

# Group Insurance Board RFP Training

GIB – Item 4.4

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# What is an RFP?

- Request for Proposals – Form of competitive procurement
- Used by ETF to procure services (and sometimes goods)

# RFP Procurements

- ETF issues RFPs to procure a range of services:
  - Member-facing services: e.g. Administration of Income Continuation Insurance, Life Insurance, Wellness Programs, Uniform Dental Benefits, HSA/ERA/Commuter Benefit Accounts
  - Non member-facing services: e.g. Actuarial Services, Data Warehouse
- Purchasing Authority in Wisconsin Statutes: Chapters 16 and 40
- Health plans and supplemental plans are procured using an invitation to negotiate process (Ch. 40)

# Chapter 16 Authority

## Chapter 16 Authority

- Wis. Stat. §16.71: DOA may delegate purchasing authority for most goods and services to agencies
- ETF is a delegated agency
- Purchasing procedures follow:
  - State Statute: §§ 16.70-16.78
  - Adm. Code: ADM 5-11 and 50
  - DOA State Procurement Manual

## Chapter 16 used to:

- Purchase general administrative services (e.g. business consulting)
- Purchase off of DOA mandatory contracts (e.g. many commodities: print, computers, IT contractors)
- Purchase off existing state agency contracts, e.g. Alex and new ETF web site purchased thru UW

# Chapter 40 Authority

## Chapter 40 Authority (confirmed by Attorney General)

- Multiple Statutory Citations:
  - GIB: Wis. Stat. § 40.03(6)(a)(1) ... enter into a contract ... with one or more insurers authorized to transact insurance business in this state for the purpose of providing the group insurance plans ...
  - ETF Board: Wis. Stat. § 40.03(1)(c) may employ or select any medical, legal and other independent contractors as are required for the administration of the fund.
- ETF follows a detailed procurement procedure (closely follows DOA Procurement Manual)

## Chapter 40 used to:

- Purchase program-related services
- Purchase services directly related to the Board's fiduciary responsibilities

# Flexibility Offered by Chapter 40 Procurements

- Length of contract determined by ETF
- No DOA-approved procurement plan required
- No formal cost benefit analysis required
- ETF determines who is on the evaluation committee
- The Board makes the final contract award based on recommendation of the evaluation committee and program area (vs. award based on highest score)
- Protests are decided by the Board, not DOA

# RFP Procurement Principles

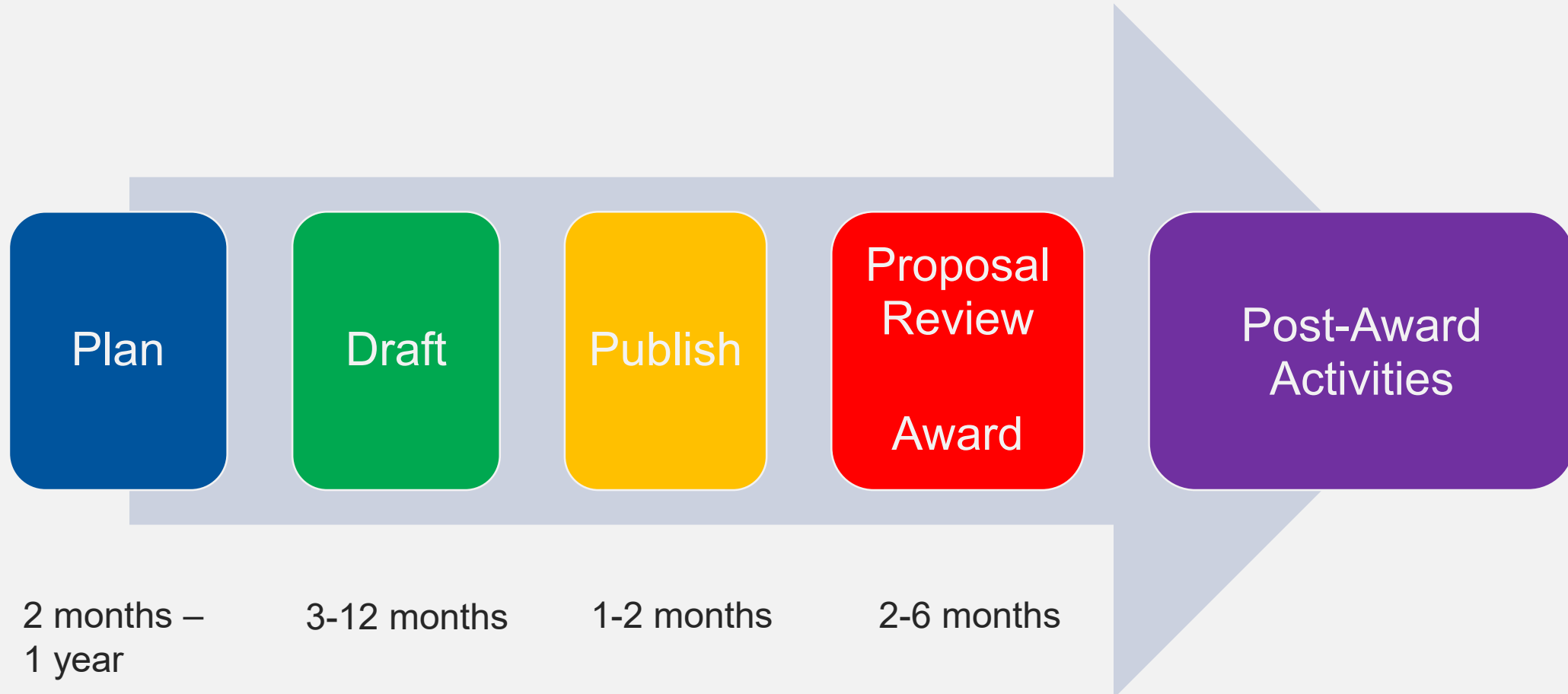
- **Competition**: Obtain quality goods/services at competitive prices
- **Consistency**: Provide fair treatment to vendors through consistent application of policy/procedure and evaluation of proposals
- **Integrity**: Decisions and activities are measured against a standard of fairness that can withstand public and legal scrutiny
- **Openness/Transparency**: Clear communication with vendors and stakeholders; documentation of decisions and activities that are open to public inspection

# Role of BCAP

- Procurement Lead coordinates RFP activities (can be in conjunction with Project Manager)
- Procurement Lead works closely with ETF Office of Legal Services (OLS) to draft and finalize the RFP, respond to appeals and public records requests
- Procurement Lead works closely with other ETF stakeholders
- Procurement Lead coordinates contract negotiations with OLS, the vendor and other ETF stakeholders



# Standard RFP Process



# Plan

- Identify the need
- Budget considerations
- Develop a general timeline
- Determine procurement method
- If Ch. 40, the request is brought to the Board
- Board reviews request

# Plan

- Requirements gathering
  - Programmatic requirements based on statutory requirements for some RFPs, e.g. life insurance and other benefits
- Research: other RFPs / vendor pool
- Project plan: detailed timeline and stakeholders determined; project kick-off
- Evaluation committee assembled (common for a Board member to sit on a Ch. 40 evaluation committee)

# Draft

- Program area staff develop programmatic requirements
- BCAP Procurement Lead develops non-programmatic language
  - Standard ETF terms and conditions included
- RFP reviewed by ETF stakeholders, the evaluation committee, and sometimes external partners (e.g. consulting actuaries, other state agencies)

# Publish

- RFP released/published
- Questions and answers submitted by interested vendors
- Program area and other ETF stakeholders review and answer vendor questions
- Answers to vendor questions released/published and made a part of the RFP/contract

# Review and Award

- Proposals received/initial proposal review by BCAP procurement lead
- Evaluation committee kick-off and subsequent meetings
- Vendor reference checks
- Vendor presentations (optional)
- Cost proposals revealed (consulting actuaries sometimes involved)
- Evaluation committee deliberation / recommendation

# Review and Award

- Recommendation memo drafted for the Board by the ETF program area and BCAP, approved by program director
- Recommendation memo presented to the Board
- Vendor finalist presentations to the Board in closed session (optional)
- Board deliberation and award

# Post-Award Activities

- 10 business-day appeal period (GIB Vendor Procurement Appeals Policy)
- Contract negotiations
- Contract execution
- Implementation
- Possible public records requests
- Contract management
- Updates to the Board



# The Board's Role

- Board plays important oversight and participatory role
- Board reviews RFP request and may authorize the Secretary to proceed
- Common for a Board member to sit on Chapter 40 evaluation committees
- The Board makes the final decision on the contract award (unless the Board has delegated this to the Secretary or an ETF Director; determined when an RFP is authorized)
- The Board Chair signs the contract (may be delegated for certain procurements)
- The Board reviews contract status



**Questions?**