

ADMINISTRATIVE INFORMATION

1.01 Issuing Office

The Invitation to Bid (ITB) is issued by the State of Alabama, Department of Finance, Division of Purchasing for the Alabama Medicaid Agency. Pursuant to the provisions of the Code of Alabama, 1975, Section 41-16-20 through 41-16-32, and Section 22-6-7, the Alabama Medicaid Agency, hereinafter called the Agency, solicits sealed bids for a fiscal agent (Vendor) for the Alabama Medicaid Program.

1.02 Invitation to Submit Bids

The State of Alabama provides prospective Bidders with sufficient information to enable them to prepare and submit bids for consideration by the Agency to satisfy the need for expert assistance in the completion of the goals and requirements of this ITB. All interested Bidders who were not contacted are invited to submit a proposal in accordance with the rules, procedures and dates set forth herein. In the event of “No Bid,” please sign the State of Alabama, Invitation to Bid form, indicating “No Bid” and return to the State of Alabama, Department of Finance, Division of Purchasing. All bids submitted pursuant to this request shall be made in accordance with the provisions of the State of Alabama Department of Finance, Division of Purchasing.

1.03 Purpose

It is the intent of the Agency to provide prospective Bidders with sufficient information to enable them to prepare and submit proposals. These proposals shall demonstrate the Vendor’s ability to satisfy the need for vendor services to implement an enhanced Alabama Medicaid Management Information System (AMMIS) for the Agency, to address Alabama-specific requirements, and to perform Vendor responsibilities as defined in this ITB. The Vendor shall be responsible for performance of all duties specified within this ITB for the amount of compensation quoted in its response to this ITB.

1.04 Scope

The ITB contains numerous instructions governing proposal submission requirements and the material to be included therein. These are mandatory responsiveness requirements that must be met to be eligible for consideration.

Bid responses shall be submitted consistent with the format and content specified in *Section 4 – Bidder Response Format*.

A mandatory responsiveness requirements checklist for bid responses is provided in *Section 7.10 - Appendix J – Responsiveness Requirements Checklist*. Failure, in whole or in part, to respond to a specific mandatory requirement shall result in rejection of the

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Vendor's bid as non-compliant with the ITB requirements during the evaluation process or at any time that such deficiency is discovered. The Agency at its sole discretion reserves the right to waive minor irregularities.

The Agency reserves the right to reject any and all bids submitted in response to this ITB.

Subsequent to the opening of the sealed bids, discussions may be conducted by the Agency and the Division of Purchasing with Bidders for the purpose of clarification to assure full understanding of and responsiveness to the solicitation requirements. Bidders shall be accorded fair and equal treatment with respect to any opportunity for discussion. Where it appears that a proposal submitted fails to meet mandatory responsiveness requirements, the Agency reserves the right to determine compliance of the Bidder.

1.05 Schedule of Activities

1.05.01 Procurement Timetable

The following timetable is anticipated for the procurement process:

	Activity	Date	Central Time
1.	Deadline for Submitting Questions to be Answered at the Pre-Bid Conference	Five (5) Business Days before Pre-bid Conference	5:00 P.M.
2.	Mandatory Pre-Bid Conference	As specified in Department of Finance Purchasing Division Bid Sheet	10:00 A.M.
3.	Deadline for "Intent to Bid" Notification To State	Two (2) Business Days following Pre-bid Conference	5:00 P.M.
4.	Deadline for Submitting Questions after Pre-Bid Conference	Five (5) Business Days following Pre-bid Conference	5:00 P.M.
5.	Answers to Questions will be Mailed	Ten (10) Business Days following Pre-bid Conference	12:00 Noon
6.	Bid Submission Date	As specified in Department of Finance Purchasing Division Bid Sheet	5:00 P.M.
7.	Opening of Bid Responses	As specified in Department of Finance Purchasing Division Bid Sheet	10:00 A.M.
8.	Notice of Award (Estimated)	One (1) month following opening of Bid responses	
9.	Contractor Begins Work (Estimated)	Two (2) month following opening of Bid responses	
10.	AMMIS Operation Begins	October 1, 2011	

1.06 Inquiries

Unless otherwise noted, prospective Bidders may make written inquiries concerning this ITB to obtain clarification of requirements. Telephone or fax inquiries will not be accepted. No inquiries will be accepted after the deadline for questions as specified in the [Schedule of Activities](#). Send all inquiries to:

Paul Brannan
MMIS Coordinator
Alabama Medicaid Agency
P. O. Box 5624
501 Dexter Avenue - Room 5032
Montgomery, Alabama 36103-5624

We encourage the use of e-mail.
E-Mail Address: paul.brannan@medicaid.alabama.gov

Bidders shall mark envelope /email subject line "ITB #10-X-2205737 - Inquiry".

Any attempt by a Bidder to contact any employee of the Alabama Medicaid Agency regarding this ITB prior to bid award, other than as specified in this ITB, shall be deemed to be a violation of bid requirements and shall result in the Vendor's bid being rejected.

Bidders who submit questions via mail shall submit their questions in electronic format on a CD/DVD (in Word 6.0 or higher format) to the address specified above. Bidders should not rely on verbal statements that alter any specifications or other terms or conditions of the ITB.

Questions regarding the State Purchasing Division bid process should be addressed to the Division of Purchasing by phoning or writing the following buyer:

Ray Bressler
State of Alabama
Department of Finance
Division of Purchasing
PO Box 302620
Montgomery, Alabama 36130-2620
Telephone: (334) 242-4670

1.07 Mandatory Pre-bid Conference

A mandatory Pre-Bid Conference will be held on the date and time specified in the [Schedule of Activities](#), at the Division of Purchasing Auditorium in the RSA Union Building, Suite 192, 100 North Union Street, Montgomery, Alabama. Attendance at the pre-bid conference is mandatory for all Vendors who plan to submit bids. A Vendor's failure to attend the pre-bid conference will cause their bid to be rejected. Such topics as

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organizational structure, Agency history, and current and planned program activities shall be addressed by Agency personnel.

The pre-bid conference is intended to be an interactive exchange of information. An opportunity will be given to ask questions to clarify any uncertainties which exist. Since impromptu questions shall be permitted and spontaneous answers may be provided, Bidders should clearly understand that oral answers given at the conference are not binding, but are good faith efforts to give correct useful information. No further questions will be permitted after the date specified in the [Schedule of Activities](#). Final and binding answers to all questions whether submitted via mail, email or asked at the pre-bid conference will be distributed to all conference attendees on the date specified in the [Schedule of Activities](#).

Answers to written questions received by the MMIS Coordinator before the pre-bid conference by the deadline specified in the [Schedule of Activities](#) shall be distributed at the pre-bid conference. Prospective Bidders will be given time to review the written questions and answers during the Mandatory Pre-bid conference. Prospective Bidders may email or mail their questions as specified above up to the deadline for all questions.

1.08 Agency Bid Opening Rights, Bid Questions and Contacts

The Agency reserves the right to reject any bids submitted in response to this ITB.

Subsequent to the opening of the sealed bids, discussions may be conducted by the Agency and the Division of Purchasing with Bidders for the purpose of clarification to assure full understanding of and responsiveness to the solicitation requirements. Bidders shall be accorded fair and equal treatment with respect to any opportunity for discussion. In conducting any such discussions, there shall be no disclosure of any information derived from bids submitted by competing Bidders.

Any questions regarding solicitation requirements for this ITB must be written and submitted by the designated due date and time specified in the [Procurement Timetable](#) to the Division of Purchasing Buyer at the address shown above. Questions will not be addressed over the telephone. Responses to Bidder's questions shall be made available to all Bidders attending the Mandatory Pre-Bid Conference on the date and time designated in the [Procurement Timetable](#).

1.09 Intent to Bid

All Bidders planning to submit a bid must submit an "Intent to Bid Notification" letter by the deadline specified in the [Procurement Timetable](#). Failure to timely submit an "Intent to Bid Notification" letter will result in the Bidder not meeting mandatory responsiveness requirements and the Bidder will not be sent answers to questions, amendments or other materials regarding this bid. The format for the "Intent to Bid Notification" letter can be found in *Section 7.02 - Appendix B – Attachment 3 – Intent to Bid Notification*.

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Send correspondence to:

Paul Brannan
MMIS Coordinator
Alabama Medicaid Agency
P. O. Box 5624
501 Dexter Avenue - Room 5032
Montgomery, Alabama 36103-5624

Mark envelope/document "ITB #10-X-2205737 - Intent to Bid".

1.10 Bidder's Submission

Bids must be received on or before the deadline in the [Procurement Timetable](#). Late proposals shall not be accepted. It is the responsibility of the Bidder to ensure that the proposal is received by the Department of Finance, Purchasing Division in accordance with the [Procurement Timetable](#). The bid, packaged in accordance with the *Section 4 – Bidder Response Format*, shall be sent by mail to:

State of Alabama
Department of Finance
Division of Purchasing
PO Box 302620
Montgomery, Alabama 36130-2620
Attention: Ray Bressler

or delivered to:

State of Alabama
Division of Purchasing
RSA Union Building
100 North Union Street, Suite 192
Montgomery, Alabama 36104
Attention: Ray Bressler

The State of Alabama Invitation to Bid form must be signed in ink by the Bidder or other entity that is legally authorized to bind the Bidder to the bid. The Invitation to Bid form must also be notarized.

Bids not meeting these requirements shall not be accepted.

The Division of Purchasing desires and encourages that bids be submitted on recycled paper, printed on both sides. While the appearance of proposals and professional presentation is important, the use of non-recyclable or non-recycled glossy paper is discouraged.

1.11 Withdrawal of Proposals

Bids withdrawn by the Bidder prior to award shall result in forfeiture of the Bid Bond.

1.12 Addendum or Supplement to ITB

In the event that it becomes necessary to revise any part of this ITB before the mandatory pre-bid conference, an addendum shall be provided to each Vendor who received the original ITB. It is the Vendor's responsibility to inform the Division of Purchasing of its interest in the ITB if it has not received the ITB in a direct mailing from the Division of Purchasing. In the event that it becomes necessary to revise any part of this ITB after the mandatory pre-bid conference but before the deadline for submitting "Intent to Bid Notification" letters, an addendum shall be provided to each Vendor who registered at the pre-bid conference. In the event that it becomes necessary to revise any part of this ITB after the deadline for submitting the "Intent to Bid Notification" letter, an addendum shall be provided to each Vendor who attended the Mandatory Pre-Bid Conference and submitted an "Intent to Bid Notification" letter before the required deadline.

1.13 Oral Presentations and Systems Demonstration

The Agency reserves the right to request oral presentations during the Evaluation Phase. The purpose of the oral presentation is to allow for interchange between the Bidder, Agency staff and the Evaluation Committee. It shall be the Agency's option to determine the schedule and format for oral presentations/demonstrations. Bidders will be notified in advance of the time and location and selected items of any such presentations.

The oral presentations and demonstrations will provide an opportunity to 1) provide an overview of the merits of the Bid Proposal, 2) answer questions raised by evaluators in the course of reviewing the Bid Proposals, and 3) assist the Evaluation Committee in verifying the capabilities and functionality of the proposed system. The Evaluation Committee shall have the opportunity to ask for clarification of information in the proposal. No written supplementation of the bid will be permitted. Responsiveness will be determined on the written bid proposal.

During the oral presentations, Bidders shall not discuss the merits or qualifications of other Bidders. Failure to observe this bid requirement shall result in the bid being rejected as non-compliant.

The Agency may, at its discretion, establish such procedures and rules of conduct as it may deem appropriate, and may enforce such procedures and rules of conduct. Failure to observe these procedures and rules of conduct shall result in the bid being rejected as non-compliant.

1.14 Acceptance of ITB Terms

A bid submitted in response to this ITB shall constitute a binding bid response. The provisions of this ITB and all attachments constitute contractual terms and conditions. These provisions, as amended, shall supersede any contradictory or inconsistent language in the successful Bidder's response. A submission in response to this ITB acknowledges acceptance by the Bidder of all terms and conditions, including performance and compensation, as set forth in this ITB. The Bidder, by signing the bid sheet, certifies that it accepts all of the terms and conditions, including performance and compensation of this ITB in full, without reservations, limitations, assumptions, restrictions, caveats, or any other type of qualification. A response which fails to comply with this condition shall be disqualified as nonresponsive. Further, any amendment to this ITB shall be signed and returned with the bid or the bid shall not be considered.

All bids become the property of the State of Alabama, and may not be returned to the Bidder. Only bids which conform to the requirements of this solicitation shall be acceptable. The State reserves the right to reject any or all bids. There is no guarantee that a contract shall result from this solicitation. The State accepts no obligation for costs incurred by any Bidder in the preparation of a bid in response to this ITB.

1.15 Protested Solicitations and Awards

Any person who is aggrieved in connection with the solicitation or award of a contract may protest to the State of Alabama, Division of Purchasing Director. The protest shall be submitted in writing within the time period required by the State of Alabama, Division of Purchasing.

1.16 Confidential/Proprietary Information

Other than the bid prices, all documents and other materials pertaining to the bids shall be held confidential until issuance of award. After that time, pursuant to Code of Alabama (1975) Section 41-16-24, all original bids together with all documents pertaining to the award of contract will be retained and made a part of the permanent file or records and shall be open to public inspection at the Department of Finance, Division of Purchasing.

1.17 ITB Response Material Ownership

All material submitted regarding the ITB becomes the property of the State of Alabama. Bid responses may be reviewed by contacting the State of Alabama, Finance Department, Division of Purchasing after the notice of award letter has been issued by State Purchasing.

1.18 Proposal Prices

Bidder shall submit a firm and fixed price for the services described in the ITB. Bidder shall bid a price which reflects any business risk it perceives in the way the bid

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specifications are stated. Bidder shall not anticipate nor rely on clarifications, discussions, redefinition, or further negotiations with the Agency after the contract award to adjust the price that is contained in its proposal for the work required by the ITB. Any efforts by a Bidder to limit, qualify, caveat, restrict or place conditions upon the price being bid shall be considered to be a violation of the firm and fixed price submission requirement and shall result in the bid being rejected as non-responsive.

1.19 Selection of Proposal

After review of the Evaluation Committee's recommendation for award, the Commissioner of Medicaid shall make the decision on award of contract. After selection is made, the Division of Purchasing shall issue a notice of award to the successful Bidder. Contract execution is contingent upon Centers for Medicare and Medicaid Services (CMS) approval of the award.

1.20 ITB Cancellation

The State reserves the right to cancel this Invitation to Bid at any time, without penalty.

1.21 State Ownership of Contract Products/Services

All products/services produced in response to the contracts resulting from this ITB, including the executed contracts, ITB, and any amendments thereto, shall be the sole property of the Agency. Vendor's response to the ITB, the Agency's written responses to prospective Bidders' questions, and Vendor's clarifications as requested by the Agency during the evaluation process shall become contractual obligations.

1.22 Incurring Costs

The State of Alabama is not liable for any cost incurred by Bidders prior to issuance of a legally executed contract.

1.23 Parent Company

If a Bidder is owned and controlled by a parent company, the main office address and parent company's tax identification number shall be provided in the bid response.

1.24 Certification of Independent Price Determination

1. By submission of this bid each Bidder certifies and in the case of a joint bid each party thereto certifies as to its own organization that in connection with this procurement:
 - a. The prices in this bid have been arrived at independently, without consultation, communication, or agreement, for the purpose of restricting competition as to any material relating to such prices with any other Bidder or with any Competitor;

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- b. Unless otherwise required by law, the prices which have been quoted in this ITB have not been knowingly disclosed by the Bidder and shall not knowingly be disclosed by the Bidder, directly or indirectly, to any other Bidder or to any Competitor prior to opening; and
 - c. No attempt has been made or shall be made by the Bidder to induce any other person or firm to submit or not to submit a bid for the purpose of restricting competition.
2. Each person signing the bid form certifies that:
- a. He/she is the person in the Bidder's organization responsible within that organization for the decision as to the prices being offered herein and that he/she has not participated, and shall not participate, in any action contrary to 1(a) through 1(c) above; or
 - b. He/she is not the person in the Bidder's organization for the decision as to the prices being offered herein but that he/she has been authorized in writing to act as agent for the person(s) responsible for such decision in certifying that such persons including said agents have not and shall not participate in any action contrary to 1(a) through 1(c) above.

1.25 Bid Guarantee

Each sealed bid shall be accompanied by a bid guarantee consisting of a bid bond issued by a company authorized to do business in the State of Alabama. The guarantee shall be payable to the State of Alabama in the amount of three hundred thousand (\$300,000) dollars, as a guarantee of good faith and to ensure a firm bid for contracting purposes for nine (9) months after bid due date. Bid guarantees provided by unsuccessful Bidders shall be returned after ninety (90) calendar days from contract award. Letters of credit or cashier's checks are not acceptable.

1.26 Performance Bond

Please refer to *Section 6 – General Terms and Conditions*
Section 6.05.07 - Performance Bond.

1.27 Procurement Library

A Procurement Library has been established by the Agency in the Montgomery office for the use of all prospective Bidders in developing their bids. *Section 7.06 - Appendix F – Procurement Library Contents* provides a list of documents in the Procurement Library.

Use of the Procurement Library shall be scheduled in half day intervals, Monday through Friday, from date of ITB issuance through date of bid submission, from 8:30-11:30 a.m. and 1:00-4:30 p.m. Central Time. Scheduling shall be made by the ITB Project Officer,

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Medicaid, (334) 242-5017. Prospective Bidders may not schedule more than four (4) consecutive half day intervals. Reproduction of materials shall be at the Bidder's expense. Bidders shall arrange for the use of a portable copier to reproduce materials not available in prepackaged form. Some of the documents provided in the Procurement Library are available on CD/DVD and/or the Agency WEB site <http://www.medicaid.alabama.gov>

1.28 Contract Timeframes

Please refer to *Section 6 – General Terms and Conditions – Section 6.01.05 – Term of Implementation Contract and Section 6.01.06 – Term of Operational Contract.*

1.29 Payment

The Agency will provide payment to the Vendor according to *Section 6 – General Terms and Conditions – Section 6.09 – Method of Payment and Invoicing.*

1.30 Public Opening of Bid

A public opening of the bid will be held as specified in the [Procurement Timetable](#), at the Division of Purchasing, RSA Union Building, Montgomery, Alabama. A register of bids consisting of the names and addresses of Bidders will be prepared and made available for public inspection.

1.31 Bid Submission Requirements

Please refer to *Section 4 – Bidder Response Format*

1.32 Granting of Contracts

The contracts awarded under this ITB will be made to the lowest responsible and responsive Bidder as required by Section 41-16-27 (a), Code of Alabama (1975).

Specimen contracts are found in this ITB in *Section 7.02 - Appendix B – Attachment 1 – Implementation Contract and Attachment 2 – Operations Contract.* The Vendor reserves the right to add provisions consistent with the successful Bidder's offer and to negotiate with the successful Bidder other additions to or deletions from, and/or changes in the language in the contract, provided that no such addition, deletion or change in contract language shall alter the scope of work required and/or the evaluation criteria set forth herein. Additions to, deletions from and/or changes in language of the contracts shall not result in additional compensation over and above that bid by the successful Bidder for the scope of work specified in the ITB, the amendments thereto, the written answers to questions or any clarifications requested by the Bidder during the evaluation process.

Prior to finalization of award, the selected Bidder may be required to enter into discussions with the State to resolve any contractual differences before an award is made. These discussions must be finalized and all exceptions resolved within seven (7) working

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days of notification of award; if not, the bid will be rejected and discussions initiated with the next lowest responsible and responsive Bidder.

1.33 Disclaimer

All statistical and fiscal information contained in the ITB and its exhibits, including amendments and modifications thereto, and all materials in the procurement library, reflect the best and most accurate information available to the Agency at the time of ITB preparation. No inaccuracies in such data shall constitute a basis for an increase in payments to the Vendor, a basis for delay in performance nor a basis for legal recovery of damages, either actual, consequential or punitive except to the extent that such inaccuracies are shown by clear and convincing evidence to be the result of intentional misrepresentation by the Agency.

1.34 ITB Purpose

The purpose of this Invitation to Bid (ITB) is to competitively procure Vendor services to enhance and operate the current Alabama Medicaid Management Information System (AMMIS) for the State of Alabama Medicaid Agency and to serve as fiscal agent on an annual operational contract. The Alabama Medicaid Management Information System (AMMIS) consists of all subsystems of the MMIS except the Recipient Subsystem.

The operational phase of the contract will include claims and encounter processing and other fiscal agent services as well as ongoing system change support. The Alabama MMIS must continue to meet or exceed user needs identified in *Section 3 – Requirements* of this ITB as well as additional requirements defined or clarified during initial Implementation Phase activities. The enhanced MMIS must continue to meet the revised functional definition of system requirements contained in Part 11 of the State Medicaid Manual (SMM) issued by CMS. The modified AMMIS must meet or exceed performance standards and expectations included in this ITB.

The MMIS must continue to:

- Ensure that each system and subsystem meets or exceeds Federal Certification and Performance Standards.
- Ensure that future changes in Alabama Medicaid Programs can be implemented accurately, efficiently and in a timely manner.
- Ensure increased flexibility in report definition so as to allow enhanced access to useful information that reflects the dynamics of the program.
- Provide enhanced management reporting.
- Provide system flexibility to make incorporate policy changes in a timely manner.

1.35 Bidders Qualifications

The successful Bidder shall have a minimum of ten (10) prior years experience in the design, development, implementation, and operations of large healthcare transaction systems and applicable regulatory certifications. The successful Bidder shall also have experience providing Fiscal Agent services in a health care claims processing operation.

1.36 Background Information

Medicaid was created in 1965 by Congress, under the provisions of Title XIX of the 1965 amendments to the Social Security Act. Medicaid started in Alabama in 1970 as a State Department of Public Health program. In 1977, the Alabama Medical Services Administration was made an independent state Agency. In 1981 it was renamed the Alabama Medicaid Agency. The Agency is responsible for assuring that Medicaid eligible Alabamians have the opportunity to request and receive Medicaid services by qualifying through an eligibility process. Providers of direct services are reimbursed for medical services received by Medicaid recipients. The Agency makes reimbursement for different services and functions using federal and state matching funds. The federal financial participation's (FFP) federal medical assistance percentage match (FMAP) for specific Medicaid cost can be up to 75 percent or higher with most other administrative costs receiving 50 percent federal funding. The remaining funding percentage is made up of State or other funding sources.

In fiscal Year (FY) 2006, the Agency paid \$4,078,065,024 for health care services to Alabama citizens. Another \$111,895,341 was expended to administer the program. (See Medicaid's 2006 Annual Report at; http://www.medicaid.alabama.gov/documents/Resources/4J-4_Annual_Reports/4J-Medicaid.AR2006a.pdf). This means that almost 98 percent of every Medicaid budget dollar goes toward purchasing services for recipients. Alabama's population grew from an estimated 4,642,736 in 2005 to an estimated 4,681,833 in 2006. The segment of the population eligible for Medicaid services has risen from 10.4 percent in FY 1990 to 21.1 percent in FY 2006.

During FY 2007, there were 932,521 persons eligible for Medicaid in at least one month of the year. The average number of persons eligible for Medicaid per month was 736,958. The monthly average is the more useful measure of Medicaid coverage because it takes into account the length of eligibility. Of the 988,678 persons eligible for Medicaid in FY 2007, about 79 percent actually received care for which Medicaid paid. These 736,958 persons are referred to as recipients. The remaining 195,563 persons incurred no medical expenses paid for by the Agency. Many of the individuals who had no medical expenses paid for by the Agency were partially eligible such as Qualified Medicare Beneficiaries (QMBs) only or Specified Low-income Medicare Beneficiaries (SLMBs).