



# SAN FRANCISCO HEALTH SERVICE SYSTEM

Affordable, Quality Benefits & Well-Being

Updated 2.21.2023 in accordance with Addendum No. 1

## REQUEST FOR PROPOSAL FOR Actuarial and Consulting Services for the San Francisco Health Service System

**RFPQHSS2023.F2**

**CONTACT: Michael Visconti, michael.visconti@sfgov.org, (628) 652-4645**

<p><b>Background:</b> The San Francisco Health Service System (SFHSS) executes all process phases related to benefit operations and administration of benefits for approximately 136,000 individuals, including both active and retired employees of the City and County of San Francisco, the San Francisco Unified School District, the Community College of San Francisco, and the San Francisco Superior Court, and their covered dependents (SFHSS Members). SFHSS has an annual benefits budget of over \$1 billion. The San Francisco Health Service System Board (Board) oversees the operations and administration of non-pension benefits (health, dental, vision, and other benefits that may be available to Members) by SFHSS.</p>	<p><b>Intent of this Request for Proposal (RFP):</b> SFHSS seeks proposals from Respondents demonstrating successful experience providing actuarial and benefit consulting services to large, complex, public-sector clients.</p> <p>It is the intent of the San Francisco Health Service System to identify the most responsible and qualified Respondent and make a recommendation to the Board for approval on May 11, 2023. Following approval by the Board, SFHSS will negotiate a contract for the actuarial and health benefit consulting services described herein with services starting on or before July 1, 2023.</p>														
<p><b>Subcontracting/Sub-consulting Requirement:</b> The Local Business Enterprise (LBE) sub-consulting requirement for this Request For Proposal (RFP) and resulting contract has been waived. However, the City strongly encourages responses from qualified LBEs. Pursuant to Admin Code Chapter 14B. Rating bonuses will be in effect for any Respondents who are certified as a Small- or Micro-LBE.</p>	<p><b>Qualification to do business with the City:</b> The selected Respondent must meet the qualifications to do business with the City, including but not limited to meeting the requirements of Chapter 12B (Equal Benefits) by June 1, 2023. See RFP section 4.6.4. below, <a href="https://sf.gov/departments/city-administrator/office-contract-administration">https://sf.gov/departments/city-administrator/office-contract-administration</a>, <a href="https://sf.gov/step-by-step/qualify-do-business-city">https://sf.gov/step-by-step/qualify-do-business-city</a>).</p>														
<p><b>Initial Contract Term:</b> Three (3) years*</p> <p>*SFHSS will include at least two (2) options for one-year each to extend the initial contract term.</p>	<p><b>Anticipated Contract Budget:</b> \$2,400,000*</p> <p>*for the initial / three (3) year contract term, July 1, 2023 – June 30, 2026.</p>														
<p><b>Schedule:*</b></p> <table style="width: 100%; border: none;"> <tr> <td style="width: 60%;">RFP Issued</td> <td>1/30/2023</td> </tr> <tr> <td><b>Deadline for RFP Questions</b></td> <td><b>2/24/2023 2PM (PT)</b></td> </tr> <tr> <td>RFP Answers Posted</td> <td>3/7/2023**</td> </tr> <tr> <td><b>Deadline for Proposals</b></td> <td><b>3/28/2023 2PM (PT)</b></td> </tr> <tr> <td>Oral Interviews</td> <td>4/24 – 4/28/2023</td> </tr> <tr> <td>Notice of intent to award</td> <td>By 5/25/2023</td> </tr> <tr> <td>Services Start Date</td> <td>7/1/2023</td> </tr> </table> <p>*dates subject to change **answers may be posted on a rolling basis prior to this date</p>	RFP Issued	1/30/2023	<b>Deadline for RFP Questions</b>	<b>2/24/2023 2PM (PT)</b>	RFP Answers Posted	3/7/2023**	<b>Deadline for Proposals</b>	<b>3/28/2023 2PM (PT)</b>	Oral Interviews	4/24 – 4/28/2023	Notice of intent to award	By 5/25/2023	Services Start Date	7/1/2023	<p><b>RFP Questions and Communications:</b> To ensure fair and equal access to information about this RFP, any and all communications must be directed to <a href="mailto:michael.visconti@sfgov.org">michael.visconti@sfgov.org</a>. Unauthorized communications may be cause for disqualification and proposal rejection. Questions must be in writing and received by the <u>Deadline for RFP Questions</u>. No questions will be accepted after this time with the exception of City vendor requirement questions. Answers to all RFP questions will be posted on the SFHSS website <a href="https://sfhss.org/RFPs">https://sfhss.org/RFPs</a>.</p>
RFP Issued	1/30/2023														
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# 1. Introduction

## 1.1 Glossary of Terms

ACO	Accountable Care Organizations
ASO (Plan)	Self-funded 'Administrative Services Only' plan
CCD	The Community College of San Francisco (or San Francisco Community College District)
Charter	San Francisco Charter and Municipal Codes are available at <a href="https://sfgov.org/services/sf-municipal-codes">https://sfgov.org/services/sf-municipal-codes</a>
City	The City and County of San Francisco, established by Charter in 1850, a legal subdivision of the State of California with the governmental powers of both a city and a county under California law, with powers exercised through a Board of Supervisors serving as the legislative authority, and a Mayor and other independent elected officials serving as the executive authority.
City Department	Any department or agency of the City (a list of City departments and agencies is available at <a href="http://sfgov.org/agencies-and-social-media">http://sfgov.org/agencies-and-social-media</a> ) including officers, managers, representatives, associated board members, and employees thereof.
CMS	Centers for Medicare and Medicaid Services (United States Department of Health and Human Services)
Deadline for Proposals	<b>2:00 PM (PT), March 28, 2023.</b> Proposals submitted after this time will be considered non-responsive and will not be evaluated or eligible for award of any subsequent contract(s).
Deadline for RFP Questions	<b>2:00 PM (PT), February 24<del>23</del>, 2023.</b> Questions submitted prior to this time, via e-mail, and addressed to the contact person listed in <u>Section 3.1</u> will be accepted by SFHSS. Questions submitted after this time will not be considered.
DMO	Network-only dental plan
DPO	Dental Preferred Provider Organization
FSA	Flexible Spending Account
EPO	Exclusive Provider Organization
HMO	Health Maintenance Organization
HSB or Board	The San Francisco Health Service System Board
MAPD	Medicare Advantage with Prescription Drug Benefit
Participating Employers	City and County of San Francisco, the San Francisco Unified School District, the Community College of San Francisco, and the San Francisco Superior Court.
Proposal	Submissions to SFHSS in responses to this RFP must be formatted pursuant to Section 3.3., and adhering to the provisions in Section 3.3., as well as the terms and conditions of this RFP as a whole.
Respondent	Any entity submitting a proposal in response to this RFP and may be comprised of any combination of a

	members or firms. Experience and qualifications shall be evaluated based on the combined experience and qualifications of the Respondent.
San Francisco Sunshine Ordinance	San Francisco Administrative Code §67.24(e); see also the California Public Records Act ( <a href="https://www.ftb.ca.gov/your-rights/california-public-records-act.html">https://www.ftb.ca.gov/your-rights/california-public-records-act.html</a> )
SFHSS	The San Francisco Health Service System
SFHSS Members	Active and retired employees of the City and County of San Francisco, the San Francisco Unified School District (USD), the San Francisco Community College District (CCD), the San Francisco Superior Court, and their covered dependents.
Trust	The Health Service System Trust Fund, established under Charter Section 12.203.
USD	The San Francisco Unified School District

## 1.2 The San Francisco Health Service System

### 1.2.1. The San Francisco Health Service System.

SFHSS executes all process phases related to benefit operations and administration of non-pension benefits (including health, dental and vision) pursuant to the City and County of San Francisco Charter sections 12.200 through 12.203 and A8.420 through A8.432, and San Francisco Administrative Code sections 16.700 through 16.703.<sup>1</sup> These individuals include both active and retired employees from the City’s four employer groups and their eligible dependents (collectively, “Members” or “SFHSS Members”).

SFHSS is dedicated to providing, preserving and continuously improving a diverse offering of sustainable, high-quality, health, dental, vision and other employee benefits, as well as enhancing the well-being of, and adhering to the highest standards of service and support for, our Members.

For additional information on our strategic planning framework, goals, and departmental objectives, please reference the SFHSS Strategic Plan for 2023-2025 at <https://sfhss.org/resource/sfhss-strategic-plan-2023-2025>.

### 1.2.2. SFHSS Member Population.

SFHSS currently administers non-pension benefits for approximately 136,000 individuals, which includes both active and retired employees of the City, USD, CCD, the San Francisco Superior Court, and their covered dependents. Non-pension benefits are comprised of health, dental, vision, and certain additional life and voluntary benefits, as described in sections 1.2.4. through 1.2.12, below. SFHSS has an annual benefits budget of over \$1 billion for our SFHSS Member population.

For additional information on our diverse Member population, please reference the 2022 SFHSS Demographic Report at <https://sfhss.org/resource/2022-sfhss-demographic-report>. For additional information, the 2023 SFHSS Demographic Report is scheduled to be presented to the Health Service Board on Thursday,

<sup>1</sup> <https://sfgov.org/services/sf-municipal-codes>.

February 9, 2023. Information regarding this presentation and can be found at <https://sfhss.org/board-meeting/2023-02-09t210000>.

1.2.3. San Francisco Health Service System Board.

The Health Service Board (HSB) is the governing and policy-making body of the San Francisco Health Service System (SFHSS). The Board supports SFHSS's mission to preserve and improve sustainable, quality health benefits and to improve the well-being of Members and their families. Additional information regarding the Health Service Board including links to prior meetings may be found at <https://sfhss.org/health-service-board>.

1.2.4. Medical Benefits<sup>2</sup>

Medical benefits are provided to SFHSS Members through the following plan choices:

- Blue Shield of California HMO (Self-Insured/Flex-Funded) and PPO (Self-Insured/ASO)
  - Blue Shield of California Access+ HMO for Active and Early Retirees
  - Blue Shield of California Trio HMO for Active and Early Retirees
  - Blue Shield of California PPO for Active and Early Retirees
  - Blue Shield of California PPO 20 For Medicare eligible and not enrolled Retirees (No Dependent coverage)
  - Blue Shield of California PPO Out-of-Area for Retirees who reside internationally
- Health Net of California HMO (Self-Insured/Flex Funded)
  - Health Net Canopy Care HMO for Active and Early Retirees
- Kaiser Permanente HMO (Fully Insured)
  - Kaiser California Northern CA and Southern CA Traditional Plan HMO for Active and Early Retirees
  - Kaiser California Northern CA and Southern CA Senior Advantage with Part D (MAPD) for Medicare Eligible Retirees (Medicare Part A&B or Part B Only)
  - Kaiser California Northern CA and Southern CA Senior Advantage with Part D (MAPD) when Medicare is secondary coverage/Working Aged for Medicare Eligible Members
  - Kaiser Hawaii HMO for Early Retirees
  - Kaiser Hawaii MAPD for Medicare Eligible Retirees
  - Kaiser Northwest HMO for Early Retirees
  - Kaiser Northwest MAPD for Medicare Eligible Retirees
  - Kaiser Washington HMO for Early Retirees

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<sup>2</sup> Respondents will note that SFHSS benefit offerings may change from plan year to plan year.

- Kaiser Washington MAPD for Medicare Eligible Retirees
- United Healthcare PPO (Self-Funded/ASO), EPO (Self-Funded) and Medicare Advantage PPO (Fully-Insured)
  - United Healthcare non-Medicare PPO for SFHSS members who have a family member enrolled in the United Healthcare Medicare Advantage PPO
  - United Healthcare Medicare Eligible and Not Enrolled PPO for Medicare eligible and not enrolled Retirees (No Dependent coverage)
  - United Healthcare Select Network EPO for SFHSS members who reside in CA, and have a family member enrolled in the United Healthcare Medicare Advantage PPO
  - United Healthcare Doctors Plan EPO for SFHSS members who reside in CA, and have a family member enrolled in the United Healthcare Medicare Advantage PPO
  - United Healthcare Medicare Advantage PPO for Retirees who are enrolled in Medicare Parts A and B
  - United Healthcare Medicare Advantage PPO for Retirees who are enrolled in Medicare Part B

Each of the above plan choices includes a basic Vision Benefit provided through Vision Service Plan (VSP).

All ASO PPO plans through Blue Shield of California and United Healthcare, include medical and prescription drug benefits. These plans are self-insured indemnity plans, where the risk of loss due to claims in excess of revenues is borne by the Trust.

On January 1, 2013, the Blue Shield of California HMO plan(s) was/were converted from a fully-insured external health maintenance plan into a flex-funded plan. The flex funded plan has a fully-insured capitated component for professional services provided in physician offices. Hospital and pharmacy services are self-insured, and the risk of loss due to such claims in excess of revenues is borne by the Trust.

In 2017, Medicare coverage offered through Blue Shield of California was eliminated as an option to SFHSS Members. Concurrently, SFHSS and Blue Shield of California agreed to customize enrollment for non-Medicare members of a family to allow these non-Medicare members to “split” enrollment between Blue Shield of California HMO Plans and that of the United Healthcare Medicare Advantage PPO.

As a result, of a Health Plan RFP which was issued on September 14, 2020, Health Net of California was added as an additional health plan provider, for the Health Net Canopy Care HMO Plan. Similar to the other Flex Funded options provided through Blue Shield of California, the Health Net Canopy Care plan has a fully-insured capitated component for professional services provided in physician offices. Hospital and pharmacy services are self-insured, and the risk of loss due to such claims in excess of revenues is borne by the Trust.

As a result of a Health Plan RFP which was issued on September 14, 2020, Blue Shield of California became the primary administrator for SFHSS’s ASO PPO Plans (self-insured indemnity plans) effective January 1, 2022.

Effective January 1, 2023, as a result of the significant administrative burden to both SFHSS and Blue Shield of California, "Split" enrollment was discontinued as an option for SFHSS members who have a family member enrolled in the United Healthcare Medicare Advantage PPO plan.

In 2013, SFHSS implemented a United Healthcare Employer Group Waiver Plan (EGWP) for retirees with Medicare as a fully-insured Prescription Drug Plan (PDP), as the drug benefit to accompany the United Healthcare City Plan (ASO-PPO) for Medicare eligible Retirees. SFHSS subsequently discontinued the EGWP-PDP on December 31, 2015, and implement a fully-insured United Healthcare Medicare Advantage (MAPD) PPO for retirees with Medicare, effective January 1, 2016.

The Kaiser Permanente HMO commercial and Medicare plans for the California, Hawaii, Northwest, and Washington regions are fully-insured external HMO's, where the risk of loss due to excess claims for a given fiscal year is borne by the HMO.

#### 1.2.5. Vision Benefits.

Vision Benefits are provided through Vision Services Plan (VSP), which are fully-insured and the risk of loss due to excess claims for a given fiscal year is borne by VSP. SFHSS Vision Benefits cannot be stand-alone elections and are only available if a SFHSS Medical Plan has been elected.

Vision benefits are provided to SFHSS Members, who have elected a SFHSS Medical plan, through the following plan choices:

- VSP Basic Vision Plan (required enrollment, included with any SFHSS Medical plan election)
- VSP Premier Vision Plan (Voluntary Buy-up option, if a SFHSS medical plan has also been elected).

Through collective bargaining agreements with certain Unions, a separate vision benefit is available for active City employees who primary work with computer terminals. The Video Display Terminal/Computer Vision Care (VDT/CVC) benefit is fully-insured and the risk of loss due to excess claims for a given fiscal year is borne by VSP. For this benefit, there is no need to elect a SFHSS Medical plan, as eligibility is solely based on specific collective bargaining agreements.

#### 1.2.6. Dental Benefits.

Dental benefits are provided through three plan choices:

- Delta Dental PPO
- Delta Dental Delta Care (DMO)
- United Healthcare Dental (DMO)

The Delta Dental PPO plan available to active employees is a self-insured indemnity plan administered by Delta Dental of California. Similar to the self-insured indemnity Medical Plan, the risk of loss due to claims in excess of revenues is borne by the Trust.

However, this Delta Dental PPO plan has a benefit maximum, which limits financial exposure beyond the benefit maximum.

The Delta Dental PPO plan available to Retirees is a fully-insured plan where the risk of loss for a given fiscal year is borne by Delta Dental of California. However, this Delta Dental PPO plan has a benefit maximum, which limits financial exposure beyond the benefit maximum.

The Delta Dental Delta Care (DMO) and United Healthcare Dental (DMO) dental plans are managed-care dental plans and are fully insured with respect to both active and retired employees. For these fully-insured plans, the risk of loss for a given fiscal year is borne by the respective organization.

1.2.7. Premium Rates.

Premium rates for the fully-insured plans are set through periodic competitive solicitation of carriers and an annual negotiation process that includes participation of the SFHSS' independent actuary and consultants.

Premium equivalent rates for the self-insured plans are set based on recommendations and certification of such actuaries and consultants.

In all cases, premium rates and premium equivalent rates are subject to approval by SFHSS and the HSB.

1.2.8. Flexible Spending Accounts (FSAs).

SFHSS offers two types of FSAs for all City employees: a health care reimbursement account and a dependent care reimbursement account. The administration for these benefits is provided through P&A Group, a third-party administrator. Administrative Fees are primarily paid using experience gains from FSA forfeitures. P&A Group has been the administrator for FSA's since 2016.

1.2.9. Long Term Disability (LTD).

Through certain collective bargaining agreements, the City provides employer-paid Long-term Disability (LTD) insurance coverage. All costs of the LTD plan are paid for by contributions from Participating Employers. The current plan provider is The Hartford.

1.2.10. Group Term Life.

Through certain collective bargaining agreements, the City provides employer-paid group term life insurance. All costs of the employer-paid group term line insurance plans are paid for by contributions from Participating Employers. The current plan provider is The Hartford.

1.2.11. Adoption and Surrogacy Assistance Plan.

In 2017, SFHSS offered a new adoption and surrogacy assistance plan paid for by the Trust.<sup>3</sup> Active employees and retirees are provided a one-time benefit of up to \$15,000 for qualifying self-paid expenses related to an eligible adoption or surrogacy.

1.2.12. Voluntary Benefits

SFHSS currently offers, through a third-party administrator, Workterra, a suite of voluntary benefits, available to most active City Employees which include:

- Identify theft Protection (Allstate)
- Supplemental Group Term Life Insurance (The Hartford)
- Lifetime Benefit Term Insurance with Accelerated Death Benefit for Long-Term Care (Chubb)
- Pre-Paid Legal Assistance (Legal Shield)
- Supplemental Short-term disability (Manhattan Life)
- Accident Insurance (MetLife)
- Critical Illness Insurance (MetLife)
- Pet Insurance (Pets Best)

These post-tax voluntary benefit premiums are funded wholly through City Employee payroll deductions.

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<sup>3</sup> <https://sfhss.org/surrogacy-and-adoption>



## **2. Scope of Work and Appendices**

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The Scope of Work and associated Appendices are available at <https://sfhss.org/RFPs>.

The scope of work is a detailed guide to the work SFHSS expects to be performed by the selected Respondent as a result of this RFP.

Based on the proposal submitted by the selected Respondent, SFHSS may update the scope as described in Appendix A to align with the experience and expertise of the selected Respondent and its Key Staff. Other appendices will be updated accordingly in response to the proposal submitted by the selected Respondent.

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## 3. Response Requirements

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### 3.1 Submission of Proposals and Questions

#### 3.1.1. Submission Deadline.

Proposals and all related materials must be received by **2:00 PM (PT) on Tuesday, ~~March 21~~ March 28, 2023 (Deadline for Proposals)**. Proposals must be delivered via email to the following address:

*Michael Visconti  
Manager, Contracts Administration  
michael.visconti@sfgov.org*

~~Postmarks will not be considered in judging the timeliness of submissions. Proposals submitted by e-mail will not be accepted. Late submissions will not be considered, including those submitted late due to mail or delivery service failure.~~

#### 3.1.2. Respondent Questions and Deadline.

Respondents shall submit any questions regarding this RFP in writing by **2:00 PM PT on Tuesday, February ~~24~~ 23, 2023 (Deadline for RFP Questions)**. Questions must be delivered by e-mail to the following address:

*Michael Visconti  
Manager, Contracts Administration  
michael.visconti@sfgov.org*

Respondents shall provide specific information to enable SFHSS to identify and respond to their questions. When submitting inquiries, please reference the **RFP for Actuarial and Consulting Services** in the subject line of the e-mail.

At its discretion, SFHSS may contact an inquiring Respondent to seek clarification regarding any inquiry received.

Any Respondent that fails to report a known or suspected problem with the RFP or fails to seek clarification or correction of the RFP, shall submit a proposal at their own risk.

SFHSS will publish answers to all submitted questions on a rolling basis to the SFHSS website <https://sfhss.org/RFPs>.

### 3.2 Proposal Format

To be eligible for evaluation, Proposals must adhere to the following format:

#### 3.2.1. Section 1: Cover Letter.

Respondent shall identify the firm name; corporate structure including parent company and subsidiaries, if applicable; home office and branch office(s), if any, to

be providing services; office locations; as well as the name, address, email, and telephone number of a principal contact for information regarding the Proposal.

*Page/Word Limitation:* Two (2) pages / 500 words.

**3.2.2. Section 2: Table of Contents.**

Respondent shall list all materials included in the proposal, clearly identifying the relevant sections and page numbers of the Proposal and the corresponding section(s) of this RFP.

*Page/Word Limitation:* Not applicable.

**3.2.3. Section 3: Executive Summary.**

- Respondent shall state its understanding that the Proposal, and all supporting materials, will be used by SFHSS to evaluate whether Respondent may be considered for the Services detailed herein.
- Respondent shall include a statement that its Proposal is a firm and irrevocable offer for one hundred and twenty (120) days following the date of submission to SFHSS of its Proposal.
- Respondent shall disclose whether any proposed services will be provided by Respondents personnel, including employees and/or consultants, located outside of California, and if so, the location and names of such the out-of-state personnel.
- Respondent shall disclose engagements where Respondent, or Respondent's personnel, is/are currently acting in the capacity of actuaries or consultants to any SFHSS health or benefit plan, vendor, or a related group, including subsidiaries thereof or parent companies thereto.
- Respondent shall disclose engagements where Respondent, or Respondent's personnel, is/are currently acting in the capacity of actuaries or consultants to the City and County of San Francisco (City) or any City Department, Agency, or Commission.
- Respondent shall provide information on the circumstances and status of any non-routine investigation, examination, complaint, disciplinary action, or other proceeding commenced by any current client, prior client, state or federal regulatory body, or professional organization over the past three (3) years to which Respondent was a party, either as the principal subject or as an enjoined party.
- Respondent shall provide detailed information about Respondent's background, the services it provides, including, but not limited to, its ownership structure, recent acquisitions or mergers, or any known future acquisitions or mergers.
- Respondent shall provide a detailed description of Respondent's overall approach to the services described in Appendix A (Scope of Work) as well as a timeline and/or calendar of services and key administrative or regulatory dates.

- Respondent shall discuss its approach to a transition plan, specifically the process for making the transition to another actuary if the contract is not renewed at some time in the future.

*Page/Word Limitation:* Ten (10) pages / 2,500 words.

**3.2.4.** Section 4: Supervising Actuary and Key Staff.

- Respondent shall identify the Supervising Actuary responsible for overseeing the provision of the services in Appendix A (Scope of Work) and shall identify prospective support staff and subject-matter experts performing consequential and significant actuarial and/or benefit consulting services (Key Staff).
- Respondent shall detail its proposed account team structure, including staffing levels (non-actuarial/account management, actuarial, subject-matter experts, administrative support, executives/corporate), and proposed distribution of work. Please identify if Supervising Actuary or any Key Staff are classified as independent contractors.
- Respondent shall include primary business addresses and email addresses for the Supervising Actuary and Key Staff. Supervising Actuary and Key Staff professional background information shall be provided in detail, including total accumulated years of experience, years working with Respondent, education, professional certification and accreditation, and special areas of expertise. Experience listed shall include entities for which services were performed, the type of services performed, the length of engagement, and size and complexity of plans worked on, e.g., annual spend, membership base, quantity, and types of benefit plans. Particular emphasis should be placed on previous experience with large or public-sector employers.
- Respondent shall disclose if Supervising Actuary and/or any Key Staff is/are currently acting in the capacity of actuaries or consultants for the City and County of San Francisco (City) or any City Departments, Agencies or Commissions.
- Respondent shall disclose if Supervising Actuary and/or any Key Staff, is/are currently acting in the capacity of actuaries or consultants to any SFHSS health or benefit plan, vendor, or a related group (see sections 1.2.4. through 1.2.12, above), including subsidiaries thereof or parent companies thereto.

*Page/Word Limitation:* Five (5) pages / 1,250 words.

**3.2.5.** Section 5: References.

- For the Supervising Actuary and Key Staff, Respondent shall provide a client list, with contact and phone number, for each client serviced during calendar years 2020, 2021, 2022, and 2023 (year-to-date).
- Reference checks, including, but not limited to, prior clients, may be used to confirm Respondent prior clients and years of services. However, as noted below, while listed references may be contacted by the SFHSS Contracts Unit, listed references will not be contacted by the RFP Evaluation Team.

- SFHSS will notify the Respondent in writing prior to conducting any reference checks.

*Page/Word Limitation: Two (2) pages / 500 words.*

**3.2.6. Section 6: Approach/Strategy to Services**

Using the services described in Appendix A (Scope of Work) and this RFP as a guide, describe Respondents approach to providing actuarial and consulting services to SFHSS including, but not limited to:

- Account management;
- Collaborative work with SFHSS vendors;
- Approach to engaging the Board and SFHSS personnel;
- Compliance including but limited to existing regulations, proposed legislation and industry trends;
- Cost-saving measures and transparency in benefit spend and plan design;
- Pre-Medicare (Early Retiree) and Medicare Retiree benefit design; and
- Clinical and non-clinical subject-matter expertise and consulting.

*Page/Word Limitation: Ten (10) pages / 2,500 words.*

**3.2.7. Section 7: Pricing for Services.**

Respondent shall provide the following:

- An individual not-to-exceed price for services listed in Appendix 2 (Scope of Work) for the anticipated initial contract term of three (3) years.
- An individual not-to-exceed price for Contract Year 4 should SFHSS exercise its option to extend the contract one (1) year for a total contact term of four (4) years.
- An individual not-to-exceed price for Contract Year 5 should SFHSS exercise both its first option to extend the contract one (1) year and its second option to extend the contract one (1) year for a total contact term of five (5) years.
- If any additional or incidental costs are included in the not-to-exceed prices, such costs shall be clearly identified, segregated, and described.

*SFHSS recommends that Respondents use the following format:*

<b><u>Proposed Not-To-Exceed Amounts for Services</u></b>		
<b>Contract Year(s)</b>	<b>Not-To-Exceed Amount (\$)</b>	<b>Incidental Costs*</b>
1, 2 & 3	\$_____	\$_____
4	\$_____	\$_____

5	\$ _____	\$ _____
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- Respondent shall provide hourly rates for Supervising Actuary, Key Staff, and any billable support staff performing consequential and significant services, including, but not limited to, non-actuarial staff, account management, actuarial, subject-matter experts, administrative support, and executives.

*SFHSS recommends that Respondents use the following format:*

<b>Hourly Rates</b>						
<b>Staffing Level*</b>	<b>Role*</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>
Lead Actuary	Supervising Actuary	\$/hr	\$/hr	\$/hr	\$/hr	\$/hr
Actuary	<i>actuary/actuarial support</i>	\$/hr	\$/hr	\$/hr	\$/hr	\$/hr
Non-Actuarial	<i>title/role(s)</i>	\$/hr	\$/hr	\$/hr	\$/hr	\$/hr
Subject Matter Expert	<i>area(s) of expertise</i>	\$/hr	\$/hr	\$/hr	\$/hr	\$/hr
Project Manager	<i>PM, etc.</i>	\$/hr	\$/hr	\$/hr	\$/hr	\$/hr
Analyst	<i>area(s) of expertise, if applicable</i>	\$/hr	\$/hr	\$/hr	\$/hr	\$/hr
Administrative Support	<i>area(s) of expertise, if applicable</i>	\$/hr	\$/hr	\$/hr	\$/hr	\$/hr
Other (as appropriate)	<i>TBD</i>	\$/hr	\$/hr	\$/hr	\$/hr	\$/hr

*Page/Word Limitation: Three (3) pages / 750 words.*

**3.2.8. Section 8: Contract Form and Specifications.**

Appendix C - 1 contains the general form and content of the contract SFHSS anticipates using for the agreement with the selected Respondent (Contractor). Appendix C -2 is the general form and content SFHSS anticipates using for the Business Associates Agreement (BAA).

- In submitting a Proposal, the Respondent will be deemed to have reviewed each clause in Appendix C - 1 and Appendix C - 2. Respondent's Proposal shall identify any objection(s) and/or inclusion(s) to the terms and conditions of Appendix C and Appendix D, set forth the basis for the objection(s) and/or inclusion(s), and provides substitute language to make the clause(s) acceptable to Respondent or to address an issue that Respondent feels is not addressed by Appendices C - 1 and C - 2.
- Respondent shall address limitation of liability for services performed by the Respondent through affirmative response that no such limitations of liability will be imposed, or by responding that limitation of liability shall apply and providing proposed contract language.
- Respondent shall provide evidence of review by legal counsel in its Proposal. SFHSS reserves the right to add or delete language from Appendix C - 1 and Appendix C - 2 when preparing the final form of the contract.
- Respondent shall provide in its Proposal the amount of insurance coverage carried as defined in Appendix C - 1, Article 5 (Insurance and Indemnity).

- Performance Guarantees. Respondent shall include in their proposal performance guarantees (PGs) that Respondent deems appropriate to the services solicited in this RFP. Please provide performance guarantees in the following format:

Type of Performance Guarantee	Measurement Period	Service Objective	Liquidated Damages/Fees-At-Risk

**3.2.9. Section 9: Confirmation of Minimum Qualifications.**

Respondent shall provide the following confirmation of minimum qualifications and designation of primary point of contact. The below information will not be provided to the Evaluation Panel.

*Page/Word Limitation:* Three (3) pages.

- 1) Respondent meets all the qualifications listed in Section 4.2 (Minimum Qualifications):

Put an "X" next to one:

Yes: \_\_\_\_\_ No: \_\_\_\_\_

- 2) Respondent meets the qualifications listed in Section 4.3 (Desired Qualifications):

Put an "X" next to one:

Yes: \_\_\_\_\_ No: \_\_\_\_\_

- 3) Respondent certifies to become a Certified City Supplier by June 1, 2023:

Put an "X" next to one:

Yes: \_\_\_\_\_ No: \_\_\_\_\_

- 4) Respondent certifies that it has read, understands, and agrees to all terms, conditions, and specifications set forth in the Request for Proposal, including all appendices and addenda issued thereto:

\_\_\_\_\_  
Name: \_\_\_\_\_ Date \_\_\_\_\_

Title:

Company/Organization:

- 5) Primary Contact, Tax & Organization Information
  - a) Company/Organization Name (and any dba):
  - b) Headquarters:
  - c) Address for tax purposes (if other):

- d) Website:
  - e) Federal Tax ID:
  - f) SF City Bidder ID: (if available)
  - g) SF City Supplier ID: (if available)
- 6) Primary contact for purposes of this RFP including all communications:
- a) Name:
  - b) Email:
  - c) Secondary Email/cc: for email communications:
  - d) Telephone:

### **3.3 Proposal Provisions**

#### **3.3.1. Limitations on the Number of Proposals and Joint Proposals.**

In the instance of a planned joint Proposal from two (2) or more parties, one entity must be identified as the Respondent/Primary Proposer. The contact, address, telephone, and email information are required for the Respondent as well as any Joint Respondent(s). Respondent will serve as SFHSS primary point of contact, and the Respondent will bear the sole responsibility for performance under any awarded contract. A Respondent may not submit more than (1) Proposal in response to the RFP. Respondent must have the legal authority to independently enter into a contract to perform services described in the RFP.

#### **3.3.2. Relevant Information.**

Each proposal shall contain only relevant information that is specific to this RFP and the specific questions and requests contained herein. While there is no intent to limit the content of any proposal, a Respondent must emphasize simple, straightforward, and concise statements that satisfy the requirements of the RFP, and clearly identify applicable subsections or scope. Respondents accept that superfluous information such as but not limited to, generic marketing information, may be disregarded.

#### **3.3.3. Disposition of Proposals, Public Disclosure and Confidentiality.**

Upon opening, all Proposals in response to the RFP shall become the exclusive property of SFHSS and may be subject to public disclosure pursuant to the San Francisco Sunshine Ordinance (San Francisco Administrative Code Sec. 67.24(e)) and the California Public Records Act (California Government Code, Sec. 6250). In accordance with San Francisco Sunshine Ordinance, contracts, bids, responses to requests for proposals, Proposals, and all other records of communications between the Health Service Board, the officers and employees of SFHSS, members of the Evaluation Panel, and persons or firms seeking contracts, including but not limited to respondents, prospective bidders, and incumbent providers of in-scope services, shall be open to inspection immediately after a contract has been awarded. Nothing in this request for proposals requires the disclosure of the net worth of a private person or organization or other proprietary financial data submitted for qualification for a contract or other benefit until, and unless, that person or organization is awarded the contract or benefit. Information provided which is covered by this paragraph will be made available to the public upon request.



#### **3.3.4. Confidentiality.**

If a Respondent believes that any portion of its Proposal is exempt from public disclosure under the San Francisco Sunshine Ordinance or applicable California Public Records law, such portion may be marked "CONFIDENTIAL". SFHSS may deny public disclosure of any portions so designated and will work with Respondent to preserve confidentiality of documents. The submittal of a Proposal with portions marked CONFIDENTIAL shall constitute the Respondent's agreement, in consideration for SFHSS' willingness to receive such response, to reimburse SFHSS for, and to indemnify, defend, and hold harmless SFHSS, the Health Service Board, the City and County of San Francisco, its officers, fiduciaries, employees, and agents from and against: (a) any and all claims, damages, losses, liabilities, suits, judgments, fines, penalties, costs and expenses including, without limitation, attorneys' fees, expenses and court costs of any nature whatsoever (collectively, "Claims") arising from or relating to SFHSS' nondisclosure of any such designated portions of a Proposal; and (b) any and all Claims arising from or relating to SFHSS' public disclosure of any such designated portions of a Proposal if disclosure is deemed required by law or by court order.

#### **3.3.5. Conflict of Interest.**

SFHSS cautions Respondents that the California Government Code Section 1090 conflict of interest prohibition pertaining to public officials and government employees has been interpreted to prohibit contractors, vendors and/or suppliers (Contractors) from being financially interested in any contract that they help create. It is the sole responsibility of each Respondent, and their employees/contractors, to determine whether such a conflict of interest exists or may exist. Respondent, and staff, will be required to agree to comply fully with and be bound by the applicable provisions of state and local laws related to conflicts of interest, including Section 15.103 of the City's Charter, Article III (Conduct of Government Officials and Employees), Chapter 2 (Conflict of Interest and Other Prohibited Activities) of City's Campaign and Governmental Conduct Code, and Section 87100 et seq. and Section 1090 et seq. of the Government Code of the State of California. Respondent, Account Executive, and key staff will be required to acknowledge that it is familiar with these laws; certify that it does not know of any facts that constitute a violation of said provisions; and agree to immediately notify the City if it becomes aware of any such potential conflicts during the term of the Agreement. Individuals who will perform work for SFHSS on behalf of Respondent might be deemed Contractors under state and local conflict of interest laws. If so, such individuals will be required to submit a Statement of Economic Interests, California Fair Political Practices Commission Form 700, to the City within ten calendar days of the City notifying the successful Respondent that the City has selected Respondent.

#### **3.3.6. Request for Clarification from Respondent(s).**

At any time during the Proposal evaluation process, SFHSS may require a Respondent to provide written clarification regarding its Proposal. However, SFHSS reserves the right to make an award without further clarifications of Proposals received.

#### **3.3.7. Contract Delay Contingency.**

In the event the implementation date/service start date under an agreement resulting from this RFP is delayed up to one (1) year for any reason, all parties shall make a good faith effort to maintain the contractual relationship and to amend the applicable agreement as necessary to address the delay. In the event of a delay, SFHSS also reserves the right to terminate the applicable agreement at its sole discretion.

**3.3.8. Cancellation.**

Should Respondent wish to cancel, revise, or rescind its Proposal, a written letter so stating must be received by SFHSS via email ([michael.visconti@sfgov.org](mailto:michael.visconti@sfgov.org)) before the Deadline for Proposals. Should Respondent wish to revise a Proposal, the revised Proposal must be received before the Deadline for Proposals, at which point any previously received proposals shall be set aside. In no case will a statement of intent to submit a revised Proposal, or commencement of a revision process, extend the Deadline for Proposals for any Respondent.

**3.3.9. Validity of Response.**

Any proposal and/or quote must remain valid for at least one hundred and twenty (120) days. This includes services, pricing, as well as the proposed staffing assignments.

**3.3.10. Expenses.**

There is no expressed or implied obligation for SFHSS to reimburse any Respondent for expenses incurred in responding to the RFP. SFHSS reserves the right to retain all submitted questions and responses to the RFP and use any information or ideas contained therein.

**3.3.11. Authorized Communications.**

Respondent will direct all communications, in writing, via email, to Michael Visconti at [michael.visconti@sfgov.org](mailto:michael.visconti@sfgov.org).

**3.3.12. Unauthorized Communications.**

Respondents are precluded from contacting other SFHSS staff, the Health Service Board, members of the RFP evaluation panel, or any partners or consultants of SFHSS including but not limited to, other City employees, representatives, or officials, regarding this RFP. Respondents are precluded from issuing news releases, social media postings, media releases, or other similar public releases of information regarding the RFP or the contents herein without prior written approval from SFHSS. Failure to adhere to the prohibition on unapproved communications may result in disqualification from the RFP and/or rejection of a Proposal.

**3.3.13. Rejection of Proposal.**

SFHSS reserved the right to consider as acceptable only those Proposals submitted in compliance with all the requirements set forth in this RFP, all appendices hereto, and which demonstrate an understanding of the scope of services requested. At its

sole discretion, SFHSS reserves the right to reject any response and/or proposal for reasons including, but not limited to:

- Collusion among two or more respondents or prospective respondents (including, but not limited to, Respondent's employees, consultants, officers, partners, or subcontractors)
- Conflicts of interest;
- Submission of a conditional or incomplete Proposal;
- Failure to respond in the format required, both in content and sequence, as applicable;
- Failure to submit the response by the specified deadline;
- Failure to answer any question in this RFP;
- Failure to meet a qualification or requirement;
- False or misleading statements;
- The submission of a non-responsive Proposal;
- Proposals submitted by a non-responsible Proposer, and/or
- Any other reason which, in SFHSS' opinion, the response or Proposal fails to meet the conditions and requirements of this RFP.

**3.3.14. No Offer to Contract.**

Issuance of this RFP in no way constitutes a commitment by SFHSS, the Board, or the City, to award a contract. Acceptance of a Proposal neither commits SFHSS to award a contract to any Respondent, even if all requirements stated in this RFP are met, nor limits our right to negotiate in our best interest. SFHSS reserves the right to contract with a respondent for reasons other than lowest price.

**3.3.15. Commissions.**

No commissions will be paid, and none may to be included in any Proposal. No designation of Broker of Record (BOR) will be issued to any Prospective Respondent to procure a quotation from a health insurance entity. No override payment, volume bonuses or other indirect payments of any kind to agents or third parties are allowed in connection with this RFP.

**3.3.16. Consent to Reassign Personnel.**

If selected by SFHSS and contracted for services as a result of this RFP, Respondent shall not reassign personnel assigned to the contract during the term of the agreement without prior notification to SFHSS and the Board, including the account executive, account manager, or key staff. If personnel are unable to perform duties due to illness, resignation, or other factors beyond Respondent's control, Respondent shall make every reasonable effort to provide suitable Substitute Personnel for review and approval by SFHSS. Respondent shall coordinate with SFHSS regarding the selection of Substitute Personnel including from the personnel identified within the Respondent's RFP response, but not limited to, in-person interviews with proposed Substitute Personnel. Substitute Personnel shall not automatically receive the salary and/or hourly rate of the individual or position being

replaced, if applicable to the proposal and resulting agreement, and SFHSS and Respondent shall negotiate the salary/hourly rate of any substitute personnel into the agreement. If applicable, the hourly rate negotiated shall depend, in part, upon the experience and individual skills of the proposed substitute personnel, and the final negotiated rate may not exceed the hourly rate stated in the agreement.

**3.3.17. Removal of Personnel.**

SFHSS reserves the right to request that personnel be removed from performing any services upon written notice including, but not limited to, for actual or perceived conflict(s) of interest, misrepresentation of skill or experience, or failure to meet the requirements of the agreement resulting from this RFP. If any personnel are removed, Substitute Personnel shall be assigned.

**3.3.18. Objections to the RFP Terms.**

Should any Respondent object on any ground(s) to any provision(s) or legal requirement(s) set forth in this RFP, Respondent must, not less than ten (10) calendar days before the Deadline for Proposals, provide written notice to SFHSS at [patrick.chang@sfgov.org](mailto:patrick.chang@sfgov.org), cc: [michael.visconti@sfgov.org](mailto:michael.visconti@sfgov.org) setting forth with specificity the grounds for the objection(s). The failure of a Respondent to object within the time allowed, and in the manner set forth in this paragraph, shall constitute a complete and irrevocable waiver of any such objection(s).

**The deadline for objections to the RFP is March 18, 2023 (11:59 PM PT).**

**3.3.19. Campaign Reform Ordinance.**

Respondents must comply with Section 1.126 of the San Francisco Campaign and Governmental Conduct Code, which states as follows:

No person who contracts with the City and County of San Francisco for the rendition of personal services, for the furnishing of any material, supplies or equipment to the City, or for selling any land or building to the City, whenever such transaction would require approval by a City elective officer, or the board on which that City elective officer serves, shall make any contribution to such an officer, or candidates for such an office, or committee controlled by such officer or candidate at any time between commencement of negotiations and the later of either (1) the termination of negotiations for such contract, or (2) three months have elapsed from the date the contract is approved by the City elective officer or the board on which that City elective officer serves.

If a Respondent is negotiating for a contract that must be approved by an elected local officer or the board on which that officer serves, during the negotiation period Respondent is prohibited from making contributions to:

- The officer's re-election campaign;
- A candidate for that officer's office; and/or
- A committee controlled by the officer or candidate.

The negotiation period begins with the first point of contact, either by telephone, in person, or in writing, when a Contractor approaches any City officer or employee

about a particular contract, or a City officer or employee initiates communication with a potential Contractor about a contract. The negotiation period ends when a contract is awarded or not awarded to the Contractor. Examples of initial contacts include: (1) a vendor contacts a City officer or employee to promote himself or herself as a candidate for a contract; and (2) a City officer or employee contacts a Contractor to propose that the Contractor apply for a contract. Inquiries for information about a particular contract, requests for documents relating to this RFP, and requests to be placed on a mailing list do not constitute negotiations.

Violation of Section 1.126 may result in the following criminal, civil, or administrative penalties:

- Criminal. Any person who knowingly or willfully violates Section 1.126 is subject to a fine of up to \$5,000 and a jail term of not more than six months, or both.
- Civil. Any person who intentionally or negligently violates Section 1.126 may be held liable in a civil action brought by the civil prosecutor for an amount up to \$5,000.
- Administrative. Any person who intentionally or negligently violates Section 1.126 may be held liable in an administrative proceeding before the Ethics Commission held pursuant to the Charter for an amount up to \$5,000 for each violation.

For further information, Respondents should contact the San Francisco Ethics Commission at (415) 581-2300 (<https://sfethics.org/>).

### **3.3.20. Reservations of Rights by the City.**

The issuance of this RFP does not constitute an agreement by SFHSS, the Health Service Board, or the City that any contract will be entered into by SFHSS, the Board, or the City. SFHSS expressly reserves the right at any time to:

- Waive or correct any defect or informality in any response, proposal, or proposal procedure;
- Reject any or all Proposals;
- Reissue a Request for Proposals, Request for Qualifications, or a similar procurement;
- Prior to Deadline for Proposals, modify all or any portion of the selection procedures, including deadlines for accepting responses, the specifications or requirements for any materials, equipment or services to be provided under this RFP, or the requirements for contents or format of the proposals;
- Procure any services specified in this RFP by any other means; and/or
- Determine that no contract(s) will be pursued.

### **3.3.21. Contract Negotiation.**

Following the announcement of the final ranking of Respondents, SFHSS will commence contract negotiations with the highest ranked Respondent. If SFHSS is unable to negotiate a satisfactory contract with the highest-ranked Respondent within a reasonable time, including approval of the proposed solution/software by the City's Department of Technology, as applicable, or if the highest ranked Respondent deviates materially from the terms of the RFP including all addendum, amendments

and attachments thereto, SFHSS, in its sole discretion, may terminate negotiations with the highest ranked Respondent and begin contract negotiations with the next highest ranked Respondent.

### **3.3.22. Protests.**

Within five (5) working days of the date of SFHSS' issuance of a notice of non-responsiveness, any Respondent that has submitted a Proposal and believes that SFHSS has incorrectly determined that its proposal is non-responsive may submit a written notice of protest. Such notice of protest must be received by SFHSS on or before the end of the fifth (5th) working day following SFHSS' issuance of the notice of non-responsiveness. The day of the issuance of the notice of non-responsiveness shall not count towards these five working days (day zero). The notice of protest must include a written statement specifying in detail each and every ground asserted for the protest. The protest must be signed by an individual legally authorized to represent Respondent, and must cite the law, rule, local ordinance, procedure, or RFP provision on which the protest is based. In addition, the protestor must specify all facts and evidence that would support and/or justify the protest.

Within five (5) working days of the date of the announcement and/or notice of the results of the RFP by SFHSS, any Respondent that has submitted a responsive Proposal and believes that SFHSS has incorrectly ranked the Respondents, may submit a written notice of protest. Such notice of protest must be received by SFHSS on or before 5:00 PM (PT) on the fifth (5th) working day after the day of the notice of final ranking (day zero).

The notice of protest must include a written statement specifying in detail each and every one of the grounds asserted for the protest. The protest must be signed by an individual authorized to represent Respondent, and must cite the law, rule, local ordinance, procedure, or RFP provision on which the protest is based. In addition, the protestor must specify all facts and evidence that would support and/or justify the protest.

Respondent is responsible for delivery to, and confirmation of receipt by, SFHSS of any protest by the deadlines specified in this Section.

Protests must be delivered via email to:

Michael Visconti  
Contracts Administration Manager  
San Francisco Health Service System  
[michael.visconti@sfgov.org](mailto:michael.visconti@sfgov.org)

With copies sent to: [abbie.yant@sfgov.org](mailto:abbie.yant@sfgov.org); [jennifer.donnellan@sfcityatty.org](mailto:jennifer.donnellan@sfcityatty.org)

Protests or notice of protests made orally or by any other means, including, but not limited to, by telephone, by U.S. Postal Service or common carrier, in-person, or by messenger, will not be considered or accepted by SFHSS.

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## 4. Evaluation Criteria

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This section describes the guidelines used for analyzing and evaluating Responses. SFHSS intends to select, and for the Board to approve, a Respondent that provides the best overall qualifications, inclusive of fee considerations. This RFP does not in any way limit SFHSS' right to solicit contracts for similar or identical services if, in the sole and absolute discretion of SFHSS, it determines the responses received are inadequate to satisfy its needs.

### 4.1 Evaluation Team

~~City representatives will serve as t~~The Evaluation Team will be responsible for evaluating Respondents, rating of each and every Proposal, and selecting at least three (3) Respondents to be present before the Evaluation Team at in-person Oral Interviews. The identity of the members of the Evaluation Team will be disclosed at the Oral Interviews.

Listed references may be contacted by the SFHSS Contracts Unit. However, listed references will not be contacted by the Evaluation Team.

### 4.2 Minimum Qualifications

Any Response that does not demonstrate that the Respondent meets these minimum qualifications by the Deadline for Proposals will be considered non-responsive and will not be evaluated or eligible for award of any subsequent contract(s).

#### 4.2.1. Complete Response.

Respondent has submitted a Proposal for delivering services and deliverables outlined in this RFP, including but not limited to Appendix A (Scope of Work).

#### 4.2.2. Skills and Experience.

Respondent, including the Supervising Actuary and Key Staff, must have the following skills and experience:

- The Supervising Actuary must meet the standards listed in Appendix A, Section I. "Core Services", subsection A. "Actuarial Services".
- The Supervising Actuary must have significant experience preparing actuarial valuations and consulting services for large group (30,000 members or greater) public-sector health benefit administrators with demonstrated knowledge of how premium rates are constructed.
- The Supervising Actuary must have performed actuarial services for the most recent three (3) consecutive years for two public sector benefit administrators, each with at least \$300 million in annual benefit spend and at least 30,000 members, including active employees, retirees and/or dependents.

- Supervising Actuary and Key Staff must have experience with analysis of demographic enrollment data to perform simulated risk adjustment analysis.
- Supervising Actuary and Key Staff must have experience with actuarial approach to benefit plan design analysis, development, and evaluation for plans, including vision and dental plans.
- Supervising Actuary and Key Staff must have substantial knowledge of actuarial methods and techniques as applied to health insurance premium development and analysis.

### **4.3. Desired Qualifications**

SFHSS is seeking Respondents with the following desired experience and expertise:

- Knowledge and experience with California health insurance markets, especially large group markets, and National health insurance markets, including both large public and large private employer markets.
- Ability to model different health and dental benefit plan designs, and to advise on cost-effective benefit plan design features without sacrificing coverage.
- Knowledge of and experience with reserve policies.
- Strong ability to communicate actuarial analyses, methods as applied to proposed premium analysis to staff in lay terms.
- Ability to coordinate SFHSS vendors on highly complex, interrelated technical projects that involve data used to support actuarial analyses.

### **4.4. Reassignment of Personnel following Award**

#### **4.4.1 Consent to Reassign Personnel.**

Contractor shall not reassign personnel assigned to the contract during the term of the contract without prior notification to SFHSS and the Board. If Contractor personnel is unable to perform duties due to illness, resignation, or other factors beyond Contractor's control, Contractor shall make every reasonable effort to provide suitable substitute personnel for review and approval by SFHSS (see 4.4.2 Substitute Personnel below).

#### **4.4.2 Substitute Personnel.**

Contractor shall coordinate with SFHSS regarding the selection of Substitute Personnel including, but not limited to in-person interviews with proposed Substitute Personnel. Substitute Personnel shall not automatically receive the hourly rate of the individual or position being replaced. SFHSS and Contractor shall negotiate the hourly rate of any substitute personnel into the contract. The hourly rate negotiated shall depend, in part, upon the experience and individual skills of the proposed substitute personnel. The negotiated rate cannot exceed the hourly rate stated in the contract.



**4.4.3.** Removal of Personnel.

SFHSS reserves the right to request Contractor personnel be removed from performing any services upon written notice to the Contractor including, but not limited to, for actual or perceived conflict(s) of interest. If Contractor personnel is removed, Contractor shall assign Substitute Personnel.

**4.5. Evaluation Criteria**

**4.5.1.** Proposals - Allocation of Points.

Proposals will be weighted by the Evaluation Panel as follows:

<b>Category</b>	<b>Section(s)</b>	<b>Points</b>
Cover Letter, Table of Contents and Executive Summary	1, 2, and 3	20
Supervising Actuary, Key Staff, Relevant Experience, Qualifications, and References	4 and 5	90
Project Approach	6	110
Pricing for Services	7	60
Contract Form and Specifications	8	20
	<b>Total:</b>	<b>300 points</b>

**4.5.2.** Selection for Oral Interviews.

Following the evaluation of the Proposals by the Evaluation Panel, SFHSS will notify Respondents of proposal ranking, and up to three (3) eligible Respondents receiving the highest scores will be invited to an oral interview.

In the event of a tie for the third-place position, SFHSS may invite all tied Respondents, even if it results in more than three (3) Respondents being invited to the oral interview.

SFHSS reserves the right to select a Respondent without conducting oral interviews.

**4.5.3.** Oral Interviews.

Oral Interviews will be conducted via the Microsoft Teams video conferencing platform.

By or before April 17, 2023, one (1) week prior to the Oral Interviews, Respondent will email the SFHSS at [michael.visconti@sfgov.org](mailto:michael.visconti@sfgov.org) with the list of Respondent personnel scheduled to participate in the Oral Interviews (Respondent's Oral Interview Team). The list will include a unique email address associated with each member of Respondent's Oral Interview Team.

SFHSS requests that Respondent's Oral Interview Team include the Supervising Actuary, at least one member of the Key Staff (actuarial or non-actuarial), at least one non-Medicare clinical subject-matter expert and at least one regulatory compliance subject-matter expert. The total number of participants should not exceed six (6) individuals.

The Oral Interviews will adhere to the following format:

- Respondents will prepare a brief presentation and introduce Respondent’s Oral Interview Team (**5 minutes**). This section will be open format however time limitations will be strictly enforced.
- There will be a problem solving or situational activity where the Respondent’s Oral Interview Team will be given a problem or situation and will then have **ten (10) minutes** to develop a strategy, options, or approach to addressing the problem or situation.
- The Evaluation Panel will be muted but remain on the teleconference call during the **ten (10) minute** problem solving exercise to observe how the Respondent’s Oral Interview Team approaches problem solving, or the situational activity, and how the Respondent’s Oral Interview Team works collaboratively.
- Each Respondent Oral Interview Team will then have **ten (10) minutes** to present its solution to the evaluation panel.
- There will be up to three (3) problems or situations given to each Respondent’s Oral Interview Team. Each team will be given the same problems in the same order with the same time restrictions.
- After the first problem solution is presented, Respondent’s Oral Interview Team will be given the next problem and the process will be repeated until all problems have been analyzed and the Respondent’s Oral Interview Team has presented its solutions to the Evaluation Panel.
- Following the problem solving and/or situational activities, the Respondent Team will have up to **ten (10) minutes** to present a presentation wrap-up. This section will be open format however time limitations will be strictly enforced.

The SFHSS Contracts ~~Administration~~ Manager and Contracts Unit staff will moderate time the proceedings. Oral Interview Teams will be audibly notified when there are five (5) minutes and one (minute) remaining, as applicable.

When time elapses, no additional time shall be granted to any respondent.

**4.5.4. Oral Interviews - Allocation of Points.**

Each member of the Evaluation Panel will individually evaluate and assign rating points to the Oral Interview using the following evaluation criteria.

<b>Criteria</b>	<b>Points</b>
<u>Approach to Problem Solving:</u> Respondent Team’s approach to understanding a problem and methodology of developing a solution.	75
<u>Communication and Collaboration:</u> How clearly the Respondent Team communicates with one another and how well the team works together in a collaborative way to solve problems.	75

<u>Subject-Matter and Management Expertise:</u>	100
Each Respondent Team member's technical and/or management expertise and strengths.	
Opening and Closing Remarks	50
<b>Total:</b>	<b>300</b>

Following the Oral Interview, SFHSS will combine the scores from the Proposal and the Oral Interview for each Respondent selected to participated in the Oral Interviews to determine the final rankings.

## **4.6. Award**

### **4.6.1. Notice of Ranking.**

SFHSS will announce the final ranking by the Evaluation Panel during the week of May 1, 2023. SFHSS will then present its recommendation to the Board for approval pursuant to the Board Governance Manual.

### **4.6.2. Presentation to the Board.**

SFHSS intends to award this Contract to the highest-ranked Respondent. SFHSS reserves the right to recommend other than the highest ranked Respondent. SFHSS will present to the Board its recommendation and the results of the RFP on May 11, 2023 or May 25, 2023, for review, discussion, and approval. [Upon the approval of the Board, SFHSS shall issue the notice to intend to award.](#)

### **4.6.3. Contract Negotiation.**

Following the approval by the Board [and the issuance of the notice of intent to award](#), SFHSS will commence contract negotiations with the highest-ranked Respondent. Neither the selection of a Respondent nor approval of SFHSS recommendation by the Board shall imply acceptance by SFHSS, the Board, or the City, of the terms of Respondent's proposal, which may be subject to further negotiations and approvals before SFHSS may be legally bound.

Respondents agree to meet the applicable terms of the City-approved service contract (Appendix C - 1) and the Business Associates Agreement (Appendix C - 2).

If SFHSS is unable to negotiate a satisfactory contract with the selected Respondent within a reasonable time, SFHSS, in its sole discretion, may terminate negotiations with the selected Respondent and begin contract negotiations with the next highest ranked Respondent, or reissue a subsequent RFP, a Request for Quote, a Request for Qualifications, or a mini-RFP, or it may determine that a contract will not be pursued or will not be pursued until a later date. Notwithstanding, SFHSS reserves the right to reject all Proposals without incurring any liability to any Respondent.

### **4.6.4. Approved City Supplier Requirement.** Respondents agree to become a Certified City Supplier within (30) days of award. Vendors can apply without having a SF City Bidder or Supplier ID (see <https://sf.gov/departments/city-administrator/office-contract-administration>, <https://sf.gov/step-by-step/qualify-do-business-city>). However, the process for becoming a Certified City Supplier may take longer than

thirty (30) days and as such ~~Responders~~ Respondents are strongly encouraged to begin the process before the announcement of the results of the RFP. To begin the process to become a City Approved Supplier, please visit:  
<https://sfcitypartner.sfgov.org/pages/become-a-supplier.aspx>

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