The Interagency Benefits Advisory Committee (IBAC) consisting of:

State of New Mexico, Risk Management Division
New Mexico Public Schools Insurance Authority (NMPSIA)
New Mexico Retiree Health Care Authority (NMRHCA)
Albuquerque Public Schools (APS)

REQUEST FOR PROPOSALS (RFP)

Pharmaceutical Benefits Management Services

RFP#
2018-IBAC-0001

Issued Date: August 15, 2017

Proposal Due: September 14, 2017
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In order to determine vendor pricing, each Offeror’s pricing will be applied to each IBAC agency’s actual claims, thus taking into account the weighting for retail, mail, specialty and drug mix.
I. INTRODUCTION

A. PURPOSE OF THIS REQUEST FOR PROPOSALS

The purpose of the Request for Proposal (RFP) is to solicit sealed proposals for the Interagency Benefits Advisory Committee (IBAC) to establish a contract through competitive negotiations for the procurement of pharmaceutical benefits management services.

B. BACKGROUND INFORMATION

General Information

The Health Care Purchasing Act of 1997, which became effective on July 1, 1997, is an act related to publicly funded health care programs to provide for consolidated negotiation and purchasing of insurance. This act requires the four agencies listed below to complete a single process for the procurement of employee benefits by these publicly funded agencies. However, the four agencies are not required to select the same provider/carrier.

These agencies awarded the Pharmacy Benefit Manager contracts in July 2014 to Express Scripts (ESI). This contract will expire June 30, 2018 for RMD, NMPSIA, NMRHCA and December 31, 2018 for APS.

The Interagency Benefits Advisory Committee (IBAC) is made up of representatives of the four New Mexico state agencies addressed in the Health Care Purchasing Act of 1997:

- The State of New Mexico, General Services Department, Risk Management Division (RMD) (http://generalservices.state.nm.us)
- New Mexico Public Schools Insurance Authority (NMPSIA) (www.nmpsia.state.nm.us)
- Albuquerque Public Schools (APS) (www.aps.edu)
- The New Mexico Retiree Health Care Authority (RHCA) (www.nmrhca.org)

All IBAC entities currently provide prescription coverage through Express Scripts with the exception of New Mexico Retiree Health Care’s Medicare Advantage Plans.

Plan Details

IBAC consists of four (4) organizations that come together to improve price and service in the procurement of benefits. The four organizations will work together in the RFP process but will separately select, contract and implement with individual PBM vendors. More than one PBM may be awarded a contract between the four entities but only one contract per entity will be completed. A description of the organizations is as follows:

The State of New Mexico, General Services Department, Risk Management Division (RMD) (www.generalservices.state.nm.us) (http://generalservices.state.nm.us/rmd/benefits.html)
The RMD provides insurance coverage for all active employees of the State of New Mexico and includes 103 municipalities, counties, and/or other local public bodies. RMD utilizes ESI for their prescription coverage. As of July 1, 2017, RMD covers 17,793 state employees and 21,989 state employee dependents for a total of 39,782. Additionally, Local Public Bodies’ (LPB) enrollment is 8,682 employees and 9,649 LPB employee dependents for a total of 18,331. Both State and LPB covered lives total 58,113.

<table>
<thead>
<tr>
<th>Line of Business</th>
<th>Covered Lives</th>
<th>Claims</th>
<th>Billed to Plan</th>
<th>Total Copay</th>
<th>Total Spend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actives</td>
<td>58,113</td>
<td>$583,628</td>
<td>$49,571,398.54</td>
<td>$6,713,740.79</td>
<td>$56,285,139.33</td>
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</tbody>
</table>

Plan Information

<table>
<thead>
<tr>
<th>Days Supply</th>
<th>Retail</th>
<th>Mail</th>
<th>Specialty</th>
</tr>
</thead>
<tbody>
<tr>
<td>30-day supply</td>
<td>$6</td>
<td>$17</td>
<td>$60</td>
</tr>
<tr>
<td>90-day supply</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>30-day supply</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Formulary Brand | Generic Drug: $35 Max: $595 | $120 | $85 |
|                | Non-Formulary Brand: $30 Max: $130 | $155 | $125 |

Front-End Deductible

- Individual: $50 and Family: $100 for Formulary and Non-Formulary (Applied towards Medical OOP)

Maximum Out of Pocket

- Individual: $3,500 Family: $10,500 (Applied towards Medical OOP)

DAW Penalties

- DAW 2: Generic Copay + Difference (Not applied to specialty meds)

New Mexico Public Schools Insurance Authority (NMPSIA) (www.nmpsia.state.nm.us)

NMPSIA provides insurance coverage for 88 New Mexico public school districts (Albuquerque Public Schools is not in the NMPSIA pool), 100 charter schools and 26 other educational entities in New Mexico. NMPSIA covers approximately 23,100 employees, 51,500 members for medical and prescription coverage.

<table>
<thead>
<tr>
<th>Line of Business</th>
<th>Covered Lives</th>
<th>Claims</th>
<th>Billed to Plan</th>
<th>Total Copay</th>
<th>Total Spend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actives</td>
<td>57,500</td>
<td>$631,759</td>
<td>$53,888,687.00</td>
<td>$6,618,041.00</td>
<td>$60,506,725.00</td>
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Plan Information

<table>
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<tr>
<th>Days Supply</th>
<th>Retail</th>
<th>Mail</th>
<th>Specialty</th>
</tr>
</thead>
<tbody>
<tr>
<td>30-day supply</td>
<td>$10</td>
<td>$22</td>
<td>$55</td>
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<tr>
<td>90-day supply</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>30-day supply</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

| Formulary Brand | Generic Drug: $30 Max: $60 | $60 | $80 |
|                | Non-Formulary Brand: $70 Max: $130 | $70 | $130 |

Front-End Deductible

- N/A

Maximum Out of Pocket

- Individual: $3,100 Family: $6,200

DAW Penalties

- DAW 1 and DAW 2: Brand Copay + Difference

Programs

- ACA Preventative Meds at $0 Copay, Preferred Diabetic Supplies and Insulin at $0 Copay, Generic and Preferred Brand Oral Diabetes Meds at $10 Copay, and Vaccines at Retail Pharmacy at $0 Copay when administered by a Certified Pharmacist

Walgreens Programs: ACA Preventative Meds at $0 Copay, and Generic and Preferred Diabetes Meds at $15 Copay
Albuquerque Public Schools (APS) (www.aps.edu)

APS, by statute, is the only New Mexico public school district not participating in The New Mexico Public Schools Insurance Authority. APS covers approximately 8,000 employees.

APS is New Mexico's largest school district, serving more than a fourth of the state's students.

Albuquerque Public Schools is the 34th largest school district in the nation and the largest in New Mexico, serving 84,000 students in 141 schools scattered across nearly 1,200 square miles. Our students live in the city of Albuquerque and the towns of Corrales and Los Ranchos; the counties of Bernalillo and Sandoval; the pueblos of Isleta and Laguna.

APS is the largest employer in Albuquerque, providing jobs for more than 12,000 people including 6,000 teachers.

<table>
<thead>
<tr>
<th>Line of Business</th>
<th>Covered Lives</th>
<th>Claims</th>
<th>Billed to Plan</th>
<th>Total Copay</th>
<th>Total Spend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actives</td>
<td>17,000</td>
<td>184,030</td>
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Plan Information

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<th>Days Supply</th>
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<th>Mail</th>
<th>Specialty</th>
<th>Walgreens Pharmacies</th>
</tr>
</thead>
<tbody>
<tr>
<td>34-day supply</td>
<td>20% Min: $10 Max: $25</td>
<td>$25</td>
<td>$70</td>
<td>$25</td>
</tr>
<tr>
<td>90-day supply</td>
<td>$65</td>
<td>$70</td>
<td>$100</td>
<td>$70</td>
</tr>
<tr>
<td>30-day supply</td>
<td>$140</td>
<td>$150</td>
<td>$150</td>
<td>$150</td>
</tr>
<tr>
<td>90-day supply</td>
<td>N/A</td>
<td>$150</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Maximum Out of Pocket

| | Individual: $3,150 Family: $4,300 |
| | DAW 2: Applicable Copay + Difference |

DAW Penalties

| | Smoking Cessation Meds at $0 Copay, Breast Cancer Prevention Meds at $0 Copay, Diabetic Supplies and Insulin at $0 Copay, and Specific Vaccines at Pharmacy at $0 Copay |

The New Mexico Retiree Health Care Authority (RHCA) (www.nmrhca.org)

RHCA provides benefits for all retirees and their dependents from public entities that participate in the program. Retirees from NMPSIA, RMD, and APS, as well as other public sector entities participate. The RHCA covers approximately 13,600 retirees and 7,390 dependents under age 65 and approximately 21,500 retirees and 7,370 dependents over age 65.
### Plan Information

<table>
<thead>
<tr>
<th>Delivery System</th>
<th>Generic Indicator</th>
<th>Formulary</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>Generic</td>
<td>Y</td>
<td>$5</td>
<td>$15</td>
</tr>
<tr>
<td>Retail</td>
<td>Brand</td>
<td>Y</td>
<td>$20</td>
<td>$50</td>
</tr>
<tr>
<td>Retail</td>
<td>Brand</td>
<td>N</td>
<td>$40</td>
<td>$100</td>
</tr>
</tbody>
</table>

**Retail Maximum of 34 days supply or 100 unit**

<table>
<thead>
<tr>
<th>Delivery System</th>
<th>Generic Indicator</th>
<th>Formulary</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mail Order</td>
<td>Generic</td>
<td>Y</td>
<td>$12</td>
<td>$35</td>
</tr>
<tr>
<td>Mail Order</td>
<td>Brand</td>
<td>Y</td>
<td>$50</td>
<td>$100</td>
</tr>
<tr>
<td>Mail Order</td>
<td>Brand</td>
<td>N</td>
<td>$100</td>
<td>$150</td>
</tr>
</tbody>
</table>

**Mail Order Maximum of 90 DS or 300 units**

### C. SCOPE OF PROCUREMENT

This procurement is to secure pharmaceutical benefits management services to become effective July 1, 2018 (January 1, 2019 for APS).

### D. PROCUREMENT MANAGER

1. IBAC has assigned a Procurement Manager who is responsible for the conduct of this procurement whose name, address, telephone number and e-mail address are listed below:

   **Name:** Neil Kueffer, Procurement Manager  
   **Director of Product Development & Health Care Reform**  
   **New Mexico Retiree Health Care Authority**  
   **4308 Carlisle Blvd. NE, STE 104**  
   **Albuquerque, NM 87107**

   **Telephone:** (505) 222-6408  
   **Fax:** (505) 884-8611  
   **Email:** neil.kueffer@state.nm.us

   All deliveries of responses via express carrier must be addressed as follows:

   **Name:** Neil Kueffer, Procurement Manager  
   **Reference RFP Name:** Pharmaceutical Benefits Management Services  
   **RFP# 2018-IBAC-0001**

   **Address:**  
   Interagency Benefits Advisory Committee  
   c/o New Mexico Retiree Health Care Authority  
   **4308 Carlisle Blvd. NE, STE 104**  
   **Albuquerque, NM 87107**
2. **Any inquiries or requests** regarding this procurement should be submitted, in writing, to the Procurement Manager. Offerors may contact ONLY the Procurement Manager regarding this procurement. Other state employees or Evaluation Committee members do not have the authority to respond on behalf of the IBAC. **Protests of the solicitation or award must be delivered by mail to the Protest Manager.** As A Protest Manager has been named in this Request for Proposals, pursuant to NMSA 1978, § 13-1-172, ONLY protests delivered directly to the Protest Manager in writing and in a timely fashion will be considered to have been submitted properly and in accordance with statute, rule and this Request for Proposals. Emailed protests will not be considered as properly submitted.

**E. DEFINITION OF TERMINOLOGY**

**Definition of Terminology in the RFP**

This section contains definitions of terms used throughout this procurement document, including appropriate abbreviations:

“**Agency**” means the State Purchasing Division of the General Services Department or that State Agency sponsoring the Procurement action.

“**Authorized Purchaser**” means an individual authorized by a Participating Entity to place orders against this contract.

“**Award**” means the final execution of the contract document.

“**Business Hours**” means 8:00 AM thru 5:00 PM Mountain Standard or Mountain Daylight Time, whichever is in effect on the date given.

“**Close of Business**” means 5:00 PM Mountain Standard or Daylight Time, whichever is in use at that time.

“**Confidential**” means confidential financial information concerning offeror’s organization and data that qualifies as a trade secret in accordance with the Uniform Trade Secrets Act NMSA 1978 57-3-A-1 to 57-3A-7. See NMAC 1.4.1.45. As one example, no information that could be obtained from a source outside this request for proposals can be considered confidential information.

“**Contract**” means any agreement for the procurement of items of tangible personal property, services or construction.

“**Contractor**” means any business having a contract with a state agency or local public body.

“**Determination**” means the written documentation of a decision of a procurement officer including findings of fact required to support a decision. A determination becomes part of the procurement file to which it pertains.
“Desirable” the terms "may", "can", "should", "preferably", or "prefers" identify a desirable or discretionary item or factor.

“EGWP” means Employer Group Waiver Plan; associated with Medicare Part D.

“Electronic Version/Copy” means a digital form consisting of text, images or both readable on computers or other electronic devices that includes all content that the Original and Hard Copy proposals contain. The digital form may be submitted using a compact disc (cd) or USB flash drive. The electronic version/copy can NOT be emailed.

“Evaluation Committee” means a body appointed to perform the evaluation of Offerors’ proposals.

“Evaluation Committee Report” means a report prepared by the Procurement Manager and the Evaluation Committee for contract award. It will contain written determinations resulting from the procurement.

“Finalist” means an Offeror who meets all the mandatory specifications of this Request for Proposals and whose score on evaluation factors is sufficiently high to merit further consideration by the Evaluation Committee.

“Hourly Rate” means the proposed fully loaded maximum hourly rates that include travel, per diem, fringe benefits and any overhead costs for contractor personnel, as well as subcontractor personnel if appropriate.

“IT” means Information Technology.

“Mandatory” – the terms "must", "shall", "will", "is required", or "are required", identify a mandatory item or factor. Failure to meet a mandatory item or factor will result in the rejection of the Offeror’s proposal.

“Minor Technical Irregularities” means anything in the proposal that does not affect the price quality and quantity or any other mandatory requirement.

“Multiple Source Award” means an award of an indefinite quantity contract for one or more similar services, items of tangible personal property or construction to more than one Offeror.

“Offeror” is any person, corporation, or partnership who chooses to submit a proposal.

“Price Agreement" means a definite quantity contract or indefinite quantity contract which requires the contractor to furnish items of tangible personal property, services or construction to a state agency or a local public body which issues a purchase order, if the purchase order is within the quantity limitations of the contract, if any.
“Procurement Manager” means any person or designee authorized by a state agency or local public body to enter into or administer contracts and make written determinations with respect thereto.

“Procuring Agency” means all State of New Mexico agencies, commissions, institutions, political subdivisions and local public bodies allowed by law to entertain procurements.

“Project” means a temporary process undertaken to solve a well-defined goal or objective with clearly defined start and end times, a set of clearly defined tasks, and a budget. The project terminates once the project scope is achieved and project acceptance is given by the project executive sponsor.

“Redacted” means a version/copy of the proposal with the information considered confidential as defined by NMAC 1.4.1.45 and defined herein and outlined in Section II.C.8 of this RFP blacked out BUT NOT omitted or removed.

“Request for Proposals (RFP)” means all documents, including those attached or incorporated by reference, used for soliciting proposals.

“Responsible Offeror” means an Offeror who submits a responsive proposal and who has furnished, when required, information and data to prove that his financial resources, production or service facilities, personnel, service reputation and experience are adequate to make satisfactory delivery of the services, or items of tangible personal property described in the proposal.

“Responsive Offer” or means an offer which conforms in all material respects to the requirements set forth in the request for proposals. Material respects of a request for proposals include, but are not limited to price, quality, quantity or delivery requirements.

“Sealed” means, in terms of a non-electronic submission, that the proposal is enclosed in a package which is completely fastened in such a way that nothing can be added or removed. Open packages submitted will not be accepted except for packages that may have been damaged by the delivery service itself. The State reserves the right, however, to accept or reject packages where there may have been damage done by the delivery service itself. Whether a package has been damaged by the delivery service or left unfastened and should or should not be accepted is a determination to be made by the Procurement Manager. By submitting a proposal, the Offeror agrees to and concurs with this process and accepts the determination of the Procurement Manager in such cases.

“SPD” means State Purchasing Division of the New Mexico State General Services Department.

“Staff” means any individual who is a full-time, part-time, or an independently contracted employee with the Offerors’ company.

“State (the State)” means the State of New Mexico.
“State Agency” means any department, commission, council, board, committee, institution, legislative body, agency, government corporation, educational institution or official of the executive, legislative or judicial branch of the government of this state. “State agency” includes the purchasing division of the general services department and the state purchasing agent but does not include local public bodies.

“Statement of Concurrence” means an affirmative statement from the Offeror to the required specification agreeing to comply and concur with the stated requirement(s). This statement shall be included in Offerors proposal. (E.g. “We concur”, “Understands and Complies”, “Comply”, “Will Comply if Applicable” etc.)

“Unredacted” means a version/copy of the proposal containing all complete information including any that the Offeror would otherwise consider confidential, such copy for use only for the purposes of evaluation.

“Written” means typewritten on standard 8 ½ x 11 inch paper. Larger paper is permissible for charts, spreadsheets, etc.

Definition of Terminology in the Contract

“AWP” Average Wholesale Price means information based on date sensitive, 11-digit NDC as supplied by a nationally recognized pricing source, MediSpan for retail, retail maintenance, specialty, and mail order adjudicated claims.

“Brand and Minimum Generic Discount Rate Guarantees” for both mail and retail shall be defined as follows: (Aggregate Undiscounted AWP-Aggregate Discounted Ingredient Cost)/(Aggregate Undiscounted AWP):

a. Aggregate Discounted Ingredient Cost prior to application of plan specific co-payments, tax and dispensing fee will be the basis of the calculation.

b. Aggregated Undiscounted AWP will be from a single, nationally recognized price source for all claims, Medispan.

c. Dispensing Fees are not included in the Aggregate Discounted Ingredient Cost.

d. Both the Aggregate Discounted Ingredient Cost and Aggregate Undiscounted AWP from the actual date of claim adjudication will be used.

e. Aggregated Undiscounted AWP will be the date sensitive, 11-digit NDC of the actual product dispensed as submitted by the pharmacy.

f. Non-MAC, MAC, single-source and multiple source generic products are to be included in the generic guarantee measurement.
g. Compounds, defined Specialty claims, OTC claims, and claims with ancillary charges such as vaccines will be excluded from the calculation for retail and mail order component guarantees.

h. The guarantee measurement must exclude the savings impact from DUR programs, formulary programs, utilization management programs and/or other therapeutic interventions.

i. Any shortfall between the actual result and the minimum guarantee will be paid, dollar-for-dollar, to the client within 90 days of the end of the close of measurement period.

j. Brand/Generic Classification will follow Medispan “MNOY” for financial guarantee purposes. The classification GENCD of “Y” will be the only recognized Generic classification.

“DUR” means Drug Utilization Review in which the system reviews each claim against all other claims from all sources in the system to determine if there is a detrimental interaction with another drug the member filled.

“Formulary” means the listing of current IBAC preferred, non-preferred, and generic medications.

“MAC” Maximum Allowable Cost or the price paid to the pharmacy (or charged to the group) for a generic drug no matter what NDC or manufacturer is used by the pharmacy.

“Members” means all eligible employees and their eligible dependents enrolled under the IBAC prescription benefit program.

“MNOY” these indicators are nationally published by Medispan to determine the type of drug dispensed. M-MultiSource Brand or a Brand with another Brand competitor available, N-Single Source Brand, O-Brand Drug with a Generic Available, Y-Generic Drug.

“NCPDP” National Council for Prescription Drug Programs a national organization that attempts to set standards for prescription drug programs.

“NDC” National Drug Code is the universal identifier for each drug processed under a prescription drug program.

“OTC” means Over The Counter drugs that do not require a prescription to buy.

“Pass-Through Pricing” means PBM agrees to pass-through 100% of negotiated discounts with network pharmacies at the point-of-service and to provide auditing protocol, enabling tracking of individual claims back to original pharmacy network contract documents. The
PBM agrees to disclose details of all programs and services generating financial remuneration from outside entities.

“Paid Claims” means all transactions made on eligible members that result in a payment to pharmacies or members from the IBAC or the IBAC member copays. (Does not include reversals and adjustments.) Each unique prescription that results in payment shall be calculated separately as a paid claim.

“PA” Prior Authorization is the process of administering a rule to stop the filling of a prescription until it is determined if the member meets specific criteria.

“QL” Quantity Limit is the rule put in place through the electronic claims system that limits the number of units of drug a member can get for safety or cost reasons.

“Rebates” means compensation or remuneration of any kind received or recovered from a pharmaceutical manufacturer attributable to the purchase or utilization of covered drugs by eligible persons, including, but not limited to, incentive rebates categorized as mail order purchase discounts; credits; rebates, regardless of how categorized; market share incentives; promotional allowances; commissions; educational grants; market share of utilization; drug pull-through programs; implementation allowances; clinical detailing; rebate submission fees; and administrative or management fees. Rebates also include any fees that PBM receives from a pharmaceutical manufacturer for administrative costs, formulary placement, and/or access.

“ST” Step Therapy is the rule applied to the claim administration that prevents the filling of a non-preferred or higher cost medication when a preferred or lower cost medication is available. The member must step through the first drug prior to approval of using a second drug.

“Traditional Pricing” means that there may be a difference between what IBAC is charged and what the dispensing pharmacy is paid.

“UM” Utilization Management are programs that reduce or change prescription drug utilization either by electronic or manual intervention.

F. PROCUREMENT LIBRARY

A procurement library has been established. Offerors are encouraged to review the material contained in the Procurement Library by selecting the link provided in the electronic version of this document through your own internet connection or by contacting the Procurement Manager and scheduling an appointment. The library contains information listed below:

Procurement Regulations and Resources and Information about Request for Proposal:  
http://www.generalservices.state.nm.us/statepurchasing/resourcesandinformation.aspx
II. CONDITIONS GOVERNING THE PROCUREMENT

This section of the RFP contains the schedule, description and conditions governing the procurement.

A. SEQUENCE OF EVENTS

The Procurement Manager will make every effort to adhere to the following schedule:

<table>
<thead>
<tr>
<th>Action</th>
<th>Responsibility</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Issue of RFP</td>
<td>Procurement Manager</td>
<td>August 15, 2017</td>
</tr>
<tr>
<td>2. Acknowledgement of Receipt Form</td>
<td>Potential Offerors</td>
<td>August 21, 2017</td>
</tr>
<tr>
<td>4. Response to Written Questions/RFP Amendments</td>
<td>Agency</td>
<td>September 1, 2017</td>
</tr>
<tr>
<td>5. Submission of Proposal</td>
<td>Offerors</td>
<td>September 14, 2017 3:00 pm MST</td>
</tr>
<tr>
<td>7. Selection of Finalists</td>
<td>Evaluation Committee</td>
<td>November 3, 2017</td>
</tr>
<tr>
<td>8. Best and Final Offers from Finalists</td>
<td>Offerors</td>
<td>December 5 &amp; 6, 2017</td>
</tr>
<tr>
<td>9. Oral Presentation and/or Product Demonstrations by Finalists</td>
<td>Offerors</td>
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B. EXPLANATION OF EVENTS

The following paragraphs describe the activities listed in the sequence of events shown in Section II. A., above.

1. Issuance of RFP

This RFP is being issued on behalf of the New Mexico State IBAC on August 15, 2017.

2. Acknowledgement of Receipt
Potential Offerors should hand deliver, return by email or registered or certified mail the "Acknowledgement of Receipt of Request for Proposals Form" that accompanies this document, APPENDIX A, to have their organization placed on the procurement distribution list and to receive detailed claim data. The form should be signed by an authorized representative of the organization, dated and returned to the Procurement Manager by 3:00 pm MST or MDT as indicated in the Sequence of Events.

The procurement distribution list will be used for the distribution of written responses to questions. Failure to return the Acknowledgement of Receipt form shall constitute a presumption of receipt and rejection of the RFP, and the potential Offeror’s organization name shall not appear on the distribution list.

3. Deadline to Submit Written Questions

Potential Offerors may submit written questions to the Procurement Manager as to the intent or clarity of this RFP until 3:00 pm Mountain Standard Time/Daylight Time as indicated in the sequence of events. All written questions must be addressed to the Procurement Manager as declared in Section I, Paragraph D. Questions shall be clearly labeled and shall cite the Section(s) in the RFP or other document which form the basis of the question.

4. Response to Written Questions

Written responses to written questions will be distributed as indicated in the sequence of events to all potential Offerors whose organization name appears on the procurement distribution list. An e-mail copy will be sent to all Offeror’s that provide Acknowledgement of Receipt Forms described in II.B.2 before the deadline. Additional copies will be posted to: http://nmrhca.org/

5. Submission of Proposal

ALL OFFEROR PROPOSALS MUST BE RECEIVED FOR REVIEW AND EVALUATION BY THE PROCUREMENT MANAGER OR DESIGNEE NO LATER THAN 3:00 PM MOUNTAIN STANDARD TIME/DAYLIGHT TIME AS INDICATED IN THE SEQUENCE OF EVENTS. Proposals received after this deadline will not be accepted. The date and time of receipt will be recorded on each proposal.

Proposals must be addressed and delivered to the Procurement Manager at the address listed in Section I, Paragraph D1. Proposals must be sealed and labeled on the outside of the package to clearly indicate that they are in response to the Pharmaceutical Benefits Management Services RFP #2018-IBAC-0001. Proposals submitted by facsimile, or other electronic means will not be accepted.

A public log will be kept of the names of all Offeror organizations that submitted proposals. Pursuant to NMSA 1978, § 13-1-116, the contents of proposals shall not be
disclosed to competing potential Offerors during the negotiation process. The negotiation process is deemed to be in effect until the contract is awarded pursuant to this Request for Proposals. Awarded in this context means the final required state agency signature on the contract(s) resulting from the procurement has been obtained.

6. Proposal Evaluation

An Evaluation Committee will perform the evaluation of proposals. This process will take place as indicated in the sequence of events, depending upon the number of proposals received. During this time, the Procurement Manager may initiate discussions with Offerors who submit responsive or potentially responsive proposals for the purpose of clarifying aspects of the proposals. However, proposals may be accepted and evaluated without such discussion. Discussions SHALL NOT be initiated by the Offerors. Any communication with the Evaluation Committee in response to this RFP will result in termination of the RFP participation by the Vendor.

7. Selection of Finalists

The Evaluation Committee will select and the Procurement Manager will notify the finalist Offerors as per schedule Section II. A., Sequence of Events or as soon as possible. A schedule for the oral presentation and demonstration will be determined at this time.

8. Best and Final Offers

Finalist Offerors may be asked to submit revisions to their proposals for the purpose of obtaining best and final offers by as per schedule Section II. A., Sequence of Events or as soon as possible. Best and final offers may also be clarified and amended at finalist Offeror’s oral presentation and demonstration.

9. Oral Presentations

Finalist Offerors may be required to conduct an oral presentation at a location to be determined as per schedule Section II. A., Sequence of Events or as soon as possible. Whether or not oral presentations will be held is at the discretion of the Evaluation Committee.

10. Finalize Contractual Agreements

Any Contractual agreement(s) resulting from this RFP will be finalized with the most advantageous Offeror(s) as per schedule Section II. A., Sequence of Events or as soon thereafter as possible. This date is subject to change at the discretion of the relevant Agency Procurement office. In the event mutually agreeable terms cannot be reached with the apparent most advantageous Offeror in the time specified, the State/IBAC entities reserve the right to finalize a contractual agreement with the next most advantageous Offeror(s) without undertaking a new procurement process.
11. Contract Awards

After review of the Evaluation Committee Report and the signed contractual agreement, the Agency Procurement office will award as per the schedule in Section II. A., Sequence of Events or as soon as possible thereafter. This date is subject to change at the discretion of the relevant Agency Procurement office.

The contract shall be awarded to the Offeror (or Offerors) whose proposals are most advantageous to the State of New Mexico and the IBAC entities, taking into consideration the evaluation factors set forth in this RFP. The most advantageous proposal may or may not have received the most points. The award is subject to appropriate Department and State approval.

12. Protest Deadline

Any protest by an Offeror must be timely and in conformance with NMSA 1978, § 13-1-172 and applicable procurement regulations. As a Protest Manager has been named in this Request for Proposals, pursuant to NMSA 1978, § 13-1-172, ONLY protests delivered directly to the Protest Manager in writing and in a timely fashion will be considered to have been submitted properly and in accordance with statute, rule and this Request for Proposals. The 15 calendar day protest period shall begin on the day following the award of contracts and will end at 5:00 pm Mountain Standard Time/Daylight Time on the 15th day. Protests must be written and must include the name and address of the protestor and the request for proposal number. It must also contain a statement of the grounds for protest including appropriate supporting exhibits and it must specify the ruling requested from the party listed below. The protest must be delivered to:

     Neil Kueffer  
     Procurement/ Protest Manager  
     Interagency Benefits Advisory Committee  
     c/o NM Retiree Health Care Authority  
     4308 Carlisle Blvd. NE, Suite 104  
     Albuquerque, New Mexico 87107

Protests received after the deadline will not be accepted.

C. GENERAL REQUIREMENTS

1. Acceptance of Conditions Governing the Procurement

Potential Offerors must indicate their acceptance of the Conditions Governing the Procurement section in the letter of transmittal. Submission of a proposal constitutes acceptance of the Evaluation Factors contained in Section V of this RFP.
2. Minimum Requirements for Participation

Potential Offerers must have a minimum of 2.5 million active members managed under a funded prescription drug program administered through a Prescription Benefit Manager. Counting members in Specialty, Mail Service, 100% copay or clinical management program are not accepted. The Offerer may be audited to verify their ability to participate.

3. Incurring Cost

Any cost incurred by the potential Offeror in preparation, transmittal, and/or presentation of any proposal or material submitted in response to this RFP shall be borne solely by the Offeror. Any cost incurred by the Offeror for set up and demonstration of the proposed equipment and/or system shall be borne solely by the Offeror.

4. Prime Contractor Responsibility

Any contractual agreement that may result from this RFP shall specify that the prime contractor is solely responsible for fulfillment of all requirements of the contractual agreement with a state agency which may derive from this RFP. The state agency entering into a contractual agreement with a vendor will make payments to only the prime contractor.

5. Subcontractors/Consent

The use of subcontractors is allowed. The prime contractor shall be wholly responsible for the entire performance of the contractual agreement whether or not subcontractors are used. Additionally, the prime contractor must receive approval, in writing, from the agency awarding any resultant contract, before any subcontractor is used during the term of this agreement. The use of subcontractors requires that any requirement, either through the RFP process or by State Law indicates that the Prime Contractor acknowledges all subcontractors will comply.

6. Amended Proposals

An Offeror may submit an amended proposal before the deadline for receipt of proposals. Such amended proposals must be complete replacements for a previously submitted proposal and must be clearly identified as such in the transmittal letter. The Agency personnel will not merge, collate, or assemble proposal materials.

7. Offeror’s Rights to Withdraw Proposal

Offerors will be allowed to withdraw their proposals at any time prior to the deadline for receipt of proposals. The Offeror must submit a written withdrawal request addressed to the Procurement Manager and signed by the Offeror’s duly authorized representative.
The approval or denial of withdrawal requests received after the deadline for receipt of the proposals is governed by the applicable procurement regulations.

8. Proposal Offer Firm

Responses to this RFP, including proposal prices for services, will be considered firm for one hundred twenty (120) days after the due date for receipt of proposals or ninety (90) days after the due date for the receipt of a best and final offer, if the Offeror is invited or required to submit one.

9. Disclosure of Proposal Contents

A. Proposals will be kept confidential until negotiations and the award are completed by the Agency. At that time, all proposals and documents pertaining to the proposals will be open to the public, except for material that is clearly marked proprietary or confidential. The Procurement Manager will not disclose or make public any pages of a proposal on which the potential Offeror has stamped or imprinted "proprietary" or "confidential" subject to the following requirements:

B. Proprietary or confidential data shall be readily separable from the proposal in order to facilitate eventual public inspection of the non-confidential portion of the proposal.

C. Confidential data is restricted to:
   1. confidential financial information concerning the Offeror’s organization;
   2. and data that qualifies as a trade secret in accordance with the Uniform Trade Secrets Act, NMSA 1978 § 57-3A-1 to 57-3A-7.
   3. PLEASE NOTE: The price of products offered or the cost of services proposed shall not be designated as proprietary or confidential information.

If a request is received for disclosure of data for which an Offeror has made a written request for confidentiality, the State Purchasing Division or the Agency shall examine the Offeror’s request and make a written determination that specifies which portions of the proposal should be disclosed. Unless the Offeror takes legal action to prevent the disclosure, the proposal will be so disclosed. The proposal shall be open to public inspection subject to any continuing prohibition on the disclosure of confidential data.

10. No Obligation

This RFP in no manner obligates the State of New Mexico or any of its Agencies to the use of any Offeror’s services until a valid written contract is awarded and approved by appropriate authorities.

11. Sunshine Portal; Department Duties

Contracts will be subject to NMSA 1978 § 10-16D-3 for the purpose of governmental transparency and accountability.
12. Termination

This RFP may be canceled at any time and any and all proposals may be rejected in whole or in part when the agency determines such action to be in the best interest of the State of New Mexico.

13. Sufficient Appropriation

Any contract awarded as a result of this RFP process may be terminated if sufficient appropriations or authorizations do not exist. Such terminations will be effected by sending written notice to the contractor. The Agency’s decision as to whether sufficient appropriations and authorizations are available will be accepted by the contractor as final.

14. Legal Review

The Agency requires that all Offerors agree to be bound by the General Requirements contained in this RFP. Any Offeror’s concerns must be promptly submitted in writing to the attention of the Procurement Manager.

15. Governing Law

This RFP and any agreement with an Offeror which may result from this procurement shall be governed by the laws of the State of New Mexico.

16. Basis for Proposal

Only information supplied, in writing, by the Agency through the Procurement Manager or in this RFP should be used as the basis for the preparation of Offeror proposals.

17. Contract Terms and Conditions

The contract between an agency and a contractor will follow the format specified by the Agency and contain the terms and conditions set forth in the Sample Contract Appendix C. However, the contracting agency reserves the right to negotiate provisions in addition to those contained in this RFP (Sample Contract) with any Offeror. The contents of this RFP, as revised and/or supplemented, and the successful Offeror’s proposal will be incorporated into and become part of any resultant contract.

The Agency discourages exceptions from the contract terms and conditions as set forth in the RFP Sample Contract. Such exceptions may cause a proposal to be rejected as nonresponsive when, in the sole judgment of the Agency (and its evaluation team), the proposal appears to be conditioned on the exception, or correction of what is deemed to be a deficiency, or an unacceptable exception is proposed which would require a substantial proposal rewrite to correct.
Should an Offeror object to any of the terms and conditions as set forth in the RFP Sample Contract (APPENDIX C) strongly enough to propose alternate terms and conditions in spite of the above, the Offeror must propose specific alternative language. The Agency may or may not accept the alternative language. General references to the Offeror’s terms and conditions or attempts at complete substitutions of the Sample Contract are not acceptable to the Agency and will result in disqualification of the Offeror’s proposal.

Offerors must provide a brief discussion of the purpose and impact, if any, of each proposed change followed by the specific proposed alternate wording.

If an Offeror fails to propose any alternate terms and conditions during the procurement process (the RFP process prior to selection as successful Offeror), no proposed alternate terms and conditions will be considered later during the negotiation process. Failure to propose alternate terms and conditions during the procurement process (the RFP process prior to selection as successful Offeror) is an explicit agreement by the Offeror that the contractual terms and conditions contained herein are accepted by the Offeror.

18. Offeror’s Terms and Conditions

Offerors must submit with the proposal a complete set of any additional terms and conditions they expect to have included in a contract negotiated with the Agency. Please see Section II.C.15 for requirements.

19. Contract Deviations

Any additional terms and conditions, which may be the subject of negotiation (such terms and conditions having been proposed during the procurement process, that is, the RFP process prior to selection as successful Offeror), will be discussed only between the Agency and the Offeror selected and shall not be deemed an opportunity to amend the Offeror’s proposal.

20. Offeror Qualifications

The Evaluation Committee may make such investigations as necessary to determine the ability of the potential Offeror to adhere to the requirements specified within this RFP. The Evaluation Committee will reject the proposal of any potential Offeror who is not a Responsible Offeror or fails to submit a responsive offer as defined in NMSA 1978, § 13-1-83 and 13-1-85.

21. Right to Waive Minor Irregularities

The Evaluation Committee reserves the right to waive minor irregularities. The Evaluation Committee also reserves the right to waive mandatory requirements provided that all of the otherwise responsive proposals failed to meet the same mandatory requirements and the failure to do so does not otherwise materially affect the procurement. This right is at the sole discretion of the Evaluation Committee.
22. Change in Contractor Representatives

The Agency reserves the right to require a change in contractor representatives if the assigned representative(s) is (are) not, in the opinion of the Agency, adequately meeting the needs of the Agency.

23. Notice of Penalties

The Procurement Code, NMSA 1978, § 13-1-28 through 13-1-199, imposes civil, misdemeanor and felony criminal penalties for its violation. In addition, the New Mexico criminal statutes impose felony penalties for bribes, gratuities and kickbacks.

24. Agency Rights

The Agency in agreement with the Evaluation Committee reserves the right to accept all or a portion of a potential Offeror’s proposal.

25. Right to Publish

Throughout the duration of this procurement process and contract term, Offerors and contractors must secure from the agency written approval prior to the release of any information that pertains to the potential work or activities covered by this procurement and/or agency contracts deriving from this procurement. Failure to adhere to this requirement may result in disqualification of the Offeror’s proposal or removal from the contract.

26. Ownership of Proposals

All documents submitted in response to the RFP shall become property of the State of New Mexico.

27. Confidentiality

Any confidential information provided to, or developed by, the contractor in the performance of the contract resulting from this RFP shall be kept confidential and shall not be made available to any individual or organization by the contractor without the prior written approval of the Agency.

The Contractor(s) agrees to protect the confidentiality of all confidential information and not to publish or disclose such information to any third party without the procuring Agency's written permission.

28. Electronic mail address required
A large part of the communication regarding this procurement will be conducted by electronic mail (e-mail). Offeror must have a valid e-mail address to receive this correspondence. (See also Section II.B.5, Response to Written Questions).

29. Use of Electronic Versions of this RFP

This RFP is being made available by electronic means. In the event of conflict between a version of the RFP in the Offeror’s possession and the version maintained by the agency, the Offeror acknowledges that the version maintained by the agency shall govern.

30. New Mexico Employees Health Coverage

A. If the Offeror has, or grows to, six (6) or more employees who work, or who are expected to work, an average of at least 20 hours per week over a six (6) month period during the term of the contract, Offeror must agree to have in place, and agree to maintain for the term of the contract, health insurance for those employees if the expected annual value in the aggregate of any and all contracts between Contractor and the State exceed $250,000 dollars.

B. Offeror must agree to maintain a record of the number of employees who have (a) accepted health insurance; (b) decline health insurance due to other health insurance coverage already in place; or (c) decline health insurance for other reasons. These records are subject to review and audit by a representative of the state.

C. Offeror must agree to advise all employees of the availability of State publicly financed health care coverage programs by providing each employee with, as a minimum, the following web site link to additional information http://www.bewellnm.com/

D. For Indefinite Quantity, Indefinite Delivery contracts (price agreements without specific limitations on quantity and providing for an indeterminate number of orders to be placed against it); these requirements shall apply the first day of the second month after the Offeror reports combined sales (from state and, if applicable, from local public bodies if from a state price agreement) of $250,000.

31. Campaign Contribution Disclosure Form

Offeror must complete, sign, and return the Campaign Contribution Disclosure Form, APPENDIX B, as a part of their proposal. This requirement applies regardless whether a covered contribution was made or not made for the positions of Governor and Lieutenant Governor or other identified official. Failure to complete and return the signed unaltered form will result in disqualification.

32. Letter of Transmittal
Offeror’s proposal must be accompanied by the Letter of Transmittal Form located in APPENDIX E which must be completed and signed by an individual person authorized to obligate the company. The letter of transmittal MUST:

1. Identify the submitting business entity.
2. Identify the name, title, telephone, and e-mail address of the person authorized by the Offeror organization to contractually obligate the business entity providing the Offer.
3. Identify the name, title, telephone, and e-mail address of the person authorized to negotiate the contract on behalf of the organization (if different than (2) above).
4. Identify the names, titles, telephone, and e-mail addresses of persons to be contacted for clarification/questions regarding proposal content.
5. Identify sub-contractors (if any) anticipated to be utilized in the performance of any resultant contract award.
6. Describe the relationship with any other entity which will be used in the performance of this awarded contract.
7. Identify the following with a check mark and signature where required:
   a. **Explicitly** indicate acceptance of the Conditions Governing the Procurement stated in Section II. C.1;
   b. **Explicitly** indicate acceptance of Section V of this RFP; and
   c. Acknowledge receipt of any and all amendments to this RFP.
8. Be signed by the person identified in part 2 above.

33. Pay Equity Reporting Requirements

A. If the Offeror has ten (10) or more employees OR eight (8) or more employees in the same job classification, Offeror must complete and submit the required reporting form (PE10-249) if they are awarded a contract. Out-of-state Contractors that have no facilities and no employees working in New Mexico are exempt if the contract is directly with the out-of-state contractor and fulfilled directly by the out-of-state contractor, and not passed through a local vendor.

B. For contracts that extend beyond one (1) calendar year, or are extended beyond one (1) calendar year, Offeror must also agree to complete and submit the required form annually within thirty (30) calendar days of the annual bid or proposal submittal anniversary date and, if more than 180 days has elapsed since submittal of the last report, at the completion of the contract.

C. Should Offeror not meet the size requirement for reporting at contract award but subsequently grows such that they meet or exceed the size requirement for reporting, Offeror must agree to provide the required report within ninety (90) calendar days of meeting or exceeding the size requirement.

D. Offeror must also agree to levy these reporting requirements on any subcontractor(s) performing more than 10% of the dollar value of this contract if said subcontractor(s) meets, or grows to meet, the stated employee size thresholds during the term of the
contract. Offeror must further agree that, should one or more subcontractor not meet the size requirement for reporting at contract award but subsequently grows such that they meet or exceed the size requirement for reporting, offer will submit the required report, for each such subcontractor, within ninety (90) calendar days of that subcontractor meeting or exceeding the size requirement.

34. Disclosure Regarding Responsibility

A. Any prospective Contractor and any of its Principals who enter into a contract greater than sixty thousand dollars ($60,000.00) with any state agency or local public body for professional services, tangible personal property, services or construction agrees to disclose whether the Contractor, or any principal of the Contractor’s company:

1. is presently debarred, suspended, proposed for debarment, or declared ineligible for award of contract by any federal entity, state agency or local public body;

2. has within a three-year period preceding this offer, been convicted in a criminal matter or had a civil judgment rendered against them for:
   a. the commission of fraud or a criminal offense regarding obtaining, attempting to obtain, or performing a public (federal, state or local) contract or subcontract;
   b. violation of Federal or state antitrust statutes related to the submission of offers; or
   c. the commission in any federal or state jurisdiction of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, tax evasion, violation of Federal criminal tax law, or receiving stolen property;

3. is presently indicted for, or otherwise criminally or civilly charged by any (federal state or local) government entity with the commission of any of the offenses enumerated in paragraph A of this disclosure;

4. has, preceding this offer, been notified of any delinquent Federal or state taxes in an amount that exceeds $3,000.00 of which the liability remains unsatisfied. Taxes are considered delinquent if the following criteria apply.
   a. The tax liability is finally determined. The liability is finally determined if it has been assessed. A liability is not finally determined if there is a pending administrative or judicial challenge. In the case of a judicial challenge of the liability, the liability is not finally determined until all judicial appeal rights have been exhausted.
   b. The taxpayer is delinquent in making payment. A taxpayer is delinquent if the taxpayer has failed to pay the tax liability when full payment was due and required. A taxpayer is not delinquent in cases where enforced collection action is precluded.
   c. Have within a three year period preceding this offer, had one or more contracts terminated for default by any federal or state agency or local public body.)
B. Principal, for the purpose of this disclosure, means an officer, director, owner, partner, or a person having primary management or supervisory responsibilities within a business entity or related entities.

C. The Contractor shall provide immediate written notice to the Procurement Manager or other parties of this Agreement if, at any time during the term of this Agreement, the Contractor learns that the Contractor’s disclosure was at any time erroneous or became erroneous by reason of changed circumstances.

D. A disclosure that any of the items in this requirement exist will not necessarily result in termination of this Agreement. However, the disclosure will be considered in the determination of the Contractor’s responsibility and ability to perform under this Agreement. Failure of the Contractor to furnish a disclosure or provide additional information as requested will render the Offeror nonresponsive.

E. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the disclosure required by this document. The knowledge and information of a Contractor is not required to exceed that which is the normally possessed by a prudent person in the ordinary course of business dealings.

F. The disclosure requirement provided is a material representation of fact upon which reliance was placed when making an award and is a continuing material representation of the facts during the term of this Agreement. If during the performance of the contract, the Contractor is indicted for or otherwise criminally or civilly charged by any government entity (federal, state or local) with commission of any offenses named in this document the Contractor must provide immediate written notice to the Procurement Manager or other parties of this Agreement. If it is later determined that the Contractor knowingly rendered an erroneous disclosure, in addition to other remedies available to the Government, the Central Purchasing Officer may terminate the involved contract for cause. Still further the Central Purchasing Officer may suspend or debar the Contractor from eligibility for future solicitations until such time as the matter is resolved to the satisfaction of the Central Purchasing Officer.

G. Have within a three-year period preceding this offer, had one or more contracts terminated for default by any federal or state agency or local public body.

35. New Mexico Preferences

To ensure adequate consideration and application of NMSA 1978, § 13-1-21 (as amended), Offerors must include a copy of their preference certificate with their proposal. Certificates for preferences must be obtained through the New Mexico Department of Taxation & Revenue:
Percentages will be determined based upon the point based system outlined in NMSA 1978, § 13-1-21 (as amended).

A. **New Mexico Business Preference**
If the Offeror has provided their Preference Certificate the Preference Points for a New Mexico Business is 5%.

B. **New Mexico Resident Veterans Business Preference (APPENDIX G)**
In addition to a copy of the certification, the Offeror should sign and complete the Resident Veterans Preference Certificate form, as provided in this RFP.

If the Offeror has provided their Preference Certificate and the Resident Veterans Certification Form the Preference Point are one of the following:

- 10% for less than $1M (prior year revenue)
- 8% for more than $1M but less than $5M (prior year revenue)
- 7% for more than $5M(prior year revenue)

An agency shall not award a business both a resident business preference and a resident veteran business preference.

The New Mexico Preferences shall not apply when the expenditures for this RFP includes federal funds.
III. RESPONSE FORMAT AND ORGANIZATION

A. NUMBER OF RESPONSES

Offerors shall submit only one proposal in response to this RFP.

B. NUMBER OF COPIES

1. Hard Copy Responses

Offeror’s proposal must be clearly labeled and numbered and indexed as outlined in Section III.C. Proposal Format. Proposals must be submitted as outlined below. The original copy shall be clearly marked as such on the front of the binder. Each portion of the proposal (technical/cost) must be submitted in separate binders and must be prominently displayed on the front cover. The USB thumbdrive must be labeled as RFP and a second thumbdrive as cost proposal. Envelopes, packages or boxes containing the original and the copies must be clearly labeled and submitted in a sealed envelope, package, or box bearing the following information:

Offerors should deliver:

A. Technical Proposals – One (1) ORIGINAL, Three (3) HARD COPIES, and five (5) electronic copies of the proposal containing ONLY the Technical Proposal; ORIGINAL and COPIES shall be in separate labeled binders. The electronic version/copy can NOT be emailed and must be provided on USB thumbdrives.

- Proposals containing confidential information must be submitted as two separate binders:
  - Unredacted version for evaluation purposes
  - Redacted version (information blacked out and not omitted or removed) for the public file

B. Cost Proposals – One (1) ORIGINAL, Three (3) HARD COPIES, and five (5) electronic copies of the proposal containing ONLY the Cost Proposal; ORIGINAL and COPY of Cost Proposal shall be in separate labeled binders from the Technical Proposals. The electronic version/copy can NOT be emailed and must be provided on USB thumbdrives.

The electronic version/copy of the proposal must mirror the physical binders submitted (i.e. One (1) Unredacted usb, one (1) Redacted usb). The electronic version can NOT be emailed.
The original, hard copy, and electronic copy information must be identical. In the event of a conflict between versions of the submitted proposal, the Original hard copy shall govern.

The original proposal must be received no later than the time and date indicated in the Sequence of Events.

Any proposal that does not adhere to the requirements of this Section and Section III.C.1 Response Format and Organization may be deemed non-responsive and rejected on that basis.

C. PROPOSAL FORMAT

All proposals must be submitted as follows:

Hard copies must be typewritten on standard 8 ½ x 11 inch paper (larger paper is permissible for charts, spreadsheets, etc.) and placed within binders with tabs delineating each section.

Organization of folders/envelopes for hard copy proposals and electronic copy proposals.

1. Proposal Content and Organization

Direct reference to pre-prepared or promotional material may be used if referenced and clearly marked. Promotional material should be minimal. The proposal must be organized and indexed in the following format and must contain, at a minimum, all listed items in the sequence indicated.

Technical Proposal (Binder 1):
   a. Signed Letter of Transmittal (APPENDIX E)
   b. Table of Contents
   c. Proposal Summary (Optional)
   d. Response to Specifications (Section IV) (except cost information which shall be included in Cost Proposal/Binder 2 only)
      i. Technical Specifications
         1. Organizational Experience
         2. Organizational References
         3. Oral Presentation- Statement of Agreement
         5. Desirable Specification- Statements of Agreement with Variance
      ii. Business Specifications
         1. Financial Stability (APPENDIX H)
         2. Performance Surety Bond- Reserved Not Applicable
         3. Letter of Transmittal (Submit in part a.)
         4. Signed Campaign Contribution Form (APPENDIX B)
         5. Cost (Submit in Cost Proposal Binder)
         6. Signed Employee Health Coverage Form (APPENDIX L)
         7. Pay Equity Reporting – Statement of Concurrence (Section II.C.33)
8. Resident Business or Resident Veterans Preference (if applicable)  
   (Section II.C.35 and APPENDIX G)
   e. Responses to Questionnaire
   f. Response to Contract Terms and Conditions (APPENDIX C)
   g. Implementation Plan (APPENDIX J)
   h. PBM Quarterly Reporting Package (APPENDIX I)
   i. Staff Resumes and Experience (APPENDIX K)
   j. Other Supporting Material (Optional)

**Cost Proposal (Binder 2):**
   a. Completed Cost Response Form (See APPENDIX D)
   b. Completed Performance Guarantee Form (See APPENDIX M)

Within each section of the proposal, Offerors should address the items in the order indicated above. All forms provided in this RFP must be thoroughly completed and included in the appropriate section of the proposal. All discussion of proposed costs, rates or expenses must occur only in Binder #2 on the cost response form.

The proposal summary may be included by potential Offerors to provide the Evaluation Committee with an overview of the proposal; however, this material will not be used in the evaluation process unless specifically referenced from other portions of the Offeror’s proposal.
IV. SPECIFICATIONS

Offerors should respond in the form of a thorough narrative to each specification, unless otherwise instructed. The narratives, including required supporting materials will be evaluated and awarded points accordingly. The Offerors should be brief responding to the question identified and not provide marketing information that does not directly answer the question.

Detailed Scope of Work

The IBAC is seeking pharmaceutical benefit management services to include developing and maintaining a cost-effective formulary of prescription drugs to maintain and improve the health of participating members, negotiating advantageous contracts with pharmacies/providers, drug manufacturers for purchase, provision and delivery of drugs on the formulary to participating IBAC members, clinical evaluation and analysis of the effectiveness of new prescription drugs approved by the FDA. Other services include consultation with the IBAC about market changes within the prescription drug industry and how those changes impact costs, provision and maintenance of systems for processing and paying prescription claims— with systems that provide the IBAC agencies with accurate, consistent, timely and comprehensive reports and provision of exceptional customer service to IBAC members and their health care providers in the areas of clinical information about the proper use and effectiveness of prescribed drugs and cost-effective alternatives. IBAC is seeking a partnership with the selected PBM to identify, recommend and implement cost savings opportunities while ensuring the members obtain healthy outcomes in a cost-effective manner. Also, the IBAC seeks a PBM partner that will coordinate and maintain vigorous clinical and utilization management strategies.

A number of factors will be considered in the selection process. The primary factors include pricing, pharmacy network access, formulary disruption, contractual compliance, reporting capabilities, financial stability, performance guarantees, references, ability to integrate successfully with existing health benefit administration and customer service.

Prospective bidders are to offer comprehensive PBM services including but not limited to those listed in this RFP.

A. TECHNICAL SPECIFICATIONS

1. Organizational/Account Management Experience
Offerors must provide a description of relevant corporate experience with state government and private sector. The experience of all proposed subcontractors must be described. The narrative must thoroughly describe how the Offeror has supplied expertise for similar contracts and must include the extent of their experience, expertise and knowledge as a provider of
pharmaceutical benefit manager services. All PBM services provided to private sector will also be considered.

Resumes and a statement concerning the experience of the Account Management Team should be submitted under APPENDIX K. The experience of the team as individuals and as a functional group for the Senior Account Executive, Account Manager, Clinical Manager, and Executive Plan Sponsor are expected.

2. Organizational References

Offerors should provide a minimum of three (3) references from similar projects performed for private, state or large local government clients within the last three years. Offerors are required to submit APPENDIX F, Organization Reference Questionnaire, to the business references they list. The business references must submit the Reference Form directly to the designee described in Sec I Paragraph D. It is the Offeror’s responsibility to ensure the completed forms are received on or before the date indicated in the Sequence of Events for inclusion in the evaluation process.

Organizational References that are not received or are not complete, may adversely affect the vendor’s score in the evaluation process. The Evaluation Committee may contact any or all business references for validation of information submitted. If this step is taken, the Procurement Manager and the Evaluation Committee must all be together on a conference call with the submitted reference so that the Procurement Manager and all members of the Evaluation Committee receive the same information. Additionally, the Agency reserves the right to consider any and all information available to it (outside of the Business Reference information required herein), in its evaluation of Offeror responsibility per Section II, Para C.18.

Provide the following information in your Technical proposal for the three (3) references you requested fill and return Appendix F:

a) Client name;
b) Implementation Description;
c) Start Date of Plan;
d) Services provided by the PBM;
e) Staff assigned to reference engagement that will be designated for work per this RFP; and
f) Comments on the performance of the services

IBAC members may request terminated references during the Finalist Interview process.
3. **Oral Presentation**

If selected as a finalist, Offerors agree to provide the Evaluation Committee the opportunity to interview proposed staff members identified by the Evaluation Committee, at the option of the Agency. The Evaluation Committee may request a finalist to provide an oral presentation of the proposal as an opportunity for the Evaluation Committee to ask questions and seek clarifications.

Offeror should provide a statement of agreement to this section.

4. **Mandatory Specification**

**Pricing Philosophy**

IBAC is interested in pure pass-through or transparent pricing scenario with the exception of EGWP which will be pass-through pricing. We understand that most PBM’s have determined a way to take profit from a pure pass through arrangement and that there is no financial advantage to this approach.

It is our expectation that the PBM will use pricing that pertains to the current average wholesale price (“AWP”) without adjustments (post AWP). Do not submit a bid with pre-AWP pricing. It is our understanding that some or all of your pharmacy contracts may be based on pre-AWP adjustment pricing. The Plan will consider this pass through as long as the amount paid to the pharmacies is equal to the amount shown to the Plan in the data file and true-up.

The drug prices you offer in the RFP pricing section will represent the guaranteed minimum to the Plan. Each component in the pricing is a stand-alone minimum guarantee. No excess savings in one area or on one line of the pricing can be applied to offset a deficiency in another area. Usual and customary (“U&C”), submitted, and other pricing features can be used to achieve discounts but must comply with the pricing logic provided in the Cost Proposal or it will not be considered. The use of Excess Copay or Zero Balance claims are allowed but limited. Any pricing feature that disadvantages another offer by a bidder will be construed as “creative” savings and the bidder will be eliminated from the process.

Single Source Generics will be priced as generics. The many pricing scenarios that have been used to determine a “Single Source Generic” have caused a discrepancy in pricing comparisons so a Medispan indicator of MNOY will be used to ultimately determine the category of drug as Brand or Generic. No use of Single Source Generics will be allowed in the contract as exceptions or changes to pricing.

Pricing for administration should be made on a per claim Administrative Fee Per Paid Claim basis or Per Member Per Month, which should include all expected services to the Plan. **Additional pricing or “a la carte” pricing is discouraged.** If your pricing involves more than 5 additional add on components, your submission will be disadvantaged. **Any additional pricing detail documents will not be included in the contract and will not be considered in the pricing analysis.**
IBAC entities will enter into a four year agreement at the end of the second year a market check is required to determine if the reimbursement rates, administrative fees and rebates are current. If they are not the PBM will be subject to changing the contract rates subject to successful negotiation. If an agreement cannot be reached IBAC will have the option to terminate the agreement and seek another Offerer.

IBAC reserves the right to withdraw, change or terminate this RFP, the proposal evaluation process and any negotiations at any time and without notice. Any changes or addenda to the RFP will be communicated to all prospective bidders.

Your proposal is a firm and irrevocable offer to contract with IBAC on the terms set forth in this RFP and may be accepted by IBAC within 180 days from the date and time your proposal is first delivered to IBAC. Any subsequent offer solicited by IBAC will supersede any previous offer and will also be in effect for 180 days from the date and time the subsequent offer is delivered to IBAC. After the proposal deadline, you may not revise your proposal without the permission of IBAC.

IBAC reserves the right to negotiate final terms and conditions of your proposal and any resulting agreement. IBAC may include your responses to this RFP as a part of any definitive agreement with deference to the contract in conflicting information.

This RFP does not represent a commitment, legal or otherwise, to select or procure any products or services from you or any other person. IBAC is not bound to accept the lowest price or any other proposal submitted. There is no guarantee that the Project will be undertaken in the form proposed or at all. Neither IBAC, nor any of its entities will be bound to any agreement, except pursuant to the terms of a definitive written agreement duly executed by an authorized representative of IBAC or its entities.

IBAC will not be liable under any circumstance for any costs you incur relating to this RFP, including costs incurred to prepare or submit a proposal. You will indemnify, defend and hold harmless IBAC, its entities, and their respective officers, directors, managers, employees and representatives from and against any and all liabilities, claims or expenses whatsoever incurred by or on behalf of you, your subcontractors and any of your or their employees or representatives in connection with this RFP, and any resulting definitive agreement, and that such language and requirements will be included in any final definitive agreement.

All proposals become the property of IBAC when submitted and will not be returned. IBAC has the right to use all proposals submitted in any manner it chooses, including any included concepts or ideas, provided, that IBAC will not disclose material pricing information to any other bidder.

You must treat this RFP and the information contained herein, and any other information or materials provided by IBAC in connection with this RFP, as confidential and proprietary information of IBAC. You must not disclose this RFP or any portion of the information contained herein to anyone other than your employees and employees of wholly owned
subsidiaries and/or approved subcontractors, and their respective representatives, who are directly involved in preparing the response to the RFP. You must not use such information other than for the purpose of responding to the RFP. You must not disclose this RFP or any part of it to any proposed subcontractor without the prior approval of IBAC. This RFP is furnished for evaluation purposes only. Terms of this RFP and any terms or other information provided by IBAC may be further covered by any Confidential and Non-Disclosure Agreement executed by you in connection with this RFP.

The reproduction of any part of this RFP by any means is permitted for the sole purpose of preparing a proposal in response to this RFP.

If you elect not to submit a proposal in response to this RFP or are notified that your participation has been terminated, you must promptly return to IBAC or, if requested by IBAC, securely destroy and verify destruction of all copies of this RFP and related information.

You must observe all standards and policies relating to your ethical conduct and regulatory compliance as they have been provided to you in connection with your registration as a vendor or otherwise through the RFP process.

You represent that your company has not been excluded, debarred or suspended and is not ineligible to participate in any state or federal governmental program (collectively, “Governmental Programs”), is not the subject of any investigation regarding its participation in any Governmental Programs, and has not been convicted of any crime relating to any Governmental Programs. You agree to notify IBAC immediately if you become aware of any adverse action, including but not limited to an action described above, related to your company’s eligibility to participate in Governmental Programs, and that such language and requirements will be included in any final definitive agreement.

You represent that your organization does not currently employ, or subcontract with, any individuals or entities on the Office of the Inspector General for the U.S. Department of Health and Human Services’ List of Excluded Individuals and Entities. You agree to notify IBAC immediately if you become aware of any adverse action related to any of your company’s employees’ or subcontractors’ eligibility to participate in Governmental Programs, and that such language and requirements will be included in any final definitive agreement.

You represent that all information contained in your proposal, as of the date of the proposal, is true and correct in all material respects and that you have the authority to submit your proposal on your organization’s behalf and to bind your organization as provided for in this RFP. You further represent that you have not neglected to state any material fact, the omission of which would render the information contained in your proposal misleading in the light of the circumstances under which it was presented. If any part of your response may be reasonably interpreted in more than one way, the IBAC interpretation will be considered the intended response.
**Indemnification**

The Contractor shall defend, indemnify and hold harmless the Agency and the State of New Mexico from all actions, proceeding, claims, demands, costs, damages, attorneys’ fees and all other liabilities and expenses of any kind from any source which may arise out of the performance of this Agreement, caused by the negligent act or failure to act of the Contractor, its officers, employees, servants, subcontractors or agents, or if caused by the actions of any client of the Contractor resulting in injury or damage to persons or property during the time when the Contractor or any officer, agent, employee, servant or subcontractor thereof has or is performing services pursuant to this Agreement. In the event that any action, suit or proceeding related to the services performed by the Contractor or any officer, agent, employee, servant or subcontractor under this Agreement is brought against the Contractor, the Contractor shall, as soon as practicable but no later than two (2) days after it receives notice thereof, notify the legal counsel of the Agency and the Risk Management Division of the New Mexico General Services Department by certified mail.

Offeror should provide a statement of agreement to this section.

5. **Desirable Specification**

**Customer Service-Members**
The PBM must agree to provide the highest levels of customer service to the Plan. The focus is serving the Plan membership and the IBAC agencies will hold the PBM responsible for a member-centered program.

**Plan Clinical Management**
IBAC is interested in clinical initiatives that will improve compliance to drug regimens and improve member health. Cost containment is important when it supports the appropriate use of drugs. An effective prescription clinical management program for the Plans’ population will be an important consideration in the eventual award decision.

**Network Management**
A broad pharmacy network is important to the service of the members, but a reduction in providers, which does not unreasonably prohibit access, would be considered if it results in improved pricing. Many members live in rural areas and the PBM must be willing and able to add outlier pharmacies as needed.

**Customer Service**
IBAC expects a high level of responsive action from account team personnel. Quarterly Plan management updates must be provided to the Plan as well as customized, scheduled, and reported packages.

**Fraud and Abuse**
An area of concern for the Plan is the management of highly abuseable drugs as well as the fraudulent submission of claims. The PBM is responsible for management of fraud and abuse prevention for the program.

Specialty Pharmacy
The PBM must be able to administer a member-centric specialty program that proactively manages trend. The use of member copay support programs from manufacturers is expected.

Compound Management
IBAC has found that compound drugs are highly suspect and the Plan is looking for a proactive management program to curtail waste and abuse.

Offeror should provide a statement of agreement/non-agreement with variance to each subsection.

B. BUSINESS SPECIFICATIONS

1. Financial Stability

Offerors must submit copies of the most recent years independently audited financial statements and the most current 10K, as well as financial statements for the preceding three years, if they exist. The submission must include the audit opinion, the balance sheet, and statements of income, retained earnings, cash flows, and the notes to the financial statements. If independently audited financial statements do not exist, Offeror must state the reason and, instead, submit sufficient information (e.g. D & B report) to enable the Evaluation Committee to assess the financial stability of the Offeror. Provide this information under Appendix H Corporate Financial Documents.

2. Performance Surety Bond (Reserved)

Performance bond will not be required for this RFP.

3. Letter of Transmittal Form

The Offeror’s proposal must be accompanied by the Letter of Transmittal Form located in APPENDIX E. The form must be completed and must be signed by the person authorized to obligate the company.

4. Campaign Contribution Disclosure Form
The Offeror must complete an unaltered Campaign Contribution Disclosure Form and submit a signed copy with the Offeror’s proposal. This must be accomplished whether or not an applicable contribution has been made. (See APPENDIX B)

5. Cost

Offerors must complete the Cost Response Form in APPENDIX D. Cost will be measured by measuring the complete cost of the program using actual claim utilization. All charges listed on APPENDIX D must be justified and evidence of need documented in the proposal.

6. Employee Health Coverage Form

The Offeror must agree with the terms as indicated in APPENDIX L. The unaltered form must be completed, signed by the person authorized to obligate the Offeror’s firm and submitted with Offeror’s proposal.

7. Pay Equity Reporting

The Offeror must agree with the requirements of reporting as defined in Section II.C.31. Report is due at the time of contract award. A statement of concurrence with this requirement must be included in Offeror’s submitted proposal.

Out-of-state Contractors that have no facilities and no employees working in New Mexico are exempt if the contract is directly with the out-of-state contractor and fulfilled directly by the out-of-state contractor, and not passed through a local vendor. However, such out-of-state Offerors must still submit a statement of concurrence which reads as follows: “Offeror concurs with the Pay Equity Reporting as defined in Section II.C.31. Offeror would come under the definition of out-of-state Contractor if Offeror should be successful.”

8. Resident Business or Resident Veterans Preference

To ensure adequate consideration and application of NMSA 1978, § 13-1-21 (as amended), Offerors must include a copy of their preference certificate in this section. In addition, for resident Veterans Preference, the attached certification Form (APPENDIX G) must accompany any Offer and any business wishing to receive the preference must complete and sign the form.
V. EVALUATION

A. EVALUATION POINT SUMMARY

The following is a summary of evaluation factors with point values assigned to each. These weighted factors will be used in the evaluation of individual potential Offeror proposals by sub-category.

Evaluation Process

The evaluation process will follow the steps listed below:

1. All offeror proposals will be reviewed for compliance with the Minimum Contractual Requirements stated within the RFP. Proposals deemed non-responsive will be eliminated from further consideration.

2. The Procurement Manager may contact the offeror for clarification of the response as specified in the Proposal Instructions Section.

3. The Evaluation Committee may use other sources of information to perform the evaluation as specified in the Proposal Instructions Section.

4. Responsive proposals will be evaluated on their responses to the Contractual Expectations section and their pricing proposals submitted.

5. After review of the Contractual Expectations and the pricing proposals submitted, finalists will be selected and those organizations will proceed to the next phase.

The following is a summary of evaluation factors with point value assigned to each. These, along with the general requirements, will be used in the evaluation of Offeror proposals.

B. EVALUATION FACTORS

<table>
<thead>
<tr>
<th>IV.A</th>
<th>TECHNICAL SPECIFICATIONS</th>
<th>MAXIMUM POINTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Organizational Experience</td>
<td>30</td>
</tr>
<tr>
<td>2.</td>
<td>Organizational References &amp; Questionnaire (APPENDIX F)</td>
<td>25</td>
</tr>
<tr>
<td>3.</td>
<td>Oral Presentation- Statement of Agreement</td>
<td>Pass/Fail</td>
</tr>
<tr>
<td>5.</td>
<td>Desirable Specification- Statements of Agreement</td>
<td>Pass/Fail</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>IV.B</th>
<th>BUSINESS SPECIFICATIONS</th>
<th>MAXIMUM POINTS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Financial Stability (APPENDIX H)</td>
<td>Pass/Fail</td>
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<tr>
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</tr>
<tr>
<td>2.</td>
<td><em>Performance Surety Bond - Reserved</em></td>
<td><em>Not Applicable</em></td>
</tr>
<tr>
<td>3.</td>
<td>Letter of Transmittal (APPENDIX E)</td>
<td>Pass/Fail</td>
</tr>
<tr>
<td>4.</td>
<td>Signed Campaign Contribution Form (APPENDIX B)</td>
<td>Pass/Fail</td>
</tr>
<tr>
<td>5.</td>
<td>Cost Form (APPENDIX D supplied in Binder 2)</td>
<td><em>See Cost Section</em></td>
</tr>
<tr>
<td>6.</td>
<td>Signed Employee Health Coverage Form (APPENDIX L)</td>
<td>Pass/Fail</td>
</tr>
<tr>
<td>7.</td>
<td>Pay Equity Reporting - Statement of Concurrence</td>
<td>Pass/Fail</td>
</tr>
<tr>
<td>8.</td>
<td>Resident Business or Resident Veterans Preference (if applicable) (APPENDIX G)</td>
<td><em>See Section II.C.35</em></td>
</tr>
</tbody>
</table>

### VI. QUESTIONNAIRE RESPONSES MAXIMUM POINTS

<table>
<thead>
<tr>
<th>Company Background</th>
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<tbody>
<tr>
<td>Financial Strength/Corporate Stability</td>
<td>20</td>
</tr>
<tr>
<td>Claim Administration</td>
<td>30</td>
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<tr>
<td>Compound Claim Administration</td>
<td>10</td>
</tr>
<tr>
<td>Eligibility File Processing</td>
<td>20</td>
</tr>
<tr>
<td>Accumulators (Potential HDHP) Reporting</td>
<td>10</td>
</tr>
<tr>
<td>Plan Account Service</td>
<td>20</td>
</tr>
<tr>
<td>Customer Service Member</td>
<td>10</td>
</tr>
<tr>
<td>Pharmacy Call Center</td>
<td>10</td>
</tr>
<tr>
<td>Clinical Services</td>
<td>40</td>
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<tr>
<td>EGWP</td>
<td>20</td>
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<tr>
<td>Auditing/Fraud and Abuse Management</td>
<td>20</td>
</tr>
<tr>
<td>Communications</td>
<td>10</td>
</tr>
<tr>
<td>Pharmacy Network Services</td>
<td>20</td>
</tr>
<tr>
<td>Mail Service</td>
<td>40</td>
</tr>
<tr>
<td>Pricing Components</td>
<td>50</td>
</tr>
<tr>
<td>Rebates</td>
<td>40</td>
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<tr>
<td>Professional/Ethical</td>
<td>10</td>
</tr>
<tr>
<td>Specialty Pharmacy</td>
<td>40</td>
</tr>
</tbody>
</table>

### ADDITIONAL ATTACHMENTS MAXIMUM POINTS

<table>
<thead>
<tr>
<th>Response to Contract Terms and Conditions (APPENDIX C)</th>
<th>20</th>
</tr>
</thead>
<tbody>
<tr>
<td>Implementation Plan (APPENDIX J)</td>
<td>10</td>
</tr>
<tr>
<td>PBM Quarterly Reporting Package (APPENDIX I)</td>
<td>20</td>
</tr>
<tr>
<td>Staff Resumes and Experience</td>
<td>15</td>
</tr>
</tbody>
</table>
The Evaluation of each Offeror’s cost will be conducted using the following formula:

\[
\text{Available Award Points} \times \frac{\text{Lowest Responsive Offer Bid}}{\text{This Offeror’s Bid}}
\]

In order to determine vendor pricing, each Offeror’s pricing will be applied to each IBAC agency’s actual claims, thus taking into account weighting for retail, mail, specialty, and drug mix.

<table>
<thead>
<tr>
<th>Performance Guarantee Form (APPENDIX M)</th>
<th>20</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FINALISTS ONLY</strong></td>
<td>MAXIMUM POINTS</td>
</tr>
<tr>
<td>Oral Finalist Presentation &amp; BAFO</td>
<td>150</td>
</tr>
<tr>
<td><strong>TOTAL POINTS: 1,000</strong></td>
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</tbody>
</table>

**C. EVALUATION PROCESS**

1. All Offeror proposals will be reviewed for compliance with the requirements and specifications stated within the RFP. Proposals deemed non-responsive will be eliminated from further consideration.

2. The Procurement Manager may contact the Offeror for clarification of the response as specified in Section II. B.6.

3. The Evaluation Committee may use other sources of to perform the evaluation as specified in Section II. C.20.

4. Responsive proposals will be evaluated on the factors in Section V.B, which have been assigned a point value. The responsible Offerors with the highest scores will be selected as finalist Offerors, based upon the proposals submitted. The responsible Offerors whose proposals are most advantageous to the State taking into consideration the evaluation factors in Section V.B will be recommended for award (as specified in Section II. B.7). Please note, however, that a serious deficiency in the response to any one factor may be grounds for rejection regardless of overall score.
VI. Questionnaire

Response Format

Respondent is to submit a complete submission with written responses to all questions included. Incomplete responses will not be considered. Respondent’s response must be in electronic MS Word format (not PDF). The formatting and numbering within the document must remain the same. Do not lock the document. Respond to the questions as directly as possible and do not refer to another question such as “Please see response XXX.” Remember, RFP responses will become part of the contract so accurate responses will be in your best interest.

Respondent Information

1) Provide the information below identifying the person responsible for this bid and the authority to provide a binding response. This person will have the authority to bind the organization to their bid.

<table>
<thead>
<tr>
<th>Company Name</th>
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<tbody>
<tr>
<td>Contact Name</td>
<td></td>
<td></td>
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<tr>
<td>Title</td>
<td></td>
<td></td>
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<tr>
<td>Telephone Number</td>
<td></td>
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<tr>
<td>Mobile Number</td>
<td></td>
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</tr>
<tr>
<td>E-mail Address</td>
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</tbody>
</table>

Communication Contact

2) Provide the information below identifying the person responsible for communication concerning this bid. Because of the large number of bidders, we will use only one source of contact. No additional notifications will be provided. This person should be responsive to their email and telephone calls.

<table>
<thead>
<tr>
<th>Company Name</th>
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<tbody>
<tr>
<td>Contact Name</td>
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<td>Title</td>
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<tr>
<td>Telephone Number</td>
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<tr>
<td>Mobile Number</td>
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<tr>
<td>E-mail Address</td>
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</table>

Company Background

3) Provide a brief statement of the company’s general background, including location of headquarters, brief history, current ownership and structure.
4) Describe what sets your PBM program apart from your competitors. Include your experience with State and Public Sector clients and how your firm is able to address their specific needs.

Financial Strength/Corporate Stability

5) Provide the latest annual report, financial statement, SAS 70 type II (or equivalent document), and other financial reports that indicates the financial position of your organization. Attach as Appendix H. Provide the following:
   a. Current Ratio
   b. Days cash on hand
   c. Debt to equity ratio

6) Provide the following information regarding your organization:
   d. Parent Company
   e. Year PBM established
   f. Number of PBM employees involved in direct client support activities (account management)

7) Provide your total covered full funded lives (not 100% copay or discount card members).
   g. Current
   h. One-year prior
   i. Two years prior

8) Number of Group Plans in Force
   j. Total
   k. Over 100,000 lives

9) Indicate the number of any outstanding legal actions pending against your organization. Explain the nature of current actions and the status. Indicate any actions that will disrupt business operations as it pertains to IBAC.

10) What general and professional liability coverage do you currently have in place for the entity that is bidding to protect the client from losses or negligence?

11) Describe the type and amount of the fidelity bond insuring your employees, which would protect this plan in the event of a loss.

12) Have you acquired or sold any organizations in the last 24 months? If so explain.

13) Have you relocated staff, changed computer or telephone systems in the last 12 months? Do you anticipate any major changes to your organization or structure in the next 12-24 months? If so, elaborate.

14) Please provide the total number of years of direct PBM experience for the lead Account Manager, Financial Services, and Clinical staff assigned to this account. Please provide a resume for each Appendix K.

Claim Administration

<table>
<thead>
<tr>
<th>Y or N</th>
<th>Deviation</th>
</tr>
</thead>
</table>

40
<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>15) Will your claim system process claims with 99.95% or better accuracy?</td>
<td>Y or N</td>
<td>Deviation</td>
</tr>
<tr>
<td>16) Will you accept financial responsibility and correct adjudicated claims that are not processed correctly if attributed to your inaccurate administration or actions?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>17) Will you compare the calculated cost of the drug, the usual and customary price, plan copay and charge the member the lowest of those costs?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>18) Does your PBM have a minimum of 3 million eligible participants in fully-funded programs (programs that are NOT 100% copay or discount cards) as of January 1 of this year?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>19) Will the PBM staff and IBAC entities have real-time on-line access to the claims processing system for claim viewing and overrides (not all will take advantage of this feature)?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>20) Will you allow IBAC to dictate the policy regarding lost/broken medications and emergency refills once per year for each type of request?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>21) The generic MAC list must be equally applicable to mail service claims as well as retail. Will you accept this stipulation in the final PBM/client contract?</td>
<td></td>
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</tr>
<tr>
<td>22) Do you have a disaster recovery plan that we can view and will you guarantee a system recover time of 24 hours?</td>
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<tr>
<td>23) Do adjusted or reversed claims retain a reference to the original</td>
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<tr>
<td>claim that enables IBAC to match the claims easily?</td>
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<tr>
<td>24) Will you exchange encounter data at a minimum on a monthly basis with our health care partners for medical/pharmacy claim integration?</td>
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<tr>
<td>25) Will you provide encounter data as frequently as daily for claim integration services for the IBAC Agencies?</td>
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<tr>
<td>26) Do you have claim edits available to detect drug abuse?</td>
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<tr>
<td>27) Will you agree to load all prior authorizations, specialty transfer files and open mail order refills from the current vendor (if applicable) during implementation at no charge?</td>
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</table>

28) What are your standard turnaround times for plan changes/modifications to benefits? What are your turnaround times for installation of a new group under an existing customer in case an entity develops a new plan offering such as an HDHP?

29) What is your process for claims processing system updates throughout the year? How are these changes communicated to your Customers? Is documentation provided with example test scenarios?

30) Explain your continuous Quality Assurance (QA) process to ensure claims continue to process accurately. Is QA performed once the benefit is put into production? If so, at what periods?

31) What is your integration experience with our health care partners, Blue Cross Blue Shield of New Mexico (BCBSNM), Presbyterian Health Plan, New Mexico Health Connections, United Concordia, Delta Dental Plan of New Mexico, Davis Vision, Plan and The Standard Insurance, and each IBAC entity’s Eligibility Administrator (such as Erisa Administrative Services, Inc.). Specifically, in regards to claims files, eligibility file processing and exchange of accumulator information. Please list those you are able to or NOT able to integrate with at this time.

32) How many claim processing systems do you have and which will our business be assigned? Do we have a choice and if so, what are the differences between the systems?
33) Describe the experience in the Benefits department and then credentials of those assigned specifically to the implementation of IBAC. What is their background and experience?

34) How are direct member reimbursements (“DMRs”) for dependents handled? Is the reimbursement provided in the cardholder’s name? Can DMRs be mailed to a third party? Can the reimbursement be sent electronically?

35) Can Step Therapy and Quantity Limits be Grandfathered? Can you employ a lookback period on edits?

36) How do you monitor that the pharmacy is charging the lesser of reimbursement or U&C?

37) Describe your Drug Utilization Review program. Does the program use manual intervention or electronic edits? What differentiates your program from other programs.

38) Do you have claim edits available that detect drug abuse? High cost claimants? What reporting and services do you provide after detection?

**Compound Claim Administration**

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<tr>
<th>Question</th>
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<tbody>
<tr>
<td>39) Can IBAC limit the amount of coverage by Dollar amount on compound drugs?</td>
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<tr>
<td>40) For compound drugs will the PBM provide oversight and edits to prevent utilization of compounds when a commercial product exists?</td>
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<tr>
<td>41) Do you exclude drugs with a Bulk Product Indicator of “Y” to indicate a repackaged drug?</td>
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<tr>
<td>42) Do you exclude drugs that are not FDA approved?</td>
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<tr>
<td>43) Can you restrict the coverage to 30 days’ supply?</td>
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<tr>
<td>44) Can you administer that copay of the highest tier on the formulary for drugs covered and 100%-member responsibility for non-covered drugs?</td>
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<tr>
<td>45) Can you exclude compound</td>
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</table>
46) Do you price each component of the compound separately?

47) Can you report each ingredient in a file for audit purposes?

48) Do you price each component according to MNOY (generic determination from Medispan)?

49) Do you provide separate auditing and reporting to IBAC on compound drugs? Provide an example of the reporting you would send in your Reporting Package under Appendix I.

50) Discuss your efforts to curtail fraud, waste and abuse on compound prescriptions by providers including your opinion on bulk product indicators and repackaging of drugs by compounding product providers.

### Eligibility File Processing

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<tr>
<th>Question</th>
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<tbody>
<tr>
<td>51) Will eligibility be loaded within 1 day of receipt regardless of weekends or holidays?</td>
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<tr>
<td>52) Are there standard procedures for processing files and procedures for when files abort with a greater than 5% eligibility change?</td>
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<tr>
<td>53) Can the PBM process term by absence (TBA) files as a way to help the IBAC reconcile their membership?</td>
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</table>

54) Will you reimburse the Plan for costs to program to your file layout including eligibility, accumulators (potential plan design) and returned data?

55) Will you accept daily and weekly eligibility feeds from our health care partners (including TPA’s) and reconcile the eligibility feeds on a weekly basis prior to receipt of the next eligibility file?

56) How do you handle dependents with same DOB, such as twins?
57) Will the IBAC Agencies be able to assign their own coded cardholder ID? Is there any limitations on the structure of the ID? For example, text or length restrictions?

**Accumulators- (HDHP Potential Plan Design)**

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<tr>
<td>58) Do you agree to comply with all ACA requirements regarding shared accumulators for maximum out of pocket (MOOP)?</td>
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<tr>
<td>59) Will you have a daily file exchange between our designated health care providers to update shared accumulators like MOOP?</td>
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<tr>
<td>60) Will your Staff research and respond to questions about accumulators on behalf of IBAC within 1 business day?</td>
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61) Explain the claim processing system’s process for managing deductible and maximum out of pocket limits and accumulators. Describe how your system manages In Network versus Out of Network deductibles, maximums out of pocket and lifetime maximums. Describe how your system manages multiple accumulator requirements under a single plan for example: Rx deductible, maximum out of pocket, fertility lifetime maximum. How do you manage multiple accumulators for in network and out of network? Do you offer the ability to do individual accumulators and family accumulators (i.e. “sugar bowl”)?

62) Do you have standard reports for the exchange of accumulator data? Are the reports provided automatically to the plan? How are the reports provided? Provide a listing of the standard reports.

**Reporting**

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<tr>
<td>63) Will you collect data and provide quarterly management reports within 30 days after the end of the quarter?</td>
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<tr>
<td>64) Will you provide monthly electronic data to IBAC and other indicated entities at no additional charge?</td>
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<tr>
<td>65) Will you provide data to our</td>
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<td>Question</td>
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<tr>
<td>specifications up to three years after the termination of the contract?</td>
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<tr>
<td>66) Do you have standard claims files that follow NCPDP standard format?</td>
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<tr>
<td>67) Will you provide an on-line reporting tool for the Plan to generate custom reports at no additional charge?</td>
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<tr>
<td>68) Can you provide plan performance metrics on a monthly basis? Will the report be provided in a timely manner (prior to or on the 15th of each month)?</td>
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</table>

69) Describe your reporting tool and its functionality. What type of expertise will you provide in set-up and initiation of the reporting system? Provide a list of standard reports available to IBAC.

70) Explain your process for live training and training documentation of your reporting tool.
### Plan Account Service

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<tbody>
<tr>
<td>71) Will you agree to assign with direct contact to IBAC an Account Manager, Clinical Manager, Benefit Analyst, Customer Service Manager and an Executive Sponsor?</td>
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<tr>
<td>72) Will IBAC receive prior notice of an account manager change, due to reassignment within the organization, and will you provide a 30-day transition period for such change?</td>
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<tr>
<td>73) Will you provide a quarterly update with recommendations specific to each IBAC entity including the following: Administrative Fee costs, comparisons to guarantees, financial information, operational issues, suggestions to enhance the program, audit initiatives, clinical initiatives, top utilizers, including a member management plan, and an updated project plan?</td>
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<tr>
<td>74) Will you provide an in-house customer service representative for 30 days on and before the go live dates and 30 days post go live date?</td>
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<td>75) Will you participate in weekly management calls with staff for all lines of business with a subject matter expert participating (subject matter expert includes, data, infrastructure, benefit design and compliance) until implementation is satisfied?</td>
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<tr>
<td>76) Do you provide clients with a comparison and benchmarks of financial data to your book of business?</td>
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<td>Question</td>
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<tr>
<td>77) Will the account management be exclusive to IBAC during the transition?</td>
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<tr>
<td>78) What is the location of the Account Service team? Is there a potential for a NM based account person?</td>
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<tr>
<td><strong>Customer Service Member</strong></td>
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<tr>
<td>79) Do PBM customer service representatives have on-line access to real-time claim processing information?</td>
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<tr>
<td>80) Do PBM customer service representatives have authority to approve and/or override claims?</td>
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<tr>
<td>81) Does the PBM have 24-hour customer service with the ability to do limited overrides?</td>
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<tr>
<td>82) Will Pharmacy Call Center be available 24/7 including holidays?</td>
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<tr>
<td>83) Will you assign dedicated customer service representatives to this account?</td>
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<tr>
<td>84) Is there one 800 number for retail, mail and specialty questions/prescription fills?</td>
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<tr>
<td>85) How do you track member complaints? Describe your member complaint tracking. What are the top 5 complaints? How are complaints reviewed and addressed by management?</td>
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<tr>
<td>86) Do you provide customer service survey? What percentage of the members will receive a survey? What are the results and are they measured by IBAC participants or by Book of Business?</td>
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<tr>
<td>87) Do you have a member website? Provide a brief description of the services available through the website.</td>
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<tr>
<td><strong>Pharmacy Call Center</strong></td>
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<tr>
<td>88) Is your pharmacy help desk located exclusively in the US?</td>
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</table>
89) Are telephone performance reports available? Provide audited telephone response data for the past two years. Include time to answer, talk-time, and abandonment rate.

90) What is the average response time for general questions? Is this logged and monitored through an automated system?

Clinical Services

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<tr>
<td>91) Will you provide prior authorization, step therapy logic, edits, overrides, and appeals management at the Administrative Fee price?</td>
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<tr>
<td>92) Will you select formulary products based upon the lowest net price for an effective drug to IBAC (including rebates)?</td>
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</table>

93) As a public entity IBAC is concerned about the Net-Net cost of drugs (Billed Cost Less Rebates for an effective drug) acquired with public funds. Can you provide your philosophy to support this approach to provide the membership the lowest Net-Net cost drug?

94) Provide a thorough description of your Pharmacy & Therapeutics decision-making process and what/how information is utilized to make decisions.

95) Provide a list of your most common clinical management programs that control costs and ensure appropriate utilization such as step therapy, quantity limits, DUR, etc. A list is all that is needed not a description of the steps and criteria.

96) Provide a detailed list of concurrent and retrospective DUR edits available. Describe your intervention timeframe and methods.

97) Do you offer standard programs that address coverage of ACA covered products, chronic preventive medications (for HDHP plans if implemented), narrow therapeutic index drugs, maintenance medications? Please describe.

98) Describe your strategies and programs that address escalating drug prices such as price protection.

99) Do you have a formal pipeline monitoring program and the value that this program brings to IBAC? If yes, please describe.

100) Industry data continues to demonstrate that adherence is a major issue. Submit your strategic proposal and available analytic tools to help improve appropriate utilization of maintenance medications by our members.

101) Do you have a medical claim integration product? If so, describe the service and the results.

102) Do you have an opioid overutilization program? Please describe your program in detail including: member screening, provider and member notification methods, and intervention methods.
103) Do you have a process to monitor oncology drugs dispensed from your specialty pharmacy? Do you do trial doses? How do you ship the drugs to prevent waste due to short dating (drugs arriving past expiration date), environmental factors (100+ temperature) and physician complaints of “white bagging”? Do you have a physician dispensing network?

**EGWP**

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<tr>
<td>104)</td>
<td>Do you provide Medicare EGWP programs for your own organization and for other entities?</td>
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<tr>
<td>105)</td>
<td>Do you comply and agree to all of the CMS current and future Part D requirements and Delegated/First-Tier Downstream entity requirements? Do you maintain the CMS required 10-year record retention requirement?</td>
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<tr>
<td>106)</td>
<td>Do you comply with all of the CMS Enrollment and Billing related requirements?</td>
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<tr>
<td>107)</td>
<td>For Medicare D clients, have you ever had CMS impose sanctions or had other corrective action plans imposed?</td>
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108) Please describe the number of years you have supported EGWP customers. Include the number of EGWP clients you currently serve and the approximate number of lives. Discuss your internal expertise in administering the Medicare Part D program. Include information that may set you apart from other PBMs that administer EGWP’s.

109) Please describe the reporting and intervention services you provide to support Medicare Part D Star ratings. In particular, outline the services to support medication adherence as it relates to the Star Ratings.

110) Please list any CMS Medicare regulations that you are not currently fully compliant with and what you are doing to become compliant.

111) Do you delegate any contracted services with current EGWP clients to third party entities, or other service providers or subcontracts? If so, please describe.

112) Do you have an opioid overutilization program that meets CMS requirements? If so, please describe.

113) Do you provide Medicare Subrogation Services? Please describe the process and any requirements on the Plan to support this service.
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<td>114)</td>
<td>Will the PBM agree to an audit, by an auditor of IBAC’s choice at IBAC’s expense, of all aspects of IBAC, including pass-through pricing, financial and administrative management from implementation, for up to three years after termination? This removes the approval of the auditor by the PBM unless conflicted as a competitor.</td>
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<tr>
<td>115)</td>
<td>Will the PBM agree to an audit of all aspects of the rebate administration by an auditor of IBAC’s choice at the IBAC’s expense, for up to three years after termination? This removes the approval of the auditor by the PBM unless conflicted as a competitor.</td>
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<td>116)</td>
<td>Do you agree to provide audit support services at no additional charge?</td>
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<td>117)</td>
<td>Will the PBM allow IBAC access to the detailed audit results, including field and desk audits performed on contracted pharmacies?</td>
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<td>118)</td>
<td>Will you provide the original implementation documents and any updates to the auditor upon request from the initiation of your management of the plan?</td>
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<td>119)</td>
<td>Will you provide to IBAC’s auditor the Specialty pharmacy pricing list in Excel by NDC and discount off AWP?</td>
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<tr>
<td>120)</td>
<td>Does your entity have a Fraud, Waste and Abuse (FWA)</td>
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</table>
program that includes claims data analytics to identify fraud by members, prescribers and pharmacies?

| 121) Does the PBM have an in-house Special Investigative Unit (SIU) to investigate fraud, waste and abuse? |
| 122) Do you monitor rejected claims as part of your auditing procedures? |

123) Describe your desktop audits and on-site audits. What are the criteria for selecting pharmacies for desktop audits and/or on-site audits? What elements are reviewed during desk audits and on-site audits?

124) Describe your policy with respect to audit recoveries. How are these recoveries refunded to the Plan?

125) What is your process for IBAC notification if members or prescribers/providers are identified for potential FWA?

126) How do you monitor claims for prescriptions that are not picked up but are also not reversed (Return to Stock)?

**Communications**

| 127) Will you print and distribute all documents and forms, including, but not limited to, formulary drug program information, prior authorization program materials, marketing materials, claim forms, maintenance list, etc., as part of the Administrative Fee? |
| 128) Will you provide fax blast notification or some other type of communication to the pharmacies alerting them of new lines of business or other significant changes at no additional cost? |
| 129) Do you have a recall monitoring and outreach |

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program?

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<tr>
<td>130) Do members have the ability to track on-line, real time claims processing information?</td>
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</table>

131) Do you offer online pharmacy services that allow Rx orders and communications with the mail service staff? If so, what is your web site address? Do you have the capability for online refills? If yes, how many prescriptions are you currently processing over the Internet each month?

132) Do you have a website that provides information to the members about your clients’ prescription plans? Does it provide the following?
   a. Member claim history
   b. Current provider directory
   c. Mail order forms
   d. Direct member reimbursement forms
   e. Formulary
   f. Drug price check
   g. Copay and coverage calculator
   h. Health and wellness information
   i. Prior authorization process and forms
   j. Specialty drug information
   k. Step therapy and clinical edit drugs
   l. UM (PA, ST, QL, etc.) criteria

133) What tools are available to promote formulary compliance, education and use of lower cost drugs or generics?

**Pharmacy Network Services**

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<td>134) Will you agree to an annual pricing survey in year two and thereafter annually to improve network rates annually, depending on results?</td>
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<tr>
<td>135) Will you provide an 835 file for verification of pass through pricing (if you are offering pass through pricing)?</td>
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<tr>
<td>136) Will IBAC have the ability to</td>
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reimburse underserved communities at a higher rate than guaranteed (with elimination of those claims from your guarantee)?

137) Describe any incentives or programs in place with providers designed to increase generic dispensing and formulary compliance.

138) With the pricing you are offering, is there a potential for a member’s copay to be different at different pharmacy providers? Is there anything we can do to minimize this situation? Have you produced an information document for the member indicating the issue and the reason?

139) Provide a description of your pharmacy network credentialing and audit process.

140) Do you provide clients with pharmacy network directory? If so, please describe the frequency of updates.

141) If you own or are affiliated with a drug store chain, do you share detailed plan information with the operators of your stores? Do you provide any undue influence on the membership to move them to your pharmacies (this does not include a narrowed provider network offer)? Can IBAC be assured that there is no use of data with your operating partner to "cherry-pick" or move members?

142) Do you have a preferred relationship with Walgreens? If so, please describe any additional services that you provide other than a price improvement? If you have a preferred relationship with another provider, please identify them and provide the requested information.

143) Do you provide pharmacy network report cards? Do you provide guidance to the Plans on which chains to include/exclude or incentivize?

**Mail Service**

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<td>144)</td>
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<td>Will your mail service fill 95% of all “clean” claims within 2 business days of receipt?</td>
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<tr>
<td>145)</td>
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<tr>
<td>Will your mail service fill 95% of all “problem” claims within 5 business days of receipt?</td>
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<td>146)</td>
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<tr>
<td>Will the NDC of the actual package size dispensed at the mail service be utilized for pricing of the claims?</td>
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<td>147)</td>
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<tr>
<td>Will the PBM guarantee 99.95% accuracy of the prescription filling process at the</td>
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54
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<thead>
<tr>
<th>Question</th>
<th>Response</th>
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<tbody>
<tr>
<td>148) Will the same MAC list offered apply to both retail and mail service pricing?</td>
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<tr>
<td>149) Do you agree that damaged, returned or unusable prescriptions will not be billed to the Plan?</td>
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<tr>
<td>150) Will all mail order pricing be applied to all prescriptions filled at the mail service including Specialty claims?</td>
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<tr>
<td>151) Will you accept all responsibilities for member copayments (i.e. IBAC will not collect or be responsible for member delinquency on copays)?</td>
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<tr>
<td>152) Will you accept responsibility for mail service postage increases keeping IBAC dispensing fees consistent throughout the contract?</td>
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153) Identify your mail service provider and their location. How long have you used this vendor? Do you or your parent organization own all or any portion of this mail service provider? What volume of prescriptions does this vendor handle for you annually? What is the advantage to the Plan if you own your own mail service? If you sub-contract, what advantage does that provide the Plan?

154) What hours is your facility open? What hours are the customer service desk open? Are clinical resources available to assist members with prescription drug questions at the same hours?

155) Describe your process to transition mail service from the current vendor, especially as it impacts the member. Will you call the prescriber on behalf of the member for a new prescription?

156) How will the Mail Service Claims be priced for prescriptions with a day’s supply less than 84 and less than 31?

157) When does the clock on mail order turnaround begin, when the prescription arrives, when the mail is opened, when the prescription is keyed into the system? What is the maximum lag time from arrival of mail to initiation of the turnaround clock?

158) Do you have a pill splitting program? What savings are derived from the process?

159) Do you have a process to fill a prescription locally if your mail service is out of stock or the member is late in filling the prescription? What is the reimbursement for these short
fills or emergency fills (retail or mail rates, not a financial number). Is there a drug store chain you prefer to use or have contracted to assist?

**Pricing Components**

<table>
<thead>
<tr>
<th></th>
<th>Y or N</th>
<th>Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>160)</td>
<td>Will IBAC be charged an administrative fee for Net Paid Claims only (not reversed and rejected)?</td>
<td></td>
</tr>
<tr>
<td>161)</td>
<td>Will you provide Rebate Administrative Fees and other Manufacturer provided fees to the Plan?</td>
<td></td>
</tr>
<tr>
<td>162)</td>
<td>Do you agree to accommodate electronic interfaces with other vendors with whom the Plan may contract (including the TPA, disease management vendors, etc.) and agree that the cost is included in your Administrative Fee quote, including eligibility?</td>
<td></td>
</tr>
<tr>
<td>163)</td>
<td>Will you complete and report the pricing true-up within 90 days of each year end?</td>
<td></td>
</tr>
<tr>
<td>164)</td>
<td>Will you report performance standards in comparison to the contract quarterly?</td>
<td></td>
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<tr>
<td>165)</td>
<td>Will you agree that the guarantees for rebates (based upon a per brand claim) are based upon all brand claims in the delivery system as identified by Medispan and irrespective to your criteria for submission to the manufacturer (i.e. elimination due to HDHP Copay)?</td>
<td></td>
</tr>
</tbody>
</table>
| 166) | Do you agree to update your AWP source into your claim adjudication on no less than a
<table>
<thead>
<tr>
<th>Question</th>
<th>Y or N</th>
<th>Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Do you agree that all methodology used to calculate pricing guarantees will be outlined in the contract? (Any “client standard” logic such as excess copay, new to market drugs, zero balance logic, etc. will not be allowed in the reconciliation process if not defined.)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

168) When completing the year end true-up and comparison of contract versus actual rates, it is the expectation that Medispan MNOY will be used to “bucket” claims for the pricing. Do you expect to administer the copay to a different source? What is the impact to the Plan of having a different Brand/Generic Indicator for administration of copays than a true-up indicator?

### Rebates

<table>
<thead>
<tr>
<th>Question</th>
<th>Y or N</th>
<th>Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Will you agree to make monthly rebate payments to IBAC with an annual reconciliation?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The IBAC agencies are interested in auditing the rebate program. Once an independent outside auditor is selected by the client, will you disclose specific rebates by manufacturer and by drug?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Do your Rebate contracts with manufacturers allow for full disclosure of discounts and terms to auditors selected?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Do all the rebate contracts utilized by your company (or contracted rebate vendor) allow you full authority to prior authorize and/or to deny utilization of a medication when it is deemed not meeting criteria?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>173</td>
<td>Will rebates continue to be paid to IBAC after termination of the contract, for all rebate eligible scripts filled prior to termination?</td>
<td>Y or N</td>
</tr>
<tr>
<td>174</td>
<td>The successful Respondent must disclose fully its economic relationships with all drug manufacturers. This will include all such revenue sources, both direct and indirect, including but not limited to drug spend rebates and manufacturer administrative fees. Acknowledge that this is acceptable.</td>
<td></td>
</tr>
<tr>
<td>175</td>
<td>If you receive a rebate will you pass 100% of the rebate on to us?</td>
<td></td>
</tr>
<tr>
<td>176</td>
<td>If you receive Manufacturer Admin Fees, Data Fees or other “non-rebate” fees, identify these fees in comparison to rebates. Provide why we are not eligible to receive these rebates.</td>
<td></td>
</tr>
</tbody>
</table>

### Professional/Ethical

| 177 | Do you agree that there are no incentives or commissions paid to any of the Plan members, Plan staff, or Plan Consultants? | Y or N | Deviation |
| 178 | Is your PBM willing to state (in final contract) that you are carrying out services in a fiduciary manner for members of IBAC? | | |
| 179 | PBM's routinely sell detailed drug utilization data to outside companies. Such sales will be prohibited under our contract. Acknowledge that this is acceptable. | | |
180) PBM agrees to comply with applicable law, rule, regulation or other legislative or regulatory agency action or mandate. If alternative scope or method cannot be implemented in a timely fashion or if IBAC elects to terminate the Agreement, PBM will refund any fees paid by us for services not performed.

<table>
<thead>
<tr>
<th>Specialty Pharmacy</th>
<th>Y or N</th>
<th>Deviation</th>
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</thead>
<tbody>
<tr>
<td>181) Will you provide a Specialty Pharmacy utilization report by plan monthly?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>182) Will you accept responsibility for mail service postage increases keeping IBAC dispensing fees consistent throughout the contract?</td>
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</tr>
</tbody>
</table>

183) Do you own a Specialty Pharmacy or sub contract the services? Why is this advantageous over the alternative? What differentiates your Specialty Pharmacy and Services from others?

184) What disease states are covered by your Specialty Pharmacy program? Provide all of the disease states for which you provide trained personnel to assist the members. Trained personnel are pharmacists or nurses who actively assist in the member’s disease management. You can just list the disease states; you do not need to list a description. Include description of results of specialty pharmacy programs.

185) How are new products priced when introduced to the Specialty Pharmacy list? What guarantees would we have to maintain an overall aggressive price when each product has a unique discount?

186) Provide methods and programs (with specific processes and criteria) to minimize use of specialty drugs for diseases for which there is no FDA indication and/or evidence based value.

187) Describe any innovative means that your organization utilizes to minimize the cost of specialty drugs for clients and their members?

188) Do you integrate a retail component into your Specialty Pharmacy such as a preferred drug chain to deliver the first fill?
189) Provide your description of your copay assistance program? How is it administered? How many drugs are covered in your program? Based upon our utilization how many claims would be impacted and how many members? What is the savings to the membership?

190) Do you have a copay offset or variable copay program? Does your program result in a zero cost to the patient or how does it administer a variable copay at Specialty Pharmacy to capture all manufacturer dollars? How many drugs are involved in your program? Is this program managed by your organization or sub-contractor? If managed by another contractor, do you have an exclusive agreement with that contractor? Will that contractor require a separate contract with any IBAC agency that elects the program? Does your program adjust the accumulator for the member (if an HDHP Plan is ever implemented)? Based upon our utilization what is the expected impact to our plan and the member? If there is a cost for the program or the accumulator adjustment program, please put this in the pricing section, not is this area.
Questionnaire Reminders

- Where you desire to provide additional information to assist the reader in more fully understanding a response, refer the reader of your RFP response to your appendix/attachments.
- Vendor will be held accountable for accuracy/validity of all answers.
- Respond with an accurate answer to the question and do not respond to another question with “Please see response XXX.”
- Remember, RFP responses will become part of the contract between the winning Vendor and the Client.
APPENDIX A

REQUEST FOR PROPOSAL

Pharmaceutical Benefits Management Services RFP
#2018-IBAC-0001

ACKNOWLEDGEMENT OF RECEIPT FORM

In acknowledgement of receipt of this Request for Proposal the undersigned agrees that s/he has received a complete copy, beginning with the title page and table of contents, and ending with APPENDIX M.

The acknowledgement of receipt should be signed and returned to the Procurement Manager no later than August 21, 2017 by 3:00PM MST. Only potential Offerors who elect to return this form completed, who meet the minimum requirements and indicate an intention of submitting a proposal will receive copies of all Offeror written questions and the written responses to those questions as well as RFP amendments and repricing data, if any are issued.

FIRM: ___________________________________________________

REPRESENTED BY: _____________________________________________________

TITLE: ______________________ PHONE NO.: ______________________

E-MAIL: ______________________ FAX NO.: ______________________

ADDRESS: ______________________

CITY: ______________________ STATE: ________ ZIP CODE: ____________

SIGNATURE: ______________________ DATE: _______________

This name and address will be used for all correspondence related to the Request for Proposal.

Firm does/does not (circle one) intend to respond to this Request for Proposal.

Neil Kueffer, Procurement Manager
Pharmaceutical Benefits Management Services and RFP #2018-IBAC-0001
New Mexico Retiree Health Care Authority
4308 Carlisle Blvd. NE, STE 104
Albuquerque, NM 87107

Telephone: (505) 222-6408
Email: neil.kueffer@state.nm.us
APPENDIX B

CAMPAIGN CONTRIBUTION DISCLOSURE FORM
Campaign Contribution Disclosure Form

Pursuant to NMSA 1978, § 13-1-191.1 (2006), any person seeking to enter into a contract with any state agency or local public body for professional services, a design and build project delivery system, or the design and installation of measures the primary purpose of which is to conserve natural resources must file this form with that state agency or local public body. This form must be filed even if the contract qualifies as a small purchase or a sole source contract. The prospective contractor must disclose whether they, a family member or a representative of the prospective contractor has made a campaign contribution to an applicable public official of the state or a local public body during the two years prior to the date on which the contractor submits a proposal or, in the case of a sole source or small purchase contract, the two years prior to the date the contractor signs the contract, if the aggregate total of contributions given by the prospective contractor, a family member or a representative of the prospective contractor to the public official exceeds two hundred and fifty dollars ($250) over the two year period.

Furthermore, the state agency or local public body shall void an executed contract or cancel a solicitation or proposed award for a proposed contract if: 1) a prospective contractor, a family member of the prospective contractor, or a representative of the prospective contractor gives a campaign contribution or other thing of value to an applicable public official or the applicable public official’s employees during the pendency of the procurement process or 2) a prospective contractor fails to submit a fully completed disclosure statement pursuant to the law.

THIS FORM MUST BE FILED BY ANY PROSPECTIVE CONTRACTOR WHETHER OR NOT THEY, THEIR FAMILY MEMBER, OR THEIR REPRESENTATIVE HAS MADE ANY CONTRIBUTIONS SUBJECT TO DISCLOSURE.

The following definitions apply:

“Applicable public official” means a person elected to an office or a person appointed to complete a term of an elected office, who has the authority to award or influence the award of the contract for which the prospective contractor is submitting a competitive sealed proposal or who has the authority to negotiate a sole source or small purchase contract that may be awarded without submission of a sealed competitive proposal.

“Campaign Contribution” means a gift, subscription, loan, advance or deposit of money or other thing of value, including the estimated value of an in-kind contribution, that is made to or received by an applicable public official or any person authorized to raise, collect or expend contributions on that official’s behalf for the purpose of electing the official to either statewide or local office. “Campaign Contribution” includes the payment of a debt incurred in an election campaign, but does not include the value of services provided without compensation or unreimbursed travel or other personal expenses of individuals who volunteer a portion or all of their time on behalf of a candidate or political committee, nor does it include the administrative or solicitation expenses of a political committee that are paid by an organization that sponsors the committee.
“Family member” means spouse, father, mother, child, father-in-law, mother-in-law, daughter-in-law or son-in-law.

“Pendency of the procurement process” means the time period commencing with the public notice of the request for proposals and ending with the award of the contract or the cancellation of the request for proposals.

“Person” means any corporation, partnership, individual, joint venture, association or any other private legal entity.

“Prospective contractor” means a person who is subject to the competitive sealed proposal process set forth in the Procurement Code or is not required to submit a competitive sealed proposal because that person qualifies for a sole source or a small purchase contract.

“Representative of a prospective contractor” means an officer or director of a corporation, a member or manager of a limited liability corporation, a partner of a partnership or a trustee of a trust of the prospective contractor.

DISCLOSURE OF CONTRIBUTIONS:

Contribution Made By: ________________________________________________

Relation to Prospective Contractor: ____________________________________

Name of Applicable Public Official: ____________________________________

Date Contribution(s) Made: __________________________________________

Amount(s) of Contribution(s) _________________________________________

Nature of Contribution(s) ___________________________________________

Purpose of Contribution(s) ___________________________________________

(Attach extra pages if necessary)

__________________________________________  _______________________
Signature                                      Date
Title (position)

—OR—

NO CONTRIBUTIONS IN THE AGGREGATE TOTAL OVER TWO HUNDRED FIFTY DOLLARS ($250) WERE MADE to an applicable public official by me, a family member or representative.

______________________________  _________________________
Signature  Date

______________________________
Title (Position)
APPENDIX C
SAMPLE CONTRACT
STATE OF NEW MEXICO

(NAME OF AGENCY)
PROFESSIONAL SERVICES CONTRACT #______________________

THIS AGREEMENT is made and entered into by and between the State of New Mexico, NAME OF AGENCY, hereinafter referred to as the “Agency,” and NAME OF CONTRACTOR, hereinafter referred to as the “Contractor,” and is effective as of the date set forth below upon which it is executed by the Department of Finance and Administration (DFA).

IT IS AGREED BETWEEN THE PARTIES:

1. Scope of Work.
The Contractor shall perform the following work:

2. Compensation.
   A. The Agency shall pay to the Contractor in full payment for services satisfactorily performed at the rate of ____________ dollars ($____________) per hour (OR BASED UPON DELIVERABLES, MILESTONES, BUDGET, ETC.), such compensation not to exceed (AMOUNT), excluding gross receipts tax. The New Mexico gross receipts tax levied on the amounts payable under this Agreement totaling (AMOUNT) shall be paid by the Agency to the Contractor. The total amount payable to the Contractor under this Agreement, including gross receipts tax and expenses, shall not exceed (AMOUNT). This amount is a maximum and not a guarantee that the work assigned to be performed by Contractor under this Agreement shall equal the amount stated herein. The parties do not intend for the Contractor to continue to provide services without compensation when the total compensation amount is reached. Contractor is responsible for notifying the Agency when the services provided under this Agreement reach the total compensation amount. In no event will the Contractor be paid for services provided in excess of the total compensation amount without this Agreement being amended in writing prior to those services in excess of the total compensation amount being provided.

   B. Payment is subject to availability of funds pursuant to the Appropriations Paragraph set forth below and to any negotiations between the parties from year to year pursuant to Paragraph 1, Scope of Work, and to approval by the DFA. All invoices MUST BE received by the Agency no later than fifteen (15) days after the termination of the Fiscal Year in which the services were delivered. Invoices received after such date WILL NOT BE PAID.

   (—OR—)

(CHOICE – MULTI-YEAR)
A. The Agency shall pay to the Contractor in full payment for services satisfactorily performed pursuant to the Scope of Work at the rate of _____________ dollars ($___________) in FYXX (USE FISCAL YEAR NUMBER TO DESCRIBE YEAR; DO NOT USE FY1, FY2, ETC.). The New Mexico gross receipts tax levied on the amounts payable under this Agreement in FYXX totaling (AMOUNT) shall be paid by the Agency to the Contractor. The **total amount payable to the Contractor under this Agreement, including gross receipts tax and expenses, shall not exceed (AMOUNT) in FYXX.**

(REPEAT LANGUAGE FOR EACH FISCAL YEAR COVERED BY THE AGREEMENT -- USE FISCAL YEAR NUMBER TO DESCRIBE EACH YEAR; DO NOT USE FY1, FY2, ETC.).

B. Payment in FYXX, FYXX, FYXX, and FYXX is subject to availability of funds pursuant to the Appropriations Paragraph set forth below and to any negotiations between the parties from year to year pursuant to Paragraph 1, Scope of Work, and to approval by the DFA. All invoices MUST BE received by the Agency no later than fifteen (15) days after the termination of the Fiscal Year in which the services were delivered. Invoices received after such date WILL NOT BE PAID.

C. Contractor must submit a detailed statement accounting for all services performed and expenses incurred. If the Agency finds that the services are not acceptable, within thirty days after the date of receipt of written notice from the Contractor that payment is requested, it shall provide the Contractor a letter of exception explaining the defect or objection to the services, and outlining steps the Contractor may take to provide remedial action. Upon certification by the Agency that the services have been received and accepted, payment shall be tendered to the Contractor within thirty days after the date of acceptance. If payment is made by mail, the payment shall be deemed tendered on the date it is postmarked. However, the agency shall not incur late charges, interest, or penalties for failure to make payment within the time specified herein.

3. **Term.**
   
   THIS AGREEMENT SHALL NOT BECOME EFFECTIVE UNTIL APPROVED BY THE DFA. This Agreement shall terminate on (DATE) unless terminated pursuant to paragraph 4 (Termination), or paragraph 5 (Appropriations). In accordance with NMSA 1978, § 13-1-150, no contract term for a professional services contract, including extensions and renewals, shall exceed four years, except as set forth in NMSA 1978, § 13-1-150.

4. **Termination.**
   
   A. **Grounds.** The Agency may terminate this Agreement for convenience or cause. The Contractor may only terminate this Agreement based upon the Agency’s uncured, material breach of this Agreement.
   
   B. **Notice; Agency Opportunity to Cure.**
      
      1. Except as otherwise provided in Paragraph (4)(B)(3), the Agency shall give Contractor written notice of termination at least thirty (30) days prior to the intended date of termination.
      
      2. Contractor shall give Agency written notice of termination at least thirty (30) days prior to the intended date of termination, which notice shall (i) identify all the Agency’s material breaches of this Agreement upon which the termination is based and (ii) state what the
Agency must do to cure such material breaches. Contractor’s notice of termination shall only be effective (i) if the Agency does not cure all material breaches within the thirty (30) day notice period or (ii) in the case of material breaches that cannot be cured within thirty (30) days, the Agency does not, within the thirty (30) day notice period, notify the Contractor of its intent to cure and begin with due diligence to cure the material breach.

3. Notwithstanding the foregoing, this Agreement may be terminated immediately upon written notice to the Contractor (i) if the Contractor becomes unable to perform the services contracted for, as determined by the Agency; (ii) if, during the term of this Agreement, the Contractor is suspended or debarred by the State Purchasing Agent; or (iii) the Agreement is terminated pursuant to Paragraph 5, “Appropriations”, of this Agreement.

C. Liability. Except as otherwise expressly allowed or provided under this Agreement, the Agency’s sole liability upon termination shall be to pay for acceptable work performed prior to the Contractor’s receipt or issuance of a notice of termination; provided, however, that a notice of termination shall not nullify or otherwise affect either party’s liability for pre-termination defaults under or breaches of this Agreement. The Contractor shall submit an invoice for such work within thirty (30) days of receiving or sending the notice of termination. THIS PROVISION IS NOT EXCLUSIVE AND DOES NOT WAIVE THE AGENCY’S OTHER LEGAL RIGHTS AND REMEDIES CAUSED BY THE CONTRACTOR’S DEFAULT/BREACH OF THIS AGREEMENT.

D. Termination Management. Immediately upon receipt by either the Agency or the Contractor of notice of termination of this Agreement, the Contractor shall: 1) not incur any further obligations for salaries, services or any other expenditure of funds under this Agreement without written approval of the Agency; 2) comply with all directives issued by the Agency in the notice of termination as to the performance of work under this Agreement; and 3) take such action as the Agency shall direct for the protection, preservation, retention or transfer of all property titled to the Agency and records generated under this Agreement. Any non-expendable personal property or equipment provided to or purchased by the Contractor with contract funds shall become property of the Agency upon termination and shall be submitted to the agency as soon as practicable.

5. Appropriations.

The terms of this Agreement are contingent upon sufficient appropriations and authorization being made by the Legislature of New Mexico for the performance of this Agreement. If sufficient appropriations and authorization are not made by the Legislature, this Agreement shall terminate immediately upon written notice being given by the Agency to the Contractor. The Agency’s decision as to whether sufficient appropriations are available shall be accepted by the Contractor and shall be final. If the Agency proposes an amendment to the Agreement to unilaterally reduce funding, the Contractor shall have the option to terminate the Agreement or to agree to the reduced funding, within thirty (30) days of receipt of the proposed amendment.


The Contractor and its agents and employees are independent contractors performing professional services for the Agency and are not employees of the State of New Mexico. The Contractor and its agents and employees shall not accrue leave, retirement, insurance, bonding, use of state vehicles, or any other benefits afforded to employees of the State of New Mexico as a result of this Agreement. The Contractor acknowledges that all sums received hereunder are
reportable by the Contractor for tax purposes, including without limitation, self-employment and business income tax. The Contractor agrees not to purport to bind the State of New Mexico unless the Contractor has express written authority to do so, and then only within the strict limits of that authority.

7. **Assignment.**
   The Contractor shall not assign or transfer any interest in this Agreement or assign any claims for money due or to become due under this Agreement without the prior written approval of the Agency.

8. **Subcontracting.**
   The Contractor shall not subcontract any portion of the services to be performed under this Agreement without the prior written approval of the Agency. No such subcontract shall relieve the primary Contractor from its obligations and liabilities under this Agreement, nor shall any subcontract obligate direct payment from the Procuring Agency.

9. **Release.**
   Final payment of the amounts due under this Agreement shall operate as a release of the Agency, its officers and employees, and the State of New Mexico from all liabilities, claims and obligations whatsoever arising from or under this Agreement.

10. **Confidentiality.**
    Any confidential information provided to or developed by the Contractor in the performance of this Agreement shall be kept confidential and shall not be made available to any individual or organization by the Contractor without the prior written approval of the Agency.

11. **Product of Service -- Copyright.**
    All materials developed or acquired by the Contractor under this Agreement shall become the property of the State of New Mexico and shall be delivered to the Agency no later than the termination date of this Agreement. Nothing developed or produced, in whole or in part, by the Contractor under this Agreement shall be the subject of an application for copyright or other claim of ownership by or on behalf of the Contractor.

12. **Conflict of Interest; Governmental Conduct Act.**
    A. The Contractor represents and warrants that it presently has no interest and, during the term of this Agreement, shall not acquire any interest, direct or indirect, which would conflict in any manner or degree with the performance or services required under the Agreement.

    B. The Contractor further represents and warrants that it has complied with, and, during the term of this Agreement, will continue to comply with, and that this Agreement complies with all applicable provisions of the Governmental Conduct Act, Chapter 10, Article 16 NMSA 1978. Without in anyway limiting the generality of the foregoing, the Contractor specifically represents and warrants that:

      1) in accordance with NMSA 1978, § 10-16-4.3, the Contractor does not employ, has not employed, and will not employ during the term of this Agreement any
Agency employee while such employee was or is employed by the Agency and participating directly or indirectly in the Agency’s contracting process;

2) this Agreement complies with NMSA 1978, § 10-16-7(A) because (i) the Contractor is not a public officer or employee of the State; (ii) the Contractor is not a member of the family of a public officer or employee of the State; (iii) the Contractor is not a business in which a public officer or employee or the family of a public officer or employee has a substantial interest; or (iv) if the Contractor is a public officer or employee of the State, a member of the family of a public officer or employee of the State, or a business in which a public officer or employee of the State or the family of a public officer or employee of the State has a substantial interest, public notice was given as required by NMSA 1978, § 10-16-7(A) and this Agreement was awarded pursuant to a competitive process;

3) in accordance with NMSA 1978, § 10-16-8(A), (i) the Contractor is not, and has not been represented by, a person who has been a public officer or employee of the State within the preceding year and whose official act directly resulted in this Agreement and (ii) the Contractor is not, and has not been assisted in any way regarding this transaction by, a former public officer or employee of the State whose official act, while in State employment, directly resulted in the Agency's making this Agreement;

4) this Agreement complies with NMSA 1978, § 10-16-9(A) because (i) the Contractor is not a legislator; (ii) the Contractor is not a member of a legislator's family; (iii) the Contractor is not a business in which a legislator or a legislator's family has a substantial interest; or (iv) if the Contractor is a legislator, a member of a legislator’s family, or a business in which a legislator or a legislator's family has a substantial interest, disclosure has been made as required by NMSA 1978, § 10-16-7(A), this Agreement is not a sole source or small purchase contract, and this Agreement was awarded in accordance with the provisions of the Procurement Code;

5) in accordance with NMSA 1978, § 10-16-13, the Contractor has not directly participated in the preparation of specifications, qualifications or evaluation criteria for this Agreement or any procurement related to this Agreement; and

6) in accordance with NMSA 1978, § 10-16-3 and § 10-16-13.3, the Contractor has not contributed, and during the term of this Agreement shall not contribute, anything of value to a public officer or employee of the Agency.

C. Contractor’s representations and warranties in Paragraphs A and B of this Article 12 are material representations of fact upon which the Agency relied when this Agreement was entered into by the parties. Contractor shall provide immediate written notice to the Agency if, at any time during the term of this Agreement, Contractor learns that Contractor’s representations and warranties in Paragraphs A and B of this Article 12 were erroneous on the effective date of this Agreement or have become erroneous by reason of new or changed circumstances. If it is later determined that Contractor’s representations and warranties in Paragraphs A and B of this Article 12 were erroneous on the effective date of this Agreement or have become erroneous by reason of new or changed circumstances, in addition to other remedies available to the Agency and notwithstanding anything in the Agreement to the contrary, the Agency may immediately terminate the Agreement.
D. All terms defined in the Governmental Conduct Act have the same meaning in this Article 12(B).

13. **Amendment.**
   A. This Agreement shall not be altered, changed or amended except by instrument in writing executed by the parties hereto and all other required signatories.

   B. If the Agency proposes an amendment to the Agreement to unilaterally reduce funding due to budget or other considerations, the Contractor shall, within thirty (30) days of receipt of the proposed Amendment, have the option to terminate the Agreement, pursuant to the termination provisions as set forth in Article 4 herein, or to agree to the reduced funding.

14. **Merger.**
   This Agreement incorporates all the Agreements, covenants and understandings between the parties hereto concerning the subject matter hereof, and all such covenants, Agreements and understandings have been merged into this written Agreement. No prior Agreement or understanding, oral or otherwise, of the parties or their agents shall be valid or enforceable unless embodied in this Agreement.

15. **Penalties for violation of law.**
   The Procurement Code, NMSA 1978 §§ 13-1-28 through 13-1-199, imposes civil and criminal penalties for its violation. In addition, the New Mexico criminal statutes impose felony penalties for illegal bribes, gratuities and kickbacks.

16. **Equal Opportunity Compliance.**
   The Contractor agrees to abide by all federal and state laws and rules and regulations, and executive orders of the Governor of the State of New Mexico, pertaining to equal employment opportunity. In accordance with all such laws of the State of New Mexico, the Contractor assures that no person in the United States shall, on the grounds of race, religion, color, national origin, ancestry, sex, age, physical or mental handicap, or serious medical condition, spousal affiliation, sexual orientation or gender identity, be excluded from employment with or participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity performed under this Agreement. If Contractor is found not to be in compliance with these requirements during the life of this Agreement, Contractor agrees to take appropriate steps to correct these deficiencies.

17. **Applicable Law.**
   The laws of the State of New Mexico shall govern this Agreement, without giving effect to its choice of law provisions. Venue shall be proper only in a New Mexico court of competent jurisdiction in accordance with NMSA 1978, § 38-3-1 (G). By execution of this Agreement, Contractor acknowledges and agrees to the jurisdiction of the courts of the State of New Mexico over any and all lawsuits arising under or out of any term of this Agreement.

18. **Workers Compensation.**
   The Contractor agrees to comply with state laws and rules applicable to workers compensation benefits for its employees. If the Contractor fails to comply with the Workers
Compensation Act and applicable rules when required to do so, this Agreement may be terminated by the Agency.

19. **Records and Financial Audit.**
   The Contractor shall maintain detailed time and expenditure records that indicate the date; time, nature and cost of services rendered during the Agreement’s term and effect and retain them for a period of three (3) years from the date of final payment under this Agreement. The records shall be subject to inspection by the Agency, the Department of Finance and Administration and the State Auditor. The Agency shall have the right to audit billings both before and after payment. Payment under this Agreement shall not foreclose the right of the Agency to recover excessive or illegal payments.

20. **Indemnification.**
   The Contractor shall defend, indemnify and hold harmless the Agency and the State of New Mexico from all actions, proceeding, claims, demands, costs, damages, attorneys’ fees and all other liabilities and expenses of any kind from any source which may arise out of the performance of this Agreement, caused by the negligent act or failure to act of the Contractor, its officers, employees, servants, subcontractors or agents, or if caused by the actions of any client of the Contractor resulting in injury or damage to persons or property during the time when the Contractor or any officer, agent, employee, servant or subcontractor thereof has or is performing services pursuant to this Agreement. In the event that any action, suit or proceeding related to the services performed by the Contractor or any officer, agent, employee, servant or subcontractor under this Agreement is brought against the Contractor, the Contractor shall, as soon as practicable but no later than two (2) days after it receives notice thereof, notify the legal counsel of the Agency and the Risk Management Division of the New Mexico General Services Department by certified mail.

21. **New Mexico Employees Health Coverage.**
   A. If Contractor has, or grows to, six (6) or more employees who work, or who are expected to work, an average of at least 20 hours per week over a six (6) month period during the term of the contract, Contractor certifies, by signing this agreement, to have in place, and agree to maintain for the term of the contract, health insurance for those employees and offer that health insurance to those employees if the expected annual value in the aggregate of any and all contracts between Contractor and the State exceed $250,000 dollars.

   B. Contractor agrees to maintain a record of the number of employees who have (a) accepted health insurance; (b) declined health insurance due to other health insurance coverage already in place; or (c) declined health insurance for other reasons. These records are subject to review and audit by a representative of the state.

   C. Contractor agrees to advise all employees of the availability of State publicly financed health care coverage programs by providing each employee with, as a minimum, the following web site link to additional information: https://www.bewellnm.com/.

22. **Employee Pay Equity Reporting.**
   Contractor agrees if it has ten (10) or more New Mexico employees OR eight (8) or more
employees in the same job classification, at any time during the term of this contract, to complete and submit the PE10-249 form on the annual anniversary of the initial report submittal for contracts up to one (1) year in duration. If contractor has (250) or more employees’ contractor must complete and submit the PE250 form on the annual anniversary of the initial report submittal for contracts up to one (1) year in duration. For contracts that extend beyond one (1) calendar year, or are extended beyond one (1) calendar year, contractor also agrees to complete and submit the PE10-249 or PE250 form, whichever is applicable, within thirty (30) days of the annual contract anniversary date of the initial submittal date or, if more than 180 days has elapsed since submittal of the last report, at the completion of the contract, whichever comes first. Should contractor not meet the size requirement for reporting at contract award but subsequently grows such that they meet or exceed the size requirement for reporting, contractor agrees to provide the required report within ninety (90 days) of meeting or exceeding the size requirement. That submittal date shall serve as the basis for submittals required thereafter. Contractor also agrees to levy this requirement on any subcontractor(s) performing more than 10% of the dollar value of this contract if said subcontractor(s) meets, or grows to meet, the stated employee size thresholds during the term of the contract. Contractor further agrees that, should one or more subcontractor not meet the size requirement for reporting at contract award but subsequently grows such that they meet or exceed the size requirement for reporting, contractor will submit the required report, for each such subcontractor, within ninety (90 days) of that subcontractor meeting or exceeding the size requirement. Subsequent report submittals, on behalf of each such subcontractor, shall be due on the annual anniversary of the initial report submittal. Contractor shall submit the required form(s) to the State Purchasing Division of the General Services Department, and other departments as may be determined, on behalf of the applicable subcontractor(s) in accordance with the schedule contained in this paragraph. Contractor acknowledges that this subcontractor requirement applies even though contractor itself may not meet the size requirement for reporting and be required to report itself.

Notwithstanding the foregoing, if this Contract was procured pursuant to a solicitation, and if Contractor has already submitted the required report accompanying their response to such solicitation, the report does not need to be re-submitted with this Agreement.

23. **Invalid Term or Condition.**

   If any term or condition of this Agreement shall be held invalid or unenforceable, the remainder of this Agreement shall not be affected and shall be valid and enforceable.

24. **Enforcement of Agreement.**

   A party's failure to require strict performance of any provision of this Agreement shall not waive or diminish that party's right thereafter to demand strict compliance with that or any other provision. No waiver by a party of any of its rights under this Agreement shall be effective unless express and in writing, and no effective waiver by a party of any of its rights shall be effective to waive any other rights.

25. **Notices.**

   Any notice required to be given to either party by this Agreement shall be in writing and shall be delivered in person, by courier service or by U.S. mail, either first class or certified, return receipt requested, postage prepaid, as follows:
To the Agency:
[insert name, address and email].

To the Contractor:
[insert name, address and email].

26. **Authority.**
If Contractor is other than a natural person, the individual(s) signing this Agreement on behalf of Contractor represents and warrants that he or she has the power and authority to bind Contractor, and that no further action, resolution, or approval from Contractor is necessary to enter into a binding contract.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date of signature by the DFA Contracts Review Bureau below.

By: ___________________________________________ Date:___________
Agency

By: ___________________________________________ Date:___________
Agency’s Legal Counsel – Certifying legal sufficiency

By: ___________________________________________ Date:___________
Agency’s Chief Financial Officer

By: ___________________________________________ Date:___________
Contractor

The records of the Taxation and Revenue Department reflect that the Contractor is registered with the Taxation and Revenue Department of the State of New Mexico to pay gross receipts and compensating taxes.

ID Number: **00-000000-00-0**

By: ___________________________________________ Date:___________
Taxation and Revenue Department

This Agreement has been approved by the DFA Contracts Review Bureau:

By: ___________________________________________ Date:___________
DFA Contracts Review Bureau
APPENDIX D

COST RESPONSE FORM

IBAC Technical Pricing Document Final.xlsx

Please attach your Specialty Drug List
APPENDIX E

LETTER OF TRANSMITTAL FORM
Letter of Transmittal Form

RFP#: ________________________________  FED ID# ________________________________

Items #1 to #7 EACH MUST BE COMPLETED IN FULL Failure to respond to all seven items WILL RESULT IN THE DISQUALIFICATION OF THE PROPOSAL!

1. Identity (Name) and Mailing Address of the submitting organization:
____________________________________________________________________________
____________________________________________________________________________
____________________________________________________________________________

2. For the person authorized by the organization to contractually obligate on behalf of this Offer:
Name ________________________________________________________________
Title ________________________________________________________________
E-Mail Address _________________________________________________________
Telephone Number ______________________________________________________

3. For the person authorized by the organization to negotiate on behalf of this Offer:
Name ________________________________________________________________
Title ________________________________________________________________
E-Mail Address _________________________________________________________
Telephone Number ______________________________________________________

4. For the person authorized by the organization to clarify/respond to queries regarding this Offer:
Name ________________________________________________________________
Title ________________________________________________________________
E-Mail Address _________________________________________________________
Telephone Number ______________________________________________________

5. Use of Sub-Contractors (Select one)
   ____ No sub-contractors will be used in the performance of any resultant contract OR
   ____ The following sub-contractors will be used in the performance of any resultant contract:
   _______________________________________________________________________
   (Attach extra sheets, as needed)

6. Please describe any relationship with any entity (other than Subcontractors listed in (5) above) which will be used in the performance of any resultant contract.
   _______________________________________________________________________
   (Attach extra sheets, as needed)

7. ___ On behalf of the submitting organization named in item #1, above, I accept the Conditions Governing the Procurement as required in Section II. C.1.  
   ____ I concur that submission of our proposal constitutes acceptance of the Evaluation Factors contained in Section V of this RFP.  
   ____ I acknowledge receipt of any and all amendments to this RFP.
   _______________________________________________________________________

Authorized Signature and Date (Must be signed by the person identified in item #2, above.)

_________________________________________ , 2017
APPENDIX F

ORGANIZATIONAL REFERENCE QUESTIONNAIRE

The State of New Mexico, as a part of the RFP process, requires Offerors to submit a minimum of six (6) business references as required within this document. The purpose of these references is to document Offeror’s experience relevant to the scope of work in an effort to establish Offeror’s responsibility. Three references are groups of similar size and scope. Three references are terminated references within the last two years of similar size and scope.

Offeror is required to send the following reference form to each business reference listed. The business reference, in turn, is requested to submit the Reference Form directly to:

Neil Kueffer, Procurement Manager
Interagency Benefits Advisory Committee
c/o New Mexico Retiree Health Care Authority
4308 Carlisle Blvd. NE, STE 104
Albuquerque, NM 87107

Telephone: (505) 222-6408
Fax: (505) 884-8611
Email: neil.kueffer@state.nm.us

by September 12, 2017 for inclusion in the evaluation process. The form and information provided will become a part of the submitted proposal. Business references provided may be contacted for validation of content provided therein.
RFP # 2018-IBAC-0001
ORGANIZATIONAL REFERENCE QUESTIONNAIRE FOR:

(Name of Offeror)

This form is being submitted to your company for completion as a business reference for the company listed above. This form is to be returned to the State of New Mexico, Interagency Benefits Advisor Committee via facsimile or e-mail at:

Name: Neil Kueffer Procurement Manager
Interagency Benefits Advisory Committee
Address: c/o New Mexico Retiree Health Care Authority
4308 Carlisle Blvd. NE, STE 104
Albuquerque, NM 87107
Telephone: (505) 222-6408
Fax: (505) 884-8611
Email: neil.kueffer@state.nm.us

Return no later than September 12, 2017, 3:00 PM MST and must not be returned to the company requesting the reference.

For questions or concerns regarding this form, please contact the State of New Mexico Procurement Manager listed above. When contacting us, please be sure to include the Request for Proposal number listed at the top of this page.
<table>
<thead>
<tr>
<th>Company providing reference:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Contact name and title/position</td>
<td></td>
</tr>
<tr>
<td>Contact telephone number</td>
<td></td>
</tr>
<tr>
<td>Contact e-mail address</td>
<td></td>
</tr>
<tr>
<td>Project description;</td>
<td></td>
</tr>
<tr>
<td>Project dates (starting and ending);</td>
<td></td>
</tr>
<tr>
<td>Technical environment for the project your providing a reference (i.e., Software applications, Internet capabilities, Data communications, Network, Hardware);</td>
<td></td>
</tr>
</tbody>
</table>

QUESTIONS:

1. In what capacity have you worked with this vendor in the past?
   a. COMMENTS:

2. How would you rate this firm's knowledge and expertise?
   i. (3 = Excellent; 2 = Satisfactory; 1 = Unsatisfactory; 0 = Unacceptable)
   b. COMMENTS:

3. Did the PBM Administrator perform services in accordance with the terms of the contract, RFP and to your expectations in the following areas:
   a. Invoicing/Billing Accuracy
   b. Reporting
   c. Cost Containment or Clinical Programs
   d. Customer Service to the Plan
   e. Customer Service to the Member
   f. Mail Service
   g. Specialty Pharmacy

4. Do you have any particular issues with their services that were on-going or unresolved?

5. Would you give them a positive reference and recommend them to other groups?

6. Are there any additional comments you would like to provide?
APPENDIX G

RESIDENT VETERANS CERTIFICATION
New Mexico Preference Resident Veterans Certification

Reminder, a copy of Resident Veterans Preference Certificate must be submitted with the proposal in order to ensure adequate consideration and application of NMSA 1978, § 13-1-21 (as amended).

______________________________ (NAME OF CONTRACTOR) hereby certifies the following in regard to application of the resident veterans’ preference to this procurement:

Please check one box only

☐ I declare under penalty of perjury that my business prior year revenue starting January 1 ending December 31 is less than $1M allowing me the 10% preference on this solicitation. I understand that knowingly giving false or misleading information about this fact constitutes a crime.

☐ I declare under penalty of perjury that my business prior year revenue starting January 1 ending December 31 is more than $1M but less than $5M allowing me the 8% preference on this solicitation. I understand that knowingly giving false or misleading information about this fact constitutes a crime.

☐ I declare under penalty of perjury that my business prior year revenue starting January 1 ending December 31 is more than $5M allowing me the 7% preference on this solicitation. I understand that knowingly giving false or misleading information about this fact constitutes a crime.

“\text{I agree to submit a report, or reports, to the State Purchasing Division of the General Services Department declaring under penalty of perjury that during the last calendar year starting January 1 and ending on December 31, the following to be true and accurate:}"

“\text{In conjunction with this procurement and the requirements of this business’ application for a Resident Veteran Business Preference/Resident Veteran Contractor Preference under NMSA 1978, § 13-1-21 or 13-1-22, when awarded a contract which was on the basis of having such veterans preference, I agree to report to the State Purchasing Division of the General Services Department the awarded amount involved. I will indicate in the report the award amount as a purchase from a public body or as a public works contract from a public body as the case may be.}"

“\text{I understand that knowingly giving false or misleading information on this report constitutes a crime.}"

I declare under penalty of perjury that this statement is true to the best of my knowledge. I understand that giving false or misleading statements about material fact regarding this matter constitutes a crime.

______________________________  ________________________________
(Signature of Business Representative)*  (Date)

*Must be an authorized signatory for the Business. The representations made in checking the boxes constitutes a material representation by the business that is subject to protest and may result in denial of an award or termination of award of the procurement involved if the statements are proven to be incorrect.
Appendix H

Corporate Financial Documents (Not Pricing)
Appendix I

PBM Quarterly Reporting Package
Appendix J

Implementation Plan
Appendix K

Staff Resumes
Appendix L

New Mexico Employees Health Coverage Form

1. For all contracts solicited and awarded on or after January 1, 2008: If the Offeror has, or grows to, six (6) or more employees who work, or who are expected to work, an average of at least 20 hours per week over a six (6) month period during the term of the contract, Offeror must agree to have in place, and agree to maintain for the term of the contract, health insurance for those employees and offer that health insurance to those employees no later than July 1, 2018 if the expected annual value in the aggregate of any and all contracts between Contractor and the State exceed $250,000 dollars.

2. Offeror must agree to maintain a record of the number of employees who have (a) accepted health insurance; (b) decline health insurance due to other health insurance coverage already in place; or (c) decline health insurance for other reasons. These records are subject to review and audit by a representative of the state.

3. Offeror must agree to advise all employees of the availability of State publicly financed health care coverage programs by providing each employee with, as a minimum, the following web site link to additional information https://www.bewellnm.com/.

4. For Indefinite Quantity, Indefinite Delivery contracts (price agreements without specific limitations on quantity and providing for an indeterminate number of orders to be placed against it); these requirements shall apply the first day of the second month after the Offeror reports combined sales (from state and, if applicable, from local public bodies if from a state price agreement) of $250,000.

Signature of Offeror: _________________________ Date_______
Appendix M

IBAC Performance Guarantees Final.xlsx