

GEORGIA DEPARTMENT OF COMMUNITY HEALTH

Operations Division

Office of Procurement Services

# Procurement Policies And Procedures

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## **1.0 GENERAL**

### **1.1 Introduction**

For most procurements as described herein, the Department of Community Health (**DCH**) acts in conjunction with or under the direction of the Department of Administrative Services (**DOAS**) State Purchasing Division (**SPD**), which oversees purchasing services for the State. However, when the acquisition is within the DCH Delegated Purchasing Authority (**DPA**) the DCH Office of Procurement Services (**OPS**) will conduct procurements independently consistent with the guidelines of the DOAS.

**The purchasing rules are embodied in the Georgia Procurement Manual (GPM) located at: [http://pur.doas.ga.gov/gpm/MyWebHelp/GPM\\_Main\\_File.htm](http://pur.doas.ga.gov/gpm/MyWebHelp/GPM_Main_File.htm)**

### **1.2 Purpose**

In its procurement practices, the mission of DCH is to obtain quality goods and services at the lowest reasonable cost for the best value, while operating at the highest standards of ethical conduct and achieving optimum results for its members and recipients. This is accomplished through a cooperative team interaction and continuous quality improvement in support of the overall goals of the Department. State and Federal statutes, rules and regulations will prevail when they vary with the Department policy.

### **1.3 Objectives**

The OPS will facilitate effective purchasing by offering assistance and guidance in the development of the solicitation and processing the request from the various divisions. OPS will enforce the policies and procedures approved by the Commissioner of DCH regarding the procurement of all goods and services. These procedures are set forth in order to standardize within DCH, the procurement processes and the related contracting.

## **2.0 PURCHASING DELEGATION REQUIREMENTS**

Statewide contracts and statewide purchasing arrangements will be used to acquire goods and services when appropriate. In DCH, these opportunities are limited due to the nature of purchases; however, OPS will examine statewide or agency contract availability, and other mandatory sources for all procurements, consistent with the GPM (Section 1.3).

1. Purchases of **\$4,999.99** dollars or less may be handled directly by the Business Owner. It is recommended that a minimum of three (3) quotes from vendors offering the service or commodity be attained, if feasible.
2. Purchases **\$5,000** dollars and over, must be competitively bid in accordance with SPD most current rules located in the GPM. Purchases of \$5,000 and over must be bid using the appropriate procurement method listed in Types of Procurement.

## 2.1 Public Notice

The minimum solicitation announcement period is established by State Purchasing Division (SPD). As per the Georgia Procurement Manual (Section 3.5.2.1), the guidelines for the minimum announcement period are as follows:

<b>Public Posting Guidelines</b>		
<b>Estimated Solicitation Value</b>	<b>Minimum Posting Period</b>	<b>Recommended Posting Period</b>
Sole Source solicitations valued \$5000 and over	Minimum of five (5) business days	
Up to \$9,999.99	Minimum of Three (3) Business Days	Minimum of Three (3) Business Days
\$10,000 - \$49,999.99	Minimum of Seven (7) Calendar Days	Minimum of Ten (10) Calendar Days
\$50,000 - \$99,999.99	Minimum of Eight (8) Calendar Days	Minimum of Fifteen (15) Calendar Days
\$100,000 - \$249,999.99	Minimum of Ten (10) Calendar Days	Minimum of Twenty (20) Calendar Days
\$250,000 or more	Minimum of Fifteen (15) Calendar Days (mandated by Georgia law)	Minimum of Thirty (30) Calendar Days

## 3.0 AUTHORIZATIONS

Authorization requirements apply to all solicitations for the procurement of goods and services between DCH and the vendor, for the specifications identified in the solicitation. In instances where Federal Fund Participation is anticipated in the cost of the contract; Federal policy, procedures, and regulations will prevail when they are at variance with DCH policy. Federal regulation, 42 C.F.R. Parts 433 and 434 and 45 C.F.R. Part 74, will govern CMS procurements for federally funded purchases and DOAS rules and regulations shall govern DCH procurement policy and practices where applicable.

### 3.1 Agency Project Request (APR)

The Georgia Technology Authority (GTA) Agency Project Request (APR) form must be completed electronically for the procurement of technology initiatives with anticipated cost of **\$100,000** or more. The Chief Information Officer (CIO) and his/her designee maintain the password to utilize the form and are authorized to submit the form to GTA. The business owner is required to submit the approved APR form and disposition letter/email to the OPS.

### **3.2 Centers for Medicare and Medicaid Services (CMS)**

The Business Owner shall provide the necessary CMS approval document when applicable. The Business Owner will submit all required documents to the CMS liaison for CMS approval. It is the responsibility of the Program Manager/Business Owner to be aware of the Federal Statutes for Medicaid Services and submit to OPS a completed Advanced Planning Document (**APD**) or other official approval documents.

### **4.0 EMERGENCY PURCHASES**

In accordance with O.C.G.A. Section 50-5-71, SPD has granted the authority to state entities to purchase urgently needed items arising from unforeseen causes, including but not limited to, extreme weather conditions or official declared emergencies. Emergency procurements are handled outside the normal solicitation process because of the urgency of the circumstance. Poor planning or the pending expiration of funds does not constitute a valid justification for an emergency purchase. The state entity is authorized to handle the emergency purchase whether or not the dollar amount of the emergency purchase falls within the state entity's delegated purchasing authority. It is good business practice to make any procurement as competitive as time permits. The APO may use either a Purchase Order (PO) or the P-Card to make the emergency purchase, consistent with the specific requirements outlined in the Statewide Purchasing Card Policy.

In the event of an emergency purchase the APO must provide SPD with written notice and justification by completing the Emergency Justification Form (available on the SPD Web site), whether or not the dollar value of the purchase falls within the agency's delegated purchasing authority. The completed form must be forwarded by the APO via email to [processimprovement@doas.ga.gov](mailto:processimprovement@doas.ga.gov) within five business days of the emergency purchase. A copy of the PO and all pertinent documentation relating to the purchase transaction should be forwarded to [processimprovement@doas.ga.gov](mailto:processimprovement@doas.ga.gov) no later than five business days following the state entity's final payment or receipt and acceptance of the goods/services, whichever occurs last. There are additional requirements in the event a P-Card is used as noted in the Statewide Purchasing Card Policy.

### **5.0 TYPES OF PROCUREMENT**

This section provides an overview of the various solicitation methods used to procure goods and services.

#### **5.1 Request for Proposal (RFP)**

A Request for Proposals (RFP) is a formal solicitation method that seeks to leverage the creativity and knowledge of business organizations in order to provide a solution to a unique procurement. Unlike the **RFQ** process in which the state prescribes both the specifications and solution to its own needs and suppliers replicate the state's specifications and solutions in the bids the suppliers submit, the **RFP** process allows suppliers to propose their own comprehensive and innovative solution to the state's needs described in the **RFP**. The **RFP** solicits sealed responses from prospective vendors, and

seeks to identify the "best value" for DCH and the state by using a combination of technical and cost factors to evaluate suppliers' proposals.

## 5.2 Request for Quotation (RFQ)

A Request for Quotation (**RFQ**) is a formal solicitation method that includes well defined specifications or Scope of Work and contains all contractual terms and conditions. The RFQ solicits sealed price quotations or bids from prospective vendors and seeks to obtain price quotes from qualified vendors using the lowest quote as the determining factor for awarding the contact.

The *Request for Quotes (RFQ)* process is a competitive procurement method used by state entities to solicit bids for the supply of goods or services. In the **RFQ** process, the state entity prescribes both the specifications and solution to its own needs. DCH should use an **RFQ** if the project lends itself to the creation of a clear and accurate specifications and the objective of the solicitation is to identify a supplier who can provide the required specifications at the lowest possible cost.

## 5.3 Request for Qualified Contractor (RFQC)

A RFQC is used in cases where DCH is attempting to establish a list of qualified vendors to provide the product or service desired. The primary intent of the prequalification is to identify multiple qualified sources of supply. The resulting list of qualified suppliers, if any, is not a contract award and does not guarantee any future work. The qualified suppliers are eligible to submit a response to any future RFQ or RFP issued by the state entity for the specific goods or services for which the supplier is pre-qualified. The process described herein is SPD's standard method for using the RFQC. Other methods for prequalification or use of RFQC are possible, but require prior approval from SPAC via a written request to [processimprovement@doas.ga.gov](mailto:processimprovement@doas.ga.gov) (GPM Section 2.4.3.2).

## 5.4 Request for Information (RFI)

A Request for Information (**RFI**) is a quasi-formal method for soliciting information from vendors who have knowledge or information about an industry, product, or service. The RFI method may ultimately result in a contract award but is designed to allow for the collection of industry information and specification information that will then be used in the development of a RFQ or RFP solicitation.

## 5.5 Intergovernmental Agreements

Procurement process for goods and services from entities within state government, in some instances, may not follow the standard procurement process. An intergovernmental agreement is a contract between two or more government entities within the state of Georgia as well as other states of the United States. Intergovernmental agreements do not require approval from SPD or competitive bidding and are not subject to dollar limits. **To be considered exempt from competitive bidding requirements, the good or service must be materially provided by the other governmental entity and not passed through the governmental entity by a private third party.**

## 5.6 Professional Services Exemptions

A Professional service, as defined in O.C.G.A. §14-7-2(2) and the GPM (Section 1.2.3.1) is exempt from procurement guidelines and may be obtained through a direct contract award. The following services are statutorily defined as “professions” or “professional services”: certified public accountancy, actuarial services, architecture, landscape architecture, interior design, licensed or accredited appraisers or licensed or accredited financial analysts providing opinions of value, chiropractic, dentistry, professional engineering, podiatry, pharmacy, veterinary medicine, registered professional nursing, harbor piloting, land surveying, law, psychology, medicine and surgery, optometry , and osteopathy.

## 5.7 Sole Source

**Based on market analysis, the procurement professional may determine only one supplier is capable of providing the needed goods or services. This is referred to as a sole-source purchase. *Sole-source purchases* must be distinguished from sole brand purchases in which more than one supplier is capable of providing the specific item.**

This method of selection should be applied only in situations where there is clearly **no other** alternative for obtaining goods and services. Its use must be fully documented, posted as prescribed, on the DOAS website for a minimum of five (5) business days. A requirement for a particular good or service does not justify a sole-source/brand procurement if there is more than one potential supplier for that item or brand name which meets the specifications.

## 5.8 Justifying Sole Source purchases

For purchases with a value of \$5,000.00 or more, sole-source purchases are prohibited unless the state entity establishes justification why the needed goods or services should not be procured through open competition. Sound procurement practice requires that a sole-source purchase occur when it is the only option and not as an attempt to contract with a favored service provider or for a favored good.

## 5.9 Sole Brand

A *sole-brand solicitation* is a competitive solicitation which includes specifications restricting offered goods to a specific manufacturer or owner’s brand. Before making a determination that only one specific brand of goods will meet the state entity’s critical business requirements, research must be conducted by the procurement professional to determine if other brands exist which can also satisfy procurement requirements in a timely manner. Sound procurement practice requires that a sole-brand solicitation be used only when it is the last justifiable option, and not as an attempt to contract for a favored brand of goods. An example of the appropriate use of the sole-brand justification may include certain situations where a specific piece of equipment is needed to match existing equipment or is a replacement. If the desired good is only available from one source, then the sole-brand solicitation is not applicable and the

procurement professional must review Section 2.3.2. - Sole Source Purchases of the GPM: [http://pur.doas.ga.gov/gpm/MyWebHelp/GPM\\_Main\\_File.htm](http://pur.doas.ga.gov/gpm/MyWebHelp/GPM_Main_File.htm)

A valid sole-brand justification allows the procurement professional to process a competitive solicitation with the insertion of "No Substitute" after the good is specified by brand name, model number, or some other designation identifying a specific good of a manufacturer.

## **5.10 Piggy Back Corporative Purchasing**

Piggyback purchasing allows the issuing state entity and the awarded supplier to agree to open up the contract for the use of other state entities. However, the supplier must offer other state entities the same prices, terms and conditions as that of the issuing state entity.

DCH is permitted to use another State agency's contract only with the prior written approval of DOAS' SPD Assistant Commissioner (SPDAC). Documentation must be submitted which includes the issuing agency's approval to "piggyback" on the contract, the contract number, and the name of the vendor along with a justification as to why the other agency's contract should be used. .

The APO/CUPO must indicate whether there will be repetitive purchases or whether this is a one-time buy. All State Entities that are given permission by the SPDAC to use another State Entity's contract must submit a monthly report listing other State Entity contracts that are being used along with a list of purchase orders and dollar amounts that have been issued against the other State Entity contract.

## **5.11 Other DCH Procurements/Attached Agencies**

At times DCH may solicit services on behalf of entities attached to DCH. There are two attached agencies currently associated with DCH. They are: Georgia Board of Physician Workforce, and Georgia Composite Medical Education Board. These agencies function autonomously under statute and can elect to enlist the services of DCH to provide administrative support. Among the administrative support options is procurement assistance. Once one of the agencies elects to engage DCH Procurement Services to purchase goods and/or services, DCH procurement acts pursuant to DOAS rules and regulations as its basis for governance. All DOAS requirements are then made a part of the attached agencies' purchase processes up to and including the use of DOAS directly for purchases in excess of DCH's delegated purchasing authority. However, at any point along the procurement continuum, the attached agency can elect to terminate the procurement and at that point DCH Office of Procurements Services and DOAS are no longer involved. Once that election is made by the attached agency DOAS or DCH Procurement depending upon the dollar amount of the purchase, will provide notice via the DOAS website of this termination of bid. Refer to the Georgia Procurement Manual (GPM) which addresses DOAS purchasing requirements.

## 5.12 State Health Benefit Plan (SHBP)

At times OPS may solicit services on behalf of the State Health Benefit Plan (SHBP), which oversees daily business activities required for the management of its members and requires the ability to ensure seamless service delivery. As such, the SHBP procurement process requires management through the established internal policy and procedures that are specific to SHBP. The SHBP policy is attached to this document as an independent subpart.

## 6.0 OVERVIEW OF THE OFFICE OF PROCUREMENT SERVICES PROCESS FLOW

SPD has designated the Seven Stages of Procurement Methodology as the procurement process to be used by DCH and other state entities from the time the state entity first identifies a needed good or service through contract award and contract administration. The following is an example of the typical procurement process flow. This process may vary depending on a range of factors.

The Seven Stages are:



1. Need Identification
2. Pre-Solicitation
3. Solicitation Preparation
4. Solicitation
5. Evaluation Process
6. Award Process
7. Contract Process

### 6.1 Procurement Planning

For purchases with a dollar value of \$5,000 or more OPS requests that business owners contact the OPS for assistance with solicitation planning prior to entering a requisition in TGM. The requesting division should submit an email notice to the OPS to include a PPD (Procurement Planning Document) which contains a brief description of the project, the estimated cost, and the anticipated award or implementation date. The email notification should be sent to [towens@dch.ga.gov](mailto:towens@dch.ga.gov). A procurement professional will contact the business owner to schedule a meeting to initiate the solicitation process. The meeting agenda will include need identification; development of the project plan/timeline, and other activities consistent with the seven stages of Procurement. The assigned OPS Officer will discuss the procurement goals with program staff and assist in identifying the

appropriate procurement vehicle. Should the Procurement staff disagree with the business owner or have concerns regarding the purchase, the resolution of these concerns will be addressed in this order: Program Manager, OPS Director, Business Owner Chief; Chief Operating Officer, Commissioner.

The Procurement Professional must determine if a commodity or service is available through a mandatory source and comply with the Order of Precedence prior to conducting a sourcing event. The Order of Precedence begins with Tier 1 (mandatory statewide contracts), followed by Tier 2 (existing state entity contracts), Tier 3 (statutory sources) and Tier 4 which includes a choice of either of the following: convenience statewide contracts, Georgia Enterprises for Products and Services (GEPS) products, piggyback purchases, or open market. Compliance with the order of precedence is mandatory.

## **6.2 Team Georgia Marketplace (TGM)**

Team Georgia Marketplace (TGM) is provided by **SPD** and its partners and serves as an online tool to support various state purchasing functions, including registration of suppliers, advertisement of contract opportunities, electronic bidding, and contracts management. Suppliers must register in this system to do business with the state and participate in any electronic solicitations hosted through Team Georgia Marketplace. DCH uses Team Georgia Marketplace for all its procurements, unless otherwise exempt.

All solicitations processed through TGM are automatically posted to the Georgia Procurement Registry (GPR). All procurements issued under DCH's delegated authority (unless required otherwise by DOAS), the OPS Officer will post the final procurement document, updates, and notices to TGM. DOAS will post all procurement documents to TGM, for purchases over DCH's delegated purchasing authority and for other purchases upon request by DCH. All documents generated for procurements issued by DOAS on behalf of DCH will remain under the retention of DOAS. A listing of procurements may be viewed at: <http://ssl.doas.state.ga.us/PRSapp/>

## **6.3 Review of Procurement Documents**

The OPS Officer will assist in the development of the solicitation by reviewing solicitation specifications and providing feedback to the Program Manager/Business Owner. The OPS Officer ensures compliance to the appropriate procurement tool and format as required by DOAS.

The Office of General Counsel may provide oversight and technical assistance to ensure that documents are legally sound and not in conflict with the shell contract, which is developed and included with procurement document when posted. Additionally, the General Counsel or designee may render legal advice in regard to state purchasing practices, public procurement law, and or provide policy advise where relevant.

## **6.4 Procurement Requisitions (RFP, RFQ, etc.)**

All DCH procurements must be initiated through Requisitions entered into Team Georgia Marketplace (TGM). Each Division has dedicated staff or Requestors responsible for entering requisitions in TGM.

## **6.5 Evaluation Criteria**

The Program Manager/Business Owner is responsible for providing the Evaluation criteria to the OPS Officer at the time the final Statement of Work is submitted. The Issuing Officer will review tool and scoring methodology. The Issuing Officer may suggest alternatives if deemed appropriate.

## **6.6 Questions and Answers (Q&A)**

Vendors may submit written questions to the OPS Officer or DOAS Officer (where applicable) regarding the procurement within the specified timeframes. The OPS Officer, or DOAS Officer, organizes the questions in a table format and submits to the program manager for response. The Issuing Officer posts the Q&A to the TGM when complete.

## **6.7 Administrative Review**

Upon receipt of proposals, the Issuing Officer reviews proposals to ensure that they meet Mandatory Requirements. The purpose of the administrative review process is to identify any responses which are not eligible for further evaluation

## **6.8 Evaluation Kick-Off Meeting**

The Issuing Officer will facilitate the beginning of the evaluation period with the group of selected individuals identified to have technical skills within the commodity or service area, to provide their expertise and guidance during the evaluation of proposals.

The Evaluation Kick-Off Meeting entails a discussion of the rules governing the evaluation process, including confidentiality and the reporting of any conflicts of interest among evaluator team members with Offerors. The Issuing Officer will schedule and lead the procurement evaluation kick-off meeting with the Evaluation Team. The Evaluation Kick-Off entails securing signatures on confidentiality and conflict of interest forms, which will be retained in the procurement file. Documents generated for procurements issued by DOAS on behalf of DCH will remain under the retention of DOAS; otherwise, the DCH Issuing Officer will retain the forms.

## **6.9 Proposal Distribution**

Upon receipt of the signed Evaluation Participation Form, the Issuing Officer distributes proposals which pass the Administrative Review, to the Evaluation Team members for evaluation.

## **6.10 Proposal Evaluation**

The Issuing Officer facilitates the Evaluation Team meetings and records scores/comments. The Issuing Officer reviews and ranks final scores. At the conclusion of the evaluation process, the Issuing Officer will collect and retain all working documents from each Evaluation Team member.

## **6.11 References**

The OPS Officer may perform a reference check on the Apparent Successful Vendor (ASV) or the top three (3) responsive and responsible vendors. Standard script and questions will be used when checking references.

## **6.12 Site Visit (if requested)**

A decision regarding the need of site visits should be made prior to the release of the solicitation. This means that the procurement will contain language that speaks to what will or will not determine the need for a site visit. The Program Manager will provide the OPS Officer with a schedule and agenda for site visits.

## **6.13 Negotiations**

Discussions and negotiations may be conducted with Offerors who are deemed qualified and reasonably susceptible for award based on criteria set forth in the solicitation document. The OPS Officer or DOAS Officer in coordination with Contract Administration may engage in one or more rounds of discussions and negotiations for the purpose of seeking clarifications, revisions, and/or best and final offers. All such discussion and negotiation results shall be documented prior to final approval and signing of the contract.

In conducting discussions and negotiations, there shall be no disclosure to competing Offerors of any information contained in the competing Offerors proposals. Discussions and negotiations conducted by DOAS will follow the process outlined in the Georgia Procurement Manual.

## **6.14 Apparent Successful Vendor / Notice of Intent to Award**

Once the Apparent Successful Vendor (ASV) is identified, the ASV is contacted and the development and issuance of the final Contract document shall be initiated in Contract Administration. Once the ASV signs the Contract, the Contract Administration will obtain the necessary DCH signatures needed for contract execution.

If the solicitation is over \$100,000 a mandatory Notice of Intent to Award (NOIA) will be posted on the DOAS website at which time the ten (10) calendar day protest period begins. No contracts shall be executed and no work shall commence during the NOIA period without the vendor agreeing to work at risk and at no expense to be incurred by DCH.

## 6.15 Notice of Award

The *Notice of Award (NOA)* is DCH's official announcement of actual contract award to the identified supplier(s). The **NOA** also identifies the amount of the actual contract award, the names of all suppliers whose responses were rejected, and the reasons for the rejection of the unsuccessful suppliers. The **NOA** must be publicly posted within one day of contract award (i.e., issuing a purchase order to the supplier and/or executing a contract). The **NOA** is mandatory for announcing any and all awards resulting from solicitations regardless of the dollar amount. (GPM Section: 6.2.2.2)

## 7.0 ETHICAL AND PROFESSIONAL CONDUCT

### 7.1 Restrictions on Communications with Staff

From the issue date of the solicitation and until a supplier is selected for contract award and the selection is made public, suppliers are not allowed to communicate for any reason with any state staff regarding the solicitation except through the issuing officer (or his/her designee) named in the solicitation. Prohibited communication includes all contact or interaction, including but not limited to telephonic communications, emails, faxes, letters, or personal meetings, such as lunch, entertainment, or otherwise. Exceptions to this restriction on communication include the following:

- Communication during bidders'/Offerors' conference provided the issuing officer is present,
- As necessary to perform under any existing contracts with the state entity,
- With **SPD** pursuant to the protest process, and
- With **SPD's** technical staff to resolve any issues with the electronic bidding process.

A supplier's violation of the restriction on communication can lead to disqualification of the supplier's response from consideration for contract award and/or other disciplinary action by **SPD**, such as suspension or debarment.

### 7.2 Ethics in Procurement

Employees must ensure that fair and open competition exists in all procurement activities and contracting relationships in order to avoid the appearance of and prevent the opportunity for favoritism. OPS will apply the state procurement rules, guidelines, and policies. Open and competitive bidding and contracting will be the rule. Therefore it is critical that all divisions ensure that vendors contracting with DCH are fully informed of DCH policies concerning their relationships with DCH staff and that these policies be uniformly applied to all vendors by requiring all vendors to be aware of the specific ethics guidelines.

## 8.0 PROTESTS

DCH will use the principles of the Georgia Procurement Manual (GPM) where appropriate, to govern the manner in which protests are handled. DOAS requires that all applicable protests be submitted to DOAS Assistant Commissioner – Procurement according to the specifications outlined in the GPM (Section 6.5).

There are certain entities and specific categories of purchasing which fall under the exempt category as stated in O.C.G.A. §50-5-58 and Chapter 2, Section 3 of the GPM, which are exempt from State Purchasing requirements. Vendors objecting to solicitations by these entities or solicitation concerning the specific exempt categories must address their complaints to the entity or state agency responsible for the solicitation. All other protests must be filed according to the rules within Section 6.5.3 of the manual. Protests for exempt State Health Benefit Plan (SHBP) solicitations will be handled in accordance with the SHBP Procurement Policy. The vendor shall file the protest in accordance with the instructions provided in the solicitation.

## 9.0 RECORD RETENTION

In accordance with Georgia law O.C.G.A section 50-18-92 (a), any record created by public funds shall be retained for documenting the history, organization, functions, policies, decisions, and procedures for the agency or office. All bids and competitive selection records will be retained according the guidelines and schedule developed by the Georgia Record Act (O.C.G.A. § 50-18-90 et. seq.). This record shall be retained for permanent preservation when it is no longer in current use by the agency for a minimum term of seven (7) years.

## 10.0 DEFINITIONS

- A **Contractor/Vendor.** The individual or firm providing professional services as a party to the agreement. The firm may be a proprietorship, partnership, corporation, co-venture, or joint venture.
- B **Department.** As used herein, are the Department of Community Health (DCH), the entirety of its organizational units, and an Agency of the State of Georgia.
- C **Division.** Any one of the formally designated organizational units labeled "Divisions" within the organizational structure of the DCH.
- D **Evaluation Team.** The evaluation team should consist of at least three persons who are subject matter experts and employees of the State.
- E **Goods.** Any commodities including equipment, materials, supplies, and information technology.

- F Group Conferences.** Occasions involving the Department’s coordination of securing a location and food to host external stakeholders (predominantly non-employees) who are requested to participate in meetings and training sessions.
- G Negotiation.** This is the exchange in either a competitive or sole source environment between DCH/DOAS and Offerors with the intent of allowing Offerors to revise their cost offers. Revisions may apply to price, schedule, or other terms of the proposed contract with the exclusion of technical requirements. Negotiations are specific to each offer and shall be conducted to maximize DCH’s ability to obtain best value based on the evaluation factors set forth in the solicitation. DCH may at its discretion also give evaluation credit for technical solutions exceeding mandatory minimums or negotiate with Offerors for increased performance beyond mandatory minimums.
- H Offer.** The bid or proposal submitted in response to any solicitation document utilizing an established procurement type.
- I OPS Officer.** The OPS official authorized to manage a particular procurement and to issue a Contract Award with respect thereto, as set forth in the applicable Solicitation Documents for such procurement.
- J Price.** The amount paid by DCH to a vendor for a good or service.
- K Procurement.** The acquisition of goods and services.
- L Protest.** Any protest, challenge or other claim, howsoever designated, to any aspect of a DCH procurement.
- M Scope of Work.** A detailed description of the work or service needs and the tasks and deliverables needed to complete the contract. This statement should also specify functions to be performed by the Division and all other parties bound under the contract.
- N Services.** Any process of providing services requiring specialized knowledge, experience, expertise, professional qualifications, or similar capabilities for any aspect of service including, but not limited to, work or task performance, review, analysis, and advice in formulating or implementing improvements in programs or services.
- O Solicitation Document.** The written or electronic RFQ, RFP, SON, or other acquisition document expressly used to invite offers or request information regarding the acquisition of goods and services.

## APPENDIX ONE

### CHECKLIST FOR THE DEVELOPMENT OF A SOLICITATION

Instructions: The responses to the questions below will aid in preparation and proper submission of your solicitation.

ACTION	
<b>Impacted Agencies and Contact Information</b>	Is Lead Agency Identification table information accurate?
	Are multiple Agencies involved? If “Yes”, is the appropriate information provided in the table? If multiple Agencies are not involved, is “Not Applicable” entered in the table?
	What is the nature of collaboration with other agencies (if any) clearly identified?
<b>Background</b>	What is the object or purpose of this procurement?
	What are the desired results of the vendor’s proposals?
	What is the anticipated duration of this contract? (i.e. One year with four annual renewals)
	Have you had any discussions with vendors regarding this procurement or have any vendors provided you with information to assist with this project?
	Do you have exhaustive product material specification data to include the technical components and functionality of the system?
	Do you have plans for this project evolving over time, if so in what why?

	With what type of DCH equipment will the vendor's product interface?
	Will DCH personnel be used in any form to provide support to the vendor?
	Do you have a suggested vendor list that you would like included?
<b>Glossary</b>	Are all acronyms and other Division programmatic terms used defined?
<b>Project Description</b>	Business Problem / Business Need:  Is the key strategic or business plan importance to the Division clearly identified and documented?
	Are there any specific economic factors that are driving this project?
	Are there any specific factors that are driving this project?
	Are statistics included that help to Offerors to the solution needed?
	Are statistics included that help to show current trends?
	Is there any specific legal mandate that will be addressed by this project (e.g. name the specific mandate)?
	Who are the customers (internal and external) that will be impacted by this project? How will they be impacted?
<b>Solicitation Objectives</b>	Are the objectives clearly stated?

	Do the objectives clearly address/support the points outlined in the Scope of Work description?
	Are the objectives attainable?
	Are there objectives related to 'People'?
	Are there objectives related to 'Processes'?
	Are there objectives related to 'Technology'?
	Are there objectives related to 'Communication'?
<b>Project Approach</b>	Is it clearly described whether this solicitation is for a new program or the continuation of an existing application?
	If the solicitation is to replace/upgrade an existing program function, what is the name of that program function?
	Does this replace an existing service or product and if so, what is the expectation of how this replacement should be transitioned/ implemented in and the old contract closed?
	Are additional privacy considerations documented (e.g.: HIPAA)?
<b>Non-Recurring Project Costs</b> Total Estimated Project Costs and Post-Implementation Costs for ALL Impacted Divisions:	Do the costs adequately estimate the total project cost, across all impacted Divisions, for each of the account codes?

		Are the costs appropriately identified by year?
		Does the estimated project costs include adequate contingency?
		What amount do you have budgeted for this project?
		What is more important on this project cost or service?
		Is any IT equipment greater than \$5000 required? If yes, are the number of units and anticipated price of each indicated where requested?
<b>Recurring Costs</b>	<b>Project</b>	Does the cost adequately estimate the total recurring costs, across all impacted Divisions, for each of the account codes?
		Are the costs appropriately identified by year?
		Does the estimated recurring costs include adequate contingency?
		If maintenance is allowable for multiple years; how do you intent to allow for inflation increases in the remaining years? What is your proposed inflation rate?
<b>Performance Warranty</b>		Is there any way that the state can be damaged as a result of the vendor's failure to perform?
		Does this procurement require a performance bond?

	What type of maintenance will be required for this project? Does the project require an after warranty maintenance quote?
	What type of warranty will be required for this project?
<b>Software</b>	If IT related: Have you received GTA authorization for this procurement?
	Is this software written specifically for DCH or is it universal?
	Will licenses to the software be purchased by DCH? Are those universal licenses or workstation?
<b>Project Timeline</b>	Does the anticipated project start date appear to take into account approval and procurement timeframes?
	If the anticipated project start date is less than one month from today, does the justification of an “urgent” request contain enough detail to allow the reviewers to understand the rationale for the “urgency”?
	Does the estimated implementation timeline include to adequate contingency?
	Is the duration identified for each of the high level project milestones appropriate for a project of this size and complexity?
<b>Signoffs</b>	Do you have the Office Head approving signature?
	If applicable, do you have other signoff(s)?

## APPENDIX TWO

### WORKFLOW FOR THE COMPLETION AND EVALUATION OF ALL SOLICITATIONS

**Instructions: The following provides a broad overview of the procurement process and will aid in the preparation and proper submission of the solicitation.**

- Prior to submitting a Request, the Division should develop the Scope of Work (SOW) for the services needed.
- Each Division Chief shall determine when outside specialized consulting services are needed to assist in their total work program. Once approved, the Office Head will forward such requests, along with their personal endorsement, to DCH Procurement OPS for review.
- Upon obtaining the appropriate signatures and developing a draft of the Scope of Work the Division should forward all of the documents to DCHs' OPS.
- An OPS Officer will work with the Division in finalizing the Scope of Work. The Division will request a Shell Contract incorporating the SOW prior to posting the solicitation.
- The Division should determine the members of the evaluation team. Each member must sign an Evaluation Participation Form before beginning the evaluation process.
- Upon close of the solicitation process and mandatory requirements review, the Division should be notified of the responsible and responsive respondents. Division may then receive the evaluation packets and begin the evaluation process.
- Once the completion of the evaluation process is complete, the Division should forward all evaluation documents to the OPS Officer.
- The proposal results will be reviewed and tabulated to determine the most responsive responsible respondent.
- Upon completion of the Solicitation Process, the Division will complete a Request for New Contract. A Notice of Intent to Award (NOIA) will be posted for ten (10) days for purchases of \$100,000.00 or more.
- Upon completion of the ten (10) day protest period a Notice of Award (NOA) will be issued and implementation may begin.

## **APPENDIX THREE**

### **State Health Benefit Plan Procurement Policy**

#### **Introduction**

In its charge to effectively oversee daily business activities required for the management of the over half a million members, the SHBP requires the ability to direct the administrative procurement timeline to preserve its ability to ensure seamless service delivery. As such, the SHBP procurement process requires management through the internal policy and procedures. The Department of Community Health (DCH), Office of Procurement Services (OPS) will follow guidelines described herein for State Health Benefit Plan (SHBP) procurements, pursuant to O.C.G.A. §31-5A-1, 45-18-2, 45-18-3, 45-18-6. Procurements exempt from State Purchasing Authority may include an array of health plans, pharmacy benefit management, and innovative health management product purchases to provide health insurance coverage to state employees, school system employees, General Assembly employees, retirees and their dependents, and other groups legislatively mandated.

The SHBP must allow an implementation schedule of at least six (6) months, to ensure a successful implementation inclusive of, but not limited to, the following business requirements:

1. Loading and testing of eligibility files.
2. Installation and testing of the medical and pharmacy benefit designs.
3. Transfer of claims history and other records, as needed.
4. Implementation and testing of accounting and banking arrangements.
5. Installation and testing of all third party vendor interfaces.
6. Implementation of vendors' Corrective Action Plans to address any specific network deficiencies.
7. Development, printing and distribution of Member communication materials.
8. Execution of communication plan for key internal and external stakeholders.
9. Completion of training of internal and vendor customer service staff.
10. Implementation of all open enrollment and retiree option change period activities.
11. Members' receipt of Identification Cards prior to the implementation date.

The SHBP will identify vendors for these services through a Request for Qualified Services (RFQS) – a two-phase procurement process identifying vendors first based on qualifications to provide the level of service(s) and second on best business approach and price.

**Phases are defined as follows:**

**Phase 1.** Statement of Qualifications (SOQ) – a vendor response to a request to verify its current ability to implement the SHBP desired business strategy. The request may be inclusive, but not limited to: verification of appropriate licensure, attestation of qualifications, and other qualification based submission requirements.

**Phase 2.** Request for Approach (RFA) – an in depth evaluation of technical aspects of approaches inclusive of the aspects of the desired business strategy, weighted on areas of priority to the State. Review and evaluation will be inclusive of professional actuarial review, site visits, oral presentations, and other requirements as determined necessary to determine the best approach for the State and its members. Efficient management of this process necessitates SHBP’s limit of review only to those vendors qualified at Phase 1.

**Legal Authorization**

The State Health Benefit Plan (SHBP) is authorized to provide healthcare services to state employees pursuant to O.C.G.A. §31-5A-1, 45-18-2, 45-18-3, 45-18-6. The SHBP is exempt from the Department of Administrative Services State Purchasing requirements pursuant to Georgia Code 50-5-58, and Chapter 2: Section 3 of the Georgia Procurement Manual.

The SHBP procurement process described herein provides a structured, competitive approach consistent with the DCH mission to obtain quality goods and services that are priced within industry standards.

**Method of Communication**

The SHBP will at minimum utilize the DCH website to post all documentation associated with the RFQS.

**Issuance of a Statement Of Qualifications (SOQ)**

The SOQ will be posted for a period of no less than ten (10) calendar days for responses from interested parties. The SHBP reserves the right to extend the timeline and will post all extension notices to the DCH web site. The DCH will clearly identify the deadline and vendor response criteria and the format prescribed by OPS, if any.

**Restriction on Communication with Vendors**

From the issue date of this RFQS until a contractor is selected and the selection is announced, Offerors are not allowed to communicate for any reason with any DCH staff except through the Issuing Officer named within the solicitation, except during the Offeror's conference, or as provided by existing work agreement(s) as applicable. The DCH reserves the right to reject the proposal of any Offeror violating this provision.

Questions must be directed in writing to the Issuing Officer. No questions other than written will be accepted. No response other than written will be binding upon the State.

All questions must include the company name and the referenced section of the RFQS.

## **No Collusion**

RFAs must contain a certificate of non-collusion which must be signed by an authorized representative of the Offeror. Such person shall include his or her title and, if requested, shall supply verification of authority to bind the company in contract. This certificate is required by law and failure to sign and submit it with the response to the Request for Approach may result in its rejection.

## **Evaluation of SOQ**

Strict adherence will be required for responses to the SOQ. The SHBP, at its sole discretion, reserves the right to determine whether any late responses or omissions to any portion of the SOQ may result in the rejection of the SOQ in its entirety.

A DCH review committee will evaluate the Offerors' responses to the DCH's SOQ based on the published Pass/Fail criteria.

## **Results of SOQ**

Prior to the RFA release, notice will be provided to vendors not qualified in Phase 1.

**Without exception, only those vendors identified as passing all requirements in Phase 1, will be considered to present an approach within Phase 2.**

## **Request for Approach**

The RFA provides vendors qualified in Phase 1 with the opportunity to detail their strategy to effectively meet expectations associated with business strategies.

The DCH Issuing Officer shall provide a written Request for Approach (RFA) to only those Offerors qualified in Phase 1.

Requirements for approach may include, but not be limited to the vendor's technical approach, implementation plan, and cost structure. In addition to evaluating submission material, the DCH Evaluation Committee may request site visits and oral interviews in consideration of scoring the business approach (es). Request for cost structure and methodologies must be submitted and labeled separate from the technical approach.

## **Addenda**

The DCH procurement agent shall issue a solicitation addendum to do any or all of the following:

1. Make changes in the solicitation;
2. Correct defects or ambiguities;
3. Provide additional information or instructions; or
4. Extend the offer due date and time if the DCH procurement agent determines that an extension is in the best interest of the state.

If a solicitation is changed by a written solicitation addendum, the DCH Issuing Officer shall notify vendors to whom the procurement agent distributed the solicitation. It is the responsibility of the Offeror to obtain any solicitation addendums. An Offeror shall

acknowledge receipt of an addendum in a manner specified in the solicitation addendum on or before the solicitation due date and time.

### **Cancellation of Solicitation**

Based on the best interest of the State, the DCH may cancel a solicitation at any time before award. The Issuing Officer shall notify Offerors of the cancellation in writing. A notice of the cancellation shall be posted to the DCH web site.

DCH reserves the right to set aside submitted approaches and pursue other contingencies.

### **Evaluation of Approach**

The Evaluation Committee will individually score and rank the Offerors based upon the technical evaluation of approach, site visit, and oral presentation, and/or other criteria as identified within the RFQS.

### **Contract Negotiation and Award**

The highest ranked Offerors will be identified to enter into additional discussions and negotiations in succession until an agreement is reached with the Offeror that is identified to offer the best approach and best value to the State.

In preparation for consideration for award, the proposed pricing, product lines, and underlying assumptions shall be evaluated by a financial subject matter expert (may include professional actuarial services) for reasonableness of obtaining desired results, consistency with established criteria, and to suggest opportunities for negotiation of proposed cost and contract terms. Negotiations will be limited to cost and contract terms.

All agreed upon terms made between the DCH and the Offeror must confirm in writing. Only the written agreement will be obligatory upon the State.

### **Period for Contract Negotiations**

The period of contract negotiations will be a maximum of five (5) business days, unless otherwise determined at the sole discretion of the DCH.

### **Announcement of Award**

The DCH may make a single award, multiple awards, or may elect not to award a contract.

DCH will post a notice of award when there is an executed contract between DCH and an Offeror(s). The OPS will post the outcome of the solicitation to the DCH web site, along with the basis for the decision(s).

Notification will be provided to Offerors to whom an award offer is not made, in conjunction with award announcements.

### **Failure to Reach Agreement**

If the DCH and an Offeror fail to reach mutual agreement within five (5) business days, the DCH shall reserve the right to enter into negotiations with the next highest ranked vendor, based on the selection ranking.

Therefore, if the DCH is unable to negotiate a satisfactory contract with the selected firm, the DCH shall, formally and in writing, end negotiations with that firm and proceed to negotiate with the next firm in the order of the selection ranking until a contract is reached or negotiations with all ranked Offerors end.

### **Appeal of Contract Award**

An Offeror may appeal the decision to the award of an executed contract. The appeal must be submitted in writing to the Director of Procurement within seven (7) calendar days, excluding State holidays, of the award notice posting, and shall include the following information:

- (1) Name, address, email, and telephone number of the Offeror;
- (2) Signature of the Offeror or the Offeror's representative (if applicable);
- (3) Detailed statement of the factual grounds of the appeal including copies of all relevant documents;
- (4) Form of relief requested.

If the Director of Procurement determines that a proposed contract award does not comply with the procurement statutes and regulations, the Director shall implement an appropriate remedy, that includes, but is not limited to, the following considerations: the seriousness of the procurement deficiency, the degree of prejudice to other interested parties or to the integrity of the procurement system, the good faith of the parties, the extent of performance, costs to the government, the urgency of the procurement, and the impact of the relief on the agency's mission. An appropriate remedy will ensure compliance with procurement statutes and regulations.

The decision from the Director of Procurement will be rendered within fifteen (15) calendar days, excluding State holidays, unless an extension notice is provided to the Offeror of the date by which a decision will be issued.

The decision shall contain an explanation of the basis of the decision and a statement that the Offeror may request a review of the decision by the DCH Commissioner within three (3) calendar days, excluding State holidays, from receipt of the decision. The DCH Commissioner's decision will be rendered within five (5) calendar days, excluding State holidays, unless an extension notice is provided. The decision of the DCH Commissioner is final.

The successful awardee will be notified, in writing, of a requested appeal. Implementation activities will continue during any period of appeal and such activities during any appeal phase will continue at awardee's risk and award may be repealed if a successful appeal results in a rescission of the award(s).

### **Public Records and Trade Secrets**

Records received by the DCH are subject to disclosure under the Georgia Open Records Act, O.C.G.A. § 50-18-70, *et seq.* All proposals, related materials, exhibits, documents, and samples submitted are subject to public inspection and disclosure; however, it should be noted that trade secrets are excluded from disclosure of public records. If an Offeror determines that the submission of any trade secret is required in response to the RFQS, such

documents should be labeled plainly as “confidential”, “proprietary”, or “trade secret” when submitted in response to this RFQS. The use of labels or markings of “confidential”, “proprietary” or “trade secret” must be strictly limited to those documents that are “confidential” or “trade secret” under Georgia law. The determination of the applicability of laws is the responsibility of each Offeror. The DCH may not provide legal advice. After the posting of the Notice of Award, public records submitted in proposals will be available upon request. The DCH’s receipt, review, evaluation or any other act or omission concerning any such information shall not create an acceptance by the DCH of any obligation or duty to prevent the disclosure of any such information.

**NOTE:** The final decision about which records are “public records” and will be disclosed is made by the state agency that receives a request for inspection or copies of the records.

**Lifespan of the Procurement**

All procurements remain active for a period of no more than one hundred eighty (180) days of the deadline submission of the RFA. Should a selected contractor or subcontractor default or be otherwise determined incapable of rendering services, the DCH reserves the right to return to the procurement.