

State Procurement Office

Workshop No. SPO 215

The Request for Proposals (RFP) Process for Health and Human Services

Pursuant to HRS Chapter 103F

Procurement Delegation and Training

You are required to have written delegated procurement authority and appropriate training:

- ✓ Procurement Delegation No. 2010-01
Amendment 1 (4/14/11)
- ✓ Procurement Circular No. 2010-05

Training website:

<http://hawaii.gov/spo>, Training for State and County
Procurement Personnel

A Quick Review...

HRS Chapter 103F Five Methods of Procurement

| Method | HAR Chapter |
|-----------------------------------|--------------------|
| Competitive (RFP) * | 3-143 |
| Restrictive (Sole Source)* | 3-144 |
| Treatment | 3-145 |
| Small Purchase | 3-146 |
| Crisis | 3-147 |

***Requires posting of public notice**

How Do I Know if a Procurement is Subject to HRS Chapter 103F?

1. The procurement must be for **services** (as opposed to goods.)
2. The service must be intended to **maintain or improve health or social well-being** and may include assessment, treatment, diagnosis, prevention or educational services.
3. The service is to be provided **directly to a targeted clientele.**

Key Benefits of Procuring

- Informs providers that the state is looking to competitively procure specific services.
- Requires the user agency to specify what it proposes to purchase.
- Allows for wide distribution and response.
- Ensures that suppliers respond factually to the identified requirements.
- Ensures **equitable treatment** of all parties for **all aspects of procurement**: planning, procurement, award, contracting, contract administration and contract completion/termination.

The RFP...

What is an RFP?

- It is not a bid!
- It is a mechanism/process (not just a document).
- Method of procurement used most often for procuring health and human services.
- It is the most competitive of all the methods of procurement pursuant to this chapter.

Team Management

- It's a team process
- Identify who will participate and get a commitment (administrators/supervisors can help with this).
- Except for the coordinator, team members will not be fully involved in every aspect of the process.
- Provide team members with drafts and invite comments.
- Identify evaluators early and ensure they are part of the team.

Planning HAR Chapter 3-142

- Developing a well-written *RFP* takes time and planning
- Planning is **mandatory**, but it's a good thing.
- A brief reference to your agency's planning activities shall be included in each RFP.
- Planning documents referenced in the RFP shall be available to the public.

Planning for an RFP

- Purpose and Scope. What is the problem or requirement that needs to be addressed?
- What are your desired outcomes?
- How much money is available?
- Expectations: What are the State's minimum service requirements of the provider(s)?
- What solutions to the issue or problem are you expecting from the provider?
- What are the risk factors (risk assessment)?
- How will the solution affect the agency operations?

Planning for an RFP (continued)

- Service qualifications or capability of the applicants.
- Evaluation criteria, other requirements.
- How will the agency monitor or ensure contract compliance?
- What are your timelines?

RFP Logistics Develop a Timeline

- Consider the specifics
 - Is it a new/modified service or is it essentially the same?
 - Is it a complex service?
 - RFI, orientation, questions
 - Number of providers that may respond.
 - Possibility of mainland providers?
 - How long for AG approval?
- Average length of time – 6 to 9 months

Requests for Information (RFI) HAR §3-142-202

- Conducting at least one RFI prior to developing an RFP is mandatory.
- More than one RFI may be conducted.
- **Public Notice.** The RFI notice shall be posted on the Procurement Notices System (PNS) for a minimum of seven days.
- If comment comes in after deadline, take it

The RFP Templates

2 RFP templates

- Regular RFP Template (used most of the time) *(revised 8/2012)*
- RFP Template Short Form 1 *(revised 10/2012)*

RFP Template Short Form 1

- Service activities and method of delivery are clearly set or are industry standards;
- Leaves little for the applicant to 'propose' other than offering documentation of meeting minimum qualifications and offering a competitive price.
- Evaluation is based on meeting qualifications and price.

RFP Template: *Short Form* (continued)

Services that may be applicable for using the short form RFP:

- Physician Services
- Nursing
- Dentistry
- Occupational/Physical Therapy
- Psychiatric Assessment
- Psychological Assessment

**RFP Template
Regular Form**

- Used most often.
- Service activities may be a range of services or must meet certain criteria/have certain characteristics.
- Used when applicants need to propose activities/services to attain the user agency's specified outcomes/goals.
- Remember, evaluation criteria in the RFP is essential to properly evaluate proposals submitted.

RFP Template
The Fundamental Parts

- Sample Notice
- Proposal Mail-In & Delivery Information

Section 1: Administrative Overview

Section 2: Service Specifications

Section 3: Proposal Application Instructions

Section 4: Proposal Evaluation

Section 5: Attachments

RFP Template
Section 1 - Administrative Overview

- Provides general information.
- You may add, but do not delete. There may be instances when certain items are not applicable (N/A), you may mark them as such.
- There is some information you need to fill in.

| | |
|---|--------------------|
| Public notice announcing Request for Proposals (RFP) | |
| Public notice announcing RFP | 11/10/10 |
| Distribution of RFP | 11/10/10 - 1/25/10 |
| RFP orientation session | 11/23/10 |
| Closing date for submission of written questions for written responses | 11/30/10 |
| State purchasing agency's response to applicants' written questions | 12/16/10 |
| Discussion with applicant prior to proposal submittal deadline (optional) | |
| Proposal submittal deadline | 1/25/11 |
| Discussions with applicant after proposal submittal deadline (optional) | To be determined |
| Final revised proposals (optional) | 2/2011-3/2011 |
| Proposal evaluation period | 4/2011 |
| Provider selection | 4/2011 |
| Notice of statement of findings and decision | 5/2011 |
| Contract start date | 7/1/11 |

RFP Template: Section 1 - Administrative Overview (continued)

- **Contracting Office**
- **Orientation (HAR §3-143-203)** (date, time, location)
 - 5 to 15 working days after public notice issued or enough time for applicants to become familiar with the RFP
 - Where? On the island where service will be provided
If services are on more than one island, then at a minimum on the island where the largest share of services will be provided.
- **Submission of Questions** (Due date and time)
- **Protests** (Name and address of head of the purchasing agency and procurement officer)

RFP Template: Section 1 - Administrative Overview (continued)

General and Special Conditions

- **General**
 - Review all to consider whether or not they are appropriate for the particular RFP.
 - Work with your Deputy AG if you feel General Conditions are not appropriate for the particular RFP.
- **Special**
 - Specific to the individual RFP being issued.
 - Any other special terms and conditions required by the agency should be supplied to your Deputy AG prior to inclusion in the RFP.

**RFP Template
Section 2 – Service Specifications**

- HAR §3-143-302, Service specifications for requests for proposals
- What do you want the **PROVIDER** to do? Services that are required, and pricing/pricing methodology.
- This is the heart of your RFP.
- You must know what you want.
- Not sure how to phrase it? Look at the RFP website. Past RFPs are there.

RFP Template: Section 2 – Service Specifications (continued)

Things to remember:

- Avoid over- or under specifying.
Too restrictive defeats competition, increases cost.
- Good specifications allow an equal opportunity to propose and objectivity of selection (evaluation).
- Use clear simple language.
- Restrict use of abbreviations – avoid any misunderstanding.

RFP Template: Section 2 – Service Specifications (continued)

- **Introduction**
 - Overview, purpose or need
 - Planning activities
 - Service goals
 - Target population
 - Geographic coverage
 - Funding amounts

RFP Template: Section 2 – Service Specifications (continued)

- **General Requirements**

- **Qualification requirements** (organization or sole proprietor, not personnel)

- **Secondary purchase** (HAR §3-143-608)

- Two or more purchasing agencies combine service requirements

- (Secondary purchaser’s share shall not exceed 30% or \$75,000, whichever is lesser, unless the secondary purchaser determines in writing that good cause exists for a greater share.)

RFP Template: Section 2 – Service Specifications (continued)

- General Requirements

- **Secondary purchase** (continued)

- ❖ **Planned secondary purchase**

- Requirements combined and one RFP issued

- ❖ **After-the-fact secondary purchase**

- Purchasing agency wants to utilize service or part of service that has already been procured competitively by another purchasing agency

- Head of the purchasing agency or the procurement officer of the secondary purchaser shall obtain written approval from the primary purchaser’s CPO

RFP Template: Section 2 – Service Specifications (continued)

- General Requirements
 - **Multiple or Alternate Proposals**
 - **Single or Multiple Contracts to be Awarded**
 - * Explain
 - **Single or Multi-term Contracts to be Awarded**
 - * Explain
 - **RFP Contact Person**

RFP Template: Section 2 – Service Specifications (continued)

- **Scope of Work**

The “heart” of your service requirements.

 - **Service Activities**
 - **Management Requirements**
 - Personnel
 - Administrative
 - Quality Assurance and Evaluation Specifications
 - Output and Performance/Outcome Measurements
 - Experience
 - Coordination of Services
 - Reporting Requirements
 - **Facilities**

RFP Template: Section 2 – Service Specifications (continued)

• **Compensation and Method of Payment**

- Pricing structures
 - ❖ Cost Reimbursement
 - ❖ Unit Rate
 - ❖ Fixed Price
- How payment will be made

RFP Template

Section 3 - Proposal Application Instructions

General Instructions for Completing Applications

- I. Program Overview
- II. Experience and Capability
 - Necessary skills
 - Experience
 - Quality assurance and evaluation
 - Coordination of Services
 - Facilities

RFP Template: Section 3 - Proposal Application Instructions
(continued)

III. Project Organization and Staffing

- Staffing
- Project Organization

IV. Service Delivery

V. Financial

VI. Other

**Section 3 –
Proposal Application Instructions**

- What do you want the **APPLICANTS** to include in their proposal?
- Review Section 2.
- **Be specific!** Add bullets. Bullets will generally be specific to a service.

Section 3 – Proposal Application Instructions (continued)

- To avoid receiving proposals that parrot RFP language (give examples):
 - Describe in detail how...
 - Explain in detail...
 - Describe each phase of...
 - Describe how <service A> will be delivered...
 - Describe how <service B> will be delivered...
- Don't require budget forms unless you have a purpose for them.

RFP Template

Section 4 – Proposal Evaluation

- Introduction
- Evaluation Process
 - Describe your evaluation process.
- Evaluation Criteria
 - I. Program Overview
 - II. Experience and Capability
 - III. Project Organization and Staffing
 - IV. Service Delivery
 - V. Financial

For criteria established in Section 4, be sure that you ask for the information in Section 3.

RFP Template: Section 4 – Proposal Evaluation (continued)

Mandatory Requirements

- Must meet in order to accomplish the work outlined in the RFP. (licensing, accreditation, special insurance, etc.)
- Strictly pass-or-fail. Make a list of the things that will be absolutely required for a successful provider to have in order to enter into a contract.
- Do not include “desired” or “preferred” criteria.

RFP Template: Section 4 – Proposal Evaluation (continued)

- Identify all evaluation criteria and their relative importance, *early* in RFP development.
- The only way to properly evaluate the proposals and assure that the awarded proposal meets all the requirements of the state.
- Criteria not specified in the RFP **shall not** be used for evaluating the proposals.
- Again, include evaluators in developing this section (and the rest of the RFP).
- Develop in accordance with Section 3 of the RFP.

Determining Evaluation Criteria

Make a detailed list of the most important aspects of the service(s) required, including cost. Each item on your list is a potential evaluation criterion.

List the criteria in sequence from most important.

- **Assign Points** to each criterion based on its **relative importance**.
- Points assigned to each criterion **shall be included in the RFP**.
- Points make applicants aware of which items are relatively more important than others and can influence an applicant in the preparation of their RFP response.

Sample Sections 2, 3 and 4

| Section 2 Service Specs | Section 3 Proposal Instructions | Section 4 Proposal Evaluation |
|---|--|---|
| Provide outreach services to at-risk youth, both in and out of school in order to get those in need into substance abuse treatment. | Describe in detail outreach activities that will be conducted in the community. Indicate in detail how outreach workers will be able to connect with youth. Describe examples of locations, times of day, etc. (Be specific. For example, if services will be conducted in parks, name the parks. Will it occur mornings, weekends?) | Described in detail outreach activities that will be conducted in the community, indicating in detail how outreach workers will connect with youth. (10 points) |
| At-risk youth are youth who... Outreach services may include but are not limited to... Outreach services should minimize the missed class time. | Describe in detail the types of outreach services that will be conducted in schools. Include a description of how missing class time be kept to a minimum. On an average, how much class time will a client miss per week due to outreach? Describe how other outreach activities will be conducted on campus during the school day that will not involve missing valuable class time. | Described in detail the types of outreach services that will be conducted in schools. Description of services minimizes missed class time. (5 points) |

RFP Template Section 5 - Attachments

- Sample table of contents is a “sample.”
- Be sure to include and complete the Proposal Application Checklist. The checklist is not readily available on the web for applicants.
- Requiring federal forms (debarment, etc.)? You **MUST/SHALL** include them. Federal forms are not on the SPO website.
- Requiring any budget forms that need special instructions?

RFP Public Notice Requirement HAR §3-143-202

- Notice of the RFP shall be placed on the Procurement Notices Website ([PNS](#)). Proposal submittal deadline shall be **at least 28 days** from the date RFP is first available.
- Public notice of the RFP in newspapers is optional (If you choose to do so, follow pricelist requirements.)

Note: Be sure to print the public notice and complete the attestation (Form SPO-20) on the release date.

RFP Posting Requirement
Procurement Circular 2004-04,
Posting Health and Human Services Requests for Proposals
on the Internet

- The RFP and addenda shall be posted on the Request for Proposals Website (RFPW).
- Post at same time as public notice.
- The RFP Website Posting Guidelines are at <http://hawaii.gov/spo>. Click “Health and Human Services...,” then “For State Agencies.” Scroll down to “The RFP Website.”

Orientation Meeting
HAR §3-143-203

- Be prepared
- Bring someone to take notes.
- Have an Agenda (see sample)
- **Orientation and responses to questions.**
Substantive matters raised at orientation and responses to questions shall be issued by addendum.

Addenda
HAR §3-143-301

- Amendments, corrections, and clarifications to RFPs shall be made by addendum.
- Having to do an addendum is not a bad thing. There is always room for improvement.
- See Sample Template for Addenda.

Final Revised Proposals
HAR §3-143-607

- Final Revised Proposals shall be issued via an addendum rather than just a notice.

**Public Inspection
of Competitive Purchase of Service
Records
HAR §3-143-616**

...”shall be available for public inspection, to the extent permitted under current law, governing information practices, after execution of a contract by all parties.”

**Applications for Federal Funding
HAR §3-143-614**

- Applying for federal funds does not exempt a purchasing agency from HRS Chapter 103F
- If provider is not specified by federal law or in the federal grant award to the state, service shall be competitively procured.
- Special circumstance. If application for federal funds requires identification of specific provider(s), purchasing agency shall utilize the RFI process (HAR §3-142-202) to select provider(s).

**HAR Chapter 3-143
Competitive Purchase of Service**

HRS 103F-401.5

ACT 69, SLH 2010 (HB1642, CD1)

Requires proposals for purchases of health and human services to be submitted by providers licensed to provide the services being bid on. Requires proposals to include all costs, fees, and taxes, including any insurance premium taxes or general excise taxes. Prohibits awards or contracts to include any other payment, rebate, or direct or indirect consideration not included in the proposal.

Act 004, SLH 2012

HRS §103F-203, Participation of providers.

Allows the purchasing agency to require providers to participate in planning, provided that the requirement is in the RFP and the contract.

Procurement Circular No. 2012-06

HAWAII COMPLIANCE EXPRESS (HCE)

NOTE:

We understand that Internal Revenue Service (IRS) no longer provides tax clearances in paper form; therefore, all contracted providers need to register with HCE to obtain compliance verification.

Resources for You to Tap

- Each other!
- Procurement Awards, Notices and Solicitations
 - Procurement Notices
 - Awards/Contracts Database
 - RFP Website (includes past RFPs)
- Departmental Coordinators for Purchases of health and Human Services
- The Internet! (*Google it*)
Federal, State, Municipality, International, professional organizations (in the subject matter area),
NIGP (National Institute of Governmental Purchasing)

**Departmental Coordinators
for Purchases of Health & Human Services**

| | |
|-----------|---------------|
| AG | Shaleigh Tice |
| DHHL | Kamanao Mills |
| DHS | Susy Kawamoto |
| DHS, HPHA | Rick Sogawa |
| DLIR | Yvonne Chong |
| DOD | Tom Moriyasu |
| DOE | Andrell Beppu |
| DOH | Sharon Abe |
| PSD | Marc Yamamoto |
| JUD | Jonathan Wong |
| OHA | Ernie Kimoto |

Nothing will work until you do.
- Maya Angelou

Questions?

The SPO website
<http://hawaii.gov/spo>
Click “Health and Human Services Ch. 103F,
HRS...”

Corinne Higa
587-4706
corinne.y.higa@hawaii.gov