

REQUEST FOR PROPOSALS

Worker's Compensation Pharmacy Services

**Proposals To Be Received by 11:00 a.m., Eastern Standard Time
September 1, 2006**

Submit proposals to:

**Request for Proposals
Worker's Compensation Pharmacy Services**

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Request for Proposals
Worker's Compensation Pharmacy Services

I. Statement of Intent

The X is seeking written, sealed proposals from responsive firms to provide pharmaceutical services in regard to the X's self-insured workers' compensation program.

II. RFP Time Line

Availability of RFP *August 7, 2006*

Question Submission Deadline *August 24, 2006*

Proposal Due Date..... *September 1, 2006*

Recommendation to X for Approval..... *September 26, 2006*

Contract Start Date..... *October 1, 2006*

This timetable is for the information of submitting entities. Project constraints, including interviews with submitting entities, may cause these dates to change.

In no event shall the deadline for submission of the proposals be changed except by written modification from the Purchasing Division.

III. Background

The X has self-insured its workers' compensation program since January 1, 1979, when it elected to be covered by Workers' Compensation Laws. It has administered all aspects of the program until October of 1989. At that time the X entered into a contract with an independent firm to provide certain administrative services to its workers' compensation program. Under the current arrangement the X handles medical only claims; issues all checks for medical payments, TTD payments, PPD payments; makes necessary reports to the Division of Workers' Compensation; and defends suits filed against the X.

The **medical** claims experience of the X self-insured workers' compensation program is as follows:

Fiscal Year	Medical Claims Expenditures
July 1, 2003 – June 30, 2004	\$
July 1, 2004 – June 30, 2005	
July 1, 2005 – June 30, 2006	\$

These figures are as of July 28, 2006. Expenditures for prescription drugs have averaged \$ per month over the last 12 months. The average number of prescriptions per month is X.

The number of claims is as follows:

Calendar Year	2003	2004	2005
Number of total claims			
Number of lost time cases			
Number of medical only cases			
Number of record only cases			

IV. General Conditions

- 4.1 The following data is intended to form the basis for submission of Proposals to provide Worker's Compensation Pharmacy Services for the X.
- 4.2 This material contains general conditions for the procurement process, the scope of service requested; contract requirements; instructions for submissions of qualifications; and submission forms that must be included in the proposal. The RFP should be read in its entirety before preparing the proposal.
- 4.3 All materials submitted pursuant to this RFP shall become the property of X.

To the extent permitted by law, all documents pertaining to this Request for Proposals shall be kept confidential until the proposals evaluation is complete, and a contract is awarded. No information about any submission of proposals shall be released to anyone until the process is complete, except to the members of the Evaluation Committee, who shall evaluate the proposals, and other appropriate X staff. All information provided shall be considered by the Evaluation Committee in making a recommendation to enter into an agreement with the selected consultant.

- 4.4 Any inquiries, suggestions or requests concerning interpretation, clarification or additional information pertaining to the RFP shall be made **in writing to X**. Questions can be submitted by letter, phone, fax , or email to X. **Such inquiries must be in the hands of the Purchasing Agent by the close of the business day on August 24, 2006.** The X shall not be responsible for oral interpretations given by any X employee, representative

or others. The issuance of written addenda is the only official method whereby interpretation, clarification or additional information can be given. If any addenda are issued to this Request for Proposals, the X Purchasing Division will attempt to notify all prospective submitting entities and the addenda shall become a permanent part of the RFP; however, **it shall be the responsibility of each submitting entity, prior to submitting proposals, to contact the X Purchasing Division at X to determine if addenda were issued and to make such addenda a part of the submission of proposals. Any addenda will also be posted on the X website at X.**

- 4.5 The X reserves the right to (a) accept or reject any and/or all proposals; (b) to waive irregularities and technicalities; (c) accept any alternative submission of proposals presented which in its opinion, would best serve the interests of the X; (d) give full and proper evaluation of the firm or team presenting the proposal. The X shall be the sole judge of the proposals, and the resulting negotiated agreement that is in its best interest, and its decision shall be final. Also, the X reserves the right to make such investigation as it deems necessary to determine the ability of any submitting entity to perform the work or service requested. Information the X deems necessary to make this determination shall be provided by the submitting entity. Such information may include, but shall not be limited to: current financial statements by an independent CPA; verification of availability of equipment and personnel; and past performance records.
- 4.6 Included in the Contract Documents is an affidavit that the undersigned has not entered into any collusion with any person in respect to this proposal. The proposer will be required to execute and submit this affidavit prior to execution of the Contract by the Owner.
- 4.7 Subsequent to the Evaluation Committee's review and the Mayor's recommendation of a firm(s), X approval may be required before the final contract may be executed.
- 4.8 All expenses for making submission of qualifications shall be borne by submitting entity.
- 4.9 Any submission of proposals may be withdrawn up until the date and time for opening of the submissions. Any submission not so withdrawn shall, upon opening, constitute an irrevocable offer for a period of 90 days to the X for the services set forth in the Request for Proposals until one or more of the submissions have been duly accepted by the X.

V. Scope of Service

The X is seeking pharmaceutical services in regard to its self-insured workers' compensation program. These services sought include, but are not limited to, the following:

- 5.1 Contractor must be able to provide prescription drugs to employees entitled to medicine under the X workers' compensation program.

- 5.1.1 These prescription drugs must have been ordered by a physician on the X list of

approved medical providers for workers' compensation.

- 5.1.2 Prescriptions must be for a condition determined by the X or its administrator to be compensable under the X Workers' Compensation Law.
- 5.1.3 Prescription amounts will be limited to a thirty-four (34) day supply or one hundred (100) doses; whichever is less, unless authorized by the X. The X would like to explore the possibility of authorizing a ninety (90) day supply on established maintenance drugs.
- 5.1.4 Over-the-counter medications for compensable claims prescribed by a physician on the X list of approved medical providers for workers' compensation will be covered.
- 5.2 Contractor must be able to provide services at convenient locations throughout the Greater X Area.
- 5.3 It is anticipated that the Contractor will provide services to employees who are listed by the X on a roster that will be sent by the X at the initiation of the agreement. The X will then update the list as needed. Prescriptions or employees with a claim that occurred after the latest update must be verified by phoning the X.
- 5.4 Information on billing required by the X must include at a minimum:

- Name of employee
- Prescription Number
- Quantity Prescribed
- Prescription Name
- Ordering Physician
- Date Prescription Filled

Contractor must demonstrate an ability to provide billing in this format or alternative format agreed to by the X. The billing should be subdivided alphabetically by employee with a total amount charged for each employee. A grand total for all employees should also be shown.

Contractor must accept a "hold harmless" clause such that Contractor will not collect charges or fees from covered participants in the X workers' compensation program. The negotiated payment from the X will be considered payment in full.

VI. Contract Requirements

Submitting entities, if selected, must be willing to sign a contract with the X which will include certain provisions, among which are the following:

- 6.1 The contract shall consist of (1) the RFP; (2) the proposal/ submitted by the contractor to this RFP; and (3) the contract. In the event of a discrepancy between the contract, the RFP and the submitted proposal, the contract will prevail.
- 6.2 The contract will be administered by the X.
- 6.3 Invoices for services will be submitted to the X in accordance with the contract terms.
- 6.4 The relationship of contractor to the X will be that of independent contractor. The contractor will be solely and entirely responsible for its acts and for the acts of its agents, employees, servants and subcontractors done during the performance of the contract. All services performed by the contractor shall be provided in an independent contractor capacity and not in the capacity of officers, agents, or employees of the X.
- 6.5 The contractor shall not assign or transfer any interest in this contract without prior written consent of the X.
- 6.6 A. Contractor, its agents and employees shall defend, indemnify and hold harmless the X, its agents and employees from any and all liability to Contractor, and agents and employee or any third parties for claims, personal injuries, property damage, or loss of life or property resulting from, or in any way connected with, or alleged to have arisen from, the performance of this agreement, except where the proximate cause of such injury, damage, or loss was the sole negligence of the X, its agents or employees.
- B. Contractor, its agents and employees shall defend, indemnify and hold the X harmless for the cost of the defense of any claim, demand, suit or cause of action made or brought against the X alleging liability referenced paragraph A, including, but not limited to, cost fees, attorneys' fees, and other expenses of any kind whatsoever arising in connection with the defense of the X; and to assume and take over the defense of the X in any such claim, demand, suit or cause of action upon timely notice and demand for same by the X, except where the proximate cause of such injury, damage or loss was the sole negligence of the X, its agents or employees.
- C. Contractor, its agents and employees shall defend, indemnify and hold the X harmless and pay all judgments that shall be rendered in any such actions, suits, claims or demands against the X alleging liability referenced in paragraph A, except where the proximate cause of such injury, damage or loss was the sole negligence of the X, its agents or employees.
- 6.7 X may terminate this Agreement at any time, with or without cause, by written notice of termination to the Contractor.

If the X terminates this Agreement, and such termination is not a result of a default by the Contractor, the Contractor shall be entitled to receive as its sole and exclusive remedy the following amounts from the X, and the X shall have no further or other obligations to the Contractor: (a) The amount due to the Contractor for work executed through the date of

termination, not including any future fees, profits, or other compensation or payments which the Contractor would have been entitled to receive if the Project had not been terminated; and (b) the direct out-of-pocket costs incurred by the Contractor for demobilization of the Project following receipt of the notice of termination, not to exceed the amount reasonably and actually required to demobilize the Project.

- 6.8 The contractor must be a licensed professional as required by the X. The contractor must maintain license during the period of the contract and shall submit evidence of compliance.
- 6.9 When applicable and prior to the commencement of the contract, contractor must furnish the X with properly executed certificates of insurance, which shall clearly evidence all insurance required by the X. Such insurance shall be at a minimum the following: commercial general liability (occurrence basis) with limits of one million dollars; automobile liability for any auto with limits of one million dollars; workers compensation with statutory limits and employers liability with limits of one hundred thousand dollars. Additional insurance may be required on the basis of the scope of the negotiated contract. The X, employees and volunteers are to be added as insureds on all liability insurance policies with respect to liability, arising out of the work or operations performed by or on behalf of the Contractor. Such insurance will be primary and any insurance or self-insurance maintained by the X will apply in excess of, and not contribute with, the insurance required. Required insurance shall not be canceled, allowed to expire or be materially reduced in coverage until after thirty days written notice has been given to the Attorney.
- 6.10 Attention of all firms is directed to the following provisions contained in the Code of the X: entitled "Debts owed by persons receiving payments other than Salary," Chapter X Section X entitled "Conflict of interest" which states, "It shall be unlawful for any employee of X to participate, directly or indirectly, through decision, approval, disapproval, recommendation, preparation of any part of a purchase request, influencing the content of any specification or purchase standard, rendering of advice, investigation, auditing or otherwise, in any proceeding or application, request for ruling or other determination, claim or controversy or other matter pertaining to any contract or subcontract and any solicitation or proposal therefore, where to the employee's knowledge there is a financial interest possessed by: (1) the employee or the employee's immediate family; (2) A business other than a public agency in which the employee or member of the employee's immediate family serves as an officer, director, trustee, partner or employee; or (3) Any person or business with whom the employee or a member of the employee's immediate family is negotiating or has an arrangement concerning prospective employment;" Section X of the Code entitled "Receipt of benefits from contracts by employees and officers of the X," which states "It shall be unlawful for any member of X, member of the board of education, officer or employee of X to have or hold any interest in the profits or emoluments of any contract, job, work or service, either by himself or by another, directly or indirectly. Any such contract for a job, work or service for X in which any member of council, member of the board of education, officer or employee has or holds any such interest is void;" Section X entitled "Gratuities and kickbacks prohibited,"

which states that “It is unlawful for any person to offer, give or agree to give to any person, while an employee, or for any person, while an employee, to solicit, demand, accept or agree to accept from another person, anything of a pecuniary value for or because of: (1) An official action taken, or to be taken, or which could be taken; (2) A legal duty performed, or to be performed, or which could be performed; or (3) A legal duty violated, or to be violated, or which could be violated by such person while a employee. Anything of nominal value shall be presumed not to constitute a gratuity or benefit to be made by or on behalf of a subcontractor or any person associated therewith as an inducement for the award of a subcontract or order;” and Section 2-1051 entitled “Covenant relating to contingent fees,” which states that “Every person, before being awarded a contract in excess of ten thousand dollars (\$10,000.00) with X, shall represent that no other person has been retained to solicit or secure the contract with X upon an agreement or understanding for a commission, percentage, brokerage or contingent fee, except for bona fide employees or bona fide established commercial, selling agencies maintained by the person so representing for the purpose of securing business.”

- 6.11 Firms must comply with the President’s Executive Order No. X and X which prohibit discrimination in employment regarding race, color, religion, sex or national origin. Firms must also comply with Title VI of the Civil Rights Act of 1964, Copeland Anti-Kick Back Act, the Contract Work Hours and Safety Standards Act, Section 402 of the Vietnam Veterans Adjustment Act of 1974, Section 503 of the Rehabilitation Act of 1973, and the Americans with Disabilities Act of 1990, all of which are herein incorporated by reference.
- 6.12 Firms shall give consideration to the inclusion of minority firms or individuals in this project, and shall advise X in this proposal of their efforts to do so.
- 6.13 Each submitting entity is responsible for full compliance with all laws, rules and regulations, which may be applicable.
- 6.14 Before a contract will be signed by X, the submitting entity, if selected, **must** provide X with a copy of its valid business license **or** with an affidavit explaining why it is exempt from the business licensure requirements of the X in which it is headquartered. If a contract is signed, the contractor’s business license shall be kept current throughout the duration of the contract, and the contractor shall inform X of changes in its business name or location.

VII. Instructions to Submitting Entities

All submissions of proposals shall comply with the following instructions. These instructions are intended to ensure that (1) submissions contain the information and documents required by X in this RFP; and (2) the submissions have a degree of uniformity in the presentation of material, which will facilitate evaluation by the Evaluation Committee.

7.1 General

Submission forms and RFP documentation may be obtained on or after August 7, 2006, at no charge from:

Name
Address
City, State and Zip

between 8:30 a.m. and 4:30 p.m. (Eastern Standard Time), Monday through Friday or by calling X. Forms and RFP information are also available on the web site at X where it can be read or printed using Adobe Acrobat Reader software.

7.2 Proposals

- * An original and three (3) copies of the proposals shall be submitted. Proposals shall clearly indicate the legal name, address and telephone number of the submitting entity (company, firm, partnership, individual). Proposals shall bear an original signature, being signed above the typed or printed name and title of the signer. All proposals must be signed by an officer of the company authorized to bind the firm to a contract.

Proposals will be received until 11:00 a.m. (Eastern Standard Time) on X. Each proposal must be submitted in a sealed envelope addressed to:

X

Each sealed envelope containing a proposal must be plainly marked on the outside **“Submission of proposal to provide Worker’s Compensation Pharmacy Services to be Opened 11:00 a.m. (Eastern Standard Time), X.”**

Any proposals received after the time and date on the cover sheet will not be considered. It shall be the sole responsibility of the submitting entity to have the proposals delivered to X Purchasing Division office for receipt on or before that date.

If a proposal is sent by U.S. mail, the submitting entity shall be responsible for its timely delivery to X Purchasing Department office. Proposals delayed by mail shall not be considered and arrangements shall be made for their return at the submitting entity’s request and expense.

7.3 Format

- * Proposals must be typed on 8.5 x 11 inch wide white paper. Pages must be consecutively numbered. A table of contents must be included in the proposal immediately after the title page.
- * Proposals shall be structured as follows:
 1. Submission Form (S-1)
 2. Table of Contents

3. Body of Proposal: Information which submitting entity wishes to include
4. Form I or Form II (Statement of Intent) found in attached Title VI Equal Business Opportunity Program for X.*

*All proposers must read this program and submit either Form I or II with their proposal.

NOTE: The Submission Form and the Non-Collusion Affidavit are found on pages (15) and (16) of this RFP.

7.4 Evaluation of Proposals

- * All qualified submissions received by the deadline will be analyzed by the Evaluation Committee according to the criteria outlined in these specifications. Failure to comply with the provisions of the RFP may cause any proposal to be ineligible for evaluation.
- * Firms and/or teams responding to this Request for Proposals shall be available for interviews with the Evaluation Committee. Discussions may be conducted with responsible submitting entities for purposes of clarification to assure full understanding of and conformance to the RFP requirements. After Proposals have been opened, any selected entity notified by X should be prepared to meet with the Evaluation Committee at the time and date determined by X. Selection shall be based on the firms' qualifications applicable to the scope and nature of the services to be performed per this request for Proposals. Determination of firms' qualifications shall be based on their written responses to this Request for Proposals and information presented to the Evaluation Committee during oral interviews, if any.
- * In addition to materials provided in the written responses to this Request for Proposals, the Committee may request additional material, information, or references from the submitting entity or others.

Provided it is in the best interest of X, the firm or team determined to be the most responsive to X, taking into consideration the evaluation factors set forth in this Request for Proposals, will be selected to begin contractual negotiations. The firm or team selected will be notified at the earliest practical date and invited to submit more comprehensive information if necessary.

If no satisfactory agreement can be reached with the "most responsive firm," X may elect to negotiate with the next best and most responsive firm or team.

VIII. Evaluation Criteria

Proposals will be analyzed and judged according to the evaluation criteria below. Each proposal will be scored. The maximum score is 100 points.

Claims Administration

(30 points)

Financial	(45 points)
Firm Experience and Expertise	(10 points)
Availability of Service	(15 points)

Provided it is in the best interest of X to accept it, the firm submitting the proposal that is determined to be most advantageous to X, taking into consideration price and the evaluation factors set forth in this request for proposals, will be selected. The firm selected will be notified at the earliest practicable date.

Claims Administration (30 points maximum)

1. Identify the type of staff (professional and clerical) available at the pharmacies within X.
2. Describe your firm's reporting capability. Include whether your firm can generate reports with data sorted as listed in the Scope of Services (Section 5.4) by the most utilized prescription, pharmacy, etc. Please provide samples of the types of reports and their frequency that will be available to X.
3. Provide the name, location, and qualifications of the primary contact for Xs account.
4. What services would your firm provide for the initial installation of this account? Please provide a timeline for installation of this account. The timeline should begin with notification of contract award and continue through the first month's billing and report.
5. Provide a copy of your standard contract.
6. Provide a listing of all services included in your fee.
7. Provide a sample of the billing form your firm uses most frequently. What are your firm's billing procedures.
8. Does your firm require an initial deposit on account? If yes, please explain.
9. Provide your firm's drug utilization review program.
10. Provide procedures your firm has to ensure prescriptions not compatible with the workers' compensation claim will not be billed under workers' compensation.
11. X pays for medications to treat hypertension for certain employees through its workers' compensation program. What procedures can you provide to avoid denying these medications as not being compensable under workers' compensation?
12. Describe your firm's disease management program for hypertension and hyperlipidemia.
13. Does your firm provide any communication materials? If yes, describe.

14. Describe your firm's procedure for notifying network providers and familiarizing them with X's program.
15. Does your firm provide an online terminal connection to allow for eligibility updates? Provide your procedures for eligibility records.
16. Supply information relative to services and reports not already addressed in this questionnaire.
17. Will your firm comply with the Contract Requirements, Section VI, of this RFP? If no, please explain.

Financial (45 points maximum)

18. Describe your approach to the use of generic substitutions.
19. State (with an example) your firm's reimbursement formula. Indicate whether there is a dispersing fee.
20. How much liability coverage does your firm carry? Who is the carrier? Explain any other protective bonding and insurance mechanism your firm maintains.
21. Are you willing to guarantee your reimbursement formula and associated charges? If so, for how long?
22. Detail all costs to X associated with the services requested in this RFP.
23. Will your firm pass rebates on to X? Please explain and indicate range of rebates that can be expected.
24. Provide information on cost savings programs your firm can provide X.
25. Using the form in Exhibit A.1, please provide the cost your firm would charge for each drug at the listed dosage and quantity.
26. Details all costs associated with disease management programs.

Firm Experience and Expertise (10 points maximum)

27. List your firm's five (5) largest clients along with the name of a contact person and phone number for each client. Indicate how long you have had each account in force.
28. List two (2) former clients, which have terminated within the past twelve (12) months. Also, provide the name of a contact person and phone number for each.
29. Provide information on your firm's quality control procedures.

30. Provide information on the performance guarantees your firm will make, including penalties for failure to meet standards.

Availability of Service (15 points maximum)

31. Provide a list of all pharmacies within your network in the X Area (include the hours of operation of each facility). Provide a map of X Area and mark on this map the location of all pharmacies included in your proposal.
32. Discuss your network's ability to provide services on a twenty-four (24) hour, seven (7) days a week basis throughout the X Area.

Submission Forms

X REQUEST FOR PROPOSALS Worker's Compensation Pharmacy Services

Submission Form

Proposals To Be Received by 11:00 A.M., Eastern Standard Time

IMPORTANT: An Original and three (3) copies are to be submitted.

Please complete the following:

Legal Name of Proposer: _____

Address: _____

Telephone Number: _____

Fax Number: _____

Contact Person: _____

Signature: _____

Name of Signer: _____

Note: Failure to use these response sheets may disqualify your submission.

Non-Collusion Affidavit

State of _____
County of _____

_____, being first duly sworn, deposes and says that:

- (1) He/She is the _____ of _____, the firm that has submitted the attached Proposal;
- (2) He/She is fully informed respecting the preparation and contents of the attached Proposal and of all pertinent circumstances respecting such Proposal;
- (3) Such Proposal is genuine and is not a collusive or sham Proposal;
- (4) Neither the said firm nor any of its officers, partners, owners, agents, representatives, employees or parties in interest, including this affiant, has in any way colluded, conspired, connived or agreed, directly or indirectly, with any other vendor, firm or person to submit collusive or sham proposal in connection with the contract or agreement for which the attached Proposal has been submitted or to refrain from making a proposal in connection with such contract or agreement, or collusion or communication or conference with any other firm, or, to fix any overhead, profit, or cost element of the proposal price or the proposal price of any other firm, or to secure through any collusion, conspiracy, connivance, or unlawful agreement any advantage against X or any person interested in the proposed contract or agreement; and
- (5) The proposal of service outlined in the Proposal is fair and proper and is not tainted by collusion, conspiracy, connivance, or unlawful agreement on the part of the firm or any of its agents, representatives, owners, employees, or parties including this affiant.

(Signed): _____

Title: _____

Subscribed and sworn to before me this _____ day of _____, 2____.

Title

My Commission expires _____