REQUEST FOR PROPOSALS

ENTITLED:

"Actuarial and Benefits Management Consulting (ABMC) Services"

RELEASE DATE:

August 31, 2026

PROPOSAL DUE DATE:

October 9, 2026

IMPORTANT NOTICE: A Restricted Period under the Procurement Lobbying Law is currently in effect for this Procurement, and it will remain in effect until State Comptroller approval of the resultant Contract. During the Restricted Period for this Procurement ALL communications must be directed, in writing, solely to the Designated Contact as listed in Section 2 of this RFP and shall be in compliance with the Procurement Lobbying Law and the NYS Department of Civil Service "*Rules Governing Conduct of Competitive Procurement Process*" (refer to RFP, Section 2: Procurement Protocol and Process).

All inquiries, questions, filings and submission of Proposals must be directed in writing to:

George Powers
New York State Department of Civil Service
Attn: Office of Financial Administration,
Empire State Plaza, Swan Street Building – Core 1
Albany, New York 12239
DCSprocurement@cs.ny.gov

Timothy R. Hogues Commissioner NYS Department of Civil Service	Daniel Yanulavich Director Employee Benefits Division

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SECTION 1: INTRODUCTION

1.1 Timeline of Key Events

EVENT	DATE
Issuance of Request for Proposals	August 31, 2026
Deadline for Submission of Offeror Affirmation of Understanding	See below*
Deadline for Submission of Written Questions	September 14, 2026, 4:00 p.m. ET
Responses to Written Questions Posted	September 24, 2026
Deadline for Submission of Proposals	October 9, 2026, 3:00 p.m. ET
Technical Management Interviews	Week of October 26, 2026
Anticipated Tentative Award Date	November 17, 2026
Anticipated OSC Approval of Contract Award	February 8, 2027
Anticipated Contract Start Date	January 1, 2028

*Prior to the Offeror's initial contact with the Department, the Offeror must complete and submit *Attachment 1, Offeror Affirmation of Understanding & Agreement* of this RFP to the Designated Contact identified in Section 2.1.1 of this RFP.

1.2 Purpose

The New York State Department of Civil Service (Department or DCS) has issued this Request for Proposals (RFP) to secure the services of a qualified organization to provide actuarial and benefits management consulting services to the Department for use in the administration of the New York State Health Insurance Program (NYSHIP) and other benefits administered by the Department.

This RFP defines minimum Contract requirements, details response requirements, and outlines the Department's process for evaluating responses and selecting a qualified organization (Offeror). Project Services are set forth in detail in Section 3 of this RFP. Capitalized terms used herein shall have the meanings specified in the *Glossary of Defined Terms* (Attachment 14) or in the body of this RFP. If there is a conflict in a definition, the body of the RFP will control.

The Department will only contract with a single Offeror, which will be the sole contact regarding all provisions of the Contract. Contract is defined as the Agreement, resultant from this RFP, entered between the Department and the single Offeror.

The Offeror selected from this RFP will be solely responsible for providing Project Services in accordance with the specifications in this RFP. This RFP and other relevant information may be reviewed at: https://www.cs.ny.gov/ABMCServicesRFP/.

1.3 Period of Performance

The term of the Contract shall be for a period of five-and-a-half years beginning on January 1, 2028 (Effective Date) and terminating on June 30, 2033, unless otherwise terminated in accordance with the Contract provisions.

In accordance with New York State policy and New York State Finance Law section 112(2), the resulting Contract is deemed executory until it has been approved by the New York State Attorney General's Office (AG) and approved and filed by the New York State Office of the State Comptroller (OSC).

1.4 Overview of the New York State Health Insurance Program (NYSHIP)

The New York State Health Insurance Program (NYSHIP) was established by the New York State Legislature in 1957 to provide essential health insurance protection to New York State (NYS) employees, retirees, and their eligible Dependents. Civil Service Law allows the NYSHIP the option to be self-funded, which occurred in 2014. Public authorities, public benefit corporations, and other quasi-public entities, such as the NYS Thruway Authority and the Dormitory Authority may choose to participate in NYSHIP; those that do are called Participating Employers (PEs). Article XI of the NYS Civil Service Law also allows local units of government such as school districts, special districts, and municipal corporations to participate in NYSHIP; those local government units which choose to participate in NYSHIP are called Participating Agencies (PAs). At present, there are roughly 100 Participating Employers and about 810 Participating Agencies in NYSHIP. Under Article XI of the Civil Service Law, as amended and Title 4 New York Code of Rules and Regulations (NYCRR) Part 73, as amended, the President, who also serves as the Commissioner of the Department, through the Department's Employee Benefits Division (EBD) is responsible for the ongoing administration of NYSHIP. NYSHIP currently covers over 628,000 NYS, PA and PE Employees and Retirees. Eligible covered Dependents bring the total number of covered lives to about 1,212,000.

The Empire Plan

The largest health plan option under NYSHIP is The Empire Plan, a Participating Provider Organization (PPO) with managed care components, which is available to New York State Employees and Retirees, PAs, and PEs. The Empire Plan benefit design has four (4) main parts including:

1. Hospital Program benefits that include coverage for hospital inpatient stays, hospice care, emergency care, skilled nursing facilities, infertility services and the Transplants Program. This program is currently administered by Anthem Blue Cross (Anthem);

2. Medical Program benefits that include coverage for medical and surgical services under the Participating Provider and the Basic Medical Program. This

program is currently administered by UnitedHealthcare Insurance Company (UHC) of New York;

3. Mental Health and Substance Use Disorder Program benefits administered by Carelon Behavioral Health (Carelon); and

4. Prescription Drug Program benefits that include coverage for prescription drugs dispensed through retail network pharmacies, through the Mail Service Pharmacy Process, through the Specialty Pharmacy Program, and through non-network pharmacies. This program is currently administered by CVS Caremark (CVS).

The benefit design of The Empire Plan is the result of collective bargaining between NYS and the various unions representing its employees. Benefits are administratively extended to non-represented NYS employees, employees of PAs and PEs, and retirees. Therefore, the benefit design is subject to change from time-to-time as the result of those negotiations, and there are variations in The Empire Plan's benefit design among the bargaining units. The benefit design cannot deviate from that which has been collectively bargained. Most of the active workforce is represented by various unions, and union participation in the design and oversight of NYSHIP is active and ongoing.

Other NYSHIP Options

Other plan options available to New York State and PE employees include seven (7) Health Maintenance Organizations (HMOs). The Student Employee Health Plan (SEHP) is a health insurance plan for graduate student employees of the New York State and New York City University systems. The SEHP was established in 1994 through collective bargaining. The SEHP became part of the New York State Health Insurance Program (NYSHIP) in 2002 to provide basic health insurance to employees of the State University of New York represented by the Graduate Student Employees Union (GSEU) and their eligible dependents. SEHP, which is administered by EBD, covers an average of 4,850 Enrollees and 625 dependents, totaling approximately 5,400 covered Members.

Additional Benefits for employees, retirees, and other covered populations:

The Department administers a number of additional benefits for employees, retirees and other covered populations. Most of these programs are on a five-year procurement schedule. Brief descriptions of these benefits and the covered populations follow:

a. Vision Care Plan, administered by Davis Vision, Inc., covers approximately 104,100 enrollees and dependent family members bringing the total number of covered individuals to approximately 242,100. Since its inception in 1982, the Plan has been a self-funded Plan.

b. Dental Program, insured by Anthem, covers approximately 110,100 Enrollees and dependent family members bringing the total number of covered individuals to approximately 254,300.

c. Management/Confidential Group Life Insurance Plan, insured by MetLife, Inc., has 8,600 enrolled employees.

d. Income Protection Plan, insured and administered by MetLife, Inc., has 12,500 enrolled employees.

e. Workers' Compensation is self-funded and administered by the New York State Insurance Fund.

NYSHIP Governance

NYSHIP is sponsored by the Council on Employee Health Insurance (CEHI). The Council is composed of the President of the Civil Service Commission, the Director of the Office of Employee Relations (OER), and the Director of the Division of the Budget (DOB). The Department holds the contracts with the DCS Programs third party administrators. All components of the DCS Programs are self-funded.

1.5 Minimum Offeror Eligibility Requirements

Offerors must meet the following Minimum Offeror Eligibility Requirements to be eligible to submit a Proposal below. **Failure to meet these Minimum Offeror Eligibility Requirements will result in a Proposal being found non-responsive and eliminated from consideration.**

Offeror means any responsible and eligible entity submitting a responsive Proposal to this RFP. It shall be understood that references in the RFP to "Offeror" shall include said entity's proposed Key Subcontractor or Affiliates, if any. The Department requests proposals only from qualified Offerors, as specified below:

1. The Offeror must, at time of Proposal submission possess the legal capacity to enter into a Contract with the Department including all registrations, filings, approvals, authorizations, consents, and examinations required by any governmental authority to provide the Project Services, as detailed in Section 3 of this RFP.

2. The Offeror must be authorized to conduct business in NYS, or, if the Offeror is not so authorized at time of Proposal Due Date, then the Offeror must, at time of Proposal Due Date, have filed an application for authority to do business in NYS with the New York State Secretary of State. Such application must be approved prior to Contract Award. (For details concerning this requirement, refer to: https://dos.ny.gov/form-corporation-or-business). To register with the Secretary

of State, contact: https://dos.ny.gov/form/contact-us). The Contractor shall notify the Department immediately in the event that there is any change in the above corporate status.

3. The Offeror must represent and attest that, at time of Proposal submission, it has completed, obtained or performed all registrations, filings, approvals, authorizations, consents and examinations required by any governmental authority for the provision of the delivery of Project Services (as detailed in Section 3 of this RFP) and agree that it will, during the term of the Contract, comply with any requirements imposed upon it by law or regulation.

4. The Offeror must represent and attest that, at the time of Proposal submission, it has provided comparable services to at least three governmental organizations with 100,000 health plan members for at least the past three years.

5. The Offeror must represent and attest that, at the time of Proposal submission, it has possessed for the past three years, adequate staffing resources, financial resources, and organizational capacity to perform the type, magnitude, and quality of work specified in the RFP.

6. The Offeror must represent and attest that, if selected by the Department as the successful Offeror in this Procurement, all activities associated with Sections 3.2, 3.3, 3.4, and 3.5 of this RFP, will be overseen by an individual certified as a Fellow in the Society of Actuaries ("FSA"), as applicable to the services being provided.

[**Note:** Any Offeror that fails to satisfy any of the above Minimum Offeror Eligibility Requirements shall be eliminated from further consideration.]

1.6 Entirety of Resulting Contract; Conflict of Documents and Clauses

The Contract resulting from this solicitation shall be deemed inclusive of the following documents. Only documents expressly mentioned below shall be deemed a part of the resulting Contract, unless DCS in its sole discretion determines otherwise. Conflicts between the documents shall be resolved in the following order of precedence:

1. *Appendix A, Standard Clauses for New York State Contracts, dated June 2023*
2. Any Amendments to the body of the Contract;
3. The Contract body. Clarifications between the RFP and Contractor's Bid must be specifically noted in writing in the Contract body as to what was accepted by the State. If not, such clarifications shall be considered last in the order of precedence;
4. *Appendix B, Standard Clauses for all Department Contracts*, dated *February 2025;*
5. *Appendix C, Information Security Requirements, dated June 2025;*

6. *Appendix C-AI, Standard Terms for Artificial Intelligence (AI) Purchases and Use of AI, dated July 2026;*
7. *Appendix D, Insurance Requirements;*
8. Official Response to Questions from the Offerors;
9. This RFP including any Addenda (other than Appendix A); and
9. Selected Contractor's Bid or Proposal, including any clarifications resulting from Demonstrations, Management Interviews or Department Requests for Clarifications and Contractor's responses.

SECTION 2: PROCUREMENT PROTOCOL AND PROCESS

2.1 Rules Governing Conduct of Competitive Procurement Process

All inquiries, questions, filings, and submission of Proposals in regard to the RFP must be directed in writing to the Designated Contact listed below. Proposals may not be submitted by e-mail or facsimile. Any inquiries, questions, filings or submission of Proposals that are submitted to any other contact or physical address shall not be considered as official, binding or as having been received by the Department.

1. **Designated Contact**

   In accordance with New York State Finance Law § 139-j(2)(a) (Procurement Lobbying Law (PLL)), the following individual is the Designated Contact for this Solicitation. All questions relating to this Solicitation must be addressed to the following Designated Contact.

   George Powers
   New York State Department of Civil Service
   Attn: Office of Financial Administration,
   Empire State Plaza, Swan Street Building, Core 1
   Albany, New York 12239
   DCSprocurement@cs.ny.gov

2. **Restrictions on Contacts Between Offerors and State Staff During the Procurement Process**

   a. Pursuant to New York State Finance Law sections 139-j and 139-k, this Procurement imposes certain restrictions on communications between the Department and an Offeror during the procurement process. An Offeror is restricted from making contacts from the earliest posting, on the Department's website, in a newspaper of general circulation, or in the procurement opportunities newsletter in accordance with Article 4-C of the Economic Development Law, of written notice, advertisement or solicitation of a request for Proposal, invitation for bids, or solicitation of proposals, or any other method provided for by law or regulation for soliciting a response from Offerors intending to result in a Contract with the Department through final award and approval of the Contract by the Department and, if applicable, the Office of the State Comptroller to other than the Designated Contact (unless it is a Contact that is included among certain statutory exceptions set forth in State Finance Law §139-j(3)(a)). This time period is defined as the Restricted Period. The Designated Contact for this procurement is set forth in section 2.1(1) of this RFP. Staff is required to obtain certain information from an Offeror whenever contacted about the procurement during the Restricted Period and is required to make a determination of the Offeror's responsibility that addresses the Offeror's compliance with the statutory requirements. Certain findings of non-responsibility can result in rejection for contract award and in the event of two findings within a 4-year period, the Offeror is debarred from obtaining governmental procurement contracts. The Department's policy and procedures can be found in the *Procurement Lobbying Policy* (Attachment 2). Further information about these requirements can be found at: https://www.ogs.ny.gov/ACPL/.

b. The Department strictly controls communications between any Offeror and participants in the procurement process. "Offeror" means the individual or entity, or any employee, agent or consultant or person acting on behalf of such individual or entity, who contacts the Department about a governmental procurement during the Restricted Period of such governmental procurement whether or not the caller has a financial interest in the outcome of the procurement; provided, however, that a governmental agency or its employees that communicate with the Department regarding a governmental procurement in the exercise of its oversight duties shall not be considered an Offeror. "Offeror" includes prospective Offerors prior to the due date for the submission of offers/bids in response to the solicitation document.

3. Submission of Errors or Omissions in this RFP Document

By participating in activities related to this RFP, and/or by submitting a Proposal in response to this RFP, an Offeror agrees to be bound by its terms, including, but not limited to, this process by which an Offeror may submit errors or omissions for consideration. If an Offeror believes there is an error or omission in this RFP, the Offeror may raise such issue as follows:

a. Process for Submitting Assertions of Errors or Omissions in RFP Document

i. Time Frame: The Department must receive assertions of errors or omissions in the RFP process which are or should have been apparent prior to the Proposal Due Date, in writing, five Business Days after the Release Date of First Official Responses to Questions specified in Section 1.1 of this RFP.

ii. Content: The submission alleging the error or omission must clearly and fully state the legal and/or factual grounds for the assertion and must include all relevant documentation.

iii. Format of Submission: All submissions asserting an error or omission must be submitted in writing *both* electronically and in hard copy format to the Designated Contact specified in Section 2.1 of this RFP: DCSprocurement@cs.ny.gov.

The hard copy envelope or package must clearly and prominently display the following statement:

"Submission of Errors or Omissions for the Actuarial and Benefits Management Consulting Services Request for Proposals"

Any assertion of an error or omission which does not conform to the requirements set forth in this section shall be deemed waived by the Offeror and the Offeror shall have no further recourse.

b. <u>The Review Process for Assertions of Errors or Omissions in RFP</u>

The Department shall conduct the review process for submission of errors or omissions. The Commissioner may appoint a designee who will review the submission and make a recommendation to the Commissioner as to the disposition of the matter. At the discretion of the Commissioner, or the Commissioner's designee, the Offeror may be given the opportunity to meet with the Commissioner or the Commissioner's designee to support its submission. The Offeror may, but need not, be represented by counsel at such a meeting. Any and all issues concerning the manner in which the review process is conducted shall be determined solely by the Commissioner or designee.

The Commissioner or designee shall review the matter, and the Commissioner shall issue a written decision within twenty Business Days after the close of the review process. If additional time for the issuance of the decision is necessary, the prospective Offeror shall be advised of the delay and of the time frame within which a decision may be reasonably expected. The Commissioner's decision will be communicated to the party in writing and shall constitute the agency's final determination in the matter.

The Department reserves the right to determine and act in the best interests of the State in resolving any assertion of error or omission in this RFP document. The Department may elect to extend the Proposal Due Date as may be appropriate. Notice of any such extension will be provided to all organizations who provided an email address on the submitted *Offeror Affirmation of Understanding and Agreement* (Attachment 1). Notice of any extension will also be posted to: https://www.cs.ny.gov/ABMCServicesRFP/.

4. <u>Submission of Questions</u>

Prospective Bidders will have two opportunities to submit written questions and requests for clarification regarding this RFP. Using the *Questions Template* (Attachment 4), a prospective Offeror may submit questions concerning the content of this RFP via email to the Designated Contact's address specified in

Section 2 of this RFP. Only those questions received prior to the Questions Due Date specified in Section 1 of this RFP, will be accepted. After the Questions Due Date, the Department will provide an email notification of the posting of all questions and the Department's official answers to all those individuals who provided an email address on the submitted *Offeror Affirmation of Understanding and Agreement* (Attachment 1) and the *Questions Template* (Attachment 4). The questions and answers will also be posted to: https://www.cs.ny.gov/ABMCServicesRFP/.

[**Note:** See Bid Deviations section below, specifically 6(b) with regard to submission of questions.]

5. Submission of Proposal

The Offeror's Proposal must be organized and separated into three separate sections: Administrative Proposal; Technical Proposal; and Financial Proposal. To facilitate the evaluation process, an Offeror must follow the submission requirements described below. Electronic USB devices must conform to the technical specifications outlined in Section 2 of this RFP and shall be included on unprotected Microsoft Windows formatted USB 2.0 or higher storage drive. Additionally, the electronic USB devices must be in Adobe Acrobat PDF searchable format to allow for searchable and selectable text.

a. Submission Requirements: TWO USB Flash Drives

i. The Offeror must submit **two** USB flash drives. One USB flash drive must contain the Offeror's Administrative, Technical, and Financial Proposals. The files must be representative copies of the original documents, including signatures.

ii. The second USB must satisfy the requirements set forth in Section 2.2.1.b Disclosure of Bid Contents - Freedom of Information Law (FOIL).

iii. At the time of Proposal submission, the Offeror is required to identify the portions of its Proposal that it is requesting to be redacted in the event that its Proposal is the subject of a FOIL request or is a contract the Department chooses to post on its public facing webpage as follows.

iv. The Offeror must provide an electronic copy of *Freedom of Information Law Request for Redaction Chart* (Attachment 10) as well as the Administrative Proposal, the Technical Proposal, and the Financial Proposal on a separate, second USB storage drive and reflect the Offeror's requested redactions. The electronic documents must be prepared in PDF format. Each specific portion of the Proposal documents requested to be protected from FOIL disclosure must be identified using the Adobe "Mark for Redaction" function; do not use the "Apply Redactions" function; or by highlighting such portions in yellow. The resulting documents must show the Offeror's requested redactions as outlined, while the content remains visible. This will allow the Department to either apply or remove requested redactions when responding to FOIL requests. The documents included on the USB storage drive must be complete Proposals, including all Attachments. No section may be omitted from the USB storage drive even if the entire section is requested to be redacted; such sections should be marked for redaction, not removed. For forms, attachments, and charts, please mark for redaction only those cells/fields/entries that meet the criteria for protection from FOIL, not the entire page. Do not request redaction of Department-supplied materials or information.

v. Clearly mark the envelope and your USB flash drive as "Actuarial and Benefits Management Consulting (ABMC) Services RFP [Offeror's Name]." Proposal or FOIL (Both USB's can be in 1 envelope, please clearly label each USB.)

vi. The Offeror must retain the original bid documents in its records. If the Offeror is selected for award, the Offeror must submit wet ink signed documents to the Department prior to contract execution.

vii. It is the Offeror's responsibility to ensure that the USB flash drive is free from any and all malicious software and that the files are accessible and uncorrupted. The Offeror should scan the USB flash drive before submission to ensure there is no malicious software (i.e., malware) on the drive and that all files are accessible and uncorrupted. The Department will perform a security scan on the USB flash drive before accessing the stored files. If the security scan identifies malicious software, or the files are inaccessible or corrupted, the Department may reject the submission and disqualify the Offeror from further consideration.

[**Note:** Documents requiring signature should be signed with an ink pen (i.e., wet signature). Bids submitted with e-signatures or scanned signatures may be accepted by the Department, at the Department's discretion, subject to the requirements set forth herein. The Offeror must retain the original Proposal documents in its records. If the Offeror is selected for award, the Offeror must submit wet ink signed documents to the Department prior to contract execution.]

b. Format of Submission

i. Each Proposal must include a table of contents.

ii. Each major section of the Proposal, including attachments, must be labeled in a format that completely identifies the title of the section, subsection or attachment as named in the table of contents.

iii. Each page of the Proposal, including attachments, must be dated and numbered consecutively.

iv. All Proposals must be mailed or hand-delivered to the Designated Contact at the address provided in Section 2.1(1) of this RFP. To arrange for hand-delivery, the Offeror must notify the Designated Contact twenty-four hours prior to delivery. All Proposals must be received by 3:00 p.m. ET on the Proposal Due Date as set forth in Section 1.1 of this RFP.

v. Any proposal received after 3:00 p.m. ET on the Proposal Due Date, as specified in Section 1.1 of this RFP, shall not be accepted by the Department, and may be returned to the submitting entity at the Department's discretion. All Proposals submitted become the property of the Department.

vi. The Department will accept amendments and/or additions to an Offeror's Proposal if the amendment and/or addition is received by the Proposal Due Date. All amendments to an Offeror's Proposal must be submitted in accordance with the format set forth in this Section 2.1(5) of this RFP and will be included as part of the Offeror's Proposal.

vii. An Offeror is solely responsible for timely delivery of the Proposal to the Department prior to the Proposal Due Date stated in Section 1.1 of this RFP. Delays in United States mail deliveries or any other carrier, including couriers or agents of New York State, shall not excuse late bid submissions. If the Proposals is delivered by mail or courier, the Department recommends that it be sent "Returned Receipt Requested", so the Offeror obtains proof of timely delivery. No phone, facsimile, or e-mail submission of Proposals will be accepted for this RFP. In addition, it is the sole responsibility of the Offeror to verify that all elements of the Proposal submission are complete, correct and without error.

[**Note:** Any bid submission that deviates from these Proposal Submission Requirements may be deemed non-responsive. Submission of other types of data storage devices will not be accepted.]

6. <u>Bid Deviations</u>

a. The Department will not entertain bid deviations to *Standard Clauses for New York State Contracts* (Appendix A). The Department will also not entertain material and substantive bid deviations to the solicitation to *Standard Clauses for All Department Contracts* (Appendix B), *Information Security Requirements* (Appendix C), *Standard Terms for Artificial Intelligence (AI) Purchases and Use of AI* (Appendix C-AI), and *Insurance Requirements* (Appendix D), of this RFP. NYS law precludes awarding a contract based on material deviation(s) from the specifications, terms, and/or conditions set forth in the solicitation. Therefore, Proposals containing a bid deviation (including additional, inconsistent, conflicting or alternative terms) that are a material and substantive change from the specifications, terms, and conditions set forth in the solicitation may render the Proposal non-responsive and may result in rejection of the Proposal.

b. If Offeror has an issue or concern regarding provisions in the solicitation and is considering submission of a proposal containing a bid deviation, Offeror is strongly advised to raise such issues and/or concerns during the question and answer period so that the Department may give due consideration to the issue prior to the submission of Proposals. Failure to use the question and answer period and instead submitting a Proposal containing a bid deviation could render the entire Proposal non-responsive and rejected in its entirety.

c. In general, a material and substantive bid deviation is one that would:

    i. Impair the interests of New York State;

    ii. Place the successful Offeror in a position of unfair economic advantage;

    iii. Place other Offerors at a competitive disadvantage; or

    iv. Which, if it had been included in the original solicitation, could have formed a reasonable basis for an otherwise qualified Offeror to change its determination concerning the submission of a Proposal. For example, a deviation that would substantially shift liability (risk) or financial responsibility from the Offeror to New York State would be considered material.

d. Unless specifically required by the solicitation to be submitted as part of an Offeror’s proposal, an Offeror is further advised that its standard, pre-printed material (including but not limited to product literature, order forms, manufacturer’s license agreements, standard contracts or other pre-printed documents), which are physically attached or summarily referenced in the Offeror's Proposal are not considered as having been submitted with or intended to be incorporated as part of the official offer contained in the Proposal. Rather, such material shall be deemed by the Department to have been included by Offeror for informational or promotional purposes only. If such materials are requested by the solicitation, an Offeror must ensure that the materials are properly referenced.

e. To submit a non-material bid deviation, an Offeror must complete and submit the proposed deviation(s) using the *Non-Material Deviations Template* (Attachment 8), as part of the Administrative Proposal. If a non-material bid deviation does not meet these requirements, it shall not be considered by the State and shall be rejected.

f. An Offeror who does not submit the *Non-Material Deviations Template* (Attachment 8), as part of the Administrative Proposal is presumed to have no bid deviations.

7. Notification of Tentative Contract Award

A tentative award letter will be sent to the selected Offeror indicating a tentative award subject to successful contract negotiations. The remaining Offerors will be notified of the tentative award and the possibility that failed negotiations could result in an alternative award.

8. Debriefing

Unsuccessful Offerors will be advised of the opportunity to request a Debriefing and the timeframe by which such requests must be made. Debriefings are subject to the *NYS Department of Civil Service Debriefing Guidelines* (Attachment 5). An unsuccessful Offeror's written request for a debriefing shall be submitted to the Designated Contact at the address provided in Section 2.1(1) of this RFP.

9. Submission of a Protest

By participating in activities related to this Procurement, and/or by submitting a Proposal in response to this RFP, an Offeror agrees to be bound by its terms including, but not limited to, the process by which an Offeror may submit a protest of a non-responsive determination or the selection award for consideration. In the event the Offeror elects to submit a protest of a non-responsive determination, the Offeror agrees it shall not be permitted to also submit a protest on the selection decision. In the event that an Offeror decides to submit a protest, the Offeror may raise such issue according to the following provisions.

a. **Process for Submitting a Protest of a Non-Responsive Determination or a Selection Decision**

i. Time Frame: Any protest must be received no later than 5:00 p.m. ET on the tenth Business Day after an Offeror's receipt of written notification by the Department of a non-responsive determination or selection decision (tentative award).

ii. Content: The protest must fully state the legal and factual grounds for the protest and must include all relevant documentation.

iii. Format of Submission: The protest must be in writing and submitted to the Designated Contact at the address provided in Section 2 of this RFP.

iv. A protest of either a non-responsive determination or a selection decision must have one of the following statements clearly and prominently displayed on the envelope or package:

"Submission of Non-Responsive Determination Protest for Request for Proposals Actuarial and Benefits Management Consulting Services"

OR

"Submission of Tentative Award Protest for Request for Proposals Actuarial and Benefits Management Consulting Services"

v. Any assertion of protest which does not conform to the requirements set forth in this section shall be deemed waived by the Offeror, and the Offeror shall have no further recourse.

b. **Review of Submitted Protests**

i. The Department shall conduct the review process of submitted protests. The Department's Commissioner may appoint a designee to review the submission and to make a recommendation to the Commissioner as to the disposition of the matter. The Commissioner's designee may be an employee of the Department but, in any event, shall be someone who has not participated in the preparation of this RFP, the evaluation of Proposals, the determination of non-responsiveness, or the selection decision. At the discretion of the Commissioner, or the Commissioner's designee, the Offeror may be given the opportunity to meet with the Commissioner or the Commissioner's designee, to support its submission. The Offeror may, but need not, be represented by counsel at such a meeting. The Department shall be represented by counsel at such meeting. Any issues concerning the way the review process is conducted shall be determined solely by the Commissioner, or the Commissioner's designee.

ii. The Commissioner, or the Commissioner's designee, shall review the matter, and shall issue a written decision within twenty Business Days after the close of the review process. If additional time is necessary for the issuance of the decision, the Offeror shall be advised of the time frame within which a decision may be reasonably expected. The Commissioner's decision will be communicated to the party in writing and shall constitute the Department's final determination in the matter.

iii. If an Offeror protests the selection decision or a non-responsive determination, the Department shall continue contract negotiations regarding the terms and conditions of the Contract with the selected Offeror.

10. <u>Department of Civil Service Reservation of Rights</u>

In addition to any rights articulated elsewhere in this RFP, the Department reserves the right to:

a. Make or not make an award under the RFP, either in whole or in part;

b. Prior to the bid opening, amend the RFP. If the Department elects to amend any part of this RFP, such amendments will also be posted to: https://www.cs.ny.gov/ABMCServicesRFP/;

c. Prior to the bid opening, direct Offerors to submit Proposal modifications addressing subsequent RFP amendments;

d. Withdraw this RFP, at any time, in whole or in part, prior to OSC approval of award of the Contract;

e. Waive any requirements that are not material;

f. Disqualify any Offeror whose conduct and/or Proposal fails to conform to any of the mandatory requirements of this RFP;

g. Require clarification at any time during the Procurement process and/or require correction of apparent errors for the purpose of assuring a full and complete understanding of an Offeror’s Proposal and/or to determine an Offeror’s compliance with the requirements of this RFP;

h. Reject any or all Proposals received in response to this RFP;

i. Change any of the scheduled dates stated in this RFP;

j. Seek clarifications and revisions of Proposals;

k. Establish programmatic and legal requirements to meet the Department’s needs, and to modify, correct, and/or clarify such requirements at any time during the Procurement, provided that any such modifications would not materially benefit or disadvantage any particular Offeror;

l. Eliminate any mandatory, non-material specifications that cannot be complied with by all of the Offerors;

m. For the purposes of ensuring completeness and comparability of the Proposals, analyze submissions and make adjustments or normalize submissions in the Proposal(s), including the Offeror’s technical assumptions, and underlying calculations and assumptions used to support the Offeror’s computation of costs, or to apply such other methods it deems necessary to make level comparisons across Proposals;

n. Use the Proposal, information obtained through any site visits, and the Department’s own investigation of an Offeror's qualifications, experience, ability or financial standing, and any other material or information submitted by the Offeror in response to the Department’s request for clarifying information, if any, in the course of evaluation and selection under this RFP;

o. Negotiate with the successful Offeror within the scope of this RFP in the best interests of the Department;

p. Utilize any and all ideas submitted in the Proposal(s) received except to the extent such information/ideas are protected under the New York State Freedom of Information Law, Article 6 of the Public Officers Law as critical infrastructure information or trade secrets;

q. If the Department determines that contract negotiations between the Department and the selected Offeror are unsuccessful, the Department may invite the Offeror with the next highest Total Combined Score to enter into negotiations for purposes of executing a Contract. Prior to negotiating with the Offeror with the next highest Total Combined Score, the Department will notify the Offeror originally selected and provide the date when negotiations shall cease should an agreement not be reached.

Scores will not be recalculated for any remaining Offerors should contract negotiations between the Department and the selected Offeror be unsuccessful because of material differences in key provision(s);

r. Unless otherwise specified in this RFP, every offer is firm and not revocable for a minimum period of one hundred and eighty days from the Proposal Due Date as set forth in the RFP; and

s. Any Offeror whose Proposal might become eligible for a tentative award may be asked to extend the time for which its Proposal shall remain valid if the original award is withdrawn.

11. Disclaimer

The Department is not liable for any costs incurred by any Offeror prior to approval of the Contract by OSC. Additionally, no costs will be incurred by the Department for any prospective Offeror or Offeror's participation in any Procurement-related activities. Further, the Department shall not be liable for any costs incurred prior to the Implementation Period performing activities set forth in Section 3 of this RFP. The Department has taken care in preparing the data accompanying this RFP (hard copy attachments, website attachments, and sample document attachments). However, the Department does not warrant the accuracy of the data. The numbers or statistics which appear in hardcopy attachments, website attachments, and sample document attachments referenced throughout this RFP are for informational purposes only and should not be used or viewed by prospective Offerors as guarantees or representations of any levels of past or future performance or participation. Accordingly, prospective Offerors should rely upon and use such numbers or statistics in preparing their Proposal at their own discretion.

2.2 Compliance with Applicable Laws, Rules and Regulations, and Executive Orders

This Procurement is subject to the New York State competitive bidding laws and also governed by, at a minimum, the legal authorities referenced below. Except as otherwise permitted under Section 2.1(6), Bid Deviations, an Offeror must fully comply with the provisions set forth in this section of the RFP, as well as the provisions of the *Appendix A, Standard Clauses for New York State Contracts*, the *Appendix B, Standard Clauses for All Department Contracts*, *Appendix C, Information Security Requirements*, *Appendix C-AI, Standard Terms for Artificial Intelligence (AI) Purchases and Use of AI*, and *Appendix D, Insurance Requirements*, which will become a part of the resulting contract. The Department will consider for evaluation and selection purposes only those Offerors who agree to comply with these provisions and whose proposal contains the submission required hereunder.

1. **<u>Disclosure of Proposal Contents – Freedom of Information Law (FOIL)</u>**

   a. NOTICE TO OFFEROR AND ITS LEGAL COUNSEL

   All materials submitted by an Offeror in response to this RFP shall become the property of the Department and may be returned to the Offeror at the sole discretion of the Department. Proposals may be reviewed or evaluated by any person, other than one associated with a competing Offeror, designated by the Department. Offerors may anticipate that Proposals will be evaluated by staff and consultants retained by the Department and may also be evaluated by staff of other New York State agencies interested in the provision of the subject services including, but not limited to, the Office of Employee Relations (OER), and the Division of the Budget (DOB), unless otherwise expressly indicated in this RFP. The Department has the right to adopt, modify, or reject any or all ideas presented in any material submitted in response to this RFP.

   The Department shall take reasonable steps to protect from public disclosure any records or portions thereof relating to this solicitation that are exempt from disclosure under FOIL. Information constituting trade secrets or critical infrastructure information for purposes of FOIL must be clearly marked and identified as such by the Offeror upon submission. To request that materials be protected from FOIL disclosure, the Offeror must follow the procedures below regarding FOIL. If an Offeror believes that any information in its Proposal or supplemental submission(s) constitutes proprietary and/or trade secret or critical infrastructure information and desires that such information not be disclosed pursuant to the New York State Freedom of Information Law, Article 6 of the Public Officers Law, the Offeror must make that assertion by completing a *Freedom of Information Law Request for Redaction Chart* (Attachment 10). The Offeror must complete the form specifically identifying by page number, line, or other appropriate designation, the specific information requested to be protected from FOIL disclosure and the specific reason why such information should not be disclosed. Page 2 of *Freedom of Information Law Request for Redaction Chart* (Attachment 10) contains information regarding appropriate justification for protection from FOIL disclosure. Vague, non-specific, or summary assertions that material is proprietary, or trade-secret are inadequate and will not result in protection from FOIL disclosure.

   The completed *Freedom of Information Law Request for Redaction Chart* (Attachment 10) must be submitted to the Department at the time of its Proposal submission; it should be included with the Requested Redactions (USB storage drive and Hard Copy) described below. It should not be included in the Offeror's Proposal. If the Offeror chooses not to assert that any Proposal material and/or supplemental submission should be protected from FOIL disclosure, the Offeror should so advise the Department by checking the applicable box on *Freedom of Information*

Law Request for Redaction Chart (Attachment 10) and submitting it to the Department at the time of its Proposal submission, but separately from its Proposal. If a completed *Freedom of Information Law Request for Redaction Chart* (Attachment 10) form is not submitted, the Department will assume that the Offeror chooses not to assert that any proposal material or supplemental submission, as applicable, should be protected from FOIL disclosure.

The FOIL-related materials described herein are not considered part of the Offeror's Proposal and shall not be reviewed as a part of the Procurement's evaluation process.

Acceptance of the identified information by the Department does not constitute a determination that the information is exempt from disclosure under FOIL. Determinations as to whether the materials or information may be withheld from disclosure will be made in accordance with FOIL at the time a request for such information is received by the Department.

b. Requested Redactions (USB Storage Drive:

At the time of Proposal submission, the Offeror is required to identify the portions of its Proposal that it is requesting to be redacted in the event that its Proposal is the subject of a FOIL request as follows.

The Offeror must provide an electronic copy of the Attachment 10, Freedom of Information Law (FOIL) Request for Redaction Chart, as well as copies of the Administrative Proposal, the Technical Proposal, and the Financial Proposal on a USB flash drive and reflect the Offeror's requested redactions. The electronic documents must be prepared in searchable Adobe PDF format. Each specific portion of the Proposal documents requested to be protected from FOIL disclosure must be identified using the Adobe "Mark for Redaction" function; do not use the "Apply Redactions" function; or by highlighting such portions in yellow. The resulting documents must show the Offeror's requested redactions as outlined, while the content remains visible. This will allow the Department to either apply or remove requested redactions when responding to FOIL requests. The documents included on the USB flash drive must be complete Proposals, including all Attachments. No section may be omitted from the USB flash drive even if the entire section is requested to be redacted; such sections should be marked for redaction, not removed. For forms, attachments, and charts, please mark for redaction only those cells/fields/entries that meet the criteria for protection from FOIL, not the entire page. Do not request redaction of Department-supplied materials or information.

During the Proposal evaluation process, the Department may request additional information through clarification requests. Any requested redactions for additional written material provided by the Offeror in response to the Department's requests also must be submitted following the redaction instructions above, however, may be returned as PDF attachments via email when responding to clarification requests.

2. **Public Officers Law**

All Offerors and Offerors' employees and agents must be aware of and comply with the requirements of the New York State Public Officers Law (POL), particularly POL sections 73 and 74, as well as all other provisions of NYS law, rules and regulations, and policy establishing ethical standards for current and former State employees. Failure to comply with these provisions may result in disqualification from the Procurement process, termination, suspension or cancelation of the Contract and criminal proceedings as may be required by law. An Offeror must submit an affirmative statement as to the existence of, absence of, or potential for conflict of interest on the part of the Offeror because of prior, current, or proposed contracts, engagements, or affiliations, by submitting a completed *Offeror's Certification Form* (Attachment 7), in the Offeror's Administrative Proposal.

3. **New York State Required Certifications**

An Offeror is required to submit the signed *Offeror's Certification Form* (Attachment 7) with its Administrative Proposal. This Attachment sets forth the Offeror's required certification on the following:

a. MacBride Fair Employment Principles;

b. Non-Collusive Bidding;

c. Executive Order No. 177 regarding discrimination and harassment;

d. Sexual Harassment Prevention;

e. Public Officer Law Requirements and Conflict of Interest Disclosure;

f. Executive Order No. 16 regarding business operations in Russia; and

g. Gender-Based Violence and the Workplace.

4. **New York Subcontractors and Suppliers**

New York State businesses have a substantial presence in State contracts and strongly contribute to the economies of the State and the nation. In recognition of their economic activity and leadership in doing business in NYS, an Offeror for this RFP is strongly encouraged and expected to consider NYS businesses in the fulfillment of the requirements of the Contract. Such partnering may be as subcontractors, suppliers, protégés, or other supporting roles. Offerors' proposed utilization of New York State businesses must be identified in *Offeror's Certification Form* (Attachment 7) and submitted with the Offeror's Administrative Proposal.

SECTION 3: PROJECT SERVICES

The Department is seeking a qualified Offeror to provide actuarial and benefits management consulting services to the Department for use in the administration of NYSHIP and other benefits administered by the Department.

For the purpose of submitting a Proposal, an Offeror must:

1. Assist the Department in developing Empire Plan premium rates based on recommendations made by those vendors that hold a contract with the Department for the Hospital Program, Medical Program, Prescription Drug, and Mental Health and Substance Use Disorder Program;

2. Perform actuarial valuations of NYS postemployment benefits; and

3. Provide the Department with a full range of ad hoc benefit consulting services.

3.1 Account Team

The Department expects the successful Offeror to have in place a proactive, experienced account leader and team who have the responsibility and authority to coordinate the appropriate resources to implement and administer Project Services (hereinafter "Account Team").

1. **Duties and Responsibilities**

   a. The Offeror must designate a single account executive ("Project Team Leader") accountable to the Department and responsible for ensuring that the needs of the Department are met;

   b. The Project Team Leader must be able to maintain and adjust staffing patterns at appropriate levels to provide services as requested by the Department;

   c. The Offeror must ensure that all activities associated with Project Services 3.2, 3.3, 3.4, and 3.5, as applicable, will be overseen by an individual certified as a Fellow in the Society of Actuaries ("FSA");

   d. The Offeror must ensure that its Account Team notifies the Department of any actual or anticipated events impacting the delivery of Project Services and present options available to minimize or eliminate the impact of those events on the delivery of Project Services; and

e. The Offeror must notify the Department in writing of changes in key project management team personnel.

3.2 Premium Rate Development

The Department develops annual Empire Plan premium rates based on recommendations made by The Empire Plan vendors for each of the Plan's component Contracts, specifically: The Empire Plan's Hospital, Medical, Prescription Drug, and Mental Health and Substance Use Disorder Contracts. Since The Empire Plan is self-funded, the Department seeks assistance from the Contractor in the review of the reasonableness of the vendors' rate recommendations.

1. Duties and Responsibilities

During the term of the Contract, the Contractor shall:

a. Submit to the Department the Contractor's independent premium rate estimates no later than September 1st of each year of the Contract.

b. Review and provide a written evaluation of The Empire Plan vendors' rate proposals. This evaluation, which must include a review of all factors used by the vendors to determine premium requirements, is due no later than October 15th of each year of the Contract.

c. Support the Department in its analysis of The Empire Plan rates submitted by the Contractors of the Hospital Program, Medical Program, Prescription Drug Program, and Mental Health and Substance Use Disorder Program.

d. Attend and participate in all meetings as deemed necessary by the Department.

e. Assist the Department in presenting rate proposals to OER, DOB, the Joint Committee on Health Benefits (JCHB), and other entities, as the Department deems necessary.

f. Support the Department by providing comparative analyses, as requested, using data of other large employers.

3.3 Governmental Accounting Standards Board Valuation

Governmental Accounting Standards Board Statement No. 74 ("GASB 74") addresses other postemployment benefits ("OPEB") by state and local governments for NYS and SUNY Campuses, the entities for which a trust fund has been established. In accordance with the requirements set forth in GASB 74, the Contractor shall perform an actuarial valuation and develop a related report for the benefit of the Department.

Governmental Accounting Standards Board Statement No. 75 (“GASB 75”) addresses other postemployment benefits (“OPEB”) by state and local governments. In accordance with the requirements set forth in GASB 75, the Contractor shall perform an actuarial valuation and develop related reports for the benefit of the Department. In addition to the OPEB of State employees and the New York State Insurance Fund, the valuation must include the OPEB for employees of the State University of New York (“SUNY”) Campuses, Hospitals and Construction Fund for the various differing fiscal years that will ultimately roll up into the fiscal year financial statements of New York State for the year under review. The NYSHIP PEs and PAs are not included in the valuation; however, they each receive a report that presents the actuarial assumptions that were used in NYS’ valuation as guidance to assist them in preparing their own valuations.

The scope of the valuation is limited to post-retirement healthcare benefits. The State administers other benefits (e.g., dental and life insurance) for retirees, but there is no employer cost-sharing.

1. **Duties and Responsibilities**

   During the term of the Contract, the Contractor must:

   a) GASB 74

      i. Perform an OPEB actuarial valuation (GASB 74) of NYS and SUNY Campuses on an annual basis and produce a comprehensive report in accordance with the schedule set forth in the table below. Services for the April 1, 2032, Valuation to be delivered in Contract Year 6 and billed at the Fixed All-Inclusive Annual rate in *Attachment 16, Premium Rate Development, GASB, and Quarterly Analysis Reporting Proposed Costs Form* of the Agreement.

Report Name*	Due Date	Deliverable During Contract Year
2028 GASB 74 Actuarial Valuation Report	May 31, 2029	Year 2
2029 GASB 74 Actuarial Valuation Report	May 31, 2030	Year 3
2030 GASB 74 Actuarial Valuation Report	May 31, 2031	Year 4
2031 GASB 74 Actuarial Valuation Report	May 31, 2032	Year 5
2032 GASB 74 Actuarial Valuation Report	May 31, 2033	Year 6

*Required reports are specified in *Attachment 16, Premium Rate Development, GASB, and Quarterly Analysis Reporting Proposed Costs Form* of this RFP

[**NOTE:** Contract Year 6 starts on January 1, 2033, and ends on June 30, 2033.]

b) GASB 75

i. Produce a report that presents the actuarial assumptions the Contractor will use for the Valuation along with the rationale for those assumptions ("The Actuarial Assumptions Report"). The Actuarial Assumptions Report is due no later than May 31st of each year of the Contract.

ii. Perform an OPEB actuarial valuation (GASB 75) of NYS and SUNY on an annual basis and produce a comprehensive report in accordance with the schedule set forth in the table below.

Report Name*	Due Date
2028 SUNY Actuarial Valuation Reports	May 31, 2029
2028 NYS Actuarial Valuation Report	May 31, 2029
2029 SUNY Actuarial Valuation Reports	May 31, 2030
2029 NYS Actuarial Valuation Report	May 31, 2030
2030 SUNY Actuarial Valuation Reports	May 31, 2031
2030 NYS Actuarial Valuation Report	May 31, 2031
2031 SUNY Actuarial Valuation Reports	May 31, 2032
2031 NYS Actuarial Valuation Report	May 31, 2032
2032 SUNY Actuarial Valuation Reports	May 31, 2033
2032 NYS Actuarial Valuation Report	May 31, 2033

*Required reports are specified in *Attachment 16, Premium Rate Development, GASB, and Quarterly Analysis Reporting Proposed Costs Form* of this RFP

iii. Provide two reports by June 30th following the Valuation year, that present the actuarial assumptions used for NYS' Valuation, one for distribution to PEs ("PE Actuarial Assumptions Report") and the other to PAs ("PA Actuarial Assumptions Report"), to provide assistance in performing their GASB 75.

c) General Obligations

i. Assist the Department in:

1. Responding to requests for information from DOB, SUNY, OSC, and/or any other entity as determined by the Department;

2. Preparing for legislative testimony; and

3. Responding to questions on completed valuation(s) posed by auditors Contracted to audit NYS' financial records.

3.4 Quarterly Analysis Reporting Services

In accordance with the agreements between The Empire Plan vendors and the Department, the vendors are required to submit annual experience estimates on the 1st, 2nd, and 4th quarter. These quarterly reports provide quarterly and year-to-date estimates of experience, reconciliations of vendors' projections of prior years' experience, projected premium rate for the upcoming year, etc.

1. Duties and Responsibilities

During the term of the Contract, the Contractor shall:

a. Review and prepare comments on The Empire Plan vendors' first, second, and fourth quarter reports. Said quarterly reports are based on the calendar year; the 1st quarter is January through March, the 2nd quarter is April through June, and the 4th quarter is October through December. The required reviews will be conducted three times per calendar year; during April/May for the 1st quarter reports, July/August for the 2nd quarter reports, and January/February for the 4th quarter reports.

b. Provide a written report of Contractor's review of each of The Empire Plan vendors' quarterly reports which are due no later than the 23rd day of the month following the last month of the quarter under review. The report shall include the Contractor's assessment of the reasonableness of The Empire Plan vendors' projected current year experience and projected rates for the subsequent year, the Contractor's projected annual claim amount by vendor for the calendar year (January 1 – December 31), and the Contractor's observed and projected trends, including any other factors that may impact the projected incurred claims experience. A final copy of the required written report ("Quarterly Analysis Report") must be submitted to the Department within fifty (50) calendar days from the end of the quarter under review. These reports must be acceptable to the Department as a prerequisite for payment.

c. Quarterly Analysis Reporting Services Guarantee: The Contractor must guarantee that analysis provided for Quarterly Analysis Reporting Services will be based on the most current information available, be comprehensive, and be actuarially sound and reasonable. Further, consistent with the provisions in RFP Section 5.5, Quarterly Analysis final deliverables must be provided to the Department in accordance with the schedule set forth in the table below.

Report*	Due Date
2028 1st Quarter Analysis Report	May 20, 2028
2028 2nd Quarter Analysis Report	August 19, 2028
2028 4th Quarter Analysis Report	February 19, 2029
2029 1st Quarter Analysis Report	May 20, 2029
2029 2nd Quarter Analysis Report	August 19, 2029
2029 4th Quarter Analysis Report	February 19, 2030
2030 1st Quarter Analysis Report	May 20, 2030
2030 2nd Quarter Analysis Report	August 19, 2030
2030 4th Quarter Analysis Report	February 19, 2031
2031 1st Quarter Analysis Report	May 20, 2031
2031 2nd Quarter Analysis Report	August 19, 2031
2031 4th Quarter Analysis Report	February 19, 2032
2032 1st Quarter Analysis Report	May 20, 2032
2032 2nd Quarter Analysis Report	August 19, 2032
2032 4th Quarter Analysis Report	February 19, 2033

*Required reports are specified in *Attachment 16, Premium Rate Development, GASB, and Quarterly Analysis Reporting Proposed Costs Form* of this RFP

3.5 Ad Hoc Consulting Services

The Contractor shall provide the Department with a full range of ad hoc benefit consulting services. In its delivery of ad hoc services, the Contractor's analysis should consider and make use of the most current employee benefit data and information in the marketplace. The Contractor shall possess and/or obtain and make available to the Department a full breadth of benefit consulting services, including such areas as plan design consulting, provider network access analysis, provider network discount analysis, consulting on vendor procurements, regulatory monitoring and compliance guidance, risk management, quality care programs, wellness programs, disease management, performance based Contracting, advanced primary care, total cost of care modeling, analytical support, and discount analysis.

The Contractor shall, as requested by the Department on a case-by-case basis, be expected to routinely analyze and prepare comprehensive cost and benefit analysis ("Ad Hoc Consulting Services Projects" or "Ad Hoc Projects"). Such Ad Hoc Projects often must be undertaken and completed within very limited timeframes frequently within 2-3 days of the request and, on occasion, within a twenty-four hour period. The Contractor shall be required to submit final deliverable(s) required for completion of an Ad Hoc Project within timeframes mutually agreed upon by the Department and the Contractor.

1. **<u>Duties and Responsibilities</u>**

   The Contractor shall be expected to, at the rates set forth in the Contractor's Financial Proposal, provide a full range of benefit consulting services. Such services may include, but are not limited to:

   a. Assisting the Department with the analysis, design and/or review of solicitation instruments (e.g., Requests For Proposals) and their associated evaluation criteria developed by the Department for any of the benefit programs administered by the Department and/or the evaluation of specified proposals received in regard thereto;

   b. Providing the Department with analysis of federal and state legislative proposals, including advice on compliance with such legislation;

   c. Assisting the Department with benefit and premium renewal activities for any of the benefit programs administered by the Department;

   d. Assisting the Department with any actuarial valuations;

   e. Providing recommendations regarding proposed benefit/plan design changes;

   f. Performing cost/savings analyses of collectively bargained plan changes;

   g. Reviewing vendors' Contract provisions and providing recommendations;

   h. Performing an annual market comparison across networks and hospitals for top service lines;

   i. Providing the Department with an annual report to demonstrate the relative strengths of in-network provider discounts for at least four large commercial carriers, including the current Empire Plan hospital and medical/surgical carriers; and

   j. <u>Ad Hoc Consulting Services Guarantee</u>: The Contractor must guarantee that analysis provided for an Ad Hoc Project will be based on the most current information available, be comprehensive, and be actuarially sound and reasonable. Further, consistent with the provisions in RFP Section 5.6, Ad Hoc Project final deliverables must be provided to the Department no later than the due date agreed upon by the Department and the Contractor for a given Ad Hoc Project final deliverable.

3.6 Transition Services

The Contractor is required to provide Contractor-related obligations and deliverables to the Department after Contract termination, until all deliverables (as defined in Section 3 of this RFP) have been provided to the Department. Payment for these services will be based on the Offeror's Year 5 proposed costs from the *Premium Rate Development, GASB, and Quarterly Analysis Reporting Proposed Costs Form* (Attachment 16) and the *Ad Hoc Consulting Services Cost Form* (Attachment 17).

In addition to any requirements cited in the RFP including in the *Standard Clauses for New York State Contracts* (Appendix A), the *Standard Clauses for All Department Contracts* (Appendix B), the *Information Security Requirements* (Appendix C), *Standard Terms for Artificial Intelligence (AI) Purchases and Use of AI* (Appendix C-AI), and *Insurance Requirements* (Appendix D), the Offeror must commit to fully cooperate with the successor contractor to ensure the timely, smooth transfer of information necessary to administer the services under any subsequent Agreement.

SECTION 4: ADMINISTRATIVE PROPOSAL

This section of the RFP sets forth the requirements for the Offeror's Administrative Proposal. The Department will consider for evaluation and selection purposes only those Proposals the Department determines to be in compliance with the requirements set forth in this section of the RFP. Any Offeror which fails to satisfy any of these requirements shall be eliminated from further consideration.

The Offeror's *Administrative Proposal* must respond to all of the following items as set forth below in the order and format specified and using the forms set forth in this RFP. Additional details pertaining to the required forms are found in Section 2 of this RFP.

4.1 Offeror's Certification Form

The Offeror must complete and submit an executed copy of the *Attachment 7, Offeror's Certification Form* attesting that it meets or exceeds the criteria for eligibility to bid as set forth in Section 1.5 of this RFP. A person legally authorized to represent the Offeror must execute this certification.

4.2 Formal Offer Letter

The Offeror must submit a formal offer in the form of the *Formal Offer Letter* (Attachment 3). The formal offer must be signed and executed by an individual with the capacity and legal authority to bind the Offeror in its offer to the State. The copy of the Offeror's Administrative Proposal marked "ORIGINAL" requires a letter with an original signature; the remaining copies of the Offeror's Administrative Proposal may contain photocopies of the signature. Except as otherwise permitted under section 2.1(6), Bid Deviations, the Offeror must accept the terms and conditions as set forth in this RFP, *Standard Clauses for New York State Contracts* (Appendix A), *Standard Clauses for All Department Contracts* (Appendix B), *Information Security Requirements* (Appendix C), *Standard Terms for Artificial Intelligence (AI) Purchases and Use of AI* (Appendix C-AI), *Insurance Requirements* (Appendix D), and *Glossary of Defined Terms* (Attachment 14), and agree to enter into a Contractual Agreement with the Department containing, at a minimum, the terms and conditions identified in this RFP and appendices as cited herein. If an Offeror proposes to include the services of a Subcontractor(s) or Affiliate(s), the Offeror must be required to assume responsibility for those services as "Prime Contractor". The Department will consider the Prime Contractor solely responsible for Contractual matters.

4.3 Non-Material Deviations

The Offeror must submit the *Attachment 8, Non-Material Deviations Template.* See RFP Section 2.1.6 for more information requirements for completing the Attachment 8. If the Offeror has no bid deviations, they should submit the *Attachment 8, Non-Material Deviations Template* indicating no bid deviations.

4.4 FOIL Redaction Chart

The Offeror must submit the *Attachment 10, Freedom of Information Law (FOIL) Request for Redaction Chart* in accordance with Section 2.2.1.a of this RFP.

4.5 Key Subcontractors or Affiliates

The Offeror must complete the *Key Subcontractors or Affiliates* form (Attachment 9) to identify all Subcontractors or Affiliates with whom the Offeror subcontracts to provide Project Services. For purposes of reporting in the *Key Subcontractors or Affiliates* form (Attachment 9), *Key Subcontractors* include:

1. All vendors who will provide $100,000 or more in Project Services over the term of the Contract that results from this RFP; or

2. Any vendor who will provide Project Services in an amount lower than the $100,000 threshold, and who is a part of the Offeror's Account Team (described in section 3.1, Account Team).

For each Subcontractor identified, the Offeror must complete and submit the *Key Subcontractors or Affiliates* form (Attachment 9) and indicate whether or not, as of the date of the Offeror's Proposal, a subcontract has been executed between the Offeror and the Subcontractor for services to be provided by such subcontractor relating to the RFP. On the *Key Subcontractors or Affiliates* form (Attachment 9), the Offeror must:

1. Mark the applicable box if the Offeror will not be subcontracting with any Subcontractor(s) or Affiliate(s) to provide Project Services.

2. Indicate whether or not, as of the date of the Offeror's Proposal, a subcontract (or shared services agreement) has been executed between the Offeror and the Subcontractor or Affiliate for services to be provided by the Subcontractor or Affiliate relating to this RFP.

3. Provide a brief description of the services to be provided by the Subcontractor or Affiliate.

4. Provide a description of any current relationships with such Subcontractor or Affiliate and the clients/projects that the Offeror and Subcontractor or Affiliate are currently servicing under a formal legal agreement or arrangement, the date when such services began and the status of the project.

4.6 New York State Standard Vendor Responsibility Questionnaire

The Offeror must complete and submit an executed copy of the New York State Vendor Responsibility Questionnaire. A person legally authorized to represent the Offeror must execute the questionnaire. The questionnaire must be completed by all Subcontractors as defined above.

The Department recommends each Offeror file the required Questionnaire online via the New York State VendRep System. To use the VendRep System, please refer to: https://www.osc.state.ny.us/state-vendors/vendrep/vendrep-system.

By submitting a Proposal, the Offeror agrees to fully and accurately complete the Questionnaire. The Offeror acknowledges that the State's execution of the Contract will be contingent upon the State's determination that the Offeror is responsible, and that the State will rely on the Offeror's responses to the Questionnaire when making its responsibility determination. The Offeror agrees that if it is found by the State that the Offeror's responses to the Questionnaire were intentionally false or intentionally incomplete, on such finding, the Department may terminate the Contract. In no case shall such termination of the Contract by the State be deemed a breach thereof, nor shall the State be liable for any damages for lost profits or otherwise, which may be sustained by the Contractor as a result of such termination.

4.7 New York State Tax Law Section 5-a

Tax Law § 5-a requires certain Offerors awarded state Contracts for commodities, services and technology valued at more than $100,000 to certify to NYS Department of Taxation and Finance (DTF) that they are registered to collect New York State and local sales and compensating use taxes. The law applies to Contracts where the total amount of such Offeror's sales delivered into NYS is in excess of $300,000 for the four quarterly periods immediately preceding the quarterly period in which the certification is made, and with respect to any Affiliates and subcontractors whose sales delivered into NYS exceeded $300,000 for the four quarterly periods immediately preceding the quarterly period in which the certification is made.

An Offeror is required to file the completed and notarized Form ST-220-CA with the Department certifying that the Offeror filed the ST-220-TD with DTF. If the forms are not completed and returned with bid submission, the Offeror should complete and return the certification forms within five Business Days from the date of request. Failure to make either of these filings may render an Offeror non-responsive and non-responsible. The Offeror must take the necessary steps to provide properly certified forms within a timely manner to ensure compliance with the law.

Website links to the Offeror certification forms and instructions are provided below.

1. Form ST-220-TD must be filed with and returned directly to DTF and can be found at: http://www.tax.ny.gov/pdf/current_forms/st/st220td_fill_in.pdf. Unless the information upon which the ST-220-TD is based changes, this form only needs to be filed once with DTF. If the information changes for the Offeror, its Affiliate(s), or its subcontractor(s), a new Form ST-220-TD must be filed with DTF.

2. Form ST-220-CA must be submitted to the Department. This form provides the required certification that the Offeror filed the ST-220-TD with DTF. This form can be found at: http://www.tax.ny.gov/pdf/current_forms/st/st220ca_fill_in.pdf

4.8 Gender-Based Violence and the Workplace Certification

Effective November 5, 2025, New York State Finance Law §139-M requires bidders on competitive state procurements to certify that they have a written policy addressing gender-based violence and the workplace and that such policy, at a minimum, meets the requirements of subdivision 11 of section five hundred seventy-five of the Executive law including:

- **Share Information:** Employers must provide information regarding gender-based violence where employees can see and access it, including displaying the NYS Domestic and Sexual Violence Hotline information and a gender-based violence and the workplace poster.

- **Refer Employee-Survivors to Services:** The policy must require that the employer refer employees who disclose current or past victim status to the NYS Domestic and Sexual Violence Hotline and/or a local service provider. For bidders outside of New York State, referrals should be made to a local provider or statewide hotline. While referrals are required to be provided by the employer, it is not required for the employee to access services.

- **Prohibit Retaliation:** The policy must clearly state that discrimination or retaliation against employees who identify as victims or survivors of gender-based violence is prohibited.

- **Comply with Laws:** Ensure your policy follows State law. For employers based in New York State, this means that the policy must follow the SAFE Leave Act, New York State Human Rights Law, and any other relevant laws and regulations.

- **Offer Implementation Support:** The New York State Office for the Prevention of Domestic Violence (OPDV) is able to assist employers in developing and implementing this policy. Employers must provide information to supervisors and human resources, where available, about this technical assistance from OPDV. OPDV can be contacted at workplace@opdc.ny.gov.

[**Note:** If an organization cannot make the above certification, they must provide a statement with their bid detailing the reasons, therefore.]

OPDV has created a model policy that can be adopted or tailored to an organization's needs. The model policy, along with additional resources, can be found on the OPDV website: https://opdv.ny.gov/gender-based-violence-and-workplace

4.9 Consultant Disclosure Requirement

The Offeror Awarded must complete the *New York State Consultant Services Contractor's Planned Employment form* (Attachment 11) for all employees proposed to provide Project Services under the Contract whether employed by the Offeror or a Subcontractor. Chapter 10 of the Laws of 2006 requires State contractors to disclose, by employment category, the number of persons employed to provide services under a contract for consulting services, the number of hours worked, and the amount paid to the contractor by the State as compensation for work performed by those employees. The law defines contracts for consulting services to include any contract entered into by a State agency for analysis, evaluation, research, training, data processing, computer programming, engineering, environmental, health, and mental health services, accounting, auditing, paralegal, legal, or similar services.

Further, the selected Contractor will be required to report annually to the Department and OSC the employment information described above, including work performed by subcontractors. Further information about these requirements can be found at: www.osc.ny.gov/files/state-agencies/contracts/xreports/2020/forma/DOH01-C029347-3450000.pdf.

4.10 Use of Artificial intelligence (AI) by Offerors/Contractors

Offerors/Contractors may not use any AI technology, tool or solution, including GenAI transcription or recording tools without prior written approval from the Department of Civil Service ("Department", or "DCS"). All AI use is subject to the terms of the resultant contract including *Appendix C-AI, Standard Terms for Artificial Intelligence (AI) Purchases and Use of AI*. This provision applies to any and all technology systems that deploy AI technology.

If an Offeror/Contractor will be using AI technology, tool or solution, either directly or indirectly, subject to DCS approval, to provide any part of the services under this solicitation as defined in Appendix C-AI, the Offeror/Contractor must disclose: the following information within their Administrative Proposal submission:

- A detailed description of the AI technology (AI system(s) to be used.) including whether AI usage is generative and/or predictive/analytical.
  - If the AI is predictive or analytical:
    - How is the AI model's accuracy monitored and validated?
    - How will the AI capabilities be verified to ensure appropriate decision making.
    - How often will reviews be conducted to assess the accuracy and fairness of the AI system(s).

    - Has a bias audit been completed? If so, provide a copy.
- The intended purpose of the AI system.
- A description of the Department's data that will interact with or be consumed by the AI system.
- Whether the AI system is integral (i.e., services/solution cannot be provided without the use of AI) to the Offeror's/Contractor's solution.
- Whether there is an ability to turn off or disable the use of the AI system.
    - If the AI system is turned off or disabled, will that impact the Offeror's/Contractor's ability to perform the Project Services outlined in the RFP.
- How is the use of AI system governed and does it follow a recognized framework such as the National Institute of Standards and Technology (NIST).
- Whether the AI system is open source.
- How does the AI system comply with relevant Federal and State laws, regulations, and ethical guidelines.
- How does the AI system use personally identifiable, confidential, or sensitive information and ensure such use complies with applicable laws, rules, regulations, notices, and policies.
- What security measures are in place to ensure the safeguarding of Personal Identifiable Information (PII), and protection of sensitive data used in the transaction?
- If available, provide a recent independent audit report or an artificial intelligence (AI) impact assessment conducted in accordance with applicable guidance published by the National Institute of Standards and Technology (NIST).

The Department reserves the right to request additional documentation related to AI as part of the Offerors submission and prior to or while the AI is in use if approved by the Department. Failure to disclose the use of AI in your proposal may result in the disqualification of your proposal.

SECTION 5: TECHNICAL PROPOSAL REQUIREMENTS

The purpose of Section 5 of the RFP is to set forth the submissions required of the Offeror. The Offeror's Technical Proposal must contain responses to all required submissions from the Offeror in the format requested. Each Offeror may submit only one Technical Proposal. Each Offeror's Technical Proposal will be evaluated based on the responses to the required submissions contained in Section 5 of this RFP.

An Offeror must not include any cost information in the Technical Proposal, including attachments. Specific costs or savings estimates (dollars or percentages) must not be quoted in the Technical Proposal or in any attachments submitted with the Technical Proposal.

5.1 Executive Summary

1. The Offeror must submit an Executive Summary outlining its overall program and its capacity to administer the Project Services outlined in this RFP. The Executive Summary must include:

    a. The name and address of the Offeror's main and branch offices and the name of the senior officer responsible for this account.

    b. A concise description of the Offeror's understanding of the requirements presented in the RFP, the Department's needs, approach, and how the Offeror can assist the Department in accomplishing its objectives.

    c. A succinct statement that supports the Offeror has:

        i. Maintained an organization, for a continuous period of at least the past three years, capable of performing the Project Services specified in the RFP; and

        ii. Provided services comparable to the Project Services outlined in the RFP to governmental organizations with at least 100,000 health plan members, for a continuous period of at least the past three years.

    d. A succinct statement explaining previous experience providing actuarial and benefits management consulting services to other governmental organizations administering health benefits programs and detail how that experience, in general, qualifies the Offeror and, if applicable, any subcontractors, to perform the required Project Services.

    e. A concise description of the Contractor's full range of benefits consulting services offering and experience addressing, at a minimum, the areas of plan design consulting; provider network access analysis; consulting on vendor procurements; regulatory monitoring and compliance guidance; quality care programs; wellness programs; disease management; performance based contracting; advanced primary care; total cost of care modeling; analytical support; and discount analysis.

f. An explanation as to how the Offeror proposes to handle administrative responsibilities, such as the billing and invoicing of charges for services to the Department, including a description of how the Offeror will ensure only accurate and complete billing of charges are submitted to the Department.

g. A description of the qualifications and experience of staff assigned to provide Information Technology (IT) services in support of the Project Management Team's delivery of the required services and how they will interface with the Project Management Team to complete assignments and reports.

h. An overview of the Offeror's IT system and programming capabilities and its capacity to accept data from and exchange data with the Department and those contractors that hold a contract with the Department for the Hospital Program, Medical Program, Prescription Drug Program, and Mental Health and Substance Use Disorder Program , including a description of security measures used to ensure privacy and confidentiality of data is maintained in compliance with the RFP requirements.

i. A description of any additional services/benefits that the Offeror provides its customers at no additional charge, including the Department, if the Offeror is selected.

5.2 Account Team

1. The Offeror must complete the *Biographical Sketch Form* (Attachment 13) for all key personnel including Subcontractor key staff, if any, of the proposed Account Team. Where individuals are not named, include qualifications of the individuals that will fill the positions.

2. The Offeror must also:

    a. Provide an organizational chart and narrative description illustrating how the Offeror proposes to administer, manage, and oversee all aspects of the Projects.

    b. Describe the experience, training and education (including certifications) of the individual who will assume the role of Project Team Leader, including a description of the individual's experience with clients similar in size and scope of the Department.

c. Describe where the Project Team will be physically located.

d. Provide a description of how the Offeror proposes that the Project Management Team will successfully handle the Project Services (including an indication of the percentage of time, by team member, dedicated to the Project Service); manage the Department's account and interface with the Department in its delivery of Project Services.

e. Provide a description of the process by which the Offeror proposes to provide notification to the Department of actual or anticipated events impacting the delivery of Project Services and the presentation of options available to minimize or eliminate the impact of those events on the delivery of Project Services.

f. Provide a description of how the Offeror proposes to provide additional resources, should the need arise, from within the organization and/or from a third party; for those positions for which an individual(s) has not been named at time of Proposal submission; a description of how the Offeror proposes to recruit the person(s) to fill the position; a description of how the Offeror proposes to recruit replacement personnel, should one or more Project Management Team members leave during the term of the Contract; and a description of the steps that will be taken to ensure the continuity of Project Management Team members throughout the term of the Contract.

g. Provide reporting relationships and the responsibilities of each key position of the account management team and how the team will interact with other business units or functional areas within the Offeror's organization. The Offeror must include the percentage of time (by position) dedicated to the Program and reporting relationships.

h. Describe how the account management team interfaces with senior management and ultimate decision makers within the Offeror's organization.

5.3 Premium Rate Development

1. The Offeror must provide a narrative describing in detail the proposed processes that will be utilized to develop the annual premium rates, including the following:

   a. A detailed description of how experience and premium requirements for each of The Empire Plan vendors will be projected.

   b. A description of the quality assurance process to be used to ensure reports, documents, and services are complete, accurate, and of the quality required by the Department.

c. An example of a Final Report and Recommendations of Plan Funding Requirements.

5.4 Governmental Accounting Standards Board Valuation

The Offeror must provide a narrative describing in detail the proposed processes that will be utilized to perform the actuarial valuation, including a description of the Offeror's prior experience in providing GASB valuation and reporting services for other governmental organizations and a demonstrated understanding of the scope and purpose of the project.

5.5 Quarterly Analysis Reporting Services

1. The Offeror must submit a work plan which outlines the proposed process to be followed in order to deliver Quarterly Analysis Reporting Services as described in the Duties and Responsibilities in Section 3.4.1 of this RFP. The outline should include:

   a. A detailed description of the steps, factors, and required staff resources.

   b. The number of individuals per title and total number of hours per title using the Position Titles set forth in RFP Section 6.3, in your work plan. Please note that the projected total number of hours per Position Title per year as set forth in the Offeror's work plan must match the total number of hours per Position Title per year as set forth in the *Offeror's Premium Rate Development, GASB, and Quarterly Analysis Reporting Proposed Costs Form* (Attachment 16) submission.

   c. A timeline with specified start dates based on the number of Business Days, of the major milestones and interim activities for completion of the Task and related activities.

   d. A description of the steps the Offeror will take to ensure that due dates and deadlines set forth in RFP Section 3.4.1 are met, and

   e. A description of the quality assurance process used to ensure Quarterly Analysis reports, documents and services are complete, accurate and of the quality required by the Department.

   f. A comprehensive outline of the information to be provided in the "Benefits Management Consultant Review of Empire Plan Vendors' Quarterly Reports" for each of The Empire Plan vendors, and a justification for inclusion of each of the subject areas.

g. Quarterly Analysis Reporting Services Guarantee: In this part of its Technical Proposal, the Offeror must state its agreement and guarantee that, in accordance with the requirements listed in Section 3.4 of this RFP.

   Utilizing the *Performance Guarantees* form (Attachment 6), the Offeror must propose a forfeiture amount for each twenty-four hour period, or part thereof, beyond a given Quarterly Analysis Reports' due date, as negotiated by the Parties on a case-by-case basis, that the final report/deliverable is not provided to the Department. The forfeited amount (Standard Credit Amount) is $3,000.00 for each twenty-four hour period the Quarterly Analysis Report is not provided to the Department. However, an Offeror may propose higher or lesser amounts.

5.6 Ad Hoc Consulting Services

The Offeror must provide a narrative which includes the following:

1. A description of the proposed process by which the Offeror will plan, complete and report back to the Department on Ad Hoc Projects;

2. A description of the steps the Offeror will take to ensure that due dates and deadlines for the required Ad Hoc deliverables are met, including how the Offeror will ensure that this process meets the time constraints and specialized needs of the Department.

2. A description of the quality assurance process to be used to ensure requested Ad Hoc reports, documents and services are complete, accurate and of the quality required by the Department.

4. A description of two prior Ad Hoc Projects undertaken by the Offeror for a client(s). (The Ad Hoc projects provided cannot be for Ad Hoc Projects undertaken for the benefit of the Department, DOB and/or OER.) Each of the projects should have, in the opinion of the Offeror, required a comprehensive analysis of a highly complex issue that was of urgent nature to the client.

5. The Offeror should complete and submit *Project Abstract* (Attachment 15), for each of the two examples discussed above using the instructions provided in the Attachment.

6. Ad Hoc Consulting Services Guarantee: In this part of its Technical Proposal, the Offeror must state its agreement and guarantee that, in accordance with the requirements of listed in Section 3.5 of this RFP.
   Utilizing the *Performance Guarantees* form (Attachment 6), the Offeror must propose a forfeiture amount for each twenty-four hour period, or part thereof, beyond the due date for the Ad Hoc Project's report or final deliverable, as

negotiated by the Parties on a case-by-case basis, that the report/deliverable is not provided to the Department. The forfeited amount (Standard Credit Amount) is $550.00 for each twenty-four hour period the Ad Hoc report is not provided to the Department. However, an Offeror may propose higher or lesser amounts.

SECTION 6: FINANCIAL PROPOSAL

This section of the RFP sets forth the requirements for the Offeror's Financial Proposal submission and the cost structure required by the Department for Offerors to use in developing their submission. The Offeror's Financial Proposal must respond to all the following mandatory sections as set forth below in the formats as specified.

The sole compensation for the Contractor under the Contract will be payments based on the provisions set forth in this section of the RFP. During the term of the Contract, amounts paid for which it is subsequently determined that the Contractor was not entitled, if any, must be refunded to the Department. Submission of an invoice and payment thereof shall not preclude the Department from recovery or offset of payment in any case where Project Services as delivered are found to deviate from the terms and conditions of the Contract.

Evaluation of Financial Proposals will be performed in accordance with the provisions presented in Section 7.3 of the RFP.

The Financial Proposal must consist of the following:

6.1 Premium Rate Development and GASB

Throughout the term of the Contract, the Offeror will be paid for the Project Services cited in Section 3.2 and 3.3 of the RFP after its delivery to the Department of each of the deliverables noted in *Premium Rate Development, GASB, and Quarterly Analysis Reporting Proposed Costs Form* (Attachment 16) and upon the Department's review and acceptance of the work product.

Using the *Premium Rate Development, GASB, and Quarterly Analysis Reporting Proposed Costs Form (*Attachment 16), the Offeror must provide the proposed fixed all-inclusive costs for each of the cited deliverables. Such proposed costs must include all preparatory work regarding the deliverable, including meetings with the Department to address questions concerning the deliverables.

The Offeror's proposed unit rates as set forth in the *Premium Rate Development, GASB, and Quarterly Analysis Reporting Proposed Costs Form* (Attachment 16), must be guaranteed for the term of the Contract.

6.2 Quarterly Analysis Reporting Services

1. Throughout the term of the Contract, the Contractor will be paid for completed Quarterly Analysis Reports after its delivery to the Department and upon the Department's review and acceptance of the work product cited in Section 3.4.

2. Quarterly Analysis Report Costs, as noted in the *Premium Rate Development, GASB, and Quarterly Analysis Reporting Proposed Costs Form* of this RFP (Attachment 16), is a fixed all-inclusive cost for each of the cited deliverables. Each fixed all-inclusive cost includes all preparatory work regarding the deliverable, including meetings with the Department to address questions concerning the deliverables. The costs for completed Quarterly Analysis Reports are set forth in *Attachment 16, Premium Rate Development, GASB, and Quarterly Analysis Reporting Proposed Costs Form*. All costs are guaranteed for the term of the Contract.

6.3 Ad Hoc Consulting Services

Throughout the term of the Contract, the Offeror will be paid for the Project Services cited in Section 3.5 based on the fixed hourly rates set forth in the Offeror's cost proposal as proposed in *Ad Hoc Consulting Services Cost Form* (Attachment 17). The fixed hourly rates proposed by the Offeror must be inclusive of all direct and indirect costs, overhead expenses, fees, and profit. Such rates must not include travel which will not be required by the Department.

1. Using the *Ad Hoc Consulting Services Cost Form* (Attachment 17), the Offeror must quote fixed hourly rates for each of the four listed position titles. These position titles and the Offeror's quoted fixed hourly rates will be used by the Contractor when billing for Project Services rendered.

2. The Offeror, using the definitions below, must quote fixed hourly rates for each Contract year for each of the four (4) titles listed. These Position Titles and the Offeror's quoted fixed hourly rates will be used by the Contractor when billing for Additional Consulting Support Services.

    a. **Principal:** The Principal (Senior Vice President / President) must possess at least ten (10) or more years of experience in the field of actuarial and benefits management consulting services, including leadership responsibilities. Principals lead teams and may act as Subject Matter Experts.

    b. **Lead Consultant:** The Lead Consultant (Assistant Vice President / Senior Consultant) must possess at least ten (10) years of experience in the field of actuarial and benefits management consulting services. Lead consultants may lead strategy projects and handle day-to-day contract issues.

    c. **Consultants:** The Consultants must possess at least five (5) years of experience working in the area of actuarial and benefits management consulting services. Consultants may maintain and execute project plans and apprise clients of industry trends.

d. **Analysts:** The Analysts can be entry level professionals with at least two (2) years of experience in the field of actuarial and benefits management consulting services and would be expected to work under the direct supervision of one of the titles listed above. Analysts may perform work such as identifying cost and utilization trends and generating routine financial reports under direct supervision.

SECTION 7: EVALUATION AND SELECTION CRITERIA

The Department seeks to contract with a single Offeror to provide actuarial and benefits management consulting services to the Department for use in the administration of NYSHIP and other benefits administered by the Department. To this end, the Department intends to select the responsive and responsible Offeror whose Proposal offers the “Best Value” to the State, as defined in Section 7.5 of this RFP.

7.1 Administrative Proposal Evaluation

Proposals determined by the Department to satisfy the submission requirements set forth in Section 4 of this RFP will be reviewed by an evaluation team composed of staff from the Department. An Offeror’s Proposal shall not be considered for award until the Offeror submits a *Formal Offer Letter* (Attachment 3) and an *Attachment 7, Offeror’s Certification Form* (Attachment 7).

7.2 Technical Proposal Evaluation

The evaluation of the Offeror’s Technical Proposal will be based on that Offeror’s written Technical Proposal and responses to clarifying questions (if any) and, as deemed necessary by the Department, Technical Management Interviews conducted to amplify and/or clarify information in the Offeror’s Technical Proposal.

1. **Technical Score Ratings**

   The Technical Proposal of any Offeror meeting the requirements set forth in Section 7.1 of this RFP will be evaluated by the Department and representatives from other State agencies. Each Offeror’s Technical Proposal will be evaluated based on the following rating scale and criteria as applied to each response as required in Section 5 of this RFP. A rating of “Excellent” equates to a score of 4 for each evaluated response. Each reduction in the ratings results in a one-point reduction in the score such that a rating of “poor” equates to a score of 1.

   a. Excellent (4)

      The Offeror far exceeds the criteria. The services described indicate that the Offeror will provide high-quality services and is proactive and innovative.

   b. Good (3)

      The Offeror exceeds the criteria. The services described indicate that the Offeror will exceed the requirements of the RFP. The Offeror demonstrates some innovative features not shown in typical proposals.

c. Meets Criteria (2)

   The Offeror meets but does not exceed the criteria. The services described indicate that the Offeror will meet the requirements of the RFP.

d. Poor (1)

   The Offeror misinterpreted or misunderstood the question; or the Offeror does not answer the question/criteria in a clear manner, or the Offeror does not answer the question; or the Offeror does not meet the criteria.

2. <u>Performance Guarantee Ratings</u>

The Offeror's commitment to meet the levels of standards it outlines in its proposal will be verified by reviewing responses to related Performance Guarantee questions and reviewing the Offeror's proposed credit to the Administrative Fee (credit amount) for its failure to meet each of its proposed performance guarantees.

A rating of "excellent" equates to a score of 4 for each evaluated service level standard. Each reduction in the ratings results in a reduction in the score such that a rating of "poor" equates to a score of 1. An Offeror may propose performance guarantees that exceed the service level standards presented in this RFP. Proposed Performance Guarantees are contained within the *Performance Guarantees* form (Attachment 6) and will be evaluated using the following criteria:

a. Excellent (4)

   i. The Offeror's proposed performance guarantee exceeds the service level standard contained within this RFP; and

   ii. The Offeror's proposed credit amount is 125% or more of the Standard Credit Amount stated within this RFP.

b. Good (3)

   i. The Offeror's proposed performance guarantee equals the service level standard contained within this RFP, and the Offeror's proposed credit amount is 125% or more of the Standard Credit Amount stated within this RFP; or

   ii. The Offeror's proposed performance guarantee exceeds the service level standard contained within this RFP; and the Offeror's proposed credit amount is greater than 100% but less than 125% of the Standard Credit Amount stated within this RFP.

c. Meets Criteria (2)

   i. The Offeror's proposed performance guarantee equals or exceeds the service level standard contained within this RFP; and

   ii. The Offeror's proposed credit amount equals the Standard Credit Amount stated within this RFP.

d. Poor (1)

   i. The Offeror's proposed performance guarantee is below the service level standard contained within this RFP regardless of the credit amount proposed by the Offeror; or

   ii. The Offeror's proposed credit amount is less than 100% or less of the Standard Credit Amount stated within this RFP regardless of the level of performance the Offeror pledges.

3. <u>Allocation of Technical Score Points</u>

The scores referenced above shall be applied to weighted point values associated with each evaluated Submission response. The relative point value for each section of the Technical Proposal is as follows:

Section	Title	% of Technical Score
5.1	Executive Summary	5%
5.2	Account Team	15%
5.3	Premium Rate Development	25%
5.4	GASB	25%
5.5	Quarterly Analysis Reporting Services	15%
5.6	Ad Hoc Consulting Services	15%
Total		**100.0%**

4. <u>Technical Proposal Scoring</u>

The Technical Proposal evaluation will be based on 700 total available points. The average score of all evaluators for each section of the Technical Proposal will be applied against the weights depicted in the chart above.

7.3 Financial Proposal Evaluation

The Financial Proposal of any Offeror meeting requirements set forth in Section 7.3 of this RFP will be evaluated by the Department.

1. **Financial Proposal Scoring**

   a. The Department will calculate a Total Projected Cost for each Offeror as the sum of (i), (ii), (iii), and (iv) as follows:

      i. The Total Projected Premium Rate Development Cost as presented by the Offeror on the *Premium Rate Development, GASB, and Quarterly Analysis Reporting Proposed Costs Form* (Attachment 16);

      ii. The Total Projected GASB Cost as presented by the Offeror on the *Premium Rate Development, GASB, and Quarterly Analysis Reporting Proposed Costs Form* (Attachment 16);

      iii. The Total Projected Quarterly Analysis Reporting Services Cost as presented by the Offeror on the *Premium Rate Development, GASB, and Quarterly Analysis Reporting Proposed Costs Form* (Attachment 16); and

      iv. The Total Projected Ad hoc Consulting Services Cost which shall be calculated by the Department by multiplying the Offeror's proposed fixed hourly rates for each of the four listed position titles, as presented by the Offeror on the *Ad Hoc Consulting Services Cost Form* (Attachment 17), by the normalized hours for Ad Hoc Consulting Services as determined by the Department;

   b. The Offeror's Proposal with the lowest Total Projected Cost will be awarded 300 points. A Financial Proposal score for each remaining Offeror will be determined based on the following formula:

Cost Score of Evaluated Proposal =

300 * Lowest Evaluated Cost

divided by

Total Cost of Proposal being evaluated

7.4 Total Combined Score of Technical and Cost

The Total Combined Score assigned to each Offeror will be the sum of the Offeror's Technical Score and Financial Score.

7.5 Best Value Determination

Best Value means that the proposal that optimizes quality, cost, and efficiency among responsive and responsible bidders shall be selected for award (State Finance Law, Article 11, Section 163). Best Value will be determined by a weighted point system, with 70 percent allocated to the Technical Proposal and 30 percent allocated to the Financial Proposal. The Department shall select and enter into negotiations for the purpose of executing a Contract with the responsive and responsible Offeror that has obtained the highest Total Combined Score, inclusive of both Cost and Technical. If two offers' Total Combined Scores are tied, the award shall go to the bidder with the highest Cost score (lowest price), as calculated pursuant to Section 7.3 of this RFP.

In the event of a tie, the Department shall issue a request for Best and Final Offers (BAFOs). The request shall set forth the date, time and place for the submission of BAFOs. The Offerors may be asked to submit the BAFO in writing. After the BAFO is submitted, no further negotiations shall be conducted with the Offerors. BAFOs shall be requested only once; unless the Department makes a determination that it is advantageous to conduct further discussions. The decision to award in the event of a tie will be based on the bidder who submits the lowest BAFO.

SECTION 8: ADDITIONAL PROVISIONS

The Offeror that is determined to provide the Best Value to the Department shall be notified of its conditional award of Contract subject to the successful development of a Contract. The resulting Contract shall incorporate the requirements set forth in the RFP. Additional terms and conditions not already addressed in the RFP are set forth below.

1. Work in The Continental United States of America

All work performed by Contractor personnel under this Contract must be performed within the Continental United States of America.

2. Continued Data Access

The Department has determined that the period of time that the Contractor must provide the Department continued access to Data beyond the expiration or termination of the Agreement is no less than 365 Calendar days. All Contract provisions related to the protection and security of the Data will survive termination of the Contract. This provision does not limit or lessen the time period or Contractor's obligations pursuant to *Standard Clauses for New York State Contracts (*Appendix A) to establish and maintain Records.

3. Use and Disclosure of Protected Health Information

a. The Offeror acknowledges that the Offeror is a "Business Associate" as that term is defined in the HIPAA implementing regulations at 45 CFR 160.103, of the Department as a consequence of the Offeror's provision of Project Services on behalf of the Department within the context of the Offeror's performance under the resulting Contract and that the Offeror's provision of Project Services will involve the disclosure to the Offeror of individually identifiable health information from the Department or other service providers on behalf of the Department, as well as the Offeror's disclosure to the Department of individually identifiable health informationas a consequence of the Project Services performed under the resulting Contract. As such, the Offeror, as a Business Associate, will be requiredto comply with the provisions of this Section.

b. For purposes of this Section, the term "Protected Health Information" (PHI) means any information, including demographic information collected from an individual, that relates to the past, present, or future physical or mental health or condition of an individual, to the provision of health care to an individual, or to the past, present, or future payment for the provision of health care to an individual, that identifies the individual, or with respect to which there is a reasonable basis to believe that the information can be used to identify the individual. Within the context of the resulting Contract, PHI may be received by the Offeror from the Department or may be created or received by the Offeror on behalf of the Department in the Offeror's capacity as a Business Associate. All PHI received or created bythe Offeror in the Offeror's capacity as a Business Associate and as a consequence of its performance under the resulting Contract is referred toherein collectively as "Department's PHI".

c. The Offeror acknowledges that the Department administers on behalf of NYS, several group health plans as that term is defined in HIPAA's implementing regulations at 45 CFR Parts 160 and 164, and that each of those group health plans consequently is a "covered entity" under HIPAA. These group health plans include NYSHIP, which encompasses The Empire Plan as well as participating health maintenance organizations; the Dental Plan and the Vision Plan. In this capacity, the Department is responsible for the administration of these "covered entities" under HIPAA.The Offeror further acknowledges that the Department has designated NYSHIP and The Empire Plan as an Organized Health Care Arrangement (OHCA), respectively. The Offeror further acknowledges that:

    i. The Offeror is a HIPAA "Business Associate" of the group health plans identified herein as "covered entities" as a consequence ofthe Offeror's provision of certain services to and/or on behalf of the Department as administrator of the "covered entities" within the context of the Offeror's performance under the resulting Contract, and that the Offeror's provision of such services may involve the disclosure to the Offeror of individually identifiable health information from the Department or from other parties on behalf of the Department, and also may involve the Offeror's disclosure to the Department of individually identifiable health information as a consequence of the services performed under the resulting Contract; and

    ii. To the extent Offeror acts as a HIPAA "Business Associate" of the group health plans identified as "covered entities," the Offeror shall adhere to the requirements as set forth herein. Offeror is responsible to obtain from Members and Enrollees all consents and/or authorizations, if any, required for Offeror to perform the services hereunder and for the use and disclosure of information,including the Department's PHI, as permitted under the resulting Contract.

d. Permitted Uses and Disclosures of the Department's PHI: The Offeror may create, receive, maintain, access, transmit, use, and/or disclose the Department’s PHI solely in accordance with the terms of the resulting Contract. In addition, the Offeror may use and/or disclose the Department’s PHI to provide data aggregation services relating to the health care operations of the Department. Further, the Offeror may use and disclose the Department’s PHI for the proper management and administration of the Offeror if such use is necessary for the Offeror’s proper management and administration or to carry out the Offeror’s legal responsibilities, or if such disclosure is required by law or the Offeror obtains reasonable assurances from the person to whom the information is disclosed that it shall be held confidentially and used or further disclosed only as required by law or for the purpose for which it was disclosed to the person, and the person notifies the Offeror of any instances of which it is aware in which the confidentiality of the informationhas been breached. Additionally, the Offeror may use and/or disclose the Department’s PHI, as appropriate:

i. For treatment, payment and health care operations as described in 45 CFR Section 164.506(c)(2), (3) or (4); and

ii. To de-identify the information or create a limited data set in accordance with 45 CFR §164.514, which de-identified information or limited data set may, consistent with this section, be used and disclosed by Offeror only as agreed to in writing by the Department and permitted by law.

e. Nondisclosure of the Department’s PHI: The Offeror shall not create, receive, maintain, access, transmit, use, or further disclose the Department’s PHI otherwise than as permitted or required by the resulting Contract or as otherwise required by law. The Offeror shall limit its uses and disclosures of PHI when practicable to the information comprising a Limited Data Set, and in all other cases to the minimum necessary to accomplish the intended purpose of the PHI’s access, use, or disclosure.

f. Safeguards: The Offeror shall use appropriate, documented safeguards to prevent the use or disclosure of the Department’s PHI otherwise than as provided for in the resulting Contract. The Offeror shall maintain a comprehensive written information security program that includes administrative, technical, and physical safeguards that satisfy the standards set forth in the HIPPA Security Rule at 45 CFR §§ 164.308, 164.310, and 164.312, along with corresponding policies and procedures, as required by 45 CFR § 164.316, appropriate to the size and complexity of the Offeror’s operations and the nature and scope of its activities, to reasonably and appropriately protect the confidentiality, integrity, and availability of any electronic PHI that it creates, receives, maintains, accesses, or that it transmits on behalf of the Department pursuant to the resulting Contract to the same extent that such electronic PHI would have to be safeguarded if created, received, maintained, accessed, or transmitted by a group health plan identified herein.

g. Breach Notification: In addition to the Disclosure of Breach requirements specified in *Appendix B, Standard Clauses for All Department Contracts* the following provisions shall apply:

    i. Reporting: The Offeror shall report to the Department any breach of unsecured PHI, including any use or disclosure of the Department's PHI otherwise than as provided for by the resulting Contract, of which the Offeror becomes aware. An acquisition, access, transmission, use, or disclosure of the Department's PHI that is unsecured in a manner not permitted by HIPAA or the resulting Contract is presumed to be a breach unless the Offeror demonstrates that there is a low probability that Department's PHI has been compromised based on the Offeror's risk assessment of at least the following factors:

        1) The nature and extent of Department's PHI involved, including the types of identifiers and the likelihood of re-identification;

        2) The unauthorized person who used Department's PHI or to whom the disclosure was made;

        3) Whether Department's PHI was actually acquired or viewed; and

        4) The extent to which the risk to Department's PHI has been mitigated.

    ii. Required Information: In addition to the information required in *Appendix B, Standard Clauses for All Department Contracts,* Disclosure of Breach, the Offeror shall provide the following information to the Department within the time period identified in *Appendix B, Standard Clauses for All Department Contracts*, Disclosure of Breach, except when, despite all reasonable efforts by the Offeror to obtain the information required, circumstances beyond the control of the Offeror necessitate additional time. Under such circumstances, the Offeror shall provide to the Department the following information as soon as possible and without unreasonable delay, but in no event later than thirty Calendar Days from the date of discovery:

1) The date of the breach incident;

2) The date of the discovery of the breach;

3) A brief description of what happened;

4) A description of the types of unsecured PHI that were involved;

5) Identification of each individual whose unsecured PHI has been, or is reasonably believed to have been, accessed, acquired, or disclosed during the breach;

6) A brief description of what the Offeror is doing to investigate the breach, to mitigate harm to individuals, and to protect against any further breaches; and

7) Any other details necessary to complete an assessment of the risk of harm to the individual.

iii. The Offeror will be responsible to provide notification to individuals whose unsecured PHI has been or is reasonably believed to have been accessed, acquired, or disclosed as a result of a breach, as well as the Secretary of the United StatesDepartment of Health and Human Services and the media, as required by 45 CFR Part 164.

iv. The Offeror shall maintain procedures to sufficiently investigate the breach, mitigate losses, and protect against any future breaches, and to provide a description of these procedures and the specific findings of the investigation to the Department upon request.

v. The Offeror shall mitigate, to the extent practicable, any harmful effects from any use or disclosure of PHI by the Offeror not permitted by the resulting Contract.

h. Associate's Agents: The Offeror shall require all of its agents or Subcontractors to whom it provides the Department's PHI, whether received from the Department or created or received by the Offeror on behalf of the Department, to agree, by way of written contract or other written arrangement, to the same restrictions and conditions on the access, use, and disclosure of PHI that apply to the Offeror with respect tothe Department's PHI under the resulting Contract.

i. Availability of Information to the Department: The Offeror shall make available to the Department such information and documentation as the Department may require regarding any disclosures of PHI by the Offeror to fulfill the Department's obligations to provide access to, provide a copy of, and to account for disclosures of the Department's PHI in accordance with HIPAA and its implementing regulations. The Offeror shall provide such information and documentation within a reasonable amount of time of its receipt of the request from the Department. The Offeror must provide the Department with access to the Department's PHI in the form and format requested, if it is readily producible in such form and format; or if not, in a readable hard copy form or such other form and format as agreed to by the Parties, provided, however, that if the Department's PHI that is the subject of the request for access is maintained in one or more designated record sets electronically and if requested by the Department, the Offeror must provide the Department with access to the requested PHIin a readable electronic form and format.

j. Amendment of the Department's PHI: The Offeror shall make the Department's PHI available to the Department as the Department may require fulfilling the Department's obligations to amend individuals' PHI pursuant to HIPAA and its implementing regulations. The Offeror shall, as directed by the Department, incorporate any amendments to the Department PHI into copies of such Department PHI maintained by the Offeror.

k. Internal Practices: The Offeror shall make its internal practices, policies and procedures, books, records, and agreements relating to the use and disclosure of the Department's PHI, whether received from the Department or created or received by the Offeror on behalf of the Department, available to Department and/or the Secretary of the U.S. Department of Health and Human Services in a time and manner designated by the Department and/or the Secretary of the U.S. Department of Health and Human Services for purposes of determining the Department's compliance with HIPAA and its implementing regulations.

l. Termination: This Contract may be terminated by the Department at the Department's discretion if the Department determines that the Offeror, as a Business Associate, has violated a material term of this Section. Data return and destruction upon contract termination is governed by *Appendix C, Information Security Requirements.*

m. Indemnification: Notwithstanding the provisions in *Appendix B, Standard Clauses for All Department Contracts,* the Offeror agrees to indemnify, defend and hold harmless the State and the Department and its respective employees, officers, agents, or other members of its workforce (each of the foregoing hereinafter referred to as “Indemnified Party”) against all actual and direct losses suffered by the Indemnified Party and all liability to third parties arising from or in connection with any breach of this section, Use and Disclosure of Protected Health Information, or from any acts or omissions related to this section by the Offeror or its employees, officers, subcontractors, agents, or other members of its workforce, without limitations. Accordingly, the Offeror shall reimburse any Indemnified Party for any and all actual and direct losses, liabilities, lost profits, fines, penalties, costs, or expenses (including reasonable attorneys’ fees) which may for any reason be imposed upon any Indemnified Party by reason of any suit, claim, action, proceeding, or demand by any third party which results from the Offeror’s acts or omissions hereunder. The Offeror’s obligation to indemnify any Indemnified Party shall survive the expiration or termination of this Contract.

n. Miscellaneous:

   i. Survival: The respective rights and obligations of Business Associate and the “covered entities” identified herein under HIPAA and as set forth in this Section, USE AND DISCLOSURE OF PROTECTED HEALTH INFORMATION, shall survive termination of the resulting Contract.

   ii. Regulatory References: Any reference herein to a federal regulatory section within the Code of Federal Regulations shall be a reference to such section as it may be subsequently updated, amended, or modified, as of their respective compliance dates.

   iii. Interpretation: Any ambiguity in the resulting Contract shall be resolved to permit covered entities to comply with HIPAA.

4. <u>Entire Contract</u>

The resulting Contract, including all appendices, constitutes the entire Contract between the parties hereto and no statement, promise, condition, understanding, inducement, or representation, oral or written, expressed or implied, which is not contained herein shall be binding or valid and the Contract shall not be changed, modified, or altered in any manner except by an instrument in writing executed by both parties hereto, except as otherwise provided herein. The Contract is subject to amendment(s) only upon mutual consent of the Parties, reduced to writing and approved by OSC and subject to the termination provisions contained herein.