivalent will meet the specifications and not be considered an exception thereto. Bids that do not comply with these requirements are subject to rejection.

## **A.12. Clarification of Solicitation**

Clarification pertaining to the contents of this solicitation shall be directed in writing to the Central Purchasing Contracting Officer specified in the solicitation.

### **A.13. Rejection of Bid**

The State reserves the right to reject any bids that do not comply with the requirements and specifications of the solicitation. A bid may be rejected when the bidder imposes terms or conditions that would modify requirements of the solicitation or limit the bidder's liability to the State. Other possible reasons for rejection of bids are listed in OAC 580:15-4-11.

### **A.14. Award of Contract**

- A.14.1.** The State Purchasing Director may award the Contract to more than one bidder by awarding the Contract(s) by item or groups of items, or may award the Contract on an ALL OR NONE basis, whichever is deemed by the State Purchasing Director to be in the best interest of the State of Oklahoma.
- A.14.2.** Contract awards will be made to the lowest and best bidder(s) unless the solicitation specifies that best value criteria is being used.
- A.14.3.** In order to receive an award or payments from the State of Oklahoma, suppliers must be registered. The vendor registration process can be completed electronically through the DCS website at the following link:  
<https://www.ok.gov/dcs/vendors/index.php>.

### **A.15. Contract Modification**

- A.15.1.** The Contract is issued under the authority of the State Purchasing Director who signs the Contract. The Contract may be modified only through a written Contract Modification, signed by the State Purchasing Director.
- A.15.2.** Any change to the Contract, including the addition of work or materials, the revision of payment terms, or the substitution of work or materials, directed by a person who is not specifically authorized by the Central Purchasing Division in writing, or made unilaterally by the Supplier, is a breach of the Contract. Unless otherwise specified by applicable law or rules, such changes, including unauthorized written Contract Modifications, shall be void and without effect, and the Supplier shall not be entitled to any claim under this Contract based on those changes. No oral statement of any person shall modify or otherwise affect the terms, conditions, or specifications stated in the resultant Contract.

### **A.16. Delivery, Inspection and Acceptance**

- A.16.1.** Unless otherwise specified in the solicitation or awarding documents, all deliveries shall be F.O.B. Destination. The bidder(s) awarded the Contract shall prepay all packaging, handling, shipping and delivery charges and firm prices quoted in the bid shall include all such charges. All products and/or services to be delivered pursuant to the Contract shall be subject to final inspection and acceptance by the State at destination. "Destination" shall mean delivered to the receiving dock or other point specified in the purchase order. The State assumes no responsibility for goods until accepted by the State at the receiving point in good condition. Title and risk of loss or damage to all items shall be the responsibility of the supplier until accepted by the receiving agency. The supplier(s) awarded the Contract shall be responsible for filing, processing, and collecting any and all damage claims accruing prior to acceptance.
- A.16.2.** Supplier(s) awarded the Contract shall be required to deliver products and services as bid on or before the required date. Deviations, substitutions or changes in products and services shall not be made unless expressly authorized in writing by the Central Purchasing Division.

### **A.17. Invoicing and Payment**

- A.17.1.** Pursuant to 74 O.S. §85.44(B), invoices will be paid in arrears after products have been delivered or services provided.
- A.17.2.** Interest on late payments made by the State of Oklahoma is governed by 62 O.S. §34.71 and 62 O.S. §34.72.

### **A.18. Tax Exemption**

State agency acquisitions are exempt from sales taxes and federal excise taxes. Bidders shall not include these taxes in price quotes.

### **A.19. Audit and Records Clause**

- A.19.1.** As used in this clause, "records" includes books, documents, accounting procedures and practices, and other data, regardless of type and regardless of whether such items are in written form, in the form of computer data, or in any other form. In accepting any Contract with the State, the successful bidder(s) agree any pertinent State or Federal agency will have the right to examine and audit all records relevant to execution and performance of the resultant Contract.
- A.19.2.** The successful bidder(s) awarded the Contract(s) is required to retain records relative to the Contract for the duration of the Contract and for a period of seven (7) years following completion and/or termination of the Contract. If an audit, litigation, or other action involving such records is started before the end of the seven (7) year period, the records are required to be maintained for two (2) years from the date that all issues arising out of the action are resolved, or until the end of the seven (7) year retention period, whichever is later.

## **A.20. Non-Appropriation Clause**

The terms of any Contract resulting from the solicitation and any Purchase Order issued for multiple years under the Contract are contingent upon sufficient appropriations being made by the Legislature or other appropriate government entity. Notwithstanding any language to the contrary in the solicitation, purchase order, or any other Contract document, the procuring agency may terminate its obligations under the Contract if sufficient appropriations are not made by the Legislature or other appropriate governing entity to pay amounts due for multiple year agreements. The Requesting (procuring) Agency's decisions as to whether sufficient appropriations are available shall be accepted by the supplier and shall be final and binding.

## **A.21. Choice of Law**

Any claims, disputes, or litigation relating to the solicitation, or the execution, interpretation, performance, or enforcement of the Contract shall be governed by the laws of the State of Oklahoma.

## **A.22. Choice of Venue**

Venue for any action, claim, dispute or litigation relating in any way to the Contract shall be in Oklahoma County, Oklahoma.

## **A.23. Termination for Cause**

- A.23.1.** The supplier may terminate the Contract for default or other just cause with a 30-day written request and upon written approval from the Central Purchasing Division. The State may terminate the Contract for default or any other just cause upon a 30-day written notification to the supplier.
- A.23.2.** The State may terminate the Contract immediately, without a 30-day written notice to the supplier, when violations are found to be an impediment to the function of an agency and detrimental to its cause, when conditions preclude the 30-day notice, or when the State Purchasing Director determines that an administrative error occurred prior to Contract performance.
- A.23.3.** If the Contract is terminated, the State shall be liable only for payment for products and/or services delivered and accepted.

## **A.24. Termination for Convenience**

- A.24.1.** The State may terminate the Contract, in whole or in part, for convenience if the State Purchasing Director determines that termination is in the State's best interest. The State Purchasing Director shall terminate the Contract by delivering to the supplier a Notice of Termination for Convenience specifying the terms and effective date of Contract termination. The Contract termination date shall be a minimum of 60 days from the date the Notice of Termination for Convenience is issued by the State Purchasing Director.
- A.24.2.** If the Contract is terminated, the State shall be liable only for products and/or services delivered and accepted, and for costs and expenses (exclusive of profit) reasonably incurred prior to the date upon which the Notice of Termination for Convenience was received by the supplier.

## **A.25. Insurance**

The successful bidder(s) awarded the Contract shall obtain and retain insurance, including workers' compensation, automobile insurance, medical malpractice, and general liability, as applicable, or as required by State or Federal law, prior to commencement of any work in connection with the Contract. The supplier awarded the Contract shall timely renew the policies to be carried pursuant to this section throughout the term of the Contract and shall provide the Central Purchasing Division and the procuring agency with evidence of such insurance and renewals.

## **A.26. Employment Relationship**

The Contract does not create an employment relationship. Individuals performing services required by this Contract are not employees of the State of Oklahoma or the procuring agency. The supplier's employees shall not be considered employees of the State of Oklahoma nor of the procuring agency for any purpose, and accordingly shall not be eligible for rights or benefits accruing to state employees.

## **A.27. Compliance with the Oklahoma Taxpayer and Citizen Protection Act of 2007**

By submitting a bid for services, the bidder certifies that they, and any proposed subcontractors, are in compliance with 25 O.S. §1313 and participate in the Status Verification System. The Status Verification System is defined in 25 O.S. §1312 and includes but is not limited to the free Employment Verification Program (E-Verify) available at [www.dhs.gov/E-Verify](http://www.dhs.gov/E-Verify).

## **A.28. Compliance with Applicable Laws**

The products and services supplied under the Contract shall comply with all applicable federal, state and local laws, and the supplier shall maintain all applicable licenses and permit requirements.

## **A.29. Special Provisions**

Special Provisions set forth in SECTION B apply with the same force and effect as these General Provisions. However, conflicts or inconsistencies shall be resolved in favor of the Special Provisions.



# SOLICITATION REQUEST

 Request for Quote Request for Proposal Request for Bid**Dispatch via Print**

**State & Educ Empl Grp Ins Bd**  
 EMPLOYEES GROUP INSURANCE BOARD  
 PURCHASING  
 3545 NW 58TH STREET SUITE 1000  
 OKLAHOMA CITY OK 73112

Request Quote ID.	Date	Buyer	Page
5160000046	04/22/2011	Irene Bowman (580)	1
Payment Terms	DateTime Quote Open	Closing	
0 Days	05/10/2011 11:32 AM	07/13/2011 03:00 PM	

Requisition Number Reference: From Req ID - 5160000146

**Ship To:** EMPLOYEES GROUP INSURANCE BOARD  
 LANDMARK TOWERS  
 3545 NW 58TH 6TH FLOOR SUPPLY ROOM  
 OKLAHOMA CITY OK 73112

**Bill To:** EMPLOYEES GROUP INSURANCE BOARD  
 ACCOUNTS PAYABLE  
 PO BOX 57820  
 OKLAHOMA CITY OK 73157

**Vendor: NAME**  
 Address: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 City: \_\_\_\_\_ ST: \_\_\_\_\_ ZIP: \_\_\_\_\_

Line	Cat CD / Item # - Descr	Qty.	UOM	Supplier Responses	
				Unit Cost	Ext. Cost
1	84111601 / 1000009832	1	YR		

Contract for a Fee Schedule Consultant

Contract Period: September 1, 2011 thru June 30, 2012, with option to renew for four (4) additional one year periods at same terms and conditions

**Freight Terms:** FOB DEST

**Ship Via:** COMMON

Lead Time: \_\_\_\_\_

**Supplier Remarks:**

COMMENTS:

**This is NOT AN ORDER**

All returned quotes and related documents must be identified with our request for quote Number.

**Authorized Signature**

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## **B. SPECIAL PROVISIONS**

### **B.1 Statement of Purpose**

B.1.1 OSEEGIB requests proposals from Consultants to review OSEEGIB's current reimbursement methodologies, identify, prioritize, and recommend opportunities to align OSEEGIB's reimbursement methodologies with industry norms, and assist in educating provider and member constituency groups and other interested parties as to the Consultant's recommendations.

### **B.2 Identification of OSEEGIB**

B.2.1 OSEEGIB was established by, and operates pursuant to, the Oklahoma State and Education Employees Group Insurance Act, 74 O.S. (2001) § 1301, et seq., hereinafter "Act". The Act was established for the benefit of state and education employees, employees of other state governmental entities and quasi-state governmental entities authorized by the Act to participate in the plans offered by OSEEGIB. The insurance plans offered by OSEEGIB are known as the HealthChoice plans. OSEEGIB makes decisions on all policy matters affecting the programs including network management, provider contracting, credentialing and claims adjudication.

B.2.2 Pursuant to legislative authority, OSEEGIB Rules set forth the eligibility, type of participation and benefits guidelines for all participating employers. A copy of the official agency Rules is on file with the Office of the Secretary of State beginning at Oklahoma Administrative Code Title 360:1-1-1, or the Rules may be found at [www.sib.ok.gov](http://www.sib.ok.gov) ("About OSEEGIB")

B.2.3 OSEEGIB's core health and dental plans ("HealthChoice") are traditional indemnity plans similar to a Preferred Provider Organization (PPO).

B.2.4 HealthChoice contracts with any willing provider meeting licensure and insurance requirements and its network includes the majority of the providers in Oklahoma and many providers in areas of adjacent states.

B.2.5 Claims are processed by the plan's current health, dental & life benefit third party administrator (TPA), HP Administrative Services, LLC and Pharmacy Benefit Manager (PBM), Medco Health Solutions, Inc.

### **B.3 Participating Providers in all locations as of April 2011. (Count includes multiple locations for some providers)**

HealthChoice Facilities	<b>2,349</b>
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## **B.4 Overview of Current Business Processes**

### **B.4.1 General Overview**

- B.4.1.1 OSEEGIB provides medical, pharmacy, dental, life and disability benefits to approximately 164,000 active employees, retired employees, and dependents under its group insurance programs.
- B.4.1.2 A provider network arrangement is established to provide members with cost efficient delivery of health benefits. Network providers agree to accept OSEEGIB's allowable for services that are covered by the plan and only bill the member for coinsurance, copays and deductibles.
- B.4.1.3 OSEEGIB contracts with any willing provider meeting licensure and insurance requirements. OSEEGIB offers the same contract terms for each type of provider (i.e., Ambulatory Surgery Center, Physician, etc.). OSEEGIB does not currently negotiate on an individual provider basis. Facility contracts utilize a facility's urban or rural designation based on U.S. Census Bureau data.
- B.4.1.4 Oklahoma law requires that OSEEGIB schedule a public hearing at least thirty (30) days prior to adopting any major changes in the reimbursement rates or methodology. [74 O.S. (2001) § 1325]

### **B.4.2 Reimbursement Methodology Summary**

- B.4.2.1 Inpatient Hospital – OSEEGIB reimburses inpatient hospital claims by assigning a Medicare Severity Diagnosis-Related Group (MS-DRG). OSEEGIB uses the weights established by Centers for Medicare & Medicaid Services (CMS) for each MS-DRG and applies an urban or rural base rate specific to OSEEGIB. The base rate is increased each year by the full market basket percent increase. Outlier claims are identified using a dollar threshold and charges over the threshold are reimbursed at a percentage of billed charges. A transfer reimbursement methodology is also in place.
- B.4.2.2 Long Term Care Hospitals (LTCH) – OSEEGIB reimburses long-term care hospitals by assigning a Medicare Severity-Long Term Care-Diagnosis Related Group (MS-LTCH-DRG). OSEEGIB uses the weights established by CMS for each MS-LTCH-DRG and applies a base rate. OSEEGIB's base rate is one hundred twenty percent (120%) of CMS's rate and OSEEGIB's threshold is the same as CMS's threshold. OSEEGIB also utilizes outlier and short-stay equations for reimbursement calculation.

- B.4.2.3 Outpatient Hospital – OSEEGIB reimburses outpatient hospital claims using an urban or rural fee schedule for some procedures and an urban or rural percentage of billed charges on certain other procedures and revenue codes.
- B.4.2.4 Ambulatory Surgery Centers (ASC) – OSEEGIB reimburses ASC’s using a fee schedule that includes fixed-dollar payments for procedures and a percentage of billed charges for certain implants. A discount is applied in the case of multiple procedures.
- B.4.2.5 Professional Reimbursements – OSEEGIB establishes a fee schedule for Current Procedural Terminology (CPT)’s and Healthcare Common Procedure Coding System (HCPCS) codes based on CMS’s relevant fee schedules including the facility/non-facility place of service. Certain codes and services, such as Ambulance, are reimbursed at a percentage of billed charges. Other codes and services, such as Home Health, are reimbursed using a per diem.
- B.4.2.6 Dental Reimbursements - OSEEGIB establishes a dental fee schedule based upon the American Dental Association (ADA) codes. The last comprehensive dental fee schedule revision was effective January 1, 2008.
- B.4.2.7 Injectibles – CPT and HCPCS codes that utilize Average Sales Price (ASP) are reimbursed at 135% above CMS’s fee schedule amount. Average Wholesale Price (AWP) plus 10% is used when ASP is not available.
- B.4.2.8 Anesthesiology – Anesthesiology services are based on the American Society of Anesthesiologists (ASA) Relative Value Guide codes. A conversion factor has been set for physicians and also for Certified Respiratory Nurse Anesthetist (CRNA).
- B.4.2.9 Other – Currently, OSEEGIB does not utilize, but is considering implementing, CMS’s prospective payment systems for Home Health, Skilled Nurse, End Stage Renal Disease, and Inpatient Psychiatric services.

**B.4.3 Medical Claims**

For calendar year 2010, OSEEGIB paid medical claims as follows:

Inpatient	\$161,900,579.74
Outpatient	\$110,982,983.21
Other Facility	\$30,639,955.12
Professional	\$151,384,924.12
Medicare	\$51,432,662.80

Total	\$506,341,104.99
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**The Consultant must affirm its understanding of all OSEEGIB contractual provisions (B.6-B.20) and agree to comply with those provisions for the duration of the contract.**

#### **B.5 Acceptance of Offer**

- B.5.1 The submission of a proposal shall constitute a binding offer. The proposal shall remain in effect for six (6) months after submission. OSEEGIB shall have the option of accepting the proposal at any time within that six (6) month period. If the proposal is accepted more than six (6) months after submission, OSEEGIB and the Consultant will agree to adjust the time lines up to six (6) months. The Consultant is advised that its proposal may be accepted any time within that six (6) month period, even if OSEEGIB accepted another Consultant's proposal and subsequently that contract was terminated.
- B.5.2 By submitting a proposal, the Consultant agrees not to make any claims for, or have any right to, damages because of any misunderstanding or misrepresentation of the specifications or because of any misinformation or lack of information.
- B.5.3 If a Consultant fails to notify OSEEGIB of an error, ambiguity, conflict, discrepancy, omission or other error in the RFP known to the Consultant, or an error that reasonably should have been known by the Consultant, the Consultant shall submit a proposal at its own risk; and, if awarded the contract, the Consultant shall not be entitled to additional compensation, relief or time by reason of the error or its later correction.

#### **B.6 Contractual Term**

- B.6.1 The Contract term is effective upon Department of Central Services, Central Purchasing Division's award of a Contract which is intended to be no later than September 1, 2011 through June 30, 2012 with four (4) one-year (1-year) renewals at the option of OSEEGIB, effective July 1, 2012 and expiring June 30, 2016. OSEEGIB intends to renew the Contract for the additional four (4) years subject to the terms and conditions of the Contract, unless OSEEGIB determines in its sole discretion, that re-bidding Contract services is in OSEEGIB members' best interest.

#### **B.7 Termination**

- B.7.1 The Consultant shall give OSEEGIB at least ninety (90) days written notice prior to cancellation. The Consultant shall also provide ninety (90) days written notice prior to non-renewal.
- B.7.2 OSEEGIB and the Department of Central Services may terminate this Contract for cause upon giving the Consultant thirty (30) days written notice. Termination

for cause is defined as the failure of the Consultant to maintain the quality of its services provided for by this Contract to the satisfaction of OSEEGIB. OSEEGIB and the DCS may terminate this Contract without cause upon giving the Consultant ninety (90) days written notice.

B.7.3 Following the effective date of termination, this Contract shall be of no further force and effect, except that each party shall remain liable for any obligations or liabilities arising from activities carried on by it hereunder prior to the effective date of termination of this Contract.

B.7.4 The Consultant and OSEEGIB agree that each party reserves the right to terminate this Contract if funds are not available to support the continuation of this benefit program administered by OSEEGIB, or if it is otherwise determined by OSEEGIB, at its sole discretion, that it is in the best interest of the State to terminate the Contract.

## **B.8 Confidentiality and HIPAA Requirements**

B.8.1 The Consultant agrees that it maintains internal practices, policies, books and records, including policies and procedures relating to the use and disclosure of OSEEGIB confidential and protected health information and will provide OSEEGIB a summary description of those policies and procedures upon request. All OSEEGIB member information concerning this RFP is the sole property of the State of Oklahoma and shall remain confidential. It shall not be used by the Consultant nor transmitted to others for any reason whatsoever, except as shall be required to administer and implement the Solicitation Specifications described in this RFP, or with prior written approval from OSEEGIB.

B.8.1.1 Identify the Consultant's HIPAA compliance officer.

B.8.2 The Consultant, as a "Business Associate," agrees to the following 'Business Associate Agreement' between OSEEGIB and the Consultant as defined by the Health Insurance Portability and Accountability Act of 1996 (HIPAA) statutes and regulations.

### **B.8.3 Definitions**

B.8.3.1 "Business Associate" shall have the meaning given to Business Associate under the Privacy Rule, including, but not limited to, 45 CFR § 160.103.

B.8.3.2 "Contract" shall mean the definition of contract as defined in Section B.11.

B.8.3.3 "Data Aggregation" shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 CFR § 164.501.

B.8.3.4 "Designated Record Set" shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 CFR § 64.501.

- B.8.3.5 “Health Care Operations” shall have the meaning given to such term under the Privacy Rule including, but not limited to, 45 CFR § 164.501.
- B.8.3.6 “HIPAA” means Health Insurance Portability and Accountability Act of 1996.
- B.8.3.7 “HITECH” means the Health Information Technology for Economic and Clinical Health Act
- B.8.3.8 “Individual” shall have the same meaning as the term “individual” as used in 45 CFR § 164.501 and shall include a person who qualifies as a “personal representative” in accordance with 45 CFR § 164.502(g), and shall also mean the person or “individual” who is the subject of information that constitutes PHI, and has the same meaning as the term “individual” as used in 45 CFR § 160.103
- B.8.3.9 “OSEEGIB” shall have the meaning given to the term ‘Covered Entity’ under the Privacy Rule including, but not limited to, 45 CFR § 160.103 for purposes of this Business Associate Agreement only and to the extent required by law.
- B.8.3.10 “Privacy and Security Rule” shall mean the HIPAA Regulations codified at 45 CFR Parts 160 through 164.
- B.8.3.11 “Protected Health Information” or “PHI” means any information, whether oral or recorded in any form or medium: (i) that relates to the past, present or future physical or mental condition of an individual; the provision of health care to an individual; or the past, present or future payment for the provision of health care to an individual; and (ii) that identifies the individual or with respect to which there is a reasonable basis to believe the information can be used to identify the individual, and shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 CFR § 160.103 [45 CFR §§160.103 ]
- B.8.3.12 “Protected Information” shall mean PHI provided by OSEEGIB to or created or received by the Consultant on OSEEGIB’s behalf.
- B.8.3.13 “Required by Law” shall have the same meaning as the term “required by law” in 45 CFR §164.103
- B.8.3.14 “Security Incident” shall have the same meaning as “security incident” in 45 CFR §164.304.

B.8.4 Obligations of Consultant.

- B.8.4.1 Permitted Uses. Consultant shall not use Protected Information except for the purpose of performing Consultant’s obligations under this Agreement and consulting services pursuant to special projects requested by the

OSEEGIB. Further, Consultant shall not use Protected Information in any manner that would constitute a violation of the Privacy Rule if so used by the OSEEGIB, except that Consultant may use Protected Information (i) for the proper management and administration of Consultant, (ii) to carry out the legal responsibilities of Consultant, or (iii) for Data Aggregation purposes for the Health Care Operations of OSEEGIB. [45 CFR §§164.504(e)(2)(i), 164.504(e)(2)(ii)(A) and 164.504(e)(4)(i)]

- B.8.4.2 Permitted Disclosures. Consultant shall not disclose Protected Information in any manner that would constitute a violation of the Privacy Rule if disclosed by the OSEEGIB, except that Consultant may disclose Protected Information (i) in a manner permitted pursuant to this Agreement (ii) for the proper management and administration of the Consultant, (iii) as required by law, or (iv) for Data Aggregation purposes for the Health Care Operations of the OSEEGIB. To the extent that Consultant discloses Protected Information to a third party, Consultant must obtain, prior to making any such disclosure, (i) reasonable assurance from such third party that such Protected Information will be held confidential as provided in this Agreement, and only disclosed as required by law or for the purposes for which it was disclosed to such third party, and (iii) an agreement from such third party to notify Consultant within a reasonable time of any breaches of confidentiality of the Protected Information, to the extent it has obtained knowledge of such breach. [45 CFR §§164.504(e)(2)(i), 164.504(e)(2)(i)(B), 164.504(e)(2)(ii)(A) and 164.504(e)(4)(ii)].
- B.8.4.3 Appropriate Safeguards. Consultant shall implement appropriate safeguards as are necessary to prevent the use or disclosure of Protected Information otherwise than as permitted by this Agreement. [45 CFR §164.504(e)(2)(ii)(B)]. Consultant agrees to transmit all records containing OSEEGIB protected information to OSEEGIB or any third party according to procedures that ensure confidentiality and security of OSEEGIB protected information.
- B.8.4.4 Reporting of Improper Use or Disclosure. Consultant shall report to OSEEGIB in writing of any use or disclosure of Protected Information otherwise than as provided for by this Agreement, and that is not an actual breach of HIPAA security or privacy standards, within five (5) days of becoming aware of such use or disclosure. 45 CFR §164.504(e)(2)(ii)(C)].
- B.8.4.5 Consultant's Agents. Consultant shall ensure that any agents, including subcontractors to whom it provides Protected Information, agree in writing to the same restrictions and conditions that apply to Consultant with respect to such PHI. [45 CFR §164.504(e)(2)(ii)(D)].

- B.8.4.6 Access to Protected Information. Consultant shall make Protected Information maintained by Consultant or its agents or subcontractors in Designated Record Sets or other agreed upon records, available to the OSEEGIB for inspection and copying within ten (10) days of a request by the OSEEGIB to enable the OSEEGIB to fulfill its obligations under the Privacy Rule, including, but not limited to, 45 CFR §164.524. [45 CFR §164.504(e)(2)(ii)(E)].
- B.8.4.7 Amendment of PHI. Within ten (10) days of receipt of a request from the OSEEGIB for an amendment of Protected Information or a record about an individual contained in a Designated Record Set, Consultant or its agents or subcontractors shall make such Protected Information available to the OSEEGIB for amendment and incorporate any such amendment to enable the OSEEGIB to fulfill its obligations under the Privacy Rule, including, but not limited to, 45 CFR §164.526. If any individual requests an amendment of Protected Information directly from Consultant or its agents or subcontractors, Consultant must notify the OSEEGIB in writing within five (5) days of the request. Any denial of amendment of Protected Information maintained by Consultant or its agents or subcontractors shall be the responsibility of the OSEEGIB. [45 CFR §164.504(e)(2)(ii)(F)].
- B.8.4.8 Accounting Rights. According to the applicable Regulation, and within ten (10) days of notice from a requesting entity, for an accounting of disclosures of Protected Information, Consultant and its agents or subcontractors shall obtain OSEEGIB's accounting of disclosures; provide the accounting to the requesting entity according to the Privacy Rule and send a copy to OSEEGIB. In the alternative, Consultant may transmit to acc OSEEGIB the information required to provide an accounting of disclosures to enable the OSEEGIB to fulfill its obligations under the Privacy Rule and OSEEGIB will provide the Accounting to the requesting entity. Consultant agrees to implement a process that allows for an accounting to be collected and maintained by Consultant and its agents or subcontractors as required by law. At a minimum, such information shall include: (i) the date of disclosure; (ii) the name of the entity or person who received Protected Information and, if known, the address of the entity or person; (iii) a brief description of Protected Information disclosed; and (iv) a brief statement of purpose of the disclosure that reasonable informs the individual of the basis for the disclosure, or a copy of the individual's authorization, or a copy of the written request for disclosure.
- B.8.4.9 Governmental Access to Records. Consultant shall make its internal practices, books and records relating to the use and disclosure of Protected Information available to the Secretary of the U.S. Department of Health and Human Services (the "Secretary") for purposes of determining the OSEEGIB's compliance with the Privacy Rule. [45 CFR §164.504(e)(2)(ii)(H)]. Consultant shall provide to the OSEEGIB a copy

of any Protected Information that Consultant provides to the Secretary concurrently with providing such Protected Information to the Secretary.

- B.8.4.10 Minimum Necessary. Consultant and its agents or subcontractors shall only request, use and disclose the minimum amount of Protected Information necessary to accomplish the purpose of the request, use or disclosure. [45 CFR §164.514(d)(3)].
- B.8.4.11 Data Ownership. Consultant acknowledges that Consultant has no ownership rights with respect to the Protected Information.
- B.8.4.12 Retention of Protected Information. Notwithstanding provisions to the contrary herein, and subject to the terms in the event of Contract Termination, Consultant and its subcontractors or agents shall retain all Protected Information throughout the term of this Agreement and shall continue to maintain the information required under this Agreement for a period of six (6) years after termination of the Agreement between Consultant and the OSEEGIB. [See 45 CFR §§164.530(j)(2) and 164.526(d)]. Consultant agrees to maintain OSEEGIB Medicare members' PHI for a period of ten (10) years after the termination of this agreement.
- B.8.4.13 Notification of Breach. During the term of this RFP, Consultant agrees to notify OSEEGIB within five (5) business days after discovery of any use or disclosure of PHI not authorized by this agreement or the terms of the Contract, of which the Consultant becomes aware. Within thirty (30) days after the date discovered, Consultant agrees to report to OSEEGIB the following: the nature of the non-permitted use or disclosure; the OSEEGIB PHI used or disclosed; who made the non-permitted or violating use or received the non-permitted or violating disclosure; what corrective actions Consultant has taken or will take to prevent further non-permitted or violating uses or disclosures; and what Consultant did or will do to mitigate any deleterious effect of the non-permitted or violating use or disclosure. The Consultant shall also notify OSEEGIB of a finding or stipulation that Consultant has violated any standard or requirement of the HIPAA Regulations or other security or privacy laws arising from any administrative or civil proceeding in which the Consultant has been joined. The Consultant agrees that OSEEGIB and Consultant will investigate an actual breach; however, the Consultant shall coordinate with OSEEGIB to control the investigation or any notification procedures related to the incident. Consultant agrees and acknowledges CMS Guidance and special notifications to HHS and the CMS/OSEEGIB Account Representative in the event of a security or privacy breach of Medicare beneficiaries' protected health information.

With regard to implementation of the HIPAA Security Rule, 45 CFR Part 164, Subpart C, and Oklahoma Statute 74 O.S. § 3113.1 and the occurrence of a Security Incident, Consultant agrees to report to

OSEEGIB, within the time described above, any successful (i) unauthorized access, use, disclosure, modification, or destruction of OSEEGIB unsecured electronic PHI or (ii) interference with Consultant system operations that contain OSEEGIB member information of which Consultant becomes aware. Consultant shall make such report to the OSEEGIB HIPAA Security Officer immediately after Consultant learns of any successful Security Incidents. To avoid unnecessary burden on either party, Consultant will only be required to report, upon OSEEGIB's request, attempted, but unsuccessful unauthorized access, use, disclosure, modification, or destruction of OSEEGIB electronic PHI or interference with system operations in Consultant information systems that involve OSEEGIB electronic PHI of which Consultant becomes aware, provided that OSEEGIB's request shall be made no more often than is reasonable based upon the relevant facts, circumstances and industry practices.

B.8.4.14 Audits, Inspection and Enforcement. Within ten (10) days of a written request by the OSEEGIB, Consultant and its agents or subcontractors shall allow the OSEEGIB to conduct a reasonable inspection of the facilities, systems, books, records, RFPs, policies and procedures relating to the use or disclosure of Protected Information pursuant to this Agreement for the purpose of determining whether Consultant has complied with HIPAA; provided, however, that (i) Consultant and OSEEGIB shall mutually agree in advance upon the scope, timing and location of such an inspection, (ii) OSEEGIB shall protect the confidentiality of all confidential and proprietary information of Consultant to which the OSEEGIB has access during the course of such inspection; and (iii) OSEEGIB shall execute a nondisclosure agreement, upon terms mutually agreed upon by the parties, if requested by Consultant. The fact that the OSEEGIB inspects, or fails to inspect, or has the right to inspect, Consultant's facilities, systems, books records, policies and procedures does not relieve Consultant of its responsibility to comply with these terms of this Agreement, nor does the OSEEGIB's (i) failure to detect or (ii) detection, but failure to notify Consultant or require Consultant's remediation of any unsatisfactory practices, constitute acceptance of such practices or a waiver of the OSEEGIB's enforcement rights under this Agreement.

B.8.4.15 Compliance with the HITECH Act. Sections 164.308 (administrative safeguards), 164.310 (physical safeguards), 164.312 (technical safeguards), and 164.316 (policies and procedures and documentation requirements) of title 45, Code of Federal Regulations the Security Rule, shall apply to Business Associate in the same manner that such sections apply to Covered Entity. Business Associate shall use and disclose Protected Health Information that a Business Associates obtains or creates only if such use or disclosure, respectively, is in compliance with each applicable requirement of Section 164.504(e) of Title 45, Code of Federal Regulations, the Privacy Rule, relating to business associate contracts. The additional requirements of Subtitle D of the "Health Information

Technology for Economic and Clinical Health Act" or the "HITECH Act" contained in Public Law 111-005 that relate to privacy and that are made applicable with respect to covered entities shall also be applicable to Business Associate and shall be and by this reference hereby are incorporated into the Business Associate Agreement. Business Associate agrees that HIPAA and HITECH civil and criminal penalties for data security and privacy violations apply to Business Associate when acting on behalf of OSEEGIB to the extent the penalties apply to OSEEGIB

- B.8.4.16 Compliance with the OSEEGIB Information Technology Policies and Procedures for Business Associates. Consultant acknowledges and agrees to the terms of the OSEEGIB Information Technology Policies and Procedures for Business Associates, which are incorporated into this Agreement by reference.

#### B.8.5 Special Uses and Disclosures

- B.8.5.1 Consultant may, consistent with the Privacy Rule, use or disclose PHI that Business Associate receives in its capacity as a Consultant to OSEEGIB if such use relates to the proper management and administration of the Business Associate to carry out legal responsibilities of the Business Associate. "Legal responsibilities" of the Business Associate used herein shall mean responsibilities imposed by law or regulation, but (unless otherwise expressly permitted by OSEEGIB) shall not mean obligations the Consultant may have assumed pursuant to contracts, agreements, or understandings other than the terms of the Contract. Consultant may de-identify OSEEGIB PHI, provided Consultant complies with 45 CFR §164.514(b); does not violate the Privacy Rule if done by OSEEGIB; provides notice of the time and date the data is de-identified and provides written assurances to OSEEGIB regarding use and disclosure of the de-identified data within ten days after de-identification.
- B.8.5.2 Consultant may engage in "data aggregation services" related to OSEEGIB in a manner permitted by the Privacy Rule at 45 CFR § 164.504(e)(2)(i)(B) and that complies with the terms of the Contract. "Data aggregation services" as used herein shall mean the combining of PHI by Consultant with PHI received by the Consultant in its capacity as a Business Associate of another covered entity, to permit analysis of data that relates to the health care operations of OSEEGIB or another covered entity.
- B.8.5.3 Consultant may use PHI to report violations of law to appropriate federal and state authorities, consistent with 45 CFR § 164.502.

## B.8.6 Obligations of OSEEGIB

- B.8.6.1 OSEEGIB shall be responsible for using appropriate safeguards to maintain and ensure the confidentiality, privacy and security of PHI transmitted to the Consultant in accordance with the standards and requirements of the Privacy and Security Rules, until such PHI is received by the Consultant.
- B.8.6.2 OSEEGIB shall notify Consultant of any limitation(s) in its notice of privacy practices of OSEEGIB in accordance with 45 CFR § 164.520, to the extent that such limitations may affect Consultant use or disclosure of PHI, and shall also notify Consultant of any material change in privacy practices and procedures of OSEEGIB.
- B.8.6.3 OSEEGIB shall notify Consultant of any changes in, or revocation of, permission by an Individual to use or disclose PHI to the extent such changes may affect Consultant use and disclosure of PHI.
- B.8.6.4 OSEEGIB shall notify Consultant of any restrictions in the use or disclosure of PHI that OSEEGIB has agreed to in accordance with 45 CFR § 164.522, to the extent such restriction may affect Consultant use or disclosure of PHI. Prior to agreeing to any restriction, OSEEGIB will consult with Consultant regarding whether the proposed restriction will affect its functions, activities, or services under the Contract.
- B.8.6.5 If OSEEGIB or Consultant receives a request from an Individual for confidential communication of PHI by alternative means or at alternative locations in accordance with 45 CFR 164.522(b), both OSEEGIB and Consultant will accommodate the request to the extent feasible
- B.8.6.6 OSEEGIB shall not request Consultant to use or disclose PHI in any manner that would not be permissible under the Privacy Rule if such use or disclosure were made by OSEEGIB.

## B.8.7 Interpretation.

- B.8.7.1 The Agreement shall be interpreted as broadly as necessary to implement and comply with HIPAA and the Privacy and Security Rules. . The parties agree that any ambiguity in this Agreement shall be resolved in favor of a meaning that complies and is consistent with HIPAA, the Privacy and Security Rules and Oklahoma Statutes.

## B.8.8 Termination.

- B.8.8.1 Material Breach. A breach by Consultant of any material provision of the terms of this Agreement as determined by the OSEEGIB shall constitute a material breach of the contract formed by the OSEEGIB RFP and

Consultant Response and provide grounds for immediate termination all agreements between the OSEEGIB and Consultant.

B.8.8.2 Reasonable Steps to Cure Breach. If the OSEEGIB knows of a pattern of activity or practice of Consultant that constitutes a material breach or violation of the Consultant's obligations under the provisions of the terms in this Section and does not terminate this Agreement, then the OSEEGIB shall take reasonable steps to cure such breach or end such violation, as applicable. If OSEEGIB's efforts to cure such breach or end such violation are unsuccessful, the OSEEGIB shall either (i) terminate the contract formed by the OSEEGIB RFP and Consultant Response, if feasible or (ii) if termination of that contract is not feasible, OSEEGIB shall report Consultant's breach or violation to the Secretary of the Department of Health and Human Services.

B.8.8.3 Effect of Termination. Upon termination of the terms of the Business Associate Agreement for any reason, the Consultant shall return all OSEEGIB Protected Information to OSEEGIB that the TPA or its agents or subcontractors still maintain in any form. Upon return and receipt from OSEEGIB of all OSEEGIB protected Information, the obligations in paragraph (l) are deemed completed and of no effect. If a return of OSEEGIB members' PHI is not feasible, Consultant shall continue to protect OSEEGIB members' PHI according to HIPAA standards for a period of at least ten (10) years from the date of termination, then destroy the OSEEGIB members PHI and certify in writing to OSEEGIB that it has destroyed the protected information. Without limiting the foregoing, Consultant may retain copies of PHI in its work papers related to its services

## **B.9 Appropriated Funds**

B.9.1 The parties understand and agree that none of the sums to be paid under this agreement are appropriated funds. Should there be a revenue shortfall, OSEEGIB will not seek appropriations and will not use appropriated funds to pay for this obligation. The most recent financial statement of OSEEGIB is posted on OSEEGIB's website: [www.sib.ok.gov](http://www.sib.ok.gov) (go to "About OSEEGIB" 2009 Annual Report Statement)

## **B.10 Records**

B.10.1 The Consultant shall maintain full and adequate records relating to the services it is performing under this agreement and shall allow OSEEGIB to review and copy such records upon request. The Consultant shall provide adequate safeguards for all books and records. The Consultant shall reveal to OSEEGIB the specifics of its safeguarding program.

## **B.11 Contract Defined**

- B.11.1 This RFP, together with the Consultant's response, exhibits, written questions and clarifications, amendments or revisions signed by both parties and presented to the DCS and the DCS purchase order, constitute the entire and final agreement between OSEEGIB and the Consultant relating to the rights granted and the obligations assumed by the parties and is the Contract when the DCS awards the Contract to the successful Consultant.
- B.11.2 Any prior agreements, promises, negotiations, or representations, either oral or written, relating to the subject matter of this Consultant and the Consultant's response thereto, not expressly set forth, are of no force or effect.

## **B.12 Hold Harmless**

- B.12.1 The Consultant shall be responsible for the work, direction, and compensation of Consultant employees, agents and subcontractors. Neither OSEEGIB nor the State of Oklahoma shall be liable, directly or indirectly, for the work and direction of Vendor's employees, agents or subcontractors. The Consultant agrees to indemnify and hold harmless OSEEGIB, its employees and agents, and the State of Oklahoma from damages, loss, or liability to persons or property arising from claims of any kind, including, but not limited to compensation by Consultant employees, agents, and subcontractors of the Consultant against the Consultant; negligent or willful acts of the Consultant its employees or agents in performance of this Contract; acts, omissions or liabilities of the Consultant acting in any capacity that relate to the Contract; and damages, costs, fines or penalties arising from HIPAA violations committed by Consultant employees, agents or subcontractors. The State of Oklahoma does not waive, compromise, concede, surrender, or relinquish any rights, privileges, immunities, or remedies that the State of Oklahoma and its employees possess under State or Federal law.

## **B.13 Designation of Personnel**

- B.13.1 OSEEGIB may designate personnel or professionals under contract with OSEEGIB to administer any of the terms or conditions of this Contract referenced herein, and any and all duties or acts required of OSEEGIB.

## **B.14 Severability**

- B.14.1 The terms and provisions of this Contract shall be deemed to be severable one from the other, and any determination at law or in a court of equity that one term or provision is unenforceable, shall have no effect on the remaining terms and provisions of this Contract, or any one of them, in accordance with the intent and purposes of the parties hereto.

## **B.15 Notice**

B.15.1 Any notice required to be given, pursuant to the terms and provisions of the Contract, shall be in writing, and delivered either by hand delivery with written receipt, or delivered by the U. S. Postal Service, (USPS) postage prepaid, by certified mail, return receipt requested, to OSEEGIB at 3545 N.W. 58th, Oklahoma City, Oklahoma 73112, or the Consultant at the address listed on the DCS purchase order. The USPS notice shall be effective on the date indicated on the return receipt.

## **B.16 Supremacy of State Statutes**

B.16.1 This Contract is subject to all applicable Federal Regulations and Oklahoma State Statutes, OSEEGIB's Rules and Administrative Directives. Any provision of this Contract which is not in conformity with existing or future legislation shall be considered amended to comply with such legislation. Any interpretation or disputes with respect to Contract provisions shall be resolved according to the laws of the State of Oklahoma. Jurisdiction and venue for any litigation between OSEEGIB and the Consultant shall occur in either a State or Federal court in Oklahoma County, Oklahoma.

## **B.17 Force Majeure**

B.17.1 Neither party shall be liable for any delay or failure of performance under this Contract due to an act of God, or due to war mobilization, insurrection, rebellion, riot, sabotage, explosion, fire, flood or storm.

## **B.18 Assignments**

B.18.1 This Contract may not be assigned in whole or in part without written understanding and OSEEGIB approval.

## **B.19 Subcontractors**

B.19.1 The Consultant shall identify each subcontractor performing services on behalf of the Consultant to comply with the RFP and Contract provisions. The Consultant shall certify that each subcontractor complies with the minimum requirements of this RFP. The Consultant shall provide said certification for future subcontractors when a subcontractor is engaged to perform services for OSEEGIB on behalf of the contracted Consultant.

## **C. SOLICITATION SPECIFICATIONS**

The Consultant shall comply with all requirements in this section. The Consultant must state in its response exactly how it will comply, providing detailed information and stating affirmatively its understanding of the requirement(s). Any alternative solutions offered by the Consultant to the required Solicitation Specifications shall be considered as to whether the

alternative solution is or is not in the best interest of the plan, and shall be evaluated accordingly. Said alternative solutions(s) shall be listed by the Consultant in the attached Statement of Compliance.

In the event the Consultant proposes an alternative solution to a stated requirement, the Consultant shall explain in detail and provide the potential impact to OSEEGIB. No such alternative solution may be substituted by the Consultant without express written approval of OSEEGIB.

Any additional services that the Consultant intends to provide OSEEGIB, and which are not included in the Solicitation Specifications shall be itemized in the Consultant's financial proposal.

### **C.1 Reimbursement Consulting**

- C.1.1 The Consultant shall work with OSEEGIB to identify projects that will improve current reimbursement methodologies. OSEEGIB maintains all paid claims data internally. OSEEGIB will be responsible for all cost impact analysis as requested by the consultant. For each project, the consultant shall:
  - A. Meet with OSEEGIB to review payment methodologies and develop a work plan based on agreed upon priorities.
  - B. Define the scope of the project, a timeline to implement, and the Consultant's estimated cost for that particular project.
  - C. Provide evidence that the reimbursement methodologies and fee schedules being recommended are competitive and appropriate for this region.
  - D. Provide a business plan that details the transition from the current payment system to the one being recommended.
  - E. Develop a plan for updating the proposed methodology on an annual basis.
- C.1.1.1 Provide a recent work plan with example(s) and implementation timelines. Discuss the outcome achieved and lessons learned.
- C.1.1.2 Generally describe the Consultant's familiarity with provider reimbursement issues and how various approaches to reimbursement methodologies are accepted throughout provider communities.
- C.1.2 The Consultant shall demonstrate its expertise with developing and implementing various reimbursement methodologies.
  - C.1.2.1 Provide the names and credentials of each individual assigned to OSEEGIB's account.

- C.1.2.2 For each lead consultant(s) assigned to OSEEGIB's account, describe their specific experience in the development of hospital inpatient payment methodologies.
- C.1.2.3 For each lead consultant(s) assigned to OSEEGIB's account, describe their specific experience in the development of hospital outpatient payment methodologies
- C.1.2.4 For each lead consultant(s) assigned to OSEEGIB's account, describe their specific experience in the development of ancillary services payment methodologies.
- C.1.2.5 For each lead consultant(s) assigned to OSEEGIB's account, describe their specific experience in the development of physician services payment methodologies.
- C.1.2.6 For each lead consultant(s) assigned to OSEEGIB's account, describe their specific experience in the development of non-hospital facility payment methodologies.
- C.1.2.7 For each lead consultant(s) assigned to OSEEGIB's account, describe their specific experience in the development of dental payment methodologies.
- C.1.2.8 For each lead consultant(s) assigned to OSEEGIB's account, describe their specific experience in the development of other payment methodologies.
- C.1.2.9 For each lead consultant(s) assigned to OSEEGIB's account, describe their specific experience working with providers and provider focus groups in developing and revising recommendations based upon provider input, and then implementing payment methodologies.
- C.1.2.10 For each lead consultant(s) assigned to OSEEGIB's account, describe their specific experience in presenting testimony for presentations and public meetings.
- C.1.2.11 For each lead consultant(s) assigned to OSEEGIB's account, describe their specific knowledge and experience in updating contracts to reflect proposed payment methodologies.
- C.1.2.12 For each lead consultant(s) assigned to OSEEGIB's account, describe their practical experience with provider coding and billing procedures as well as the claims administration process and a TPA's ability and/or limitations in implementing the proposed payment methodologies.
- C.1.2.13 For each lead consultant(s) assigned to OSEEGIB's account, describe their experience with multi-payer initiatives.

- C.1.2.14 For each lead consultant(s) assigned to OSEEGIB's account, describe their experience with quality and readmission initiatives for hospitals and experience in identifying potentially avoidable costs.
- C.1.2.15 For each lead consultant(s) assigned to OSEEGIB's account, describe their knowledge of other commercial payers rates, contract provisions, and methodologies in order to assess OSEEGIB's competitiveness in the market place.

## **C.2 Education**

- C.2.1 The Consultant shall be available to meet with members of the legislature, affected provider groups and other interested parties to fully explain the methodologies and fee schedule proposals, if required.
  - C.2.1.1 Describe the Consultant's experience presenting information to provider communities.
- C.2.2 Presently, state law provides for a Payment Review Task Force. See: 74 O.S. § 1306.3. The Task Force is to submit an annual report to a legislative oversight committee making recommendations regarding reimbursement policy and changes for inpatient and outpatient hospital services. The Consultant shall submit a response to the Payment Review Task Forces annual report.
  - C.2.2.1 Describe the Consultant's experience presenting information to State Legislatures.

## **C.3 Other Provider Payment Methods**

- C.3.1 The Consultant shall make recommendations to OSEEGIB addressing new payment concepts such as medical homes, pay-for-performance, accountable care organizations, and other methods that might benefit OSEEGIB's position in the marketplace and provider relations.
  - C.3.1.1 Describe the Consultants experience with the methods described above and any other payment methods known by the Consultant.

## **D. Evaluation**

### **D.1 Evaluation and Award**

- D.1.1 Proposals will be evaluated on the "best value" determination in accordance with the State of Oklahoma Statute Title 74, Section 85.
- D.1.2 The State reserves the right to request demonstrations and clarifications from any or all responding Consultants.

- D.1.3 The State reserves the right to accept or reject any or all proposals or portion thereof.
- D.1.4 The State reserves the right, at its sole discretion, to request clarifications of technical proposals or to conduct discussions for the purpose of clarification with any or all Consultants. The purpose of any such discussion shall be to ensure full understanding of the proposal. If clarifications are made because of such discussion, the Consultant shall put such clarification in writing.
- D.1.5 Firms that contend that they lack flexibility because of corporate policy on a particular negotiation item will face a significant disadvantage and may not be considered. If such negotiations are conducted, the following conditions shall apply.
- D.1.6 All proposals will be evaluated for compliance with Minimum Requirements. Proposals clearly failing to meet minimum requirements or proposals needing substantial clarifications to determine compliance will be eliminated from future consideration or evaluation. Consultants whose proposals need minor clarification will be allowed to clarify those points. Only proposals meeting all Minimum Requirements will be evaluated further.
- D.1.7 OSEEGIB will then review the acceptable proposals in their entirety. The end result of that process will result in the identification of proposals, which, in the opinion of OSEEGIB would result in an acceptable Consultant. References will then be checked and OSEEGIB may invite selected Consultant(s) to Oklahoma City for discussions and demonstrations or OSEEGIB may request a Consultant site visit to the Consultant's offices.
- D.1.8 OSEEGIB reserves the right to consider historical information and facts, whether gained from the Consultant's proposal question and answer conferences, references, or any other source in the evaluation process.
- D.1.9 The Consultant is cautioned that it is the Consultant's sole responsibility to submit information pertinent to the evaluation and that OSEEGIB is under no obligation to solicit such information if it is not included with the RFP. Failure to submit such information may cause an adverse impact on the evaluation of the Proposal.
- D.1.10 BEST and FINAL – The state may request best and final offers if deemed necessary, and will determine the scope and subject of any best and final request. However, the Consultant should not expect that the state will ask for best and finals to give the Consultant an opportunity to enhance its proposal. Therefore, the Consultant should submit its best offer based on the terms and conditions set forth in this solicitation

**This RFP will be evaluated on the following:**

**D.2 Selection Criteria**

- D.2.1 Compliance with Special Provisions (B.6 – B.20)
- D.2.2 Experience and responses to Solicitation Specifications (C.1 – C.3)
- D.2.3 Compliance with Minimum Requirements (G.1)  
Price and Cost (H.1 – H.2)

**E. INSTRUCTIONS TO CONSULTANT**

**E.1 Proposal Process**

- E.1.1 The Consultant shall submit with its proposal an executive summary no longer than two (2) pages, outlining significant features of the proposal.
- E.1.2 The proposal will be received by the Department of Central Services. After opening, it will be reviewed by the DCS for conformation with the Proposal Submission Requirements. Non-conforming proposals will not be considered further. DCS will then forward the acceptable proposals to OSEEGIB.
- E.1.3 OSEEGIB's Evaluation Committee will in turn review for compliance with Minimum Requirements. Proposals that do not meet Minimum Requirements will not be considered further.

**E.2 Proposal Format**

- E.2.1 Proposals shall be prepared in the format described below. Failure to comply with the specified format may lead to a Consultant's proposal being declared non-responsive. OSEEGIB is especially concerned that the format of the proposal sequentially responds to the requested services, Minimum Requirements and other questions that may be addressed within the RFP. The Consultant should restate the service, requirement, or question and then state its response. The Consultant shall assign consecutive page numbers in its response.
- E.2.2 Appendices should be similarly sequential. Any other information thought to be relevant, but not applicable to the prescribed format, should be provided as appendices to the proposal. If a Consultant offered a publication to respond to a requirement, the response should include references to the publication and page number. Proposals without this reference shall be considered to have no reference materials included.
- E.2.3 An official copy of the RFP is obtainable only through the DCS <http://www.ok.gov/DCS/>.

E.2.4 The proposal shall be configured to arrive at the designated office in one physical container (the "Outer Container"). FAX or electronic submissions are not acceptable.

**E.3 Proposals Are Subject to Oklahoma Open Records Act**

E.3.1 To the extent permitted by the Oklahoma Open Records Act (51 O. S. § 24A.1-27), the Consultants' proposals will not be disclosed, except for purposes of evaluation, prior to approval by the Department of Central Services of the resulting Contract. All material submitted becomes the property of the State of Oklahoma. Proposals will not be considered confidential after a Contract is awarded.

E.3.2 Submitted proposals may be reviewed and evaluated by any person designated by OSEEGIB, other than one associated with a competing Consultant. OSEEGIB reserves the right to use any and all ideas presented in any response to the RFP. Selection or rejection of a proposal does not affect this right.

E.3.3 Proposals are subject to public disclosure in accordance with DCS General Provisions A.7. Proposals marked as proprietary and/or confidential will not be considered.

**E.4 Restrictions on Communication with OSEEGIB Staff**

E.4.1 From the issue date of this RFP until a Consultant is selected, Consultants are not allowed to discuss this RFP with any OSEEGIB Board member, employee or any Consultant to OSEEGIB unless the discussion is part of the DCS negotiation process. Any violation of this restriction shall result in disqualification.

**E.5 Issuing Office**

This RFP is issued by the Department of Central Services (DCS) on behalf of the Oklahoma State and Education Employees Group OSEEGIB (OSEEGIB). All proposals must be submitted in accordance with the policies, procedures, requirements and dates set forth below.

No late proposal will be accepted. The Consultant must submit an original, eight (8) copies, and two (2) electronic copy on CD in a searchable PDF format allowing full text searches of the Consultant's response language, including exhibits when possible. The proposal must be submitted by 3:00 p.m., Wednesday July 13, 2011 to:

Irene Bowman, Contracting and Procurement Officer  
Department of Central Services  
Central Purchasing Division  
Will Rogers Building, First Floor, Suite 116  
2401 N. Lincoln Blvd, Suite 116 - If sending by Fed Ex etc  
PO Box 528803 - if mailing  
Oklahoma City, Oklahoma 73152-8803

Phone: (405) 521-4058  
Fax: (405) 522-1077  
Email: [Irene\\_Bowman@dcs.state.ok.us](mailto:Irene_Bowman@dcs.state.ok.us)

## **E.6 Sole Contact**

E.6.1 If the Consultant has questions regarding any bidding requirements of the RFP, the contact is:

Irene Bowman, Contracting and Procurement Officer  
Department of Central Services  
Central Purchasing Division  
Will Rogers Building, First Floor, Suite 116  
2401 N. Lincoln Blvd, Suite 116 - If sending by Fed Ex etc  
PO Box 528803 - if mailing  
Oklahoma City, Oklahoma 73152-8803

Phone: (405) 521-4058  
Fax: (405) 522-1077  
Email: [Irene\\_Bowman@dcs.state.ok.us](mailto:Irene_Bowman@dcs.state.ok.us)

## **E.7 Information from One Consultant Concerning Another Is Prohibited**

E.7.1 Consultants are advised that OSEEGIB is not interested in, nor will it consider, allegations of lack of qualification or of impropriety made or initiated by any Consultant concerning another Consultant at any point during the competitive bid process. Inclusion of such information in the RFP response or communication of such information to any state officials, state staff or its contractors after proposal submission shall be grounds for disqualification. This clause in no way limits the right to file a protest or appeal under the laws or rules governing the State of Oklahoma.

## **E.8 Revisions to the RFP and/or Responses**

E.8.1 OSEEGIB may at any time hereafter supplement the RFP, the proposal and the resulting Contract for purposes of enumerating, defining, and clarifying services,

duties and functions, but not to add new services, duties or functions unless approved by the Department of Central Services.

**E.9 Proposal Withdrawal**

E.9.1 Before the proposal opening date and time, a submitted proposal may be withdrawn by a written request signed by the Supplier to:

Irene Bowman, Contracting and Procurement Officer  
Will Rogers Building  
Department of Central Services, Central Purchasing Division  
Oklahoma City, Oklahoma 73152-8803

and

Kathy Pendarvis, General Counsel to the Administrator  
Oklahoma State and Education Employees Group OSEEGIB  
3545 NW 58<sup>th</sup>, Suite 1000  
Oklahoma City, Oklahoma 73112

**E.10 Incurred Expenses**

E.10.1 OSEEGIB will not be responsible for any costs a proposing Consultant may incur in preparing and submitting a proposal, making an oral presentation, providing a demonstration, or performing any other related activities.

**E.11 Notification of Award**

E.11.1 Notification will be made to the successful Consultant by issuance of a purchase order. Public information releases pertaining to this project shall not be made without prior written approval by OSEEGIB and then only in conjunction with OSEEGIB.

**F. CHECKLIST**

OSEEGIB reserves the right to alter these dates, issue amendments to this RFP, cancels, or re-issue this RFP at any time for any reason.

- F.1 Department of Central Services Releases RFP .....No later than, Wednesday May 4, 2011
- F.2 Notice of Intent to Bid/Questions .....Wednesday May 18, 2011
- F.3 OSEEGIB Responds to Questions .....June 1, 2011
- F.4 Proposals due..... July 13, 2011
- F.5 Interviews (if necessary) ..... July
- F.6 OSEEGIB's Recommendation to Department of Central Service ..... August 19, 2011
- F.7 Contract Effective Date for maintenance services.....As soon as DCS awards the Contract with the intended effective of September 1, 2011.
- F.8 The Consultant must agree to make any of its facilities available to OSEEGIB if it is determined that an on-site visit would be beneficial and utilized as part of the final evaluation process.

## **G. Other**

### **G.1 Minimum Requirements**

#### **G.1.1 Experience**

G.1.1.1 The senior consultants assigned to OSEEGIB's account shall have a minimum of 10 years of experience in hospital inpatient, hospital outpatient, ancillary, physician, and non-hospital facility reimbursement development.

#### **G.1.2 References**

G.1.2.1 Provide contact names of at least three (3) non-affiliated clients, addresses, telephone numbers, email addresses and fax numbers.

#### **G.1.3 No Commissions**

G.1.3.1 The Consultant must agree:

G.1.3.1.1 to and shall perform all services described in this RFP and the final OSEEGIB/State of Oklahoma Contract, strictly according to a fee-for-services basis;

G.1.3.1.2 that absolutely no commissions or finder's fees shall be paid to anyone or any organization resulting from the State of Oklahoma's Contract, either arising from an agreement to pay a commission or finder's fee prior to or during the term of this Contract; and,

G.1.3.1.3 to provide a statement as part of its response to this RFP, and prior to each Contract renewal, that absolutely no commissions or finder's fees are to be paid to any subcontractor, broker, agent or other individual, organization or entity.

#### **G.1.4 Conflict**

G.1.4.1 The Consultant shall disclose any apparent or potential conflict of interest or affirm that it has none. The Consultant shall have no interest, direct or indirect, that could be perceived to conflict in any manner or degree with the performance of services required under this Contract. The Consultant shall not engage in any conduct that violates or induces others to violate provisions in the Oklahoma Statutes regarding the conduct of public employees. See: The Anti-Kickback Act of 1974 at 74 O.S. 2001, § 3401, et seq., and the Conflict of Interest provision in the Oklahoma Central Purchasing Act at 74 O. S. 2001, § 85.3.

#### **G.1.5 Lawsuits and Litigation**

G.1.5.1 The Consultant must disclose, unless prohibited by securities laws, any prior lawsuits and litigation, violations of administrative rules and hearings, or any lawsuits and litigation threatened or impending, involving itself and the

State of Oklahoma or any political subdivisions, and/or any state officer and/or any state employee acting in the capacity of a state employee. The Consultant must disclose any settlements, compromises or Judgments of Record resulting from the foregoing described litigation or administrative proceedings for the past five (5) years or affirm there are none. If the Consultant determines the aforementioned information to be confidential, it shall provide a statement of that fact.

- G.1.5.2 The Consultant shall list and disclose contract cancellations or negligent causes of action that arose from work performed that is the same or similar to work identified in the Solicitation Specifications in this RFP that was initiated by persons or entities other than the Consultant and resulted in a settlement with or judgment against the Consultant in any jurisdiction in the United States in an amount of One Hundred Thousand Dollars (\$100,000) or more within the previous five (5) years, or affirm there are none.
- G.1.5.3 The Consultant shall disclose if it has any past or pending investigation, legal actions, administrative actions, or matter subject to arbitration brought involving the Consultant (and Consultant's parent firm if applicable), including any key management or executive staff, over the past three years on matters relating to payments from governmental entities, both federal and state, for healthcare and/or prescription drug services. The disclosure should include an explanation as well as the current status and or disposition.

## G.2 Statement of Compliance

- G.2.1 Certain conditions may preclude the Consultant's strict compliance with a term specified in this RFP. The Consultant may describe its method of compliance to accomplish the requirements of the specific term and OSEEGIB reserves its unrestricted discretion to determine, whether an alternative method offered by the Consultant is acceptable to OSEEGIB.
- G.2.2 Any alternative method or exceptions to terms, conditions or other requirements in any part of the RFP must be clearly described in both the appropriate section of the solicitation and listed as an attachment to the Statement of Compliance and shall be made a part of this RFP. Otherwise, OSEEGIB shall consider that all items offered are in strict compliance with the RFP and the Consultant shall be responsible for compliance. OSEEGIB shall specify at the time of the awarding of the Contract what, if any, optional, alternative methods are accepted.
- G.2.3 Notwithstanding anything to the contrary, OSEEGIB maintains the unrestricted discretion to make any decision as to suitability, competency, ability to perform, conflicts of interest or the appearance thereof, responsiveness of the Consultant's proposal, acceptability of such proposal, or other decisions concerning qualifications.

Each Consultant shall be required to submit a response to this Request for Proposal as it is written. Any Consultant who wishes to propose exceptions or alternatives to any term, condition, or requirement of this RFP must specify the exception and/or alternative and submit a response for each deviation. If a Statement of Compliance is not returned to OSEEGIB with the Consultant's original proposal, the response may be excluded from further consideration. If a Statement of Compliance is submitted with deviations, OSEEGIB will consider such exceptions and/or alternatives in the evaluation process or such exception and/or alternative may constitute grounds for rejection of the proposal.

The solicitation submitted to OSEEGIB is in strict compliance with this RFP, and if selected as a Consultant, the Consultant will be responsible for meeting all requirements of this RFP.

The solicitation submitted to OSEEGIB contains deviations from the specifications of this RFP. The deviations are attached.

Name: \_\_\_\_\_ Company: \_\_\_\_\_  
Signature: \_\_\_\_\_ Address: \_\_\_\_\_  
Title: \_\_\_\_\_  
Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

**H. PRICE AND COST**

H.1 OSEEGIB plans to budget \$250,000.00 annually for reimbursement methodology consulting services. The Consultant shall provide hourly billing rates for each category of personnel and/or billing rate that might bill for projects affiliated with this Contract. (i.e., Partner, Principal, Manager). The hourly rates must be flat rates, ranges are not acceptable. If the Consultant anticipates the hourly rate fluctuating for the renewal terms of the Contract, it must state the hourly rate for the initial term of the Contact and each renewal year. All travel, per diem and other miscellaneous expenses must be included in the flat hourly rate. The Consultant must not quote these charges separately and cannot be reimbursed for them under the terms of this Contract and the laws governing the State of Oklahoma.

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
i.e.:					
Partner	_____	_____	_____	_____	_____
Principal	_____	_____	_____	_____	_____
Manager	_____	_____	_____	_____	_____

H.2 In accordance with Oklahoma State Statutes, OSEEGIB shall compensate the Consultant on a monthly basis for consulting services that have been performed over the preceding month, pursuant to the terms of this Contract. All invoices and payments of invoices are subject to subsequent adjustments based upon proper documentation.

All invoices shall be forwarded to the address below, by the 30th day of the following month for services performed in the previous month, for verification, approval, and submission for payment:

Accounts Payable Division  
 Oklahoma State and Education Employees Group Insurance Board  
 3545 N. W. 58th Street, Suite 1000  
 Oklahoma City, Oklahoma 73112

Payment shall be made within forty-five (45) days of receipt of a properly completed invoice.