

DEPARTAMENTO DE
SALUD



Puerto Rico Medicaid

*Contracting Reform Playbook
September 2021*

Purpose

The *Contracting Reform Playbook* gathers **leading practices** from comparable Medicaid programs, **key considerations**, and **potential actions and decisions** for Puerto Rico Medicaid Enterprise to improve procurement processes. It serves as a guide to implement the following opportunities identified in the **Contracting Reform Plan**, as required to comply with PL 116–94:

- Enhance the strategy and planning efforts in Puerto Rico’s procurements
- Increase competition and establish alternative competitive contracting processes
- Engage stakeholders and expand the strategic development and planning processes for procuring services
- Increase transparency, make more contracting information publicly available
- Drive increased standardization and consistency in the scoring and selection process



The *Contracting Reform Plan*, dated December 20, 2020 is available [here](#).

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How to Use The Contracting Reform Playbook (1/2)

The Contracting Reform Playbook uses active hyperlinks to allow for easy access to information and sections.

Click the hyperlinks to easily navigate to the Section or Key Highlights.

The hyperlinks here will take you to the beginning of each section. For example, when you click on “Critical Success Factors to Enable Implementation of the Playbook”, you will be directed to the Cover page of this Section.

The hyperlinks here will take you to the Sub-section or Key Highlights such as “Solicitation & Source Selection.”

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How to Use The Contracting Reform Playbook (2/2)

Each Contracting Reform Plan initiative is introduced with an overview slide highlighting the key details for the initiative and its implementation.

This section explains the desired outcome for the relevant initiative. It describes what Puerto Rico could achieve by successfully implementing the relevant initiative.

This section provides a breakdown of the initiative's content such as key considerations, leading practices, and next steps or decisions.

This section provides potential tools and templates Puerto Rico can develop to support successful implementation and Enterprise adoption of the initiative.

Desired Outcomes from this Initiative:
Establish a repeatable process that identifies program owners of each contract requirement (e.g., Quality of Care and Program Integrity) and engage those owners from the procurement planning through the contract oversight process.

Section Content:
Engaging Program Owners In Procurement Processes
Program owners could perform the following functions:

- Serve as functional owners and subject matter experts throughout procurement processes
- Serve as a point of contact to discuss progress of the contract with the contractor
- Report feedback to continuously improve procurement processes

Engaging Program Owners In Procurement Processes: Roles and Considerations

Potential Templates and Tools:
A Program Owners' Matrix Template that identifies the subject areas of the RFP, designates "program owners" of those functional/subject areas, and outlines their potential responsibilities within the RFP process.

Background



Contracting Landscape in Puerto Rico Medicaid

The Medicaid program is administered by Puerto Rico Department of Health (PRDOH) and Health Insurance Administration (PRHIA), which collectively are referred to as the Medicaid Enterprise.

Puerto Rico Medicaid Enterprise

The Medicaid program is administered by PRDOH and PRHIA, which collectively is referred to as the Medicaid Enterprise. This is a long-standing sister agency relationship, defined by an interagency memorandum of understanding (MOU).

PRDOH

- PRDOH is the Single State Agency (SSA) for administering our State Medicaid Program.
- For purposes of the Medicaid program administration, PRDOH is the State Medicaid Agency (SMA).
- Puerto Rico's Medicaid Program (PRMP), a department under the PRDOH, oversees the Medicaid State Plan, determines Medicaid eligibility of residents, and is responsible for the operation of the Medicaid Management Information System (MMIS) for the program.

PRHIA

- PRHIA (commonly referred to as Administración de Seguros de Salud [ASES]), was created in 1993 to oversee, monitor and evaluate services offered by the managed care organizations (MCOs) under contract with PRHIA.
- PRHIA is a public corporation governed by a Board of Directors (BOD) made up of eleven (11) members, six (6) that are Ex-Officio Members and five (5) that are appointed by the Governor of Puerto Rico with the advice and consent of Puerto Rico's Senate.

Other Puerto Rican Oversight Entities

Financial Oversight and Management Board for Puerto Rico (FOMB)

The Financial Oversight and Management Board for Puerto Rico (FOMB) was created under the Puerto Rico Oversight, Management and Economic Stability Act (PROMESA) of 2016.

In its oversight of the Medicaid Enterprise, the FOMB must approve all government contracts and amendments with an aggregate value of \$10,000,000 or more. FOMB may review any contract below such threshold at its sole discretion.

Puerto Rico Governor's Office and the Office of Management and Budget (OMB)

In its oversight of the Medicaid Enterprise, the Governor's Office and the OMB must approve all contracts and amendments with an aggregate value of \$10,000 or more.

Puerto Rico General Services Administration (GSA)

Registers and certifies vendors that conduct business with the Government of Puerto Rico.

Puerto Rico's Contracting Reform Plan Initiatives





In December 2020, Puerto Rico submitted to Congress a Contracting Reform Plan identifying specific priority initiatives to reform contracting practices. The continued implementation of these initiatives is contingent on Congress appropriating sufficient funds to Puerto Rico Medicaid Enterprise.

Congressional Requirement

Puerto Rico shall publish a Contracting Reform plan to combat fraudulent, wasteful, or abusive contracts under Puerto Rico's Medicaid program under Title XIX that includes:

- Metrics for evaluating the success of the plan; and
- A schedule for publicly releasing status reports on the plan.

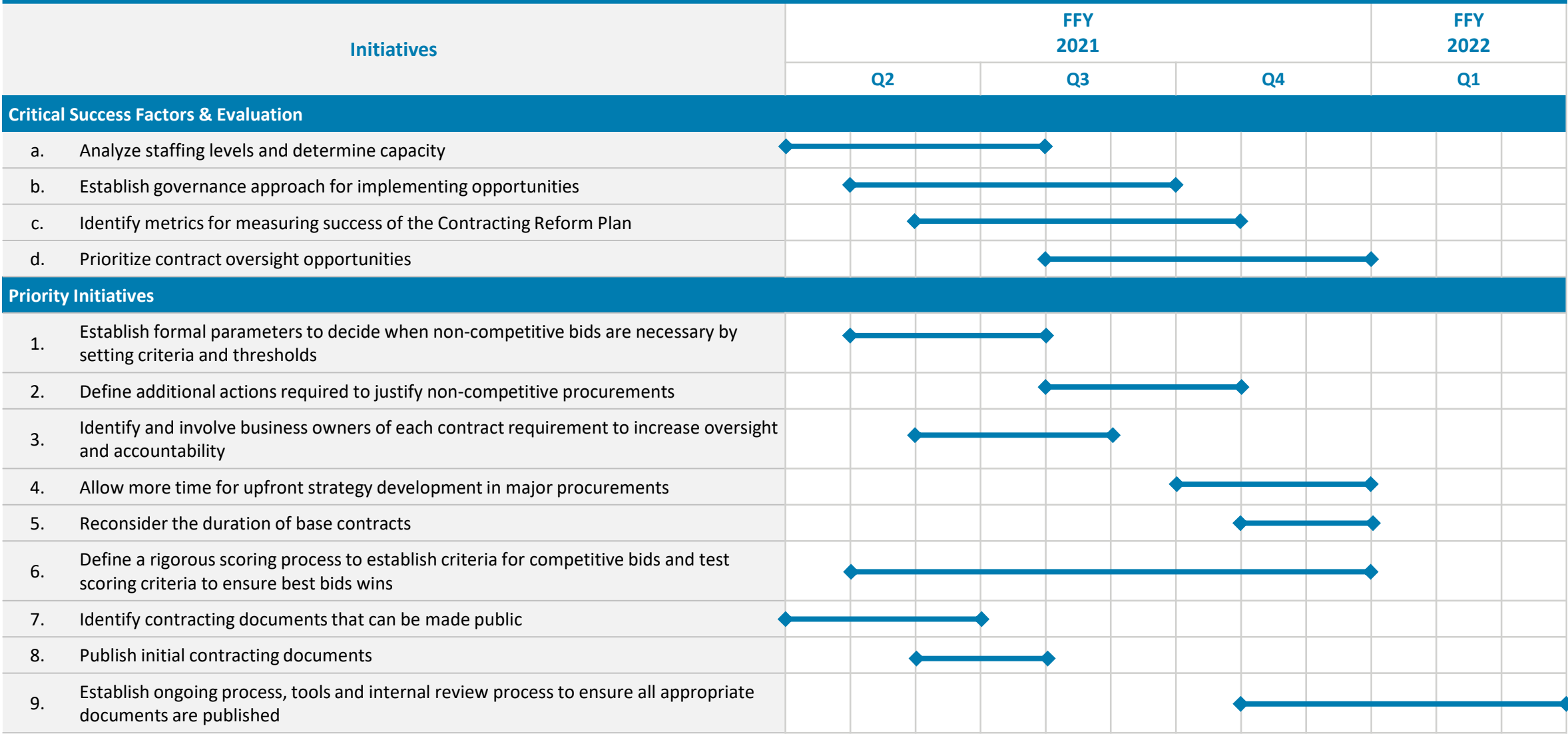
The Contracting Reform Plan identifies the following objectives and supporting priority initiatives to improve the Puerto Rico Medicaid Enterprise's procurement and contracting processes:

Objectives	Priority Initiatives
 Increase competition and establish alternative competitive contracting processes	1. Establish formal parameters and define additional actions to decide when non-competitive bids are necessary by setting criteria and thresholds 2. Define additional actions required to justify non-competitive procurements
 Increase standardization in the scoring and selection process	3. Identify and involve business oversight owners of each contract requirement to increase accountability 4. Allow more time for upfront strategy development in major procurements 5. Reconsider the duration of base contracts
 Strengthen upfront strategy development and planning	6. Define a rigorous scoring process to establish criteria for competitive bids and test scoring criteria to ensure best bids win 7. Identify contracting documents to be made public
 Increase transparency and make more contracting information publicly available	8. Publish initial contracting documents 9. Establish ongoing process, tools and internal review process to ensure all appropriate documents are published

Edna: We've kept this slide in the deck so that you can see the original timeline. Please remove this slide before sending to CMS.

Contracting Reform Plan Timeline (As Published in the Contracting Reform Plan)

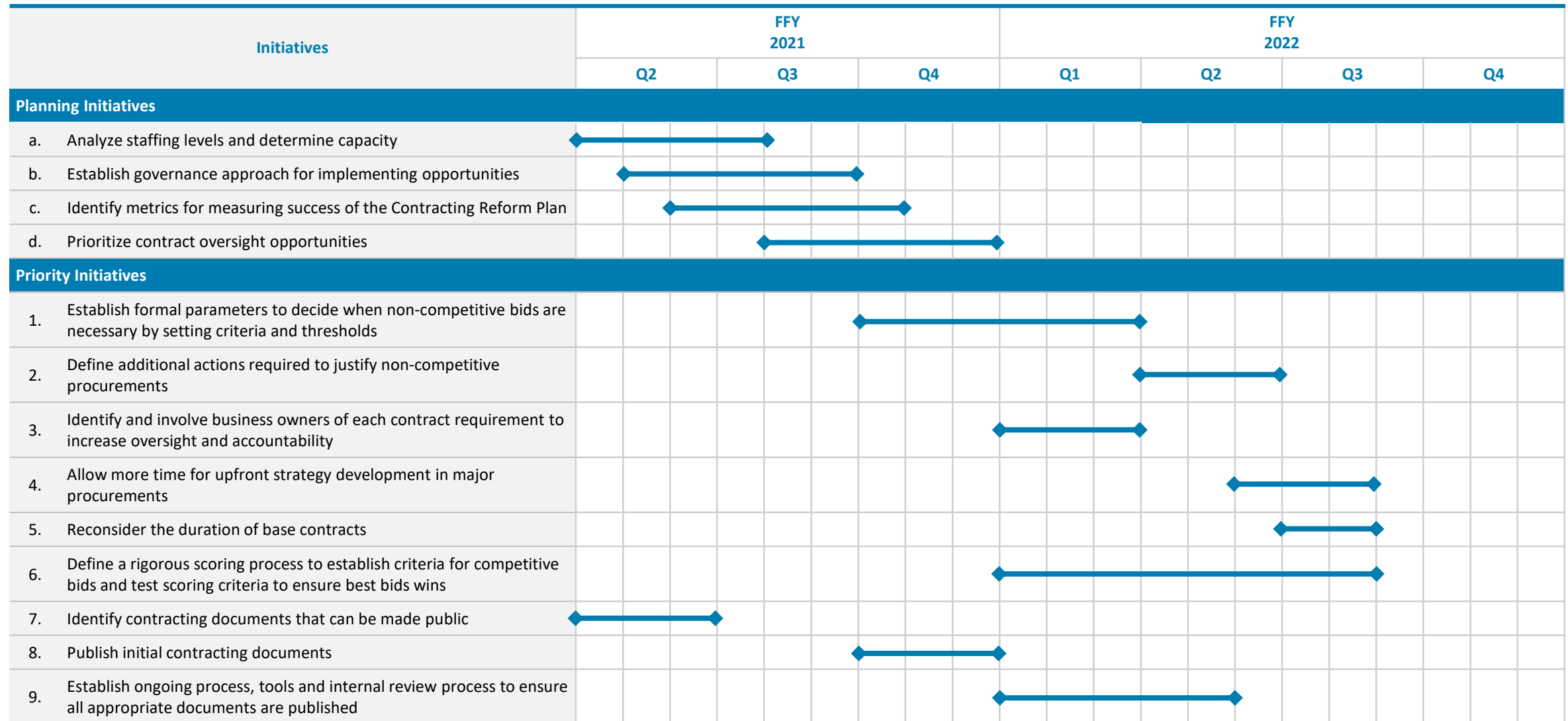
Following the publication of the Contracting Reform Plan, Puerto Rico set forth to completing the planning and preparation for implementation, as seen below.



Source: [The Contracting Reform Plan](#)

Contracting Reform Plan Timeline (Proposed Updated Implementation Timeline)

The timeline below is an updated version of what was submitted in the Contracting Reform Plan of December 2020. Resource restraints have limited staff capacity to date.



Status of the Contracting Reform Planning Initiatives

Below is a status update on the progress made on the planning initiatives highlighted in the Contracting Reform Plan:

Initiatives	Status	Completed Activities	Ongoing Activities
Planning Initiatives			
a. Analyze staffing levels and determine capacity	Complete	<ul style="list-style-type: none"> Conducted a high-level staffing analysis to assess its ability to properly manage and enhance the Medicaid program based on the staffing levels that support other state Medicaid programs. Puerto Rico made the decision to create two new contracting divisions within PRMP and PRHIA to solely support procurement and contracting activities for contracts funded by Medicaid. PRHIA, as part of the Puerto Rico Medicaid Enterprise, has drafted a plan for its new divisions and has requested additional Full Time Equivalents (FTEs). 	<ul style="list-style-type: none"> Continue restructuring our current contracting divisions at PRMP and PRHIA to support upcoming procurement and contracting activities within the Enterprise. This initiative will be led by PRMP's Contracting and Procurement leads.
b. Establish governance approach for implementing opportunities	Complete	<ul style="list-style-type: none"> Established a governance structure, including a cadence of regular Contracting Reform Leadership meetings across the Puerto Rico Medicaid Enterprise for decision-making and to guide ongoing contracting reform efforts. 	<ul style="list-style-type: none"> Continue ongoing governance of Contracting Reform Plan initiatives across the Medicaid Enterprise by holding regular Contracting Reform Leadership meetings.
c. Identify metrics for measuring success of the Contracting Reform Plan	Complete	<ul style="list-style-type: none"> Analyzed our procurement and contract management process, using the nationally recognized Contract Management Maturity Model (CMMM) as guidance, to create a baseline to measure future progress. Identified performance metrics and drafted a success measures reporting template that will be used to gauge and communicate progress of the Contracting Reform Plan regularly. 	<ul style="list-style-type: none"> Monitor performance metrics and report out on the Contracting Reform Plan implementation progress on a reoccurring basis.
d. Prioritize contract oversight opportunities	Complete	<ul style="list-style-type: none"> As part of continuing self-evaluation efforts between the Puerto Rico Medicaid Program and PRHIA, prioritized opportunities arising within the Medicaid Enterprise regarding enhancements of data quality, organizational collaborations and the adoption of the MMIS by PRHIA. 	<ul style="list-style-type: none"> Implement the enhancement opportunities as additional resources and funding becomes available.

Status of the Contracting Reform Priority Initiatives (1/5)

Below is a status update on the progress made on the priority initiatives highlighted in the Contracting Reform Plan:

Initiatives	Status	Completed Activities	Ongoing Activities
Priority Initiatives			
<p>1. Establish formal parameters to decide when non-competitive bids are necessary by setting criteria and thresholds</p>	<p>In Progress</p>	<ul style="list-style-type: none"> Decided on a monetary threshold for non-competitive procurements. This threshold will be implemented in a phased approach to allow competitive procurements to scale up sustainably over the next year. PRDOH intends to transition all professional services contracts over the established monetary threshold funded by Medicaid to be competitively procured when current contracts expire. PRHIA intends to implement this threshold by extending certain contracts up to six months with a goal of transitioning all professional services contracts funded by Medicaid by March 31, 2022. 	<ul style="list-style-type: none"> Write and publish policies and procedures on the DOH and ASES websites regarding the monetary threshold for non-competitive procurements Identify current professional services contracts which require contract renewal before the end of the fiscal year Determine which contracts will be extended and which will be prioritized for competitive procurement Set dates for new procurements to follow the competitive process Issue RFPs, based on capacity, for select contracts (i.e., EQRO) or in circumstances such as large contract value above a certain threshold Analyze contracts to determine appropriateness of MSA for specific categories of professional services Release an RFQ to issue MSA to create Single Qualified Bidders List for specific categories of professional services
<p>2. Define additional actions required to justify non-competitive procurements</p>	<p>In Progress</p>	<ul style="list-style-type: none"> Created a standardized template justifying non-competitive procurements, in accordance with leading practices from other states. In cases of extenuating circumstances that will prevent compliance with standards such as procuring professional services contracts over the established monetary threshold competitively (including but not limited to the lack of multiple vendors to compete for a contract), a justification letter will now be required and made public by the Contracting and Procurement Oversight leads of both agencies. 	<ul style="list-style-type: none"> Additional requirements for non-competitive procurements are currently being reviewed and considered

Status of the Contracting Reform Priority Initiatives (2/5)

Below is a status update on the progress made on the priority initiatives highlighted in the Contracting Reform Plan:

Initiatives	Status	Completed Activities	Ongoing Activities
Priority Initiatives (continued)			
3. Identify and involve business owners of each contract requirement to increase oversight and accountability	In Progress	<ul style="list-style-type: none"> Reviewed and documented leading practices from comparable states on how they identify and involve business owners to increase oversight and accountability 	<ul style="list-style-type: none"> Determine which upcoming procurements warrant program owners Identify program owners for specified upcoming procurements Define functional / subject areas for specified upcoming procurements and assign program owners Involve program owners in drafting RFP technical requirements and evaluation criteria for specified upcoming procurements Involve program owners in evaluation of specified upcoming procurement proposals Create program owners' matrix tool to ensure transparency and accountability in procurement processes Adopt program owners' matrix tool into all the specified upcoming procurements Write decisions made into agencies' policies and procedures
4. Allow more time for upfront strategy development in major procurements	In Progress	<ul style="list-style-type: none"> Reviewed and documented leading practices from comparable states on how they allow more time for upfront strategy development in major contracts 	<ul style="list-style-type: none"> Identify cyclical procurements to invest in upfront strategy development Identify key personnel to develop and maintain enterprise-level and individual procurement plans <ul style="list-style-type: none"> Define their roles and responsibilities in the procurement planning phase Develop enterprise-level and individual procurement plans for specified cyclical procurements <ul style="list-style-type: none"> Consider procurements that will be procured competitively under newly established thresholds Write decisions made into agencies' policies and procedures

Status of the Contracting Reform Priority Initiatives (3/5)

Below is a status update on the progress made on the priority initiatives highlighted in the Contracting Reform Plan:

Initiatives	Status	Completed Activities	Ongoing Activities
Priority Initiatives (continued)			
5. Reconsider the duration of base contracts	In Progress	<ul style="list-style-type: none"> Reviewed and documented leading practices from comparable states on the duration of base contracts for their major procurements 	<ul style="list-style-type: none"> Identify which contracts may need to have their contract duration reconsidered Identify appropriate contract durations for those that are being reconsidered Define appropriate contract extension and renewal guidelines for different type of contracts Define the general criteria to allow vendors to extend or renew active contracts Write decisions made into agencies' policies and procedures
6. Define a rigorous scoring process to establish criteria for competitive bids and test scoring criteria to ensure best bids wins	In Progress	<ul style="list-style-type: none"> PRMP is in the process of defining a standardized scoring process that competitive procurements will follow based on leading practices from other state Medicaid programs. This scoring process was shared with CMS on June 15, 2021. We are awaiting comments or suggested changes. On February 23, 2021 Puerto Rico presented to CMS our plan for the External Quality Review Organization (EQRO) RFP. Puerto Rico then spoke with Medicaid programs in comparable states to inform our development of an improved and fully compliant EQRO RFP format. The EQRO procurement will be the first procurement to be conducted competitively by PRMP using our new scoring guidelines and new RFP format. The new RFP format defines how we will score proposal responses for the EQRO and increases transparency for potential vendors and our stakeholders. 	<ul style="list-style-type: none"> Create a consistent, standardized evaluation procedure across all contract types. Make the evaluation procedure into a process checklist to be released before awarding bids. Update/optimize the ruleset for the evaluation procedure that provide an explanation of each step of the procedure finalized above Create a standardized scoring template that evaluators can use to assess proposals Create a standardized consensus template that combines evaluators' scores and takes inter-rater reliability into account Write decisions made into agencies' policies and procedures

Status of the Contracting Reform Priority Initiatives (4/5)

Below is a status update on the progress made on the priority initiatives highlighted in the Contracting Reform Plan:

Initiatives	Status	Completed Activities	Ongoing Activities
Priority Initiatives (continued)			
7. Identify contracting documents that can be made public	Complete	<ul style="list-style-type: none"> • Made progress toward publishing bidding and contracting information on a regular basis. As some information is already made available via the Puerto Rico Comptroller Office’s website and the PRHIA’s website, we identified several short- and long-term options that will allow us to publish existing contracting documents and establish an internal process for the timely publishing of future procurement documents. • Reviewed information and leading practices from other states and territories on the bidding and contracting information that is often published and identified the type of documents we collect that can be made public. • Launched Portal: Developing a new transparency platform in 2021 to serve as a repository for both PRMP’s and PRHIA’s contracting documents. • Confirmed Document Types to be Made Public: Decided to publish Requests for Information (RFIs), Requests for Proposal (RFPs), Requests for Qualifications (RFQs), award information, and finalized contracts that are fully or partially funded by Medicaid dollars on this platform. • Continuing to enhance functionality and plan a roadmap for how the platform will mature alongside the Medicaid Enterprise in the future. 	<ul style="list-style-type: none"> • Write decisions made into agencies’ policies and procedures

Status of the Contracting Reform Priority Initiatives (5/5)

Below is a status update on the progress made on the priority initiatives highlighted in the Contracting Reform Plan:

Initiatives	Status	Completed Activities	Ongoing Activities
Priority Initiatives (continued)			
8. Publish initial contracting documents	In Progress	<ul style="list-style-type: none"> • Communicated with Stakeholders: DOH and PRHIA have communicated with CMS and stakeholders and will continue to provide progress updates regarding the publishing of contracting documents. Puerto Rico DOH Secretary described the new publishing platform in the Semi-Annual Report to Congress and CMS dated April 30th, 2021. In addition, DOH sent a communication to CMS during the week of May 10th explaining ongoing efforts towards a transparency platform and that contracting documents can be found on their websites or directly requested from Puerto Rico. 	<ul style="list-style-type: none"> • Add a link to existing websites: Added a link in the PRDOH websites (PRDOH Procurements website and PRDOH Documents website) and PRHIA website (ASES Contracted Insurers website) to refer the public to the new platform, once it is launched. • Add a notification banner to existing websites: Consider adding a banner to the agencies' websites to communicate about the upcoming transparency platform. • Communicate with Vendors: Puerto Rico will continue to request redacted versions of documents and include disclosures in procurements informing potential bidders of the public nature of submitted documents. • Write decisions made into agencies' policies and procedures.
9. Establish ongoing process, tools and internal review process to ensure all appropriate documents are published	In Progress	<ul style="list-style-type: none"> • Agency's Contact Information: Decided not to add a method to request additional information in the transparency platform. 	<ul style="list-style-type: none"> • Publish Timeline: Determine whether the tool will publish active and open procurements and/or closed procurements once the contract is executed. • Platform Objective: Based on the decision of when documents are going to be published, determine the role that the tool will have in relation to contract management and procurement processes, defining how the platform owners will interact with the platform. • Maturing Processes: Evaluate how the publication process and the contracting division will scale up and be supported by the transparency platform and across the Medicaid Enterprise. Set goals and milestones for how the publication process, contracting division, and transparency platform will evolve in the future, documenting manuals and guidelines for the Enterprise. • Platform Roadmap: Identify a potential roadmap to evolve the functionalities and enhance the transparency platform with additional contract management capabilities, automated workflows, and additional validations. • Write decisions made into agencies' policies and procedures

Comparative States Used to Gather Leading Practices

Puerto Rico Medicaid Enterprise looked at several states with comparably scaled Medicaid Managed Care programs to gather procurement and contracting leading practices to inform this playbook.

Rationale For Selecting The Comparative State

Comparative State	% of State Enrolled in Medicaid*	% of Medicaid Population in MCOs**	2018 Medicaid Managed Care Enrollees (in million)†	2018 # of MCOs (For acute care services) † †	2019 Medicaid Administration Expenditures (in million)‡
State A	22%	95%	~1.5M	6	\$280M
State B	21%	100%	~1.5M	3	\$570M
State C	20%	90%	~2.5M	5	\$800M
State D	21%	95%	~2.5M	5	\$730M
State E	17%	95%	~1.5M	5	\$900M
State F	14%	99%	~0.4M	3	\$160M
Puerto Rico	37%	100%	1.5M	4	\$156M

*Source: [Medicaid State Fact Sheets](#)

**Source: [Share of Medicaid Population Covered Under Different Delivery Systems](#)

† Source: [Total Medicaid MCO Enrollment](#)

† † Source: [Total Medicaid MCOs](#)

‡ Source: [Annual Medicaid & CHIP Expenditures](#)

Critical Success Factors to Enable Implementation of the Playbook

These factors include:

- Standardizing Staffing for Contracting Reform
- Defining Governance Structure for Contracting Reform
- Prioritizing Enhancement Opportunities





Standardizing Staffing Structure Increases Capacity for Procurement and Contracting

Currently, inconsistent staffing across agencies and departments (including subject matter experts) has created challenges in standardizing procurement and contracting processes—from solicitation development to source selection and contract administration phases. Creating a standardized staffing structure across all procurements, such as the example below, can enable planned reform efforts.

Standardizing Contracting and Procurement Staffing Structure*

Dedicated Contracting/Procurement Specialists

Leading similarly sized Medicaid programs have higher staffing levels and ensure sufficient staff dedicated to support procurement and contracting. In these peer states, small teams of three to four full-time employees were dedicated as contract/procurement specialist(s). This team knows the state’s policies, requirements and processes for undergoing procurements and track each procurement through its entire life-cycle.

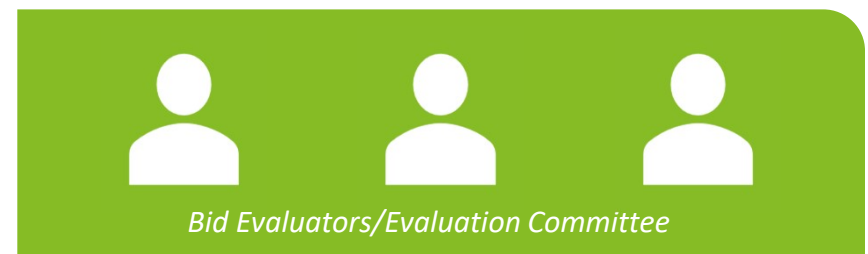
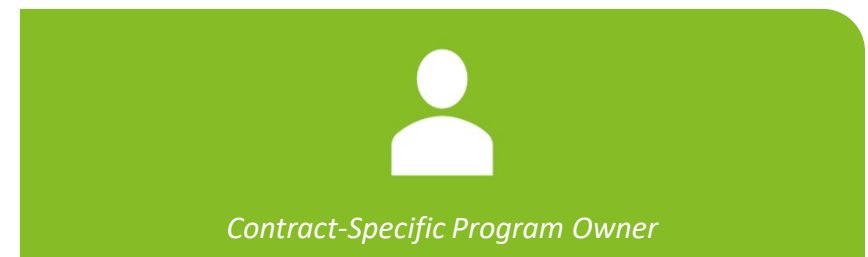
Contract-Specific Program Owners

Leading programs are more robustly staffed across all departments with relevant experts that can support contracting as-needed. For example, they act as contract-specific program owners who are subject matter experts in charge of specific duties and participate in contract management phases beginning with planning the procurement to administering and monitoring the business functions of a given contract. When business areas are adequately staffed, procurement standardization can be supported with subject matter experts. (Please see [Contracting Reform Initiative 3](#) for how program owners can be identified and involved)

Bid Evaluators/Evaluation Committee

Executive leadership establishes contract-specific evaluation committees, which develop the evaluation criteria and their relative importance, evaluate the technical requirements in proposals, and draft recommendations for leadership approval. Business areas will require additional human resources to maintain adequate representation on an evaluation committee as well maintain their day-to-day operations. (Please see [Contracting Reform Initiative 6](#) for guidance on forming evaluation committees)

Sample Contracting and Procurement Staffing Structure



In order to create a standardized staffing structure across all procurements, Puerto Rico will need to identify the resources necessary to implement the Contracting Reform Plan.

**In accordance with recent draft legislation, the Puerto Rico Medicaid Enterprise will assign a Contracting and Procurement Oversight lead to certify that all contracts under title XIX totaling over \$150,000 follow federal procurement standards.*



Defining Governance Structure for Contracting Reform

The three-tiered governance structure was decided upon in March 2021, with meetings of the initiative leads weekly and Contract Reform Leadership meetings scheduled in accordance with the implementation timeline.

Proposed Governance Structure



Contract Reform Leadership

Represents the Medicaid Enterprise by providing Strategic Direction, Resource Commitment and Executive Sponsorship for Contracting Reform



Initiative Leads

Takes ownership of Contracting Reform Improvement Initiative



Initiative Team Members

Represents dedicated project teams from across the Enterprise and executes the Contracting Reform Improvement Initiatives

Roles and Responsibilities



Contract Reform Leadership

- Determine and allocate staff and financial resources
- Approve work plans and assign Initiative Leads
- Provide status updates to CMS, Congress, Governor of Puerto Rico and Federal agencies
- Responsible for sign off on initiative work and final decisions on changes
- Represented by Initiative Leads and at least one representative from PRHIA and PRDOH



Initiative Leads

- Updates the Contract Reform Leadership on a monthly basis
- Raises and resolves issues, risks, and decisions to Steering Committee members as needed
- Represented by the PRDOH Administrative Director, PRHIA Chief Compliance Officer, PRHIA Legal Director, PRHIA Finance Director
 - Includes individuals such as Walter Dobek, Angie Lopez, Edanit Torres and Caroline Rosales Serrano



Initiative Teams

- Execute activities and tasks
- Initiative Team members could be at same level as initiative leads depending on initiative



Prioritizing Enhancement Opportunities

Leadership across PRHIA and PRDOH convened in May 2021 to review opportunities that will have the most importance, impact and alignment to the Medicaid Enterprise’s guiding principles, and to assess each opportunity on the anticipated level of effort and time required to implement.

Prioritized Opportunity	Description
Reduce reliance on MCO-Reported data to increase reliability and data quality	Enhance accuracy and reliability of outcome data by validating MCO-reported data with external sources.
Integrate Financial Reporting	Integrate the sources of program-level financial reporting to enhance program management and build on current financial reporting tools.
Enhance Governance and Collaboration between Units of the Oversight Infrastructure	Improve the structure for sharing trends and findings across the broader Medicaid Enterprise, escalating critical issues in a timely manner. Increase leadership awareness and engagement. Enhance the structural organization of Program Integrity (PI) by sharing PI information across departments in the Medicaid Enterprise.
Explore Programmatic & Financial Performance Improvement Opportunities	Review program to identify areas for financial improvement across administrative costs, capitation rates, pharmacy costs, DSH/UPL payments, etc.
Employ Data Strategically to Enhance Program Integrity impact	Reconcile the MMIS data with PRHIA and other data sets to validate consistency across the data sources and use that data to inform policy decision making.
Integrate Quality Oversight to Monitor Progress toward Desired Health Care Quality Outcomes	Integrate sources of service delivery quality data into a single “source of truth”, validate and standardize data, and proactively utilize data insights to monitor programs.
Introduce Outcomes-Based Program Integrity	Use outcomes to address Fraud, Waste, and Abuse with the right tools and methodologies and identify oversight and monitoring gaps and duplicative efforts.

Overview of Contracting Reform Implementation Initiatives



Connecting Contracting Reform Initiatives to the CMMM Framework

Building on the framework of Contract Management Maturity Model (CMMM)'s contract management phases, contracting reform initiatives enhance the process steps and activities completed in each phase.

Key Phases Highlighted In The Contract Management Maturity Model (CMMM)*

	Procurement Planning	Solicitation Planning	Solicitation	Source Selection	Contract Administration
Phase Description	<ul style="list-style-type: none"> The phase of identifying which business needs can be best met by procuring products or services outside the organization. This phase involves determining whether to procure, how to procure, what to procure, how much to procure, and when to procure. This phase includes setting the program's goals and how the procurement supports those goals. 	<ul style="list-style-type: none"> The phase of preparing the documents needed to support the solicitation, including strategy development in crafting the request for proposal (RFP); drafting the RFP and the contract; and defining the evaluation methodology/ criteria. 	<ul style="list-style-type: none"> The phase of obtaining bids or proposals from prospective vendors on how business needs can be met. 	<ul style="list-style-type: none"> The phase of receiving bids or proposals and applying evaluation criteria to select a contractor. 	<ul style="list-style-type: none"> The phase of ensuring that each contract party's performance meets contractual requirements.
Associated Contracting Reform Initiatives					
Contracting Reform Initiatives	<p>Initiative 3. Identify and involve business owners of each contract requirement to increase oversight and accountability.</p> <p>Initiative 4. Allow more time for upfront strategy development in major procurements.</p> <p>Initiative 5. Puerto Rico will reconsider the duration of base contracts to reduce risk where necessary.</p>	<p>Initiative 1. Establish formal parameters to decide when non-competitive bids are allowable by setting criteria and thresholds.</p> <p>Initiative 2. Define additional actions required to justify non-competitive procurements.</p> <p>Initiative 7. Identify which portions of contracting documents can or cannot be made public.</p>	<p>Initiative 6. Define a rigorous scoring process to establish criteria for competitive bids and test scoring criteria to ensure best bids win.**</p>		<p>Initiative 8. Publish relevant contracting documents for existing contracts.</p> <p>Initiative 9. Establish ongoing process, tools and internal review process to ensure all appropriate documents are published</p>

**The commonly included contract management process area/phase Contract Closeout is not depicted as it is not addressed in the Contracting Reform Plan.
 ** Initiative 6 includes activities across Solicitation Planning, Solicitation, and Source Selection.

Contract Management Phases and Contracting Reform Plan Initiatives





Procurement Planning





Procurement Planning Overview

This phase consists of identifying which business needs can be best met by procuring products or services outside the PR Medicaid Enterprise. This involves determining whether to procure, how to procure, what to procure, how much to procure, and when to procure.



Commonly performed process steps for this phase

- Define strategic direction for the procurement
- Identify and define the procurement need for goods and services from all relevant business units
- Define the process for determining the technical specifications and scope of work or description of work procured, involving procurement officers, program management, technical and other affected functional areas
- Conduct market research on new capabilities/innovations, major vendors providing goods and services and the estimated cost/price of the procurement
- Review current performance of incumbent vendors and identify opportunities to strengthen or modify requirements
- Develop preliminary statements of work, budgets and cost and schedule estimates
- Conduct risk analysis to mitigate any follow-on contracting issues with the incumbent vendors, conflict-of-interest issues, and funding issues
- Develop a roadmap for the upcoming procurement

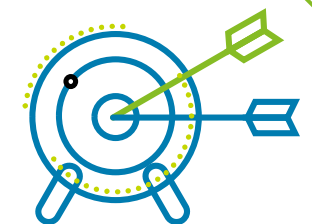


Key stakeholders involved

- PRHIA and DOH Executive Leadership
- Medicaid Contracts Division
- PRHIA and DOH Legal
- PRHIA Executive Office
- PRHIA and DOH Business Units
- Relevant External Stakeholders (e.g., members, providers, advocacy organizations, etc.)

Relevant contracting reform priority initiatives to enhance the process steps for this phase

- **INITIATIVE 3.** Identify and involve business owners of each contract requirement to increase oversight and accountability
- **INITIATIVE 4.** Allow more time for upfront strategy development in major procurements.
- **INITIATIVE 5.** Puerto Rico will reconsider the duration of base contracts to reduce risk where necessary.





Procurement Planning by Puerto Rico Medicaid Enterprise

Current actions taken by PRDOH and PRHIA in the procurement planning phase:



PRDOH process steps for this phase*

For All Contracts Funded by Medicaid

- The business unit identifies a business need to procure a service/item/office.
- For technology related contracts, and Advance Planning Document is redacting concerning the need identified. The APD is sent to CMS for approval with the federal funding request. Once the APD is approved by CMS, the Request for Proposal preparation begins



PRHIA process steps for this phase**

For Competitive Contracts Funded by Medicaid

- A PRHIA unit/office/department identifies the business needs that can be met by procuring products or services outside the organization.
- The procurement method is defined based on the needs identified by the agency and the corresponding guidelines for that need (e.g., MCO contract requires competitive bidding vs. office supplies purchased from PR GSA's pre-approved vendors).
- If a need for a contract amendment is identified, a request with the corresponding justification is presented to the Board of Directors (BOD) for approval. If the request is approved, the process continues as usual from contract clearance and approval.

For Non-Competitive Contracts Funded by Medicaid

- A PRHIA unit/office/department identifies the business need(s), using their own experience for procuring products or services outside the organization that does not constitute an PRHIA employee job position.

*Documents received from PRDOH on Administrative Contracting Processes for contracts under and over \$10M, for non-competitive contracts, and for MMIS and other technology related contracts.

**For additional details on the documented procurement processes for Puerto Rico, please refer to the Requirement 7 Report on Contract Oversight submitted to Congress on December 2020.



Initiative 3. Identify and Involve Program Owners Of Each Contract Requirement to Increase Oversight and Accountability



Desired Outcomes from this Initiative:

Establish a repeatable process that identifies program owners of each contract requirement (e.g., Quality of Care and Program Integrity) and engage those owners from the procurement planning through the contract oversight process.



Section Content:

Engaging Program Owners In Procurement Processes

Program owners could perform the following functions:

- Serve as functional owners and subject matter experts throughout procurement processes
- Serve as a point of contact to discuss progress of the contract with the contractor
- Report feedback to continuously improve procurement processes

Engaging Program Owners In Procurement Processes: Roles and Considerations



Potential Templates and Tools:

A Program Owners' Matrix Template that identifies the subject areas of the RFP, designates "program owners" of those functional/subject areas, and outlines their potential responsibilities within the RFP process.



Engaging Program Owners In Procurement Processes: Roles and Considerations

Incorporating program owners in procurement process requires adjustments to the current activities that the Puerto Rico Medicaid Enterprise does in four of the CMMM’s contract management phases.

Defining how program owners can engage within key contract management phases highlighted in the CMMM*:

	Procurement Planning	Solicitation Planning	Source Selection	Contract Administration
Relevant Process Adjustments	<ul style="list-style-type: none"> The procurement requirements may be determined and arranged using functional/subject areas to ensure they support the Enterprise’s current and future goals and objectives. In case of contract renewals, a contract retrospective could be conducted to determine success of contract execution and lessons learned captured to adjust/refine requirements. 	<ul style="list-style-type: none"> The draft RFP document may contain procurement requirements arranged in sections by functional/subject areas and appropriate staff with functional/subject matter expertise (i.e., program owners) should help draft the RFP sections. An Evaluation Committee can be established, and program owners’ roles defined. Evaluation criteria and their relative importance should be defined. Roles and responsibilities for program owners throughout the procurement process could be defined. 	<ul style="list-style-type: none"> Once proposals are received, program owners often participate in the Evaluation Committee and evaluate the proposal sections associated with their functional/subject area. 	<ul style="list-style-type: none"> Once the contract is awarded, the program owners should be responsible for monitoring and discussing the progress of the contract and the contractor’s performance associated with their functional/subject area.
Program Owners’ Roles & Responsibilities	<ul style="list-style-type: none"> Identify key procurement planning issues and decisions Conduct market research on business/procurement need such as: <ul style="list-style-type: none"> Examining available sources of information to find available goods and services, Major vendors providing goods and services, How local peers and other states contract for goods and services, and What estimated cost/price other agencies/States have paid for services similar in scope and magnitude to the procurement In case of contract renewals, document lessons learned related to their functional/subject area and adjust the requirements 	<ul style="list-style-type: none"> Assist in defining scope of work and technical requirements related to their functional/subject area Develop and test (if necessary) evaluation criteria and their relative importance for requirements that fall within the purview of their functional/subject area 	<ul style="list-style-type: none"> Participate in the Evaluation Committee by conducting technical proposal evaluations and select the highest scoring vendor Contribute to drafting recommendations for leadership approval 	<ul style="list-style-type: none"> Contribute to contract administration planning Review reports, formal deliverables, and performance metrics as documented in the Service Level Agreement (SLA) to evaluate contractor’s performance Schedule regular meetings or on-site visits with contractor to monitor and discuss the progress of the contract and contractor’s performance Document and resolve or escalate contract disputes and claims to legal or procurement office Draft contract amendments, as necessary Identify complex contract transition issues that may exist with a new and exiting vendor

*The commonly included contract management process areas/phases Solicitation and Contract Closeout are not depicted as program owners do not have a significant role and should participate on an as needed basis.



Create Program Owners' Matrix Tool to Ensure Accountability

Upon selection of program owners, a matrix/tool could be created that assigns RFP and contract requirements to program owners to ensure oversight continuity and accountability in the procurement processes.

Potential Data Elements

Procurement/Contract Number	Year
Procurement/Contract Section	Frequency of Reporting (Monthly, Quarterly, Annually, As Applicable)
Functional Area Category	Priority (High, Medium, Low)
Functional Area Subcategory (if applicable)	Program Owner
Procurement/Contract Requirement Description	Due Date for Reporting

Sample Program Owners' Matrix Tool

RFP/Contract Number	RFP/Contract Section	RFP/Contract Subsection	Functional Area Category	Functional Area Subcategory	RFP/Contract Requirement Description	Year	Frequency	Priority	Program Owner	Due Date
EC-2020	2.3.4	2.3.4.2	Call Center Services	Call Back Call	The Call Center will provide a Call Back call within twenty-four (24) hours of the Potential Enrollee or Enrollee voice mail message.	2021	Annually	High	Mr. John	5/4/2021
EC-2020	2.3.4	2.3.4.3	Call Center Services	Technological Infrastructure	The Call Center shall have the technological infrastructure to handle expected number of call-based counseling sessions. Minimally, this would include voice over internet protocol (VOIP) and call-handling software with a sophisticated queue management, monitoring and reporting capabilities. Callers must receive notification, which informs the beneficiary or authorized representative that "call monitoring may occur."	2021	Annually	High	Mr. John	5/5/2021
EC-2020	2.3.4	2.3.4.4	Call Center Services	Technological Infrastructure	The Call Center's technological infrastructure shall be scalable to allow the Choice Counselors to handle both expected and unanticipated surges in activity.	2021	Annually	High	Mr. John	5/6/2021
EC-2020	2.3.4	2.3.4.5	Call Center Services	Automated Call Distributed System	call distribution system that must facilitate the most efficient use of Enrollment Counselor resources, supports all standards, services, requirements, compliance and key performance indicators (KPIs) required by ASES, and must include but not be limited to: 2.3.4.5.1 A toll-free telephone help link that has the capacity to process a large volume of calls daily during peak time and to adjust to increased call volume; 2.3.4.5.2 A call pick-up system that places the call in a queue.	2021	Annually	High	Mr. John	5/7/2021

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Decisions and Actions for Successfully Identifying and Engaging Program Owners

Puerto Rico Medicaid Enterprise plans to take the following decisions and actions to support implementation of this initiative.



Decisions

- Determine which upcoming procurements warrant program owners
- Identify program owners for specified upcoming procurements



Actions

- Define functional / subject areas for specified upcoming procurements and assign program owners
- Involve program owners in drafting RFP technical requirements and evaluation criteria for specified upcoming procurements
- Involve program owners in evaluation of specified upcoming procurement proposals
- Create program owners' matrix tool to ensure transparency and accountability in procurement processes
- Adopt program owners' matrix tool into all the specified upcoming procurements
- Write decisions made into agencies' policies and procedures



Initiative 4: Allow More Time for Upfront Strategy Development in Major Procurements



Desired Outcomes from this Initiative:

- A revised and optimized procurement plan and schedule for developing procurements



Section Content:

Developing Upfront Strategy in Major Procurements: Considerations

Leading Medicaid programs start procurement planning early and invest in the following activities:

- Engaging key external stakeholders early
- Creating and maintaining an enterprise-level procurement plan and individual procurement plans for cyclical procurements
- Investing in market research
- Strengthening contract oversight and conducting contract retrospective
- Seeking legal participation, and
- Starting documentation of procurement decisions early in the planning process



Potential Templates and Tools:

- Sample key components in a procurement plan for cyclical procurements
- Sample procurement schedule for major procurements



Developing Upfront Strategy in Major Procurements: Considerations (1/2)

Leading peer states start procurement planning early by engaging external stakeholders upfront, investing in market research, and strengthening contract oversight and transition processes.



Planning early

Ideally in advance of the state/federal fiscal year in which the contract is awarded, PR can involve leadership and begin procurement planning at the earliest practicable time. Upcoming contract renewals could be strategically revisited at the end of the fiscal year so that a plan is in place at the beginning of the next fiscal year. Leading Medicaid programs usually start planning for larger procurements such as managed care and MMIS contracts two years in advance of the contract start date, while smaller procurements may run on an expedited timeline.



Engaging external stakeholders early

Relevant external stakeholders such as advocacy organizations, providers, and/or members can be engaged in some form of public comment to gather their input early in the procurement process.



Investing in market research

Research new capabilities/innovations and invest in market research activities such as examining available sources of information to find available goods and services, major vendors providing goods and services, how local peers and other states contract for goods and services, and estimated cost/price that other agencies/states have paid for services similar in scope and magnitude to procurements in question.



Strengthening contract oversight and transition processes and conducting contract retrospective

In case of contract renewals, effective contract oversight and planning for transition management between vendors can provide ongoing inputs into the procurement planning and the RFP development process. A discussion with internal stakeholders can be conducted to determine success of contract execution and lessons learned to adjust/refine requirements to better meet program goals.



Developing Upfront Strategy in Major Procurements: Considerations (2/2)

The Puerto Rico Medicaid Enterprise could plan for procurements by seeking legal participation, documenting decisions, and maintaining written enterprise-level and individual procurement plans for cyclical procurements.



Managing risks by seeking legal participation

Legal participation and guidance could be sought as early in the process as possible, including getting clarification on purchases that have a history of protests or litigation, large scale IT integration projects, conflict-of-interest issues, funding issues and follow-on contracting issues.



Documenting decisions

Procurement staff could develop a strategy for how the procurement activity will be accomplished and document the rationale of what led to the decision. The degree of documentation detail is determined by the cost, risk, complexity, and criticality of the procurement. Solicitation coordinators could create and maintain their procurement records keeping in mind that all procurement records are public records subject to request and release to the requestor.



Developing and maintaining a written enterprise-level procurement plan and individual procurement plans for cyclical procurements to realign procurements to changing needs of Puerto Rico's Medicaid program

Leading programs maintain an enterprise-level procurement plan which allows tracking interdependencies between contracts. Individual procurement plans for major cyclical procurements could be developed by the solicitation coordinator in the procurement planning phase and be updated continually to respond to directional changes as influenced by new strategic program initiatives, lessons learned and federal direction. *(Please see elements of an effective individual procurement plan on next page)*



Include Key Components in a Procurement Plan for Cyclical Procurements

The following key sections* can be considered to develop and manage successful individual procurement plans for cyclical procurements.

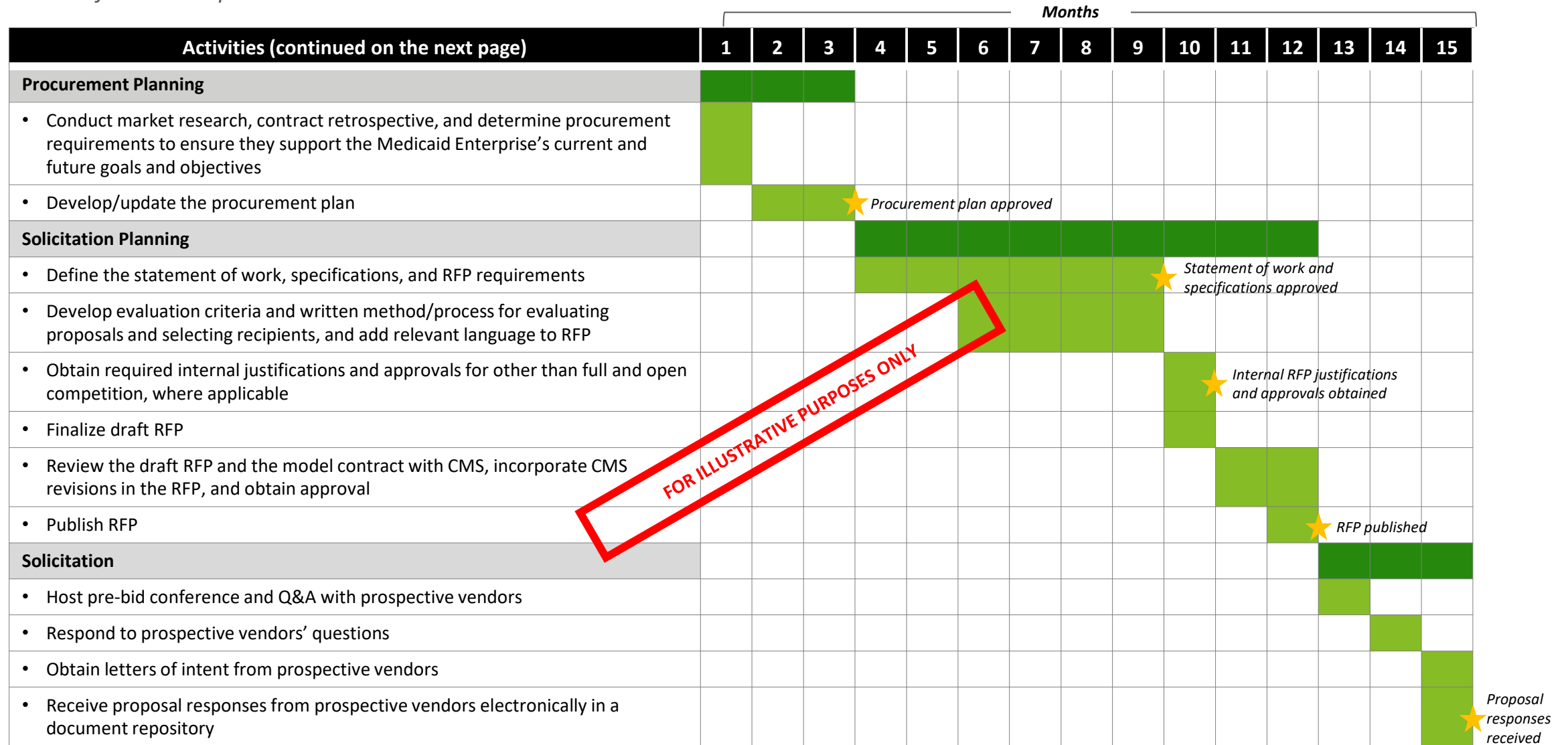
Section	Content
Procurement Background and Objectives	<ul style="list-style-type: none">a. Statement of need: Introduce the plan by a brief statement of need. Summarize the technical and contractual history of the procurement. Discuss feasible alternatives, the impact of prior procurements on those alternatives, and any related in-house effort.b. Applicable conditions: State all the significant conditions affecting the procurement such as requirements for compatibility with existing or future systems or programs, and any known costs, schedule, and capability or performance constraints.c. Cost: Set forth the established cost goals for the procurement and the rationale supporting them.d. Capability or performance: Specify the required capabilities or performance characteristics of the supplies or the performance standards of the services being acquired and state how they are related to the need.e. Risks: Discuss technical, cost, and schedule risks and describe what efforts are planned or underway to reduce risk and the consequences of failure to achieve goals. If concurrency of development and production is planned, discuss its effects on cost and schedule risks.f. Opportunities: Determine what new/needed capabilities or enhancements could be gained from the procurement.
Plan of Action	<ul style="list-style-type: none">a. Sources: Indicate the prospective sources of goods or services that can meet the business need.b. Procurement method: If applicable, describe how competition will be sought, promoted, and sustained throughout the course of the procurement.c. Contract type selection: Discuss the rationale for the selection of contract type.d. Source selection procedures: Discuss the source selection procedures for the procurement, including the timing for submission and evaluation of proposals, and the relationship of evaluation factors to the attainment of the procurement objectives.e. Budgeting and funding: Include budget estimates, explain how they were derived, and discuss the schedule for obtaining adequate funds at the time they are required.f. Product or service descriptions: Explain the choice of product or service description types (including performance-based acquisition descriptions) to be used in the acquisition.g. Contract administration: Describe how the contract will be administered, including how inspection and acceptance corresponding to the work statement’s performance criteria will be enforced.h. Schedule and milestones for the procurement cycle: <i>(Please see components for a procurement schedule on next page)</i>

*Source: [FAR Part 7 – Acquisition Planning, Part 7.105 Contents of Written Acquisition Plans](#)



Develop Procurement Schedules for Cyclical Procurements (1/2)

A procurement schedule could be created to keep the procurement team on track. Below is an example of how a procurement schedule could look like for an MCO procurement.



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★ Procurement plan approved

★ Statement of work and specifications approved

★ Internal RFP justifications and approvals obtained

★ RFP published

★ Proposal responses received

★ = Milestone



Develop Procurement Schedules for Cyclical Procurements (2/2)

A procurement schedule could be created to keep the procurement team on track. Below is an example of how a procurement schedule could look like for an MCO procurement.

Activities (continued from the last page)	Months																	
	16	17	18	19	20	21	22	23	24									
Source Selection																		
• Evaluate proposals using the written evaluation method																		
• Score prospective vendors on their technical and cost proposals																		
• Select the highest scoring vendor																		
• Draft recommendation and provide justification for selecting the vendor																		
• Conduct negotiations with potential vendors																		
• Prepare, review, and approve contract draft																		
• Obtain approval from Executive Medicaid Director and DOH Secretary																		
• Obtain approval from CMS																		
• Obtain approval from OMB and Governor's Office																		
• Register contract with the Comptroller's office																		
• Publish relevant procurement and contract documents using transparency platforms																		
Contract Administration									ONGOING									
• Oversee contract administration																		
• Monitor vendor performance and compliance																		
• Pay vendors																		

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★ Contractor selected

★ Draft contract reviewed and approved

★ Contract awarded

★ Contract documents published

★ = Milestone



Decisions and Actions for Upfront Strategy Development in Major Procurements

Using leading practices and considerations from other Medicaid programs, Puerto Rico Medicaid Enterprise plans to take the following decisions and actions to support implementation of this initiative.



Decisions and Actions



- Identify cyclical procurements to invest in upfront strategy development
- Identify key personnel to develop and maintain enterprise-level and individual procurement plans
 - Define their roles and responsibilities in the procurement planning phase
- Develop enterprise-level and individual procurement plans for specified cyclical procurements
 - Consider procurements that will be procured competitively under newly established thresholds
- Write decisions made into agencies' policies and procedures

Initiative 5: Puerto Rico Will Reconsider the Duration of Base Contracts to Reduce Risk Where Necessary



Desired Outcomes from this Initiative:

- Key considerations for changing the duration of contracts.



Section Content:

Determining Contract Durations: Considerations

- Re-procurement and market conditions
- Time spent procuring vs executing service
- Extensions, renewals, and amendments
- Statutory and regulatory requirements, termination clauses, and penalties
- Benchmark against peer programs

Analyzing Peer Medicaid Programs to Determine Contract Durations

- MCO contracts
- Medicaid funded contracts



Determining Contract Durations: Considerations

To reduce risk, leading Medicaid programs consider the below factors when determining if contracts should have their term durations reconsidered.



Re-procurement and Market Conditions

Assess whether contracted services must be completed on a routine, recurring basis. For example, MCOs must always be contracted to provide services to Puerto Rico. However, certain services may be needed only once or infrequently, in which case the contract duration should only be based on how much time is needed to complete the service. In the case of anticipated re-procurements, leading programs assess the future changes in the market for the relevant service. For instance, the future prices, innovation, and other changes in the relevant service might impact the term duration for different types of contracts. In addition, leading programs consider the monetary investment that must be made by potential vendors and assess how that will affect the vendor's cost model over different contract durations.



Time Spent Procuring vs. Executing Service

Attempt to lower the ratio of time spent procuring services vs executing services, particularly those that have high cost and/or risk associated with them. Services that involve a lengthy procurement cycle could benefit from having longer contract durations or options for renewal if they do not pose specific risk and/or if they are high cost. Longer contract durations could alleviate the procurement workload of staff by making procurements less frequent.



Extensions, Renewals, and Amendments

Offering extensions and renewals is frequently used as a method to lower the amount of procurement effort needed if similar services are required or if the necessary contract duration was underestimated. Leading programs allow varying numbers and durations of extensions. For a contract to be eligible for an extension, all contract requirements and any additional extension or renewals terms should be met. This can be better assessed by incorporating further performance management requirements and metrics for extension eligibility. In addition, leading programs often establish the option of annual contracts amendments. This allows Medicaid agencies to consider longer duration terms as it allows them to better meet unanticipated needs and improve contract requirements without having to go through constant re-procurements.



Statutory and Regulatory Requirements, Termination Clauses, and Penalties

Both territorial and federal requirements should be considered when determining contract durations and granting extensions or renewals. In addition, leading programs have varying requirements for termination clauses which are considered when determining contract durations. For example, a clause that allows for the Medicaid agency to terminate a contract at any moment provides less risk for the agency to grant a longer contract duration. Similarly, graduated remedies and strict penalties for lack of compliance encourage strong vendor performance and adherence to contract standards which lowers the risk aversion for a longer-term contract duration.



Benchmark Against Peer Programs

Puerto Rico can benchmark against other states to determine if its contract durations and extension and renewal policies deviate from what leading programs are doing for similar services.



Analyzing Peer Medicaid Programs to Determine Managed Care Contract Durations

The table below represents the MCO contract duration and different type of MCO contract extensions and renewals performed by leading Medicaid Programs.

Comparative State*	MCO Base Duration	Optional Year Possibilities	Total Possible Duration
State A	3 years	Two 2-year renewals	7 years
State B	3 years	One-year renewals each fiscal year	8 years
State C	5 years	One additional 3-year renewal	8 years
State D	2 years	One-year renewals each fiscal year	8 years**
State E	2 years	One-year renewals each fiscal year	8 years**
Puerto Rico	3 years	One-year renewal	4 years



Key Considerations For MCO Contract Durations

- Typically, MCO contracts have a duration of 2–3 years with different forms of extension and renewal options based on certain criteria.
- Puerto Rico could maintain within the current base of 2–3 years general practice but reconsider the possibilities and lengths of renewals. Peer programs have renewals that range from an additional 3–6 years, while Puerto Rico only has 1 additional renewal year.
- Currently, to contract the equivalent number of MCOs over an eight-year period, Puerto Rico must perform as much as double the work of comparable programs.

*State examples represent information from actual Medicaid programs. For more information about these comparative states, please refer to this [page](#).

**There is not set limit on how many renewals are permitted. However, on average, these contracts have a duration of 8 years before being re-bid.



Analyzing Peer Medicaid Funded Contracts to Determine Contract Durations

The below information represents the different approaches leading programs take regarding contract base duration, total possible duration, and the factors they consider when deciding those durations.

Contract Types	EQRO		PBM		Actuarial Services		Enrollment Counselor		MCO	
	Base Duration	Total Possible Duration	Base Duration	Total Possible Duration	Base Duration	Total Possible Duration	Base Duration	Total Possible Duration	Base Duration	Total Possible Duration
Comparative States Range (Min to Max)*	2–3 years	5–6 years	2–3 years	5–8 years	2–3 years	5–6 years	2–3 years	5–6 years	2–3 years	7–8 years

Key Considerations For Puerto Rico

- To increase transparency and accountability, leading Medicaid programs explicitly state in procurement documents any possibility for extensions and renewals, along with relevant terms and conditions for all Medicaid Funded contracts such as Pharmacy Benefits Manager (PBM) and Enrollment Counselor related contracts. In addition, leading programs have different types of extension combinations which allow them to pick the best suited for their Medicaid program and individual contract.
- To receive the best value and most modern services, leading Medicaid programs promote and encourage competitive procurements for all Medicaid funded contracts. This discourages contracts with indefinite term durations, repetitive renewals on a non-competitive basis, and long-term unchallenged and unchanged vendors.
- To be well positioned for future changes, leading Medicaid programs attempt to identify future market conditions for the services they procure, add the option for annual contract amendments, and determine the business needs and desired outcomes for any extensions when deciding the appropriate term duration for different types of contracts.
- To reduce the potential possibility of fraud, waste, and abuse, leading Medicaid programs consider the risk of the contract and vendor. As a means of assessing this risk, leading Medicaid programs identify the level of potential conflict of interest, the vendor’s expertise, and the agreed upon termination and penalty clauses. With a lower level of risk, leading Medicaid programs consider a longer possible contract duration.

*5 peer programs were assessed to determine the range of contract durations.



Decisions and Actions for the Reconsideration of Contract Durations

Using leading practices and considerations from other Medicaid programs, Puerto Rico Medicaid Enterprise plans to take the following decisions and actions to support implementation of this initiative.



Decisions

- Identify which contracts may need to have their contract duration reconsidered
- Identify appropriate contract durations for those that are being reconsidered



Actions

- Define appropriate contract extension and renewal guidelines for different type of contracts
- Define the general criteria to allow vendors to extend or renew active contracts
- Write decisions made into agencies' policies and procedures



Solicitation Planning





Solicitation Planning Overview

In this phase, documents needed to support the solicitation are prepared, including strategy development in crafting the request for proposal (RFP); drafting the RFP and the contract; and defining the evaluation methodology/criteria.



Common process steps for this phase

- Determine the procurement method
- Identify the use of standard procurement documents, such as model contracts, terms and conditions, certifications/disclosures, data specifications, and product/service descriptions
- Determine if a request for information (RFI) is needed to inform solicitation development
- Develop and include appropriate evaluation criteria consistent with the procurement strategy
- Develop the solicitation document (request for qualification (RFQ) or request for proposal (RFP))
- Develop advance planning documents (ADP) as applicable
- Allow time for amendments to solicitation documents

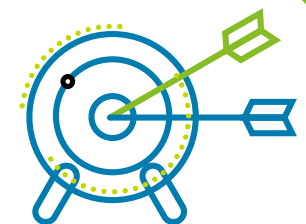


Key stakeholders involved

- PRHIA and DOH Executive Leadership
- Medicaid Contracts Division
- PRHIA and DOH Legal
- PRHIA Executive Office
- PRHIA and DOH Finance
- PRHIA and DOH Business Units

Relevant contracting reform priority initiatives to enhance the process steps for this phase

- **INITIATIVE 1.** Establish formal parameters to decide when non-competitive bids are allowable by setting criteria and thresholds
- **INITIATIVE 2.** Define additional actions required to justify non-competitive procurements
- **INITIATIVE 7.** Identify which portions of contracting documents can or cannot be made public





Solicitation Planning by Puerto Rico Medicaid Enterprise (1/2)

Current actions taken by PRDOH and PRHIA in the solicitation planning phase:



PRDOH process steps for this phase*

For Competitive Contracts Funded by Medicaid

Non-Professional Services

- The business unit identifies their desired service/item from the PR GSA price bulletin and contacts the PR GSA's pre-approved vendor to request a quote.

Professional Services from Companies

- The bidding and award methods depend on the type of Professional Services sought and from which available bidder(s). Professional Services by companies are often handled by competitive RFPs.
- For technology related needs (e.g., Medicaid IT design, development, installation, or enhancement), the Advance Planning Document (APD) is drafted and submitted to CMS with the federal funding request.



PRHIA process steps for this phase**

For Competitive Contracts Funded by Medicaid

Non-Professional Services

- The Administrative Office identifies two to three vendors for their desired service/item. PRHIA is moving toward using the PR GSA pre-approved vendor to request quotes for these services.

Health Care Delivery Services

- The PRHIA unit/office/ department meets with specific stakeholders and subject matter experts to develop the Statement of Work (SOW). The SOW is used to update the existing Model Contract and an RFP or Request for Information (RFI) document is created.

*Process steps were provided by PRDOH on the Administrative Contracting Processes for contracts under and over \$10M, for non-competitive contracts, and for MMIS and other technology related contracts.

**For additional details on the documented procurement processes for Puerto Rico Medicaid Enterprise, please refer to the [Report on Contract Oversight and Approval submitted to Congress in December 2020](#).



Solicitation Planning by Puerto Rico Medicaid Enterprise (2/2)

Current actions taken by PRDOH and PRHIA in the solicitation planning phase:



PRDOH process steps for this phase*

For Non-Competitive Contracts Funded by Medicaid

Professional Services

- The procurement method is defined based on the needs identified by the agency and the corresponding guidelines for that need. Contracts for Professional Services from an individual are conducted on a non-competitive basis and awarded based on known experience and competence – as well as professional trust of the vendor.
- For technology related needs (e.g., Medicaid IT design, development, installation, or enhancement), the APD is drafted and submitted to CMS with the federal funding request.

Office/Space Leasing

- The need for changing office/space leasing is identified and justified. Examples may be issues with the current office/space, the current contract is cancelled or ended, natural disaster damages the property beyond repair, and/or additional square footage is needed. The justification is documented, including the number of beneficiaries that will use the space.



PRHIA process steps for this phase**

For Non-Competitive Contracts Funded by Medicaid

Professional Services

- The procurement method is defined based on the needs identified by the agency and the corresponding guidelines for that need. PRHIA identifies the vendor with whom they would like to contract for Professional Services based on known experience and competence of the vendor.

Office/Space Leasing

- The need for changing office/space leasing is identified and justified.

*Process steps were provided by PRDOH on the Administrative Contracting Processes for contracts under and over \$10M, for non-competitive contracts, and for MMIS and other technology related contracts.

**For additional details on the documented procurement processes for Puerto Rico Medicaid Enterprise, please refer to the [Report on Contract Oversight and Approval submitted to Congress in December 2020](#).

Initiative 1: Establish Formal Parameters to Decide when Non-Competitive Bids are Necessary by Setting Criteria and Thresholds



INITIATIVE 1



Desired Outcomes from this Initiative:

- Defined dollar thresholds limiting non-competitive contracts
- An actionable and realistic approach to transitioning non-competitive procurements to competitive methods
- Defined criteria to justify non-competitive procurements beyond dollar thresholds



Section Content:

Using Comparative Analysis to Define Thresholds for Non-Competitive Professional Services Procurements

- Leading practices from comparative states consider aspects such as dollar thresholds to determine the usage of non-competitive procurements

Transitioning Professional Services Procurements to Competitive Methods: Considerations

- Factors to consider to transition to fewer non-competitive procurements using a phased approach due to capacity
- Decisions and actions for transitioning to competitive methods for professional services
- Exceptions: Leveraging federal standards mentioned in 45 C.F.R. § 75.329 to justify the use of non-competitive procurements



Potential Templates and Tools:

- Procurement Decision Tree/Process Flow to Select Procurement Method



Using Comparative Analysis to Define Thresholds for Non-Competitive Professional Services Procurements

A leading practice in other Medicaid programs is to exercise dollar thresholds to limit the usage of non-competitive procurements.

Comparative State* or entity	\$ Threshold**
State A	\$10,000
State B	\$50,000
State C	\$10,000
State D	\$50,000
State E	\$25,000
Federal Simplified Acquisition Threshold	\$250,000+



Key Considerations for Defining Thresholds

- Dollar-amount thresholds for informal procurements vary across the states, ranging from as low as \$500 to as high as \$60,000, with \$10,000 being the most common among respondents***
- **Federal thresholds for simplified acquisitions** allow up to \$250,000 to be spent after obtaining price or rate quotations from an adequate number of qualified sources†
- **No or high dollar threshold:** Lack of transparency on the non-competitive procurement process, risk of greater number of contracts and higher funding going towards non-competitive procurements, and higher risk of perception of awarding contracts less responsibly. Higher thresholds would exceed the range that peer states have established for their procurement process
- **Low dollar threshold:** Risk of creating excessive and unachievable workload for procurement staff as large numbers of RFPs would need to be created, distributed, and evaluated in a short time frame
- **Capacity:** Thresholds and the resulting workload should be considered in comparison to an agency’s needs, staffing capacity and ability to execute according to policy. Lower thresholds are desired, but are more executable in robustly staffed procurement offices, whereas higher thresholds may be required until funding and staffing capacity levels reach that of peer Medicaid programs

*State examples represent information from actual Medicaid programs. For more information about these comparative states, please refer to this [page](#).

**Dollar thresholds over which the State Medicaid Agency must follow competitive Request for Qualifications (RFQ), Request for Proposals (RFP), or equivalent procurement processes. Some exceptions may apply with specific approval of external oversight bodies.

***Sources: [NASPO 2020 Survey of State Procurement Practices](#). Informal is defined per [NASPO Solicitation Methods Toolbox](#)

†Sources and further information: [FAR Part 13 – Simplified Acquisition Procedures](#), [Simplified Acquisition Threshold Definition](#)



Transitioning Professional Services Procurements to Competitive Methods: Considerations

To implement dollar amount thresholds for non-competitive procurements, the following factors are considered:



Relevant precedent within the Government of Puerto Rico exists as implemented by Puerto Rico's General Services Administration (GSA) for non-professional services.

GSA uses three procurement methods based on dollar thresholds to procure non-professional services—informal purchase, informal bidding, and formal bidding.



Risks could be minimized by prioritizing transition of professional services contracts with higher contract value first.

Staffing resource limitations could prohibit a rapid transition. Contracts could be transitioned in a phased manner with the highest dollar value, which are up for rebid, to be prioritized over others.



While they are both competitive contracting vehicles, different circumstances may warrant use of RFQs or RFPs.

In cases where multiple contracts will need to be awarded to vendors or individuals with a similar technical skillset, an RFQ may consolidate the procurement workload, develop Master Service Agreements (MSAs), and free up future demand on resources. When a less common service or a high budget is required, RFPs allow a more specifically targeted procurement process.



RFQ thresholds may vary based upon the specificity of the service being procured.

A more generically written RFQ for a broader set of services often has lower spending thresholds, while RFQs for specific technical services may allow larger spending ceilings.



Multiple options available to gradually increase competitive procurements without overburdening staff.

A phased approach could help balance the need to reduce risk while incrementally increasing competitive procurements based on staff capacity. The following page demonstrates some of the decisions to be made in planning a phased approach.



Procurement methods and thresholds documented in Federal Acquisition Regulations (FAR) could be leveraged.

If a higher threshold is in place, procurement methods used under the threshold such as the Federal Acquisition Regulations' method of solicitation of three qualified bids can be used to add stringency for smaller procurements.



Decisions and Actions for Transitioning to Competitive Methods for Professional Services

A phased approach could be used to prioritize select actions based on resources available across the Medicaid Enterprise to make reduction of non-competitive procurements tenable.

Immediate

Decisions

- Establish dollar thresholds for competitive procurements based on current capacity and formalize in policy and process
- Consider what procurement methods will be used below dollar thresholds for fully competitive contracts
- Analyze contracts to determine appropriateness of MSA for specific categories of professional services

Actions

- Identify current professional services contracts which require contract renewal before the end of the fiscal year
- Determine which contracts will be extended and which will be prioritized for competitive procurement
- Set dates for new procurements to follow the competitive process
- Once decisions on dollar thresholds are made, write and publish policies and procedures on the DOH and ASES websites

Near Term Options

- Continue to **Non-Competitively Procure** existing and new professional services contracts under [Dollar Threshold]
- Release an RFQ to issue MSA to create **Single Qualified Bidders List** for specific categories of professional services
- Issue RFPs, based on capacity, for select contracts (i.e., EQRO) or in circumstances such as large contract value above a certain [Dollar Threshold]
- Extend contracts, as needed, for those expiring at the end of the fiscal year and not planned for competitive procurement in FY22

Long Term Options

- Continue to **Non-Competitively Procure** existing and new professional services contracts under [Dollar Threshold]
- Utilize established RFQ and MSA process** for contracts between a minimum and maximum amount determined by policy or per RFQ [Dollar Threshold]
- Based on established strategy, **issue RFPs** for select contracts or in circumstances such as large contract value [Dollar Threshold]
- Reconsider dollar threshold for non-competitive procurements** as federal administrative funding and staffing levels achieve parity with peer programs



Leading Practices for Exceptions: Federal Standards that Justify the Use of Non-Competitive Procurements

In some cases, non-competitive contracts may be necessary despite the thresholds. GAO recommends allowing this in instances based upon federal requirements noted in 45 C.F.R. § 75.329 which defines circumstances that justify the use of non-competitive procurement methods.*

Per 45 C.F.R. § 75.329, procurement by non-competitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:

- 1 The good/service is available **only from a single source**;
- 2 The **public exigency or emergency** for the requirement will not permit a delay resulting from competitive solicitation;
- 3 The **HHS awarding agency (e.g., CMS) or pass-through entity expressly authorizes noncompetitive proposals in response to a written request** from the non-Federal entity; or
- 4 After solicitation of a number of sources, **competition is determined inadequate**.

*Source: [45 CFR § 75.329 - Procurement procedures.](#)

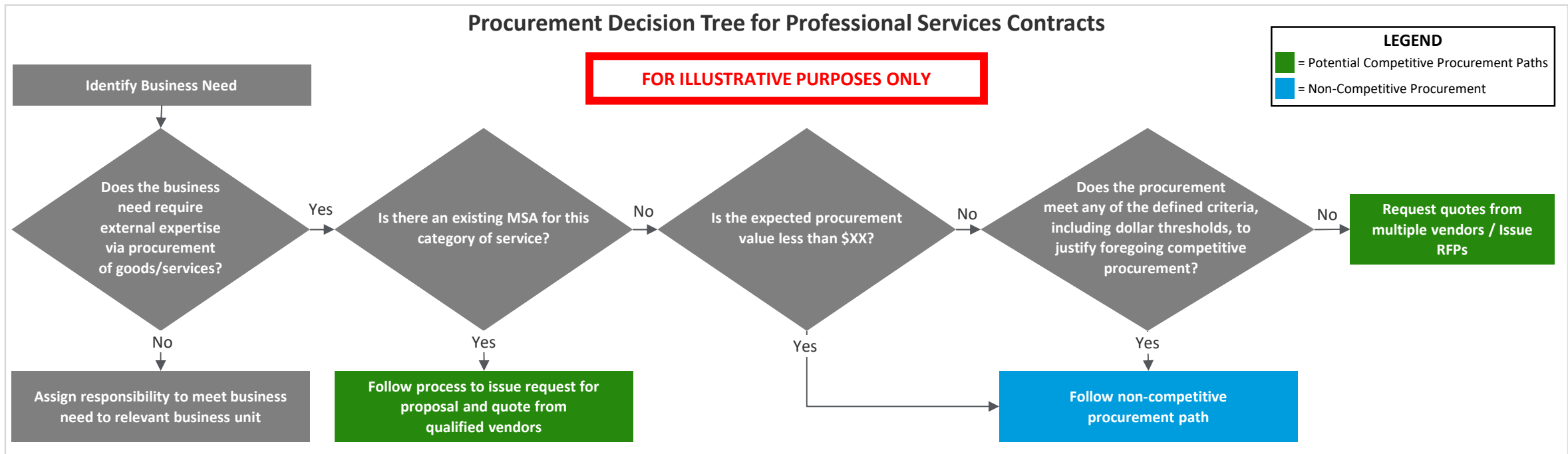
Create Procurement Decision Tree/Process Flow to Select Procurement Method

Upon the final decision of thresholds, a process flow can be created as a tool to help business units navigate procurement decision making policy.



INITIATIVE 1

Possible Components	Description
Well-defined decision points	Well-defined dollar thresholds and their exceptions, local and territorial laws, federal standards, service categories, contract categories, etc. could serve as potential decision points in the decision tree.
Potential procurement paths	Competitive procurement paths such as RFP competitive procurements, RFQ competitive procurements, etc. could be clarified and documented.
Decision point checklist	A set of questions could be created for each decision point to aid procurement decision making. This can include questions regarding whether thresholds are met or whether exceptions to the thresholds are applicable. The example shown is illustrative—a tool for this use would be based upon policy decisions specific to the agency or program.



Initiative 2: Define Additional Actions Required to Justify Non-Competitive Procurements



INITIATIVE 2



Desired Outcomes from this Initiative:

- A standardized justification letter template that meets the federal standards
- Adoption of additional actions to strengthen the non-competitive procurement process



Section Content:

Using Comparative State Analysis to Consider Adopting Additional Requirements for Non-Competitive Procurements

Leading programs use additional actions to justify using non-competitive procurements including:

- Having a protest/appeal process
- Limiting the number of extensions given to bridge contracts
- Conducting regular audits of non-competitive contracts
- Requiring approvals external to the agency, and
- Requiring a written justification to demonstrate that the procurement meets federal procurement standards








Potential Templates and Tools:

- Sample key components of a standardized justification letter template to improve transparency and documentation in the procurement process and satisfy federal requirements



Using Comparative State Analysis to Consider Adopting Additional Requirements for Non-Competitive Procurements

Leading programs employ a variety of additional steps to justify their actions when procuring goods and services non-competitively.

Additional Actions*	State A**	State B	State C	State D	State E	Puerto Rico
 <p>Have a Protest/Appeal Process Approaches vary among the states regarding situations when the public can notify the procurement office (as a result of a public posting such as a Notice of Intent) indicating that they can provide the requested good or service.</p>	✓	✓	✓	✓	✓	
 <p>Manage or Regulate Contract Extensions/Bridge Contracts by Limiting Number of Extensions, Value, and/or Duration, or Requiring Additional Outside Approval GAO recommends having standard definitions, policies, and procedures for bridge contracts and having a process for tracking and managing their use.</p>	✓	✓	✓	✓	✓	
 <p>Conduct Regular Audits of Non-Competitive Contracts Many states reassess the validity of non-competitive contracts by regularly auditing these contracts at set time intervals.</p>	✓	✓				✓
 <p>Require Written Justification That Meets Federal Standards Standardized justification templates are often used to document the reason behind using a non-competitive procurement. <i>(Please see components for justification letters on next page).</i></p>	✓	✓	✓	✓	✓	
 <p>External Approvals Many states require the state controlling board’s approval over certain thresholds to procure goods and services. The state controlling board of a selected state may include the Governor’s Office, the Office of Management and Budget (OMB), State Comptroller, etc.</p>	✓	✓	✓	✓	✓	✓

*Source: [NASPO Sole Source Procurements Survey Findings](#)

**State examples represent information from actual Medicaid programs. For more information about these comparative states, please refer to this [page](#).



Include Key Components In Justification Letters for Non-Competitive Procurements

The following key concepts are commonly expressed in successful justification letters and are of interest to federal partners. Puerto Rico Medicaid Enterprise's current contracting justification letters can be standardized to ensure the following information is consistently included.

Section		Content
Contract Description		Describes contract details, name of vendor, contract value, start/end date of contract, and whether this is an extension of a previous contract.
Business Need		Describes the situation and need for the contract. Additionally, it must be explained how the vendor meets the business need.
Dollar Value Breakdown		Describes the dollar breakdown in terms of contract components, federal and state funding. If applicable, monthly payment schedule is included.
Non-Competitive Procurement Reasoning		Describes the reasoning for using a non-competitive process (including not meeting the defined dollar threshold to limit the usage of non-competitive procurements) and explains any process that was taken to attempt a competitive procurement.
Non-Competitive Checklist		Describes whether the agency is meeting the federal standards for pursuing a non-competitive procurement: Items only available through a single source, Public emergency does not provide sufficient time to conduct a competitive procurement, CMS expressly authorizes the non-competitive procurement, after solicitation of number of sources, competition is determined to be inadequate.

Initiative 7: Identify Contracting Documents to be Made Public



INITIATIVE 7



Desired Outcomes from this Initiative:

- Policy identifying which portions of contracting documents can or cannot be made public, and which documents already are available publicly
- A method for publishing or more widely sharing contracting information



Section Content:

Transparency Leading Practices: Considerations

- Overview of the common set of bidding and contracting documents/information published by other states in comparison to the documents currently published by Puerto Rico



Identifying Contracting Documents to be Made Public: Considerations

- Determine how local and federal laws, confidentiality, method, availability, and competition impact which bidding and contracting documents/information is made publicly available

Transparency Leading Practices: Considerations

Publishing and transparency leading practices seen in other States and Territories present guiding principles for Puerto Rico to improve its transparency with the general public.



Focus Area 	Leading Practices 
Procurement and Bidding Information	<ul style="list-style-type: none">• Commonly published procurement and bidding documents include the calendar of solicitation events, publishing scoring and evaluation criteria and weights within the RFP/RFQ, conflicts of interest for procurement officials, and identification list of responding bidders.• Solicitation documents (e.g., RFIs, RFPs, RFQs) are commonly published.• APDs, budget amounts, and responses to RFIs are often not published.• Bidders’ responses are often not published; however, redacted bidders’ responses may be made available upon request (via FOIA).• Methods for challenging procurement results are often made available to bidders and the general public.
Contracts	<ul style="list-style-type: none">• Finalized contracts/amendments are commonly published, including large, complex contracts (for MCOs and MMIS).• Documents published can vary based on contract amounts and services.• Disclose in advance the contents to be made public or protected (i.e., the agency’s IT cyber security specifications).• Consolidate information and requirements from the multiple agencies with the contracting authorities involved (i.e., PRMP, PRDOH Contracting, ASES, GSA, Comptroller’s Office).
Public Information via Freedom of Information Act (FOIA)	<ul style="list-style-type: none">• Define a designated person(s) for collecting and responding to FOIA requests consistently.• The process for requesting information is made public (e.g., submit a FOIA request form, contact a liaison, provide the requested information online and/or directly to the requestor).



Identifying Contracting Documents to be Made Public: Considerations

States and Territories publish a common set of contracting documents in specific repositories/portals. Key considerations to establishing documents to be published include the local and federal laws, the confidentiality, and the availability in other repositories.

Key Bidding and Contracting Documents Published

Commonly Published Documents	% of 10 Comparable States that Publish These Documents*	PRDOH	PRHIA
RFI	90%		
RFP/RFQ	100%	✓	✓
Award Information**	60%		
Finalized Contracts	100%	✓	✓



Key Considerations



Local and Federal Laws

Does publication adhere to the current laws? Are there any other barriers or restrictions to publication? Does it adhere to laws such as HIPAA and PHI?



Confidentiality

Does the document contain any confidential information, trade secrets, or any privileged knowledge?



Method

Does the document need to be publicly available, or can it be requested through email or FIOA instead?



Availability

Does the document already exist in another public domain? If so, should it be republished on the agency's website?



Competition

Does the publication of information increase and encourage competition?

*Ten comparable states' publishing documents were assessed to benchmark against Puerto Rico's publishing documents

**Encompasses documents like procurement Q&A, bidder ranking, scoring, and intent to award notice



Decisions and Actions for Identifying Contracting Documents to be Made Public

The Puerto Rico Medicaid Enterprise plans to be on par with other states and territories with the development of the new transparency platform to house both PRMP and PRHIA contracting documents, including RFIs, RFPs/RFQs, award information, and finalized contracts.



Decisions

- Confirm document types:** Authorize the following types of documents to publish as part of the new platform:
 - Request for Information (RFIs)
 - Solicitations with RFP and RFQ documents, including public notice information, amendments and attachments to RFPs/RFP, and the bidders' Q&A
 - Procurement award information including identification of responding bidders, rank order of responding bidders by final evaluation score, and a notice of the intent to award the contract to the selected bidder
 - Finalized Contracts



Actions

- Launch Portal:** PRDOH/PRMP will launch a new transparency platform in Summer 2021 to house both PRMP's and PRHIA's documents and include the procurements and contracts that are fully or partially funded by Medicaid dollars
- Write decisions made into agencies' policies and procedures

Related decisions and actions are on [this slide](#) and [this slide](#).



Solicitation & Source Selection





Solicitation and Source Selection Overview

In these two phases, bids or proposals are received and evaluation criteria is applied to select a contractor.



Common process steps for these phases

Solicitation

- Conduct advertising of the procurement opportunity
- Communication during solicitation process
- Host pre-response conference for prospective vendors
- Answer questions from prospective vendors, document responses and share with all prospective vendors
- Develop a list of qualified parties

Source Selection

- Apply evaluation criteria and standards including weights to evaluate the management, cost, and technical proposals tailored to meet the objectives of the procurement plan
- Compare price proposals against the cost estimates, including determine the price reasonableness and competitiveness
- Conduct a pre-award survey and reference check of the potential contractor to verify their technical, managerial, and financial capability as needed
- Negotiate with contractors, and consider a team approach to negotiations
- Debrief on the successful and unsuccessful bidders
- Execute the contract award strategy
- Issue an intent to award announcement



Key stakeholders involved

Solicitation

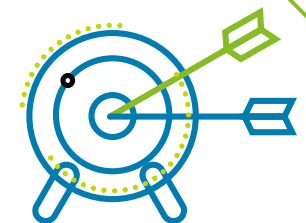
- Medicaid Contracts Division
- PRHIA and DOH Legal
- PRHIA Executive Office
- PRHIA and DOH Finance
- Business Owners

Source Selection

- PRHIA and PRDOH Executive Leadership
- Medicaid Contracts Division
- PRHIA and DOH Legal
- PRHIA Executive Office
- Evaluation committee members (incl. Business Unit)

Relevant contracting reform priority initiatives to enhance the process steps for these phases

- **INITIATIVE 6.** Define a rigorous scoring process to establish criteria for competitive bids and test scoring criteria to ensure best bids win
- **INITIATIVE 9.** Establish ongoing process, tools and internal review process to ensure all appropriate documents are published



Solicitation by Puerto Rico Medicaid Enterprise (1/3)

Current actions taken by PRDOH and PRHIA in the solicitation phase:



PRDOH process steps for this phase*

For Competitive Contracts Funded by Medicaid

Non-Professional Services

- The business unit identifies their desired service/item from the PR GSA price bulletin and contacts the PR GSA's pre-approved vendor to request a quote.

Professional Services from Companies

- The business unit works with the Administrative Office to gather documents and develop guidelines for the proposal. The Administrative Office and business unit develops an RFQ document, including the evaluation/selection criteria. Once the RFQ is ready to be published, the PRDOH Contracts Office issues a public notice to invite potential bidders. Potential bidders submit a letter of intent and their response to the proposal.
- The Request for Proposal is prepared and sent to CMS for approval.



PRHIA process steps for this phase**

For Competitive Contracts Funded by Medicaid

Non-Professional Services

- The Administrative Office contacts at least two to three vendors to request a quote for the desired service/item. The Administrative Office identifies two to three vendors for their desired service/item. PRHIA is moving toward using the PR GSA pre-approved vendor to request quotes for these services.

Health Care Delivery Services

- Once the RFP is ready to be published, the RFP document is submitted to CMS for approval prior to publishing or public notice.
- After approval is granted by CMS, public notice is issued on the PRHIA website, the PR GSA platform for the Single Registry of Auctions (Registro Único de Subasta in Spanish), and with prior authorization of the Puerto Rico Innovation and Technology Service. It may also be published in newspaper of general circulation and invitations are also sent to potential bidders.
- Potential bidders must submit payment of the fee and a certification signed by the high-ranking local management official of the organization indicating their interest in submitting a proposal, that the organization has the necessary legal and financial capacity, and the contact information of the person authorized to communicate with PRHIA.

*Process steps were provided by PRDOH on the Administrative Contracting Processes for contracts under and over \$10M, for non-competitive contracts, and for MMIS and other technology related contracts.

**For additional details on the documented procurement processes for Puerto Rico Medicaid Enterprise, please refer to the [Report on Contract Oversight and Approval submitted to Congress in December 2020](#).

Solicitation by Puerto Rico Medicaid Enterprise (2/3)

Current actions taken by PRDOH and PRHIA in the solicitation phase:



PRDOH process steps for this phase*



PRHIA process steps for this phase**

For Competitive Contracts Funded by Medicaid

Health Care Delivery Services (Continued)

- One week is allowed for potential bidders to submit notice of intent to participate and/or acknowledge receipt of the RFP and get added to the procurement distribution list. Bidders must attend mandatory pre-proposal meetings (held at PRHIA's discretion) to learn about the RFP structure and process. In the case of the recent MCO RFP, mandatory actuarial preproposal meetings are also held.
- Bidders can submit questions to the designated agency contact, and the agency shares written responses with all bidders in the procurement distribution list.
- The proposals and proposal bond are due for submission at least one week after the agency answered bidders' questions (e.g., MCO bidders are required to have a proposal bond of \$100,000 in Certified Check or Original Proposal Bond to PRHIA and commit to entering into a contract with PRHIA, if awarded the RFP). The original copy of the bond is submitted at PRHIA's Administration and Finance Office. All procurement scheduled events can be amended during the process if the need arises and are equally applicable to all participants.
- Bidders submit proposals electronically to the PRHIA document repository to individual folders created for each participant.

*Process steps were provided by PRDOH on the Administrative Contracting Processes for contracts under and over \$10M, for non-competitive contracts, and for MMIS and other technology related contracts.

**For additional details on the documented procurement processes for Puerto Rico Medicaid Enterprise, please refer to the [Report on Contract Oversight and Approval submitted to Congress in December 2020](#).

Solicitation by Puerto Rico Medicaid Enterprise (3/3)

Current actions taken by PRDOH and PRHIA in the solicitation phase:



PRDOH process steps for this phase*

For Non-Competitive Contracts Funded by Medicaid

Professional Services from Individuals

- Contracts for Professional Services from an individual are conducted on a non-competitive basis and awarded based on known experience and competence – as well as professional trust of the vendor.

Office/Space Leasing

- The need for changing office/space leasing is identified and justified. The justification is documented, including the number of beneficiaries that will use the space.



PRHIA process steps for this phase**

For Non-Competitive Contracts Funded by Medicaid

Professional Services

- The vendor is then contacted to provide a proposed scope of work and their fee, which may depend on the vendor's years of experiences and qualifications. PRHIA must comply with territorial laws and regulations with solicitations. For example, PRHIA must consider the resources, infrastructure and experience when setting fees for Professional Services within a reasonable framework. The rate guideline for legal services, for example, depends on the attorney's years of experience; the hourly rate may be up to \$125 for attorneys with more than 10 years of experience.
- The selection process varies based on experience, core competencies, and familiarity with the PRHIA.
- After the service proposal is received, the director of the PRHIA department presents it to the Executive Director Office.

Office/Space Leasing

- PRHIA researches the available buildings and spaces depending on the needs identified. The options from the Public Building Authority are assessed to identify if they meet the needs for the space usage and maximum occupancy. If none of the spaces made available by the Public Building Authority fulfil the needs, at least 3 additional private spaces are evaluated.

*Process steps were provided by PRDOH on the Administrative Contracting Processes for contracts under and over \$10M, for non-competitive contracts, and for MMIS and other technology related contracts.

**For additional details on the documented procurement processes for Puerto Rico Medicaid Enterprise, please refer to the [Report on Contract Oversight and Approval submitted to Congress in December 2020](#).



Source Selection by Puerto Rico Medicaid Enterprise (1/4)

Current actions taken by PRDOH and PRHIA in the source selection phase:



PRDOH process steps for this phase*

For Competitive Contracts Funded by Medicaid

Non-Professional Services

- The business unit and Contracts Office reviews the quote and validates the vendor's quote against the PR GSA's price bulletin for accuracy.
- The Medicaid Executive Director sends it to the Secretary of Health, who reviews the quote, and either approves or denies the contract

Professional Services from Companies

- The PRDOH Contracts Office evaluates the proposals using the established evaluation/selection criteria.
- The scoring and awarded proposal are submitted to the Secretary of Health for review and approval by the Medicaid Executive Director. The awarded proposal is reviewed by PRDOH Legal Department, then the award is signed and stamped by the Secretary of Health.
- CMS reviews and provides written authorization for PR MMIS, Eligibility and Enrollment, and Health Information Exchange related contracts.
- CMS is notified of the awarded party for the procurement.



PRHIA process steps for this phase**

For Competitive Contracts Funded by Medicaid

Non-Professional Services

- The Administrative office collects and reviews the received quotes to select the proposal that best meets the needs of PRHIA. After the selection has been made, all proposals are stored for recordkeeping purposes. For quotes received from PR GSA pre-approved vendors, the is validated, the Executive Director reviews the quote, and either approves or denies the contract.

Health Care Delivery Services

- Once the proposals are received, members of all the Evaluation Sub-Committees sign Conflict of Interest and Confidentiality Agreements. The results of the evaluation are presented in a blind format, where each proponent is identified only by a letter. The Executive Evaluation Committee conducts a holistic blind review and formulates the corresponding recommendations to the Board of Directors for their award. For MAOs interested in Platino, PRHIA reviews the MAO's response to the RFI similarly.
- The Evaluation Committee is typically comprised of the Documents Committee, the Mandatory Committee, the Technical Subcommittees, and the Cost Proposal Actuarial Committee. The Committee evaluates the proposals (in respective order) and develops recommendations for the Executive Committee. At least one PRHIA staff member will serve on each of the committees.

*Process steps were provided by PRDOH on the Administrative Contracting Processes for contracts under and over \$10M, for non-competitive contracts, and for MMIS and other technology related contracts.

**For additional details on the documented procurement processes for Puerto Rico Medicaid Enterprise, please refer to the [Report on Contract Oversight and Approval submitted to Congress in December 2020](#).

Source Selection by Puerto Rico Medicaid Enterprise (2/4)

Current actions taken by PRDOH and PRHIA in the source selection phase:



PRDOH process steps for this phase*



PRHIA process steps for this phase**

For Competitive Contracts Funded by Medicaid

Health Care Delivery Services (Continued)

- A proposal may be deemed non-responsive and be rejected from further consideration if the bidder fails to comply with the instructions of the RFP, submit a complete proposal, or adequately meet any submission requirement. However, PRHIA reserves the right to waive minor irregularities and minor instances of non-compliance.
- The Executive Committee reviews the recommendations and develops an Executive Report for the BOD of the recommended proposals that should continue to the negotiation phase. If the BOD does not agree with the Executive Committee's recommendation, they could recommend changes.
- Once approved by the BOD to proceed, the Negotiations Committee negotiates with the interested contractors and provides recommendations to the Executive Committee.
- The Executive Committee reviews and presents the final award recommendations to the BOD. The BOD reviews and approves, modifies, or declines the recommendations. After the Notice of Intent to Award Contract is issued, any affected party gets 20 days to challenge the award. Proposal Bonds are returned to the unsuccessful bidders within the specified period of time established in the RFP.

*Process steps were provided by PRDOH on the Administrative Contracting Processes for contracts under and over \$10M, for non-competitive contracts, and for MMIS and other technology related contracts.

**For additional details on the documented procurement processes for Puerto Rico Medicaid Enterprise, please refer to the [Report on Contract Oversight and Approval submitted to Congress in December 2020](#).



Source Selection by Puerto Rico Medicaid Enterprise (3/4)

Current actions taken by PRDOH and PRHIA in the source selection phase:



PRDOH process steps for this phase*

For Non-Competitive Contracts Funded by Medicaid

Professional Services from Individuals

- The business unit contacts the desired vendor to request a scope of work and their fee, which depends on the vendors' years of experiences and qualifications.

Office/Space Leasing

- PRMP evaluates the options and submits to the Review Board for Property Lease and Rental, which evaluates the options and approves the selected option based on the request sent by PRDOH via OMB.



PRHIA process steps for this phase**

For Competitive Contracts Funded by Medicaid

Health Care Delivery Services (Continued)

- Once approved, the PRDOH Secretary is notified and submits the MCO contracts to obtain approval by CMS. Throughout the process, CMS reviews, comments, submit recommendations and approves the contracts before publication. The contracts are considered live documents that continue to evolve during the procurement process, and final approval is provided prior to the contracts being executed. Currently, CMS reviews the contracts for the enrollment counselor, the MCOs serving Plan Vital, and the PBM.

For Non-Competitive Contracts Funded by Medicaid

Professional Services

- The Executive Director and staff review the proposal, according to the recommended budget of each contract and the scope of work requested.
- The Executive Director prepares a report to present to the Contracting Committee designated by the Board of Directors (BOD), schedules a meeting to evaluate the proposal with them, and discusses the recommendation that will be presented to the PRHIA's BOD. The Contracting Committee evaluates the proposal, the necessity of it, the amount for each service, and the maximum amount for the contract year.

*Process steps were provided by PRDOH on the Administrative Contracting Processes for contracts under and over \$10M, for non-competitive contracts, and for MMIS and other technology related contracts.

**For additional details on the documented procurement processes for Puerto Rico Medicaid Enterprise, please refer to the [Report on Contract Oversight and Approval submitted to Congress in December 2020](#).



Source Selection by Puerto Rico Medicaid Enterprise (4/4)

Current actions taken by PRDOH and PRHIA in the source selection phase:



PRDOH process steps for this phase*

For Non-Competitive Contracts Funded by Medicaid

Professional Services from Individuals

- The business unit contacts the desired vendor to request a scope of work and their fee, which depends on the vendors' years of experiences and qualifications.

Office/Space Leasing

- PRMP evaluates the options and submits to the Review Board for Property Lease and Rental, which evaluates the options and approves the selected option based on the request sent by PRDOH via OMB.



PRHIA process steps for this phase**

For Non-Competitive Contracts Funded by Medicaid

Professional Services (Continued)

- The BOD reviews the Contracting Committee's recommendation and approve or decline the contract. If the BOD does not agree with the Contracting Committee's recommendation, they could recommend changes or ask for a different vendor.
- When the BOD agrees with the proposal and statement of work, then the Executive Office sends the approved proposal to PRHIA's Finance Office. The Finance Department and Legal Department prepare the documentation required to submit to the OMB and Office of the Chief of Staff of the Governor of Puerto Rico, per Memorandum OSG-2019-001 and OMB Circular Letter 168-19.

Office/Space Leasing

- If any of the spaces made available by the Public Building Authority meets the needs, PRHIA proceeds to the Contract Administration phase. If the selection is made for a space outside of the options from the Public Building Authority, PRHIA considers and evaluates the available private spaces and provides a recommendation. PRHIA's Executive Director approves the selected space and proceeds to the Contract Administration phase.

*Process steps were provided by PRDOH on the Administrative Contracting Processes for contracts under and over \$10M, for non-competitive contracts, and for MMIS and other technology related contracts.

**For additional details on the documented procurement processes for Puerto Rico Medicaid Enterprise, please refer to the [Report on Contract Oversight and Approval submitted to Congress in December 2020](#).



Initiative 6. Define a Rigorous Scoring Process to Establish Criteria for Competitive Bids



Desired Outcomes from this Initiative:

- A set of procedures to evaluate competitive bids for procurement
- A system to identify appropriate evaluation criteria and create a scoring template that reflects criteria priorities
- Templates to standardize scoring and document processes to choose a bid



Section Content:

Create an Evaluation Procedure

Leading practices can assist Puerto Rico in creating a standardized procedure for selecting a bid, including adding new steps or refining existing steps

Create a Ruleset for Evaluation Procedure

Federal guidance and peer state leading practices can inform a *well-regulated ruleset* created by Puerto Rico that governs bid evaluation consistently across the Medicaid Enterprise, including steps such as:

- Establish and train evaluation committee
- Create evaluation criteria
- Test evaluation criteria
- Incorporate Scoring Criteria Into RFP/RFQ
- Conduct scoring
- Compile results

Maintain Confidentiality throughout Evaluation Procedure



Potential Templates and Tools:

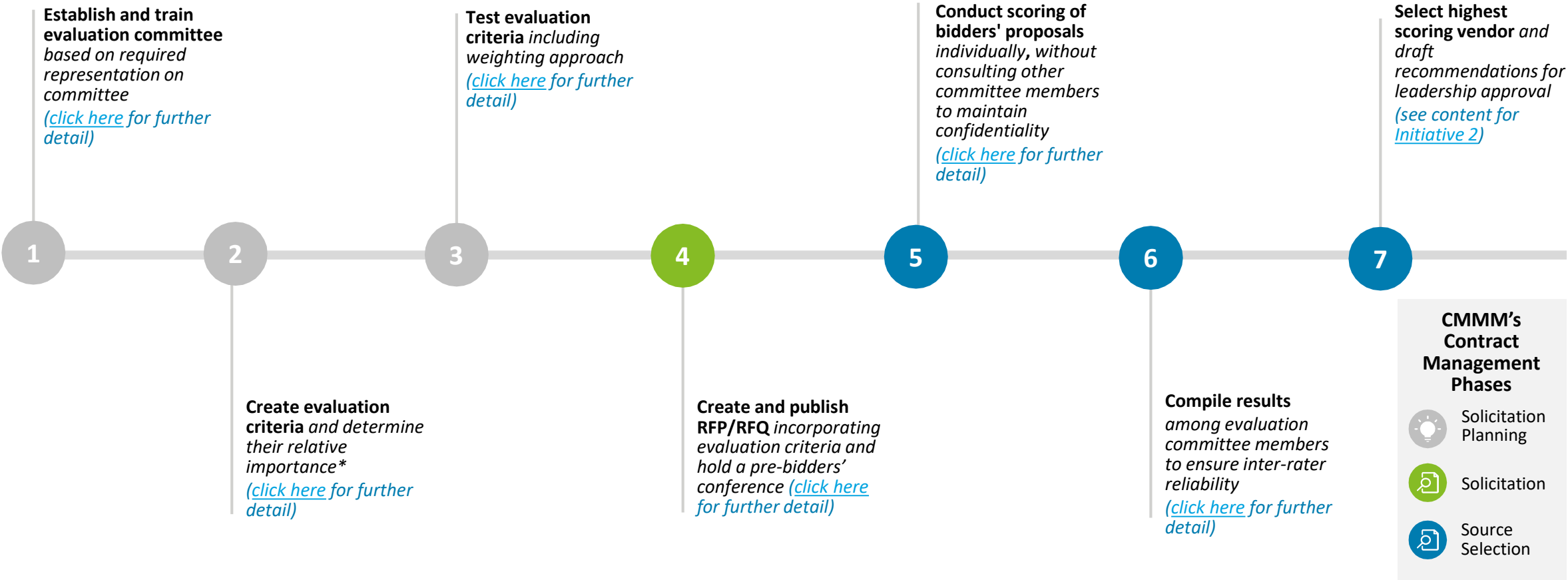
- Process checklist using the evaluation procedure created
- Evaluation template for scorers to use that reflects industry leading practices and promotes standardization
- Consensus template to aggregate cumulative scores and inter-rater reliability to choose a bid or proposal using scoring results



Create an Evaluation Procedure: Option to Approach Evaluation

Leading programs document procurement processes with defined steps. GAO acknowledged some of these steps are inconsistently executed (e.g., MCO and Enrollment Counselor); however, additional definition helps increase standardization across the Medicaid Enterprise and meet federal standards.

Puerto Rico can use the sample steps below, including any additions or modifications, and finalize in the form of a process checklist to use for each RFP evaluation. This can be publicized to report that a standardized approach was taken to evaluate bids.



*February 2021 GAO Report to Congressional Committees: CMS Needs to Implement Risk-Based Oversight of Puerto Rico's Procurement Process identified these as areas requiring standardization



Create a Ruleset for Evaluation Procedure Step 1: *Establish and Train Evaluation Committee*





The following leading practices could be used to inform a ruleset to establish an evaluation committee structure and select committee members.

 = Actions currently taken by PRHIA or PRDOH

Applicable Federal Guidance:

- Agency heads are responsible for managing the source selection process, including convening committee members and maintaining deadlines.
- Appropriate contracting, legal, logistics, technical, and other expertise must be represented to ensure a comprehensive evaluation of offers.

Peer State Leading Practices:

- **The number of evaluation committee members may vary by solicitation but benefits from being an odd number of at least three members**, each of whom should have the appropriate technical expertise to make an informed assessment.
 - **Effective evaluation committees are often formed early in the procurement planning process and play an integral role in the development of evaluation criteria and weights.** Advance planning is beneficial for the timely and proper execution of the evaluation process. Prospective members serving on the evaluation committee are notified well in advance of their involvement and given a schedule of activities.
 -  • **Only state employees ordinarily serve as core evaluation committee members**, but non-state employees with technical expertise helpful to the evaluation committee could be included as consulting, *ex officio* or non-voting members.
 -  • **No individual involved in evaluating a solicitation or the associated scope of service can have a financial interest in a prospective respondent or have the appearance of a conflict of interest with the solicitation or prospective respondent.** Ensuring the independence of each person involved in the evaluation of responses is generally the solicitation coordinator's responsibility.
 -  • **Every evaluation committee member must disclose any potential conflicts of interest and sign all disclosure forms** before the evaluation process commences.
 -  • **Evaluation committee members must be trained to understand the procurement process.** Through written communication such as a manual or an in-person training, each member should be aware of their individual responsibilities on the evaluation committee and the legal requirements of participation.
-



Create a Ruleset for Evaluation Procedure Step 2: *Create Evaluation Criteria*

When developing the criteria and questions in an RFP, leading practices emphasize areas such as the four below:

Approach

- What is the approach of the vendor in handling the requirements stated in the RFP?
- Does the vendor understand the scope of the services?
- Does the vendor's approach meet agency and federal standards?
- What are the potential roadblocks that might delay a vendor's approach?
- What is the vendor's ability to complete the scope of work in the desired timeframe?

Pricing

- What is the pricing structure?
- How should pricing be adjusted against technical aspects of the proposal?
- How important is price relative to other factors for the proposal?
- Will the evaluators be open to price negotiations (such as best and final offer, or BAFO)?



Experience

- Does the vendor meet all the qualifications (e.g., financial, legal, educational) necessary to provide the services?
- Does the vendor have experience in a providing a similar service?
- What is the depth of the experience?
- Does the vendor have the technical access and capability to satisfy the requirements?
- What key staff/personnel are designated by the vendor for the proposed project?
- What will be the scoring approach that will capture general and technical requirements and their relative importance? Rank scoring, weights, etc.?

Adaptability

- Has the vendor provided services in Puerto Rico?
- Is the vendor familiar and compliant with the local laws that govern Puerto Rico?
- If the vendor has no experience in Puerto Rico, how can it adapt and be prepared to provide services in Puerto Rico?




Create a Ruleset for Evaluation Procedure Step 3: *Test Evaluation Criteria*

The following leading practices could inform the testing of chosen evaluation criteria and scoring rubrics before it is included in the RFP document:

 = Actions currently taken by PRHIA or PRDOH

Peer State Leading Practices:

-  • **Peer states often hold a pre-bidders' conference and arrange a written Q&A with potential bidders** to clarify the contracting authority's expectations for RFP requirements and evaluation criteria.
- Testing of RFP criteria can be **required in select procurements if certain characteristics of competitive procurements are met** based on
 - Monetary value
 - Duration of contract
 - Type of contract (MCO, eligibility & enrollment, etc.)
 - Strategic importance
- At this stage, the evaluation committee can come to an agreement on the **acceptable amount of variance between scores**. (e.g.: Will tested criteria still be considered successful if one evaluator gives it the highest scores while another evaluator gives the lowest score?)
- **Peer states often test evaluation criteria, the weighting approach, and the scoring process** by creating scoring scenario models and testing them against the proposed evaluation criteria to ensure best proposal is selected.
- **Proper moderation of the testing activity is key to identifying any potential errors or weak criteria before scores are released to bidders.** The areas with the largest differences/variances in initial scoring should be observed as those areas are most likely to contain errors that would impact the ultimate rankings and undermine the fairness of the process. This should enhance the defensibility of the final score. *This step may not be allowed in states where consensus scoring is legally prohibited. For further discussion of consensus scoring, please see step 6.*



Create a Ruleset for Evaluation Procedure Step 4: *Incorporate Scoring Criteria Into RFP/RFQ*



The following leading practices could inform how to incorporate scoring criteria into the RFP development process:

 = Actions currently taken by PRHIA or PRDOH

Applicable Federal Guidance:

- The general approach for evaluating vendor's **past performance** (with Puerto Rico or another contractor) should be described in the RFP
- **Ranking:** *Relative* importance of all factors that will affect contract award should be included in the RFP, especially with respect to price
- Per GAO, competitive procurements should document in the RFP **written conflict of interest standards**, evaluation factors and their relative importance, and written method for evaluating proposals and selecting recipients.

Peer State Leading Practices:*

-  • **Peer states describe the evaluation criteria and scoring methodology.** Sufficient detail provided in the RFP will prepare the bidder to know what information to include in their proposal. Examples of criteria include qualifications and experience, technical approach and methods, schedule, and price.
- **Peer states convey the importance of criteria to achieve successful outcomes in the RFP.** An Evaluation section in an RFP, for example, should clearly state evaluation methodology, evaluation criteria, weighting of each criterion, formulas or calculations used for scoring and ranking, selection method, method of contract award, single or multiple awards, negotiation terms and process, and details for interviews or presentations.
-  • **Leading states note their plans to collect further information from bidders through methods such as presentations or interviews, seeking clarification, and soliciting best offer in the RFP** and include how the information will be considered in the evaluation process.
- **Care is taken when defining the associated weight of evaluation criteria, specifically when assigning a weight to price relative to non-price criteria.** Consider the goal of the solicitation and select the appropriate weight accordingly. This will also determine the relative value of price to other criteria. Methods to factor price into the evaluation and scoring process include: 1. The best solution within budget; 2. Price as an equally-weighted evaluation criteria; 3. Calculation of quality to price ratio 4. Rank scoring among other requirements 5. Flexible negotiation tactics such as BAFO

*Source: [Principles and Practices Of Public Procurement; NIGP, The Institute For Public Procurement](#)



Create a Ruleset for Evaluation Procedure Step 5: *Conduct Scoring using Evaluation Template*

Many peer states create a scoring template similar to the Evaluation Proposal Sheet used by PRHIA. Puerto Rico Medicaid plans to update and automate the Evaluation Proposal Sheet scoring template to make it appropriate for all contract types at both agencies. The leading practices below provide a framework when creating the scoring template:

At this stage, the ruleset can include instructions to **Determine Nonresponsive Bids**; before committee members conduct scoring, the solicitation coordinator will review bids to determine if the minimum criteria is met or if the bid is termed “nonresponsive”; this is not an assessment of how well the vendor will complete the requirements.

Scoring Template Considerations

- Leading programs create an easily repeatable way to track and automatable way to calculate total scores for procurement staff, scorers and reviewers to score RFP responses from bids and document for transparency and reporting
 - Identify an accessible software (i.e.: Microsoft Excel) to create a template table that will be easy to share among evaluation committee members
 - Evaluation committee members can input scores and explanations
 - Procurement staff can refresh the template with relevant criteria and weights for each new procurement
 - Use formulas and “lock” certain aspects of the template to assign weight to certain criteria and automatically sum the scores
 - Ideally, the template can accommodate a PDF creation option so that scoring sheets can be easily retained

Scoring & Consensus Template Examples

Individual Score Sheet						Score	Percentage	Reasoning
RFP: EQRO Contract						0	0%	The response is incomplete and/or non-responsive to the requirements of the Procurement.
Vendor Name: XYZ Company						1	40%	The response is incomplete but responsive. The score may be awarded if the proposal has not provided a fully compliant response to the requirements in the Procurement.
Reviewer Name: John Doe						2	80%	The response is complete and meets all requirements established in the Procurement. This score may be awarded if the proposal has met the minimum requirements established in the Procurement.
Date: 2/15/2020						3	100%	The response is complete and meets all requirements established in the Procurement. In addition, the proposal has provided information or established an approach or process that exceeds the expectations of the evaluation committee.
Evaluation Area	RFP Section	Question Number	Page Number	Question	Max Points	Score Awarded	Points Awarded	Justification
Implementation	7.1	7.1.1	103	Describe your plan for implementation of the contract to achieve readiness for go-live prior to April 1, 2020. How will resources be deployed, who will provide oversight, and how are staff hired, trained and tested?	66.64	2	2	Enter Text
Implementation	7.1	7.1.2	104	What is the systems build and testing strategy and timeline?	66.64	2	2	Enter Text
Implementation	7.1	7.1.3	107	Describe any barriers you have identified to meeting the timeliness and how you will mitigate these barriers.	66.64	1	1	Enter Text
Total Score for Section					199.92	100%	140	
Staffing	7.2	7.2.1	123	Describe separately the IT implementation team and the IT operational team that will be participating in this project. Provide years of experience, specialty and certifications obtained. State if they will be fully dedicated to this project.	12.50	3	13	Enter Text
Staffing	7.2	7.2.2	127	Describe separately the IT implementation team and the IT operational team that will be participating in this project. Provide years of experience, specialty and certifications obtained. State if they will be fully dedicated to this project.	12.50	3	13	Enter Text
Staffing	7.2	7.2.3	129	Describe separately the IT implementation team and the IT operational team that will be participating in this project. Provide years of experience, specialty and certifications obtained. State if they will be fully dedicated to this project.	12.50	2	10	Enter Text
Staffing	7.2	7.2.4	131	Describe separately the IT implementation team and the IT operational team that will be participating in this project. Provide years of experience, specialty and certifications obtained. State if they will be fully dedicated to this project.	12.50	1	8	Enter Text
Total Score for Section					50	100%	43	
7.1.2 What is the systems build and testing strategy and timeline?						2	3	
7.1.3 Describe any barriers you have identified to meeting the timeliness and how you will mitigate these barriers.						1	1	
7.2.1 Describe separately the IT implementation team and the IT operational team that will be participating in this project. Provide years of experience, specialty and certifications obtained. State if they will be fully dedicated to this project.						1	2	
7.2.2 Describe separately the IT implementation team and the IT operational team that will be participating in this project. Provide years of experience, specialty and certifications obtained. State if they will be fully dedicated to this project.						1	3	
7.2.3 Describe separately the IT implementation team and the IT operational team that will be participating in this project. Provide years of experience, specialty and certifications obtained. State if they will be fully dedicated to this project.						2	2	
7.2.4 Describe separately the IT implementation team and the IT operational team that will be participating in this project. Provide years of experience, specialty and certifications obtained. State if they will be fully dedicated to this project.						1	1	
Inter-Rater-Reliability: 57.14%								
*Best practices require an IRR of at least 80%								



Create a Ruleset for Evaluation Procedure Step 6: *Compile Results using Consensus Template*

Puerto Rico plans to create a template that combines all of the evaluation committees' scores to determine the inter-rater reliability (IRR) among each question in the RFP.



Consensus Template Considerations

- A second section of the template used for Step 5 can aggregate the scores from all of the evaluation committee members to assist in a bid selection
- Identify an accessible software (i.e.: Microsoft Excel) to create a table
- The table can include rows that list the RFP questions and columns that list the scores chosen for that question by each member of the evaluation committee
- **Inter-rater reliability (IRR)**, is the level of agreement among evaluators.
 - Calculating IRR allows evaluators to identify proposal responses that had the largest discrepancy in scoring between evaluators, or degree to which independent evaluators produce similar ratings in judging the same proposal
 - A significant variance in scores should be considered for further discussion to address drastic differences in scoring practices. High variances between reviewers, for example, can represent concerns held by one reviewer that other reviewers did not see. Only scores that fall outside of a pre-set variation tolerance are addressed. Leading practices prefer an IRR of at least 80% reliability (100% would equal total agreement between reviewers).
 - After discussion, evaluators will not be required to disclose to other evaluation committee members whether they intend to change scores. They should document any reasons if they decide to change scores, and the average of the final individual scores will be the final overall score.
 - A formula can be set that calculates the number of evaluators that choose the same score for that question (agreement) over the total number of evaluators to calculate IRR

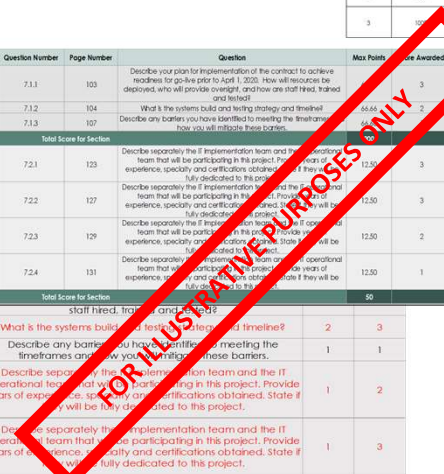


Scoring & Consensus Template Examples

Individual Score Sheet				Score	Percentage	Reasoning
RFP: EGRO Contract				0	0%	The response is incomplete and non-responsive to the requirements of the Procurement.
Vendor Name: XYZ Company				1	20%	The response is incomplete for response. The score may be awarded if the proposal has not provided a fully compliant response to the requirements of the Procurement.
Reviewer Name: John Doe				2	40%	The response is complete and meets all requirements established in the Procurement. This score may be awarded if the proposal has met the individual requirements established in the Procurement.
Date: 2/15/2020				3	60%	The response is complete and meets all requirements established in the Procurement. In addition, the proposal has provided information or held an approach or process that exceeds that expectations of the evaluation committee.

Evolution Area	RFP Section	Question Number	Page Number	Question	Max Points	Score Awarded	Points	Weight	Base For Score
Implementation	7.1	7.1.1	103	Describe your plan for implementation of the contract to achieve readiness for go-live prior to April 1, 2020. How will resources be deployed, who will provide oversight, and how are staff hired, trained and tested?	3	3	100%	100%	Enter text
Implementation	7.1	7.1.2	104	What is the systems build and testing strategy and timeline?	2	2	100%	100%	Enter text
Implementation	7.1	7.1.3	107	Describe any barriers you have identified to meeting the timeframes and how you will mitigate these barriers.	1	1	100%	100%	Enter text
Total Score for Section					6	6	100%	100%	100%
Staffing	7.2	7.2.1	123	Describe separately the IT implementation team and the IT operational team that will be participating in this project. Provide years of experience, specialty and certifications obtained. State if they will be fully dedicated to this project.	12.50	3	13	100%	Enter text
Staffing	7.2	7.2.2	127	Describe separately the IT implementation team and the IT operational team that will be participating in this project. Provide years of experience, specialty and certifications obtained. State if they will be fully dedicated to this project.	12.50	3	13	100%	Enter text
Staffing	7.2	7.2.3	129	Describe separately the IT implementation team and the IT operational team that will be participating in this project. Provide years of experience, specialty and certifications obtained. State if they will be fully dedicated to this project.	12.50	2	10	100%	Enter text
Staffing	7.2	7.2.4	131	Describe separately the IT implementation team and the IT operational team that will be participating in this project. Provide years of experience, specialty and certifications obtained. State if they will be fully dedicated to this project.	12.50	1	8	100%	Enter text
Total Score for Section					50	43	86%	86%	86%
Total Number of Questions:					7				
Inter-Rater-Reliability:					57.14%				

*Best practices require an IRR of at least 80%





Maintain Confidentiality throughout Evaluation Procedure

Throughout the evaluation procedure, the following leading practices could be used to inform a process to maintain confidentiality:


 = Actions currently taken by PRHIA or PRDOH

Applicable Federal Guidance:

Government personnel involved in the acquisition shall not engage in conduct that:

- Favors one potential vendor over another
- Reveals a potential vendor's technical solution, including unique technology, innovative uses of commercial items, or any information that would compromise a potential vendor's intellectual property to another vendor
- Reveals a potential vendor's price without that vendor's permission
- Reveals the names of individuals providing reference information about a potential vendor's past performance

Peer State Leading Practices:

- **The solicitation coordinator is responsible for making sure that a direct and valid comparison can be made.** After discussing any scores with extraordinary variance, the solicitation coordinator could review the evaluation committee's technical scoring and justification to ensure that each committee members' scoring was assessed consistently with the solicitation. The solicitation coordinator could then open and provide the cost proposals to the evaluation committee for review and determination.
-  • **The cost proposal may be retained by the solicitation coordinator and kept confidential from the evaluation committee** and other respondents until the technical evaluation is completed. This prevents the evaluation committee from being unduly influenced by the cost proposals when evaluating the technical responses.
- **The solicitation coordinator could take steps to ensure that there are no hidden or undisclosed costs associated with a response in the event of contract award.** Cost proposals are scored according to the solicitation evaluation criteria, and the cost score will be added to the technical score to determine the award.
- There are circumstances where it may become necessary for the solicitation coordinator to review, analyze and tabulate the cost proposal of respondents while evaluating technical responses. In such an event, the **Procurement Office could erect a "wall" and maintain strict confidentiality between the evaluation committee members** analyzing and evaluating the technical responses and those analyzing and evaluating the cost proposals.



Decisions and Actions to Define a Rigorous Scoring Process

The Puerto Rico Medicaid Enterprise plans to take the following steps to achieve Initiative 6: Define a rigorous scoring process to establish criteria for competitive bids



Decisions

- Decide which leading practice elements are appropriate for Puerto Rico to implement or continue performing



Actions

- Create a consistent, standardized evaluation procedure across all contract types. Make the evaluation procedure into a process checklist to be released before awarding bids.
- Update/optimize the ruleset for the evaluation procedure that provide an explanation of each step of the procedure finalized above
- Create a standardized scoring template that evaluators can use to assess proposals
- Create a standardized consensus template that combines evaluators' scores and takes inter-rater reliability into account
- Write decisions made into agencies' policies and procedures



Contract Administration





Contract Administration Overview

This is the phase that transitions the chosen contract from bid to implementation.



Common process steps for this phase

- Establish a method for assigning contracts to individuals/teams for managing the post-award phase
- Conduct a pre-performance conference to discuss agency and contractor's responsibilities, protocols for communication, performance management, and contract change management
- Monitor the contractor's work results
- Measure contractor's performance
- Pay contractors for work performed that meets contractual obligations and standards
- Establish and manage the process for the transitioning of large and critical contracts

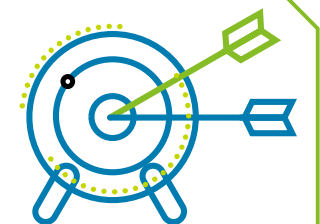


Key stakeholders involved

- PRDOH and PRHIA Business Unit
- Medicaid Contracts Division
- PRHIA and DOH Legal
- PRHIA Executive Office
- Vendor contract managers

Relevant contracting reform priority initiatives to enhance the process steps for this phase

- **INITIATIVE 8.** Publish relevant contracting documents for existing contracts





Contract Administration by Puerto Rico Medicaid Enterprise (1/3)

Current actions taken by PRDOH and PRHIA in the contract administration phase:



PRDOH process steps for this phase*

Contract Clearance

- The Medicaid Contracts Division redacts the contract draft and prepares supporting documents for submission to the DOH Secretary for signature.
- After the DOH Secretary provides signature, they are sent to the DOH Budget Office for review and approval.
- Supporting documents are submitted to the DOH Contracts Office and the contract draft is sent to the contractor, the DOH Legal Division, and CMS for review and approval.
- The contract is signed and initialized by the vendor and sent to the DOH Legal Division for certification. Following this, the DOH Secretary signs the contract.
- The Secretary of Health reviews the final scope of work/proposal and contract and signs the contract.



PRHIA process steps for this phase**

Contract Clearance

- The Finance Office provides the latest contract amount and/or fee schedule and reviews the terms and conditions for payment and sends the documentation to the Legal Department.
- The Legal Department makes sure the legal certifications collected from the vendor are up-to-date. The legal director certifies the contract complies with all government legal rules and recommends signature to the Executive Director, who signs the contract.
- For MAOs selected for Platino, the MAO's response is sent to the Legal Department for the contracting process to continue. The contract draft is shared with MAOs to get their feedback. Once PRHIA and MAOs agree to the content and terms of the contract and sign the contract, the MAO contract is sent to CMS for approval.
- The PCo/OMB application and documents are then sent to the Executive Director for the Executive Director's certification required by the OMB and Office of the Chief of Staff of the Governor of Puerto Rico, which is forwarded the Finance Office

*Process steps were provided by PRDOH on the Administrative Contracting Processes for contracts under and over \$10M, for non-competitive contracts, and for MMIS and other technology related contracts.

**For additional details on the documented procurement processes for Puerto Rico Medicaid Enterprise, please refer to the [Report on Contract Oversight and Approval submitted to Congress in December 2020](#).



Contract Administration by Puerto Rico Medicaid Enterprise (2/3)

Current actions taken by PRDOH and PRHIA in the contract administration phase:



PRDOH process steps for this phase*

Contract Approval

- Contracts exceeding \$10M require approval from the Fiscal Oversight Management Board (FOMB) and the Governor of Puerto Rico. First, documents are submitted to the Department of Health Contracts Office including the justification and the agency and contract certifications. Later, the DOH Contracts Office submits documents to FOMB, the Governor of Puerto Rico, and the Budget Office.
- The signed contract is sent to the DOH Contracts Office for submission to the Office of Management and Budget via the PePe System and registration with the Comptroller's office.
- Any additional documents required from the vendor are collected and logged with the DOH Contracts Office. Once all documents are collected, the contract is distributed to all parties, including to the DOH Finance Division for payments.

Office/Space Leasing

- In addition to the steps outlined above, the Review Board for Property Lease and Rental evaluates the options and authorizes the option based on the request sent by PRDOH, signing and approving the contract.



PRHIA process steps for this phase**

Contract Approval

- For all contracts except those related to Health Care Delivery Services, the Finance Office submits the documents to PCo/OMB. In addition, if the bid is over \$10,000, the Executive Director specifies the Medicaid funding for the authorization request. OMB reviews the certification and authorization request in the PCo/OMB, and the Office of the Chief of Staff of the Governor of Puerto Rico evaluates the request for cost and efficiency reasonableness and/or compliance with public policy. The Office of the Chief of Staff of the Governor of Puerto Rico and the OMB jointly approve the PCo/OMB application.
- If the bid is under \$10,000, an emergency, or an amendment with no budget impact, approval from the Office of the Chief of Staff of the Governor of Puerto Rico and the OMB is not needed. Once the OMB sends the approval letter, the Legal Department prepares the contract and the Business Associate Agreement (BAA) and collect additional required documents from the contractor.
- For contracts related to Health Care Delivery Services(e.g., MCO, enrollment counselor, and the PBM), the Office of the Chief of Staff of the Governor of Puerto Rico and the OMB are notified.
- Contracts that exceed \$10 million need to be approved by the Fiscal Board before the contracts goes into signing.

*Process steps were provided by PRDOH on the Administrative Contracting Processes for contracts under and over \$10M, for non-competitive contracts, and for MMIS and other technology related contracts.

**For additional details on the documented procurement processes for Puerto Rico Medicaid Enterprise, please refer to the [Report on Contract Oversight and Approval submitted to Congress in December 2020](#).

Contract Administration by Puerto Rico Medicaid Enterprise (3/3)

Current actions taken by PRDOH and PRHIA in the contract administration phase:



PRDOH process steps for this phase*



PRHIA process steps for this phase**

Contract Approval (Continued)

- Once Legal Department receives the OMB approval, an advisor in the Legal Department is assigned to the contract. The advisor collects additional documents and governmental certifications required for the contract type and prepare the contract.
- The Executive Director and the contractor sign the contract, and Legal Department registers the contract with the Comptroller's Office within 15 days. No service is provided until the contract is filed with the Comptroller's Office.
- When both of the parties sign the contract, the Legal Department completes the Comptroller Office contact registration.
- The Administrative Office distributes the contract in order for Finance to pay the contractor.

*Process steps were provided by PRDOH on the Administrative Contracting Processes for contracts under and over \$10M, for non-competitive contracts, and for MMIS and other technology related contracts.

**For additional details on the documented procurement processes for Puerto Rico Medicaid Enterprise, please refer to the [Report on Contract Oversight and Approval submitted to Congress in December 2020](#).

Initiative 8. Publish Relevant Contracting Documents for Existing Contracts



INITIATIVE 8



Desired Outcomes from this Initiative:

- Publishing of an initial set of contracting documents from existing contracts deemed as appropriate for the public, to increase transparency and public trust
- Preparation of communications for stakeholders to acknowledge the existing documents for procurements and contracts funded by Medicaid that are already publicly available
- A long-term plan for a transparency platform



Section Content:

Analyzing Existing Contracting Documents Published in Puerto Rico

- Bid announcements, RFP/RFQ documents, and finalized contracts are already publicly available through multiple channels

Transparency Platform Development Plan: Considerations

- Leading practices and processes for developing and utilizing the new transparency platform

Analyzing Existing Contracting Documents Published in Puerto Rico

The Puerto Rico Medicaid Enterprise already makes several documents for procurements and contracts funded by Medicaid publicly available through multiple channels, such as the existing PRDOH and PRHIA websites.



INITIATIVE 8

Existing Documents Published	Description	Existing Publication Channels				
		Printed in Local Newspapers ⁺⁺	PRDOH Websites ^{**}	PRHIA Website [†]	Comptroller's Office Website [*]	Transparency Platform (in development)
Bid Announcements	<ul style="list-style-type: none"> Public notice of upcoming bids and procurements to inform the general public, including newspaper ads and other website publications 	✓	✓	✓		
RFP/RFQ	<ul style="list-style-type: none"> Solicitations with RFP and RFQ documents, including amendments and attachments to RFPs/RFP, and the bidders' questions and answers (Q&A) Examples of recently published RFPs/RFQs include the Pharmacy Benefit Handler Services & Refund Program, and Pharmacy Benefit Manager & Rebate Program Services 		✓	✓		✓
Finalized Contracts	<ul style="list-style-type: none"> Final contracts and actions signed and dated by all parties Document files may be posted or available upon request Basic information about contract includes service type, contract dates, contractor, and contract amounts 			✓ [†]	✓	✓

^{† †} An example publication printed in a local newspapers: [Example RFP Publication](#)
^{**} PRDOH Websites: [PRDOH Procurements website](#) and [PRDOH Documents website](#)
[†] Only MCO contracts are currently available on PRHIA Website: [ASES Contracted Insurers website](#)
^{*} Comptroller's Office: [Comptroller's Contract Registry](#)



Transparency Platform Development Plan: Considerations

The Puerto Rico Medicaid Enterprise intends to move forward with the transparency platform for procurements and contracts funded by Medicaid, expected to launch in summer 2021. DOH and PRHIA will publish RFIs, RFPs, RFQs, Award Information, and Finalized Contracts on the new transparency platform.



Initial steps to make bidding and contracting information publicly available on a regular basis.

Based on the review of leading practices from other states and territories on the bidding and contracting information that is often published, Puerto Rico identified which documents collected can be made public. Some portions of information are already made available via sources like the Puerto Rico Comptroller's website or the PRHIA's website.



Decision to launch a new online platform upon the evaluation of different options to publish contracting documents consistently.

Puerto Rico is developing a new publishing platform to serve as a repository for both PRMP's and PRHIA's contracting documents and include all the procurements and contracts that are fully or partially funded by Medicaid dollars.



Establishment of an internal process for the timely publishing of future procurements.

As part of the transparency efforts, Puerto Rico will define and establish a repeatable, internal review process to ensure all appropriate documents are published (Initiative 9 of the Contracting Reform Plan).



Platform will be accessible from the existing PRDOH and PRHIA websites.

The new publishing platform will be easily accessible via the existing websites to redirect the public to the new platform. PRHIA will also leverage the existing PRHIA Procurement website to publish the additional contracting documents.



Designated mailboxes for inquires and information requests.

The transparency platform/websites can potentially include the agency's contact information or a designated mailbox (e.g., the procurement officer and transparency officer), allowing the public to inquire for further information regarding procurement & contract documents and FOIA requests, respectively.



Decisions and Actions for Publishing Relevant Contracting Documents

The Puerto Rico Medicaid Enterprise is developing a transparency platform for procurements and contracts funded by Medicaid, expected to launch in Summer 2021.



Decisions

- PRHIA's Use of the Platform:** Consider PRHIA's use of and integration with the transparency platform and processes to publish bidding and contracting documents.
- Add a notification banner to existing websites:** Consider adding a banner to the agencies' websites to communicate about the upcoming transparency platform.
- Add a link to existing websites:** Consider adding a link in the PRDOH websites ([PRDOH Procurements website](#) and [PRDOH Documents website](#)) and PRHIA website ([ASES Contracted Insurers website](#)) to refer the public to the new platform, once it is launched.



Actions

- Communicate with Vendors:** DOH and PRHIA could communicate with vendors about the publication plan for contracting documents to inform about the additional set of documents that will be made public. Puerto Rico will continue to request redacted versions of documents and include disclosures in procurements informing potential bidders of the public nature of submitted documents.
- Communicate with Stakeholders:** DOH and PRHIA have communicated with CMS and stakeholders and will continue to provide progress updates regarding the publishing of contracting documents. Puerto Rico DOH Secretary described the new publishing platform in the Semi-Annual Report to Congress and CMS dated April 30th, 2021. In addition, DOH sent a communication to CMS during the week of May 10th explaining ongoing efforts towards a transparency platform and that contracting documents can be found on their websites or directly requested from Puerto Rico.
- Write decisions made into agencies' policies and procedures.

Related decisions and actions are on [this slide](#) and [this slide](#).

Initiative 9. Establish Ongoing Process, Tools, and Internal Review Process to Ensure All Appropriate Documents are Published



INITIATIVE 9



Desired Outcomes from this Initiative:

- A repeatable internal review process and platform to publish contracting-related documents for new contracts
- Utilization guidelines to support the publishing platform



Section Content:

- Transparency Platform Overview
- Transparency Platform Features and Functionality: Considerations
- Process to Review and Publish Contracting Documents
- Publishing Processes: Considerations



Potential Templates and Tools:

- Platform Roadmap: Evolve the Transparency Platform in relation to Contract Management Maturity

Transparency Platform Overview

Puerto Rico is developing a publishing platform to house both PRDOH and PRHIA contracting documents, including RFIs, RFPs/RFQs, award information, and final contracts. **The platform will be used internally to house contracting documents and externally to publish applicable documents.**



INITIATIVE 9



Functionality

The three main functions available in the platform:

- **Create:** Can be used internally to create new contract or document records.
- **Edit:** To be also used internally to edit existing records. For example, can be leveraged to introduce new contract amendments.
- **View:** Search functionality to find available records via filtering of multiple fields. Similar functionality to the external facing version of the platform.



Contracts

Contract records allow for multiple data fields to be collected to describe the contract, including:

- Type of Service
- Vendor
- Description
- Contract ID
- Amount
- Status



Documents

Document records are created underneath a “parent” contract record. Data fields that can be recorded include:

- Name
- Category
- Private checkmark
- Date created
- Document creator



Users

Internal users of the Medicaid Contracts Division and the PRHIA Legal Division are the owners of the publishing process and have rights to create, edit, and view the contracts and documents available.



Timelines

The transparency platform is currently under development and estimated to be completed for internal use by summer 2021.

The public-facing version of the platform is expected to be released after the internal version also by summer 2021 with a view only search functionality enabled.



Puerto Rico's Transparency Platform (as of July 2021)

Puerto Rico has made significant progress on the development of its transparency platform. Puerto Rico has successfully created an internal document repository. **In addition, Puerto Rico has created a demo of their external facing transparency platform that is still under development and will be used to make certain documents publicly available.**

Screenshot of Puerto Rico Medicaid Enterprise's Transparency Platform (Internal Facing)

The screenshot shows a web application window titled 'Modify' with a close button and version '1.0.0.21'. It features two tabs: 'Contract Info' (selected) and 'Documents'. The form contains the following fields:

- Type of Service: Maintenance
- Vendor: Mangual
- Description: Limpieza
- Contract Number: A1235678
- Amount: 100,000.00
- Status: New
- Contract Validity: 2/12/2021 - 9/30/2021

There are also radio buttons for 'Amendment A1235678' and 'Renew A1235678'. At the bottom right, there are 'Save' and 'Exit' buttons.

Screenshot of Puerto Rico Medicaid Enterprise's Transparency Platform (External Facing)

The screenshot shows the external-facing platform for 'GOBIERNO DE PUERTO RICO' (Government of Puerto Rico), 'Departamento de Salud Programa Medicaid'. The page title is 'Mangual'. It features a navigation menu with links for 'Home', 'PEP', 'Eligibility', 'Medicaid Program', 'Frequently Asked Questions', 'Contacts', and 'Idioma'. The main content area is divided into two sections:

- Contract Description:** A summary of contract details including Agency (Department of Health), Type of Service (Maintenance), Status (New), Amount (10,000,000.00), Contract Number (A1235678), Start Date (2021-02-12 - 12:00am), End Date (2021-09-30 - 11:59pm), and a Related Contract dropdown.
- Contract Documents:** A table listing documents available for download.

Procurement Process	Size
Propuesta Contrato_2021DS1500.pdf	14 kb

A chat icon is visible in the bottom right corner.



Transparency Platform Features and Functionality: Considerations (1/2)

Puerto Rico has studied leading Medicaid programs to consider multiple factors when designing the transparency platform and determining its future functionalities.



Data Categorization

Categorize public documents to increase accessibility of related documents and similar document types. For example, establish standard categories such as RFI, RFP, award information, final contracts, etc. Related documents can also be grouped to improve transparency of extensive and expensive contracts. For example, the aforementioned documents, as well as any contract amendments or additional documents, could be stored in a singular location under the relevant procurement title.



Open vs Closed Solicitations View

Puerto Rico can publish documents throughout the procurement cycle relevant to prospective bidders rather than post documents after the procurement has closed. By posting open and active solicitations, Puerto Rico could make it easier for prospective bidders and the interested public to become more informed, increasing competition, the number of potential respondents, and the overall process transparency.



User Experience

Consider the ease for the public to reach the transparency platform and retrieve the document(s) needed. Other transparency platforms are posted as a link on the main program website, integrated with the procurement information pages, and/or as a searchable option in the search engine. Once a document is found, users can download a version or request the document, if not available.



Permission Level Controls

Designate who can create, edit, and view permission settings for the platform at the user or user group level. This can enable enhanced collaboration and record sharing across divisions and agencies, also maintaining a single version and source of truth for contracting documents.



Future Enhancements

After fully implementing and launching the initial transparency platform to the public, Puerto Rico could consider adding more features to its transparency platform to further improve transparency and the platform's capabilities. For example, some other portals have advanced searching, advanced filtering, reporting, data visualizations, and data analytics that could enhance the experience and allow the internal and external users of the platform to better find information and extract insights as needed.



Contract Management Functionalities

Complementing the initial functionalities such as categorization, documentation, and publication, Puerto Rico can enhance the transparency platform to support its contract management processes. Additional functionalities could include features for tracking document status and approval, use data trending for the number of bidders, and notifying of contracts that are due for actions such renewal or review. These features could be considered to align with Puerto Rico's future contracting division.

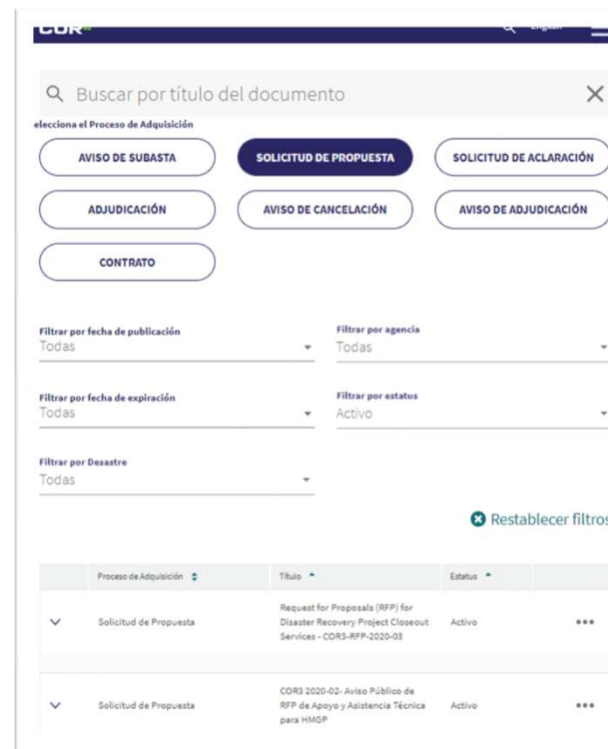


Transparency Platform Features and Functionality: Considerations (2/2)

For future enhancements, the Medicaid Enterprise can leverage existing ideas and designs of leading publishing platforms in Puerto Rico such as COR3's and the Comptroller Office's publishing portals. The new transparency platform can be enhanced in the future to incorporate features on simple navigation, document downloads, request further information, and reporting and analytics functionality.

Functionality	COR3 [^]	Comptroller's Office [*]	PRDOH Websites ^{**}	PRHIA Website [†]
Online Access	✓	✓	✓	✓
Contract Publication	✓	✓		✓ [†]
Procurement Overview	✓			
Search Contract by Name	✓	✓		
Search by Contract Type, Date, etc.	✓	✓		
Information Requests	✓			
Reporting / Analytics	✓			

Screenshot of [COR3's Portal](#)



Screenshot of [Comptroller Office's Portal](#)



Other portals and websites available at the links below.

[^] Puerto Rico's COR3's transparency platform: [COR3 transparency platform](#)

^{*} Comptroller's Office: [Comptroller's Contract Registry](#)

^{**} PRDOH Websites: [PRDOH Procurements website](#) and [PRDOH Documents website](#)

[†] Only MCO contracts are currently available on PRHIA Website: [ASES Contracted Insurers website](#)



Process to Review and Publish Procurement and Contracting Documents

Supported by the new Transparency Platform, the Puerto Rico Medicaid Enterprise will follow a repeatable process for the publishing of documents and to ensure all appropriate documents are published.





Publishing Processes: Considerations

Leading Medicaid programs consider multiple factors when designing and documenting their processes for publishing documents and improving their overall contract management processes.



Publication Timeline

Puerto Rico will consider whether the tool will publish active and open procurements and/or closed procurements once the contract is executed. Puerto Rico could also leverage the document inventory as a checklist so that all necessary documents are stored and/or published timely.



Information Requests

To facilitate the requests for documents not posted on the transparency platform, Puerto Rico could include the possible avenues for requesting information. Puerto Rico could include references to the Access to Information and Transparency Local Act and a point of contact, which can be implemented in the tool through the addition of a mailbox or phone number that the public can reach to.



Archiving Policies

Currently, there are minimum policies regarding the duration for archiving documents. While enhancing the contracting processes, Puerto Rico could establish policies for the future archiving and maintenance of published documents. Potential practices include the removal of public documents after a set period of time or once the contracts have expired and have been replaced by more recent procurements.



Define Process Owners and Strengthen the Contracts Divisions

17 states use a contract management or contract administration manual, or similar set of guidelines*. Puerto Rico could increase accountability and success of the publication process by establishing process owners for each step of the publication process. Once the new contracting divisions with additional staff are established, the Puerto Rico Medicaid Enterprise can further mature its processes and leverage the transparency platform to conduct and improve contract management.



Contract Management Support

33 states use an electronic procurement (eProcurement) or Enterprise Resource Planning (ERP) system*. The transparency platform could evolve from a document repository to a contract management tool to meet the needs of the Enterprise's future Contracts Divisions. Evolving the capabilities of the tool could allow for better managing of data, facilitating the data tracking and trending as well. The data and metrics gathered by this enhanced tool can support meaningful and effective decision making.

*Source: [Final 2020 State Practices Survey Report.pdf\(NASPO.org\)](https://www.naspo.org/Portals/0/Final_2020_State_Practices_Survey_Report.pdf)



Publishing Processes: Considerations to Expand Document Categories

A comparison of the document categories from the Contract Document Inventory* to the categories in the transparency platform initial version identifies additional documents that would be part of the procurement record. By leveraging the document inventory’s categories, Puerto Rico can improve the tool’s current categories and enhance its search capabilities.

Document Inventory Categories*	Applicable Tool Category**
Contract Justification	Proposal
Funding Related Documents	Proposal
Contract Summary Sheet	Proposal
Advance Planning Documents	Proposal
Solicitations with RFI, RFP, and RFQ documents	Procurement
Award Information including Notice of the Intent to Award	Procurement
Signed Contracts and Actions (Including SOW)	Contract
Additional Contract Documents (e.g., Normative Letters)	Supporting
Federal Approvals and Notices	Supporting
Contractor and Legal Certifications	FOMB / Supporting
Reports including Readiness Reviews and MLR Reports	Other
Invoicing Related Documents	Other
Operational Reports and Deliverables	Other



Potential Categories

- To standardize and align tools and processes across departments and agencies, Puerto Rico could complement the current categories available in the transparency Platform with those in the Contract Document Inventory.*
- To enhance data management and improve transparency to the public, Puerto Rico could consider expanding the tool’s categories with the additional categories:
 - Amendment: documents related to amendments
 - Justification: documents related to the contract justification
 - Certification: various certifications collected from vendors and offices
 - Report: readiness and operational reports collected in relation to the contracts

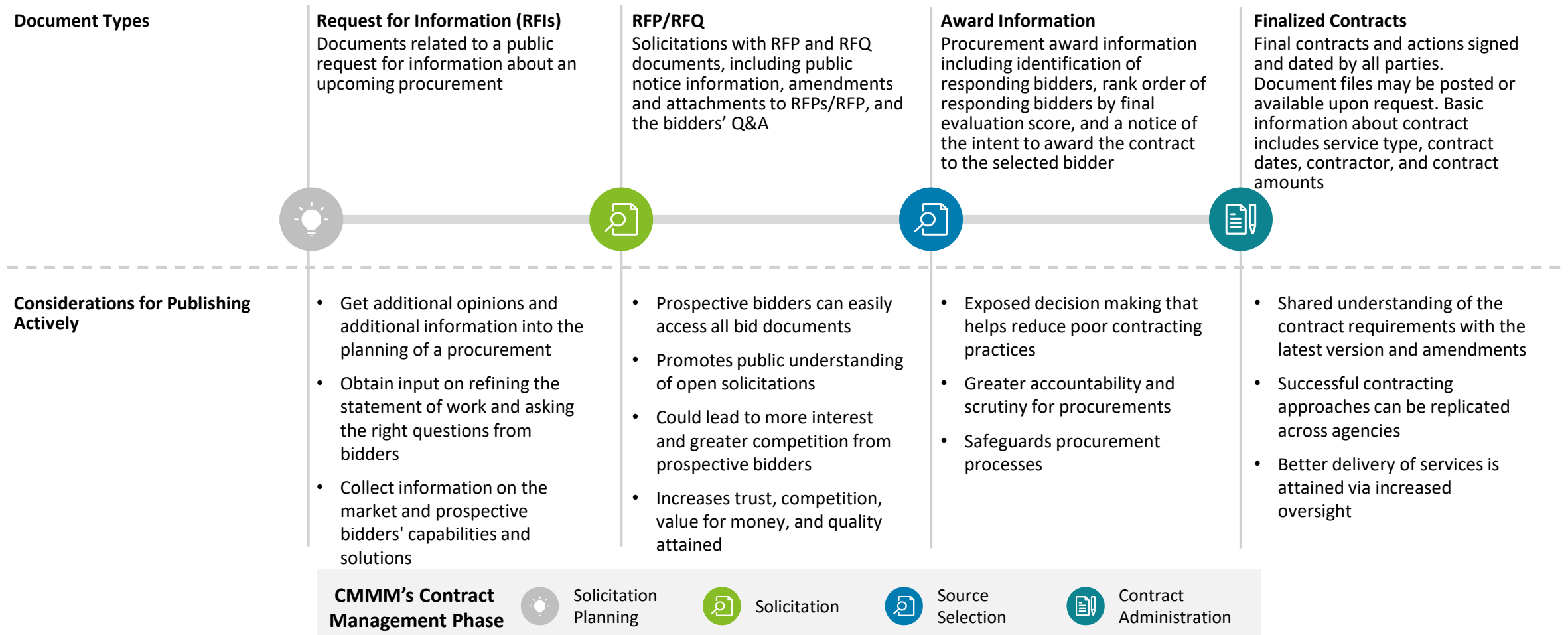
*For additional details around the document categories included in the Contract Document Inventory, please refer to the Requirement 11 Report work products

**Categories are presented from a pre-release version of the Transparency Platform in development; Subject to Change



Publishing Processes: Considerations to Publish Active and/or Closed Procurements

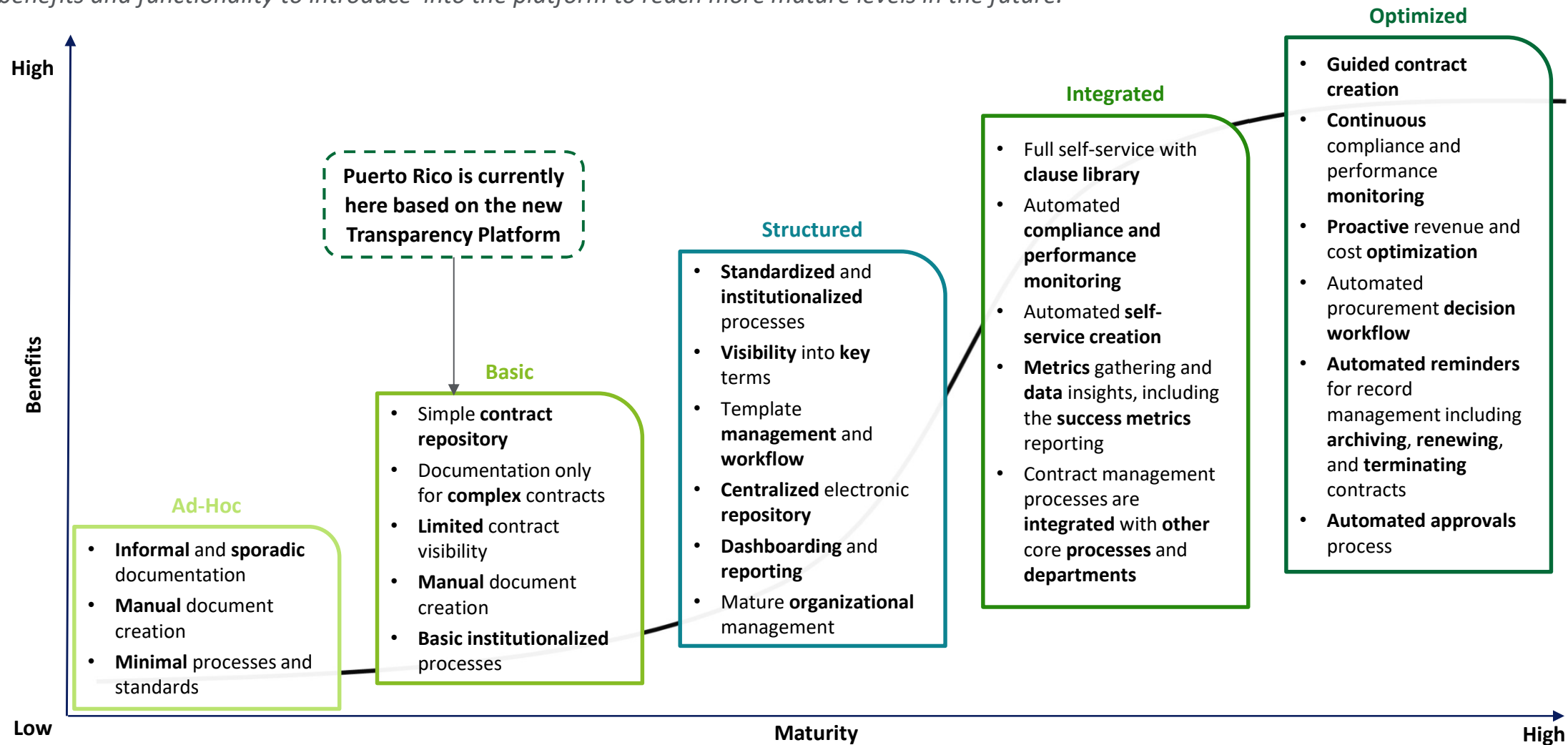
The Puerto Rico Medicaid Enterprise decided to make four types of procurement and contracting documents publicly available. These documents are represented below in relation to the corresponding CMMM's contract management phase, typically when these documents are produced and made public.





Evolve the Transparency Platform in Relation to Contract Management Maturity

With the implementation of the new transparency platform, Puerto Rico has taken steps to reach a basic level in relation to CMMM maturity levels. As the procurement processes matures and the new dedicated Contract Divisions are established, the publishing platform tool could evolve from a document repository into a comprehensive contract management tool to support, streamline, and automate processes. Below are examples of benefits and functionality to introduce into the platform to reach more mature levels in the future.





Decisions and Actions for Establishing Ongoing Processes and Tools

The Puerto Rico Medicaid Enterprise plans to finalize the transparency platform and related processes, considering the following decision and actions:



Decisions

- Publishing Timeline:** Determine whether the tool will publish active and open procurements and/or closed procurements once the contract is executed.
- Platform Objective:** Based on the decision of when documents are going to be published, determine the role that the tool will have in relation to your contract management and procurement processes in Puerto Rico, defining how the platform owners will interact with the platform. For example, the tool can be used as an ongoing source of information for prospective bidders and the general public to examine open procurement processes and potential bid opportunities. Alternatively, Puerto Rico can use the tool as a documentation source only, establishing transparency by publishing the corresponding documents that support closed procurements.
- Agency's Contact Information:** Consider adding a method to request additional information in the transparency platform. For example, adding the agency's procurement office email address or phone number so that the general public can send further inquiries regarding procurement & contract documents and FOIA requests.*



Actions

- Maturing Processes:** Evaluate how the publication process and the contracting division will scale up and be supported by the transparency platform and across the Medicaid Enterprise. Set goals and milestones for how the publication process, contracting division, and transparency platform will evolve in the future, documenting manuals and guidelines for the Enterprise.
- Platform Roadmap:** Identify a potential roadmap to evolve the functionalities and enhance the transparency platform with additional contract management capabilities, automated workflows, and additional validations. These enhancements will need to be considered in line with the staffing needs of Puerto Rico and the divisions in charge of the publishing processes.
- Write decisions made into agencies' policies and procedures

*Example contact information for transparency officers from the Puerto Rico Department of Justice: [Source](#)
Related decisions and actions are on [this slide](#) and [this slide](#).



Evaluating Implementation of Contracting Reform Plan Initiatives



Initiative C: Success Measures



INITIATIVE C



Desired Outcomes from this Initiative:

- Established metrics to evaluate, on an ongoing basis, the success of the Contracting Reform Plan upon implementation in accordance with P.L. 116–94: Division N, Title 1, Subtitle B, (133 STAT 3105)—§202(a)(7)(A)(iii)—Contracting Reform
- Initial maturity assessment of PR's Medicaid Enterprise procurement process against a national framework



Section Content:

Measure the Success of the Contracting Reform Plan Using Metrics

- Leading metrics to gauge the performance of a government agency's procurement process
- Methods for reporting metrics to oversight agencies
- Additional metrics for future use when a higher level of procurement maturity has been reached

Conduct and Apply the Contract Management Maturity Model (CMMM)

- Existing procurement processes assessed against the framework and designate maturity levels for each procurement phase
- Roadmap for improving and maturing the current processes



Potential Templates and Tools:

- Contracting Reform Success Metrics Reporting Template



Measure the Success of the Contracting Reform Plan Using Metrics

Puerto Rico will track metrics to gauge the success of the Contracting Reform Plan and comply with P.L. 116–94. To inform development of PR's metrics, below are leading metrics aligned to report on the progress of the implementation initiatives.

Metric	Desired Results/Action to Achieve Success
Number of procurements that have gone through a competitive process	Increase this number to demonstrate that new policies are being implemented.
Number of non-competitively sourced contracts	Reduce this number to demonstrate increased proportion of competitively sourced contracts.
Total dollar amount of non-competitively sourced contracts	Reduce dollar amount allocated towards non-competitive procurement to demonstrate increased proportion of competitive spending.
Number of procurements that have contract-related documents publicly available	Increase how many procurements have documentation publicly available to demonstrate increased transparency.
Average number of bidders for professional service contracts	Increase the number of RFP respondents to demonstrate increase in competition.
Number of protests of procurements sustained (Protestor is successful)	Reduce the number of procurements that are successfully protested to demonstrate the strength of the newly implemented procurement process.

The priority metrics will be tracked and reported to Congress and CMS through a visualization tool to increase transparency on the progress of the Contracting Reform Plan.

Contracting Reform Success Metrics Reporting Template

To document and report the progress against metrics, Puerto Rico could compile metrics in an easy-to-read and share visualization.
 To inform development of PR's visualization, below are the potential components:



INITIATIVE C

Metric	Progress	Previous SFY	Target, SFY '21	Total to Date, SFY '21	Q3	Percentage of Target	Notes
Number of procurements that have gone through a competitive process	Met target	10	15	15	8	100%	Puerto Rico has successfully transitioned all recent procurements to the newly defined competitive process implemented through the Contracting Reform Plan.
Number of protests of procurements sustained (Protestor is successful)	Met target	0	0	0	0	100%	No protested procurements have been successfully sustained by protestor
Number of non-competitively sourced contracts.	Met target	2	2	2	1	100%	For the last Fiscal Year, Puerto Rico only procured 2 non-competitive contracts. All measures were taken to document and justify these procurements.
Total dollar amount of non-competitively sourced contracts	On track	\$200,000	\$150,000	\$125,000	\$115,000	83%	Puerto Rico has prioritized the competition of contracts that are of high contract worth.
Number of procurements that have contract-related documents publicly available	On track	10	15	12	8	80%	Puerto Rico is currently on track to make the remaining new contracts publicly available.
Average number of bidders for professional service contracts	Not on Track	6	6	2	1	33%	3 procurements received no bids from general public solicitation, and required direct invitations to bidders

NUMBERS FOR ILLUSTRATIVE PURPOSES ONLY

Key

 Met target	 On track	 Not on Track
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All populated information is for display purposes only and does not represent actual targets or results.



Measure the Success of Procurement Process: Additional Metrics Options

Once the Contracting Reform Plan has been fully implemented and contracting processes mature, Puerto Rico may decide to track additional metrics to gauge the overall progress of their procurement process. Below are sample metrics that leading states use to track the performance of their procurement processes.

Metric	Desired Results/Action to Achieve Success
RFP cycle time, inception to execution	Reduce the time to complete an RFP process with all steps being executed.
Percentage of actual contract awards/rebids completed within projected time	Increase completion rate within projected time to demonstrate consistency.
Timely posting of procurement information online	Increase transparency and compliance with governing laws and policies.
Procurement Training Compliance	Increase percentage of staff participating in procurements that have received up-to-date training.

The additional metrics are potential measures that can be tracked in the future once Puerto Rico has fully implemented the Contracting Reform Plan and matured its procurement process.



Decisions and Actions for Measuring Success

To increase accountability and transparency, Puerto Rico will report on metrics with annual goals reflecting the success of the Contracting Reform Plan.

Immediate

Decisions

- Agree to the initial set of performance metrics for the Contracting Reform Plan
- Determine the different oversight agencies that Puerto Rico will report metrics to

Actions

- Measure the baseline for the metrics
 - Record current metric numbers for SFY20
- Set yearly targets and goals
- Develop a visualization reporting template
- Write decisions made into agencies' policies and procedures

Near Term

Actions

- Conduct an organizational assessment of the current state of the procurement process utilizing the Contract Management Maturity Model (CMMM) framework
- Establish a reporting schedule to report the procurement assessments to necessary oversight agencies

Long Term

Actions

- Continue reporting to the oversight agencies on progress of Contracting Reform through success metrics
- Once the procurement process has reached a higher level of maturity, consider adding additional metrics to further transparency and reporting
- Continue conducting yearly maturity assessments of the procurement process to gauge improvement



Conduct and Apply the Contract Management Maturity Model (CMMM)

Puerto Rico can use its initial CMMM assessment as a baseline for the future to determine the progress of its overall procurement and contract management process. In addition, Puerto Rico can explore the different options for continued future CMMM re-assessments.

Initial Assessment

- The CMMM is frequently used to assess an organization's formality and optimization of processes and indicate what areas are ready for further development.
- Puerto Rico's initial assessment indicates a starting point for contracting reform efforts. Successive measurements will be indicators of progress.
- Puerto Rico will use the findings and opportunities to further improve its procurement process, close performance gaps, and reach the next level of maturity.



Future Assessment

- The Medicaid Enterprise **intends to conduct a similar CMMM assessment on an annual basis** to accurately gauge the progress of its procurement process.
- Future assessments can be accomplished internally with documented observations throughout the course of a year and then applied to the CMMM template—similar to the Medicaid Information Technology Architecture (MITA) self-assessment required annually by CMS. This effort should be led by the procurement officer and members involved in the procurement process. Surveys may be one mechanism to collect feedback.
- Alternatively, Puerto Rico may leverage an external third-party entity to conduct yearly assessments



High-Level Overview of Contract Management Maturity Model Framework

To assess a baseline of the current procurement process, Puerto Rico used the nationally recognized CMMM framework which includes key process areas, key maturity levels, and process capability enablers.

Process Areas*

The CMMM identifies multiple process areas within an organization’s procurement process. The process areas are described below:

- 1. Procurement Planning**—The phase of identifying which business needs can be best met by procuring products or services outside the organization. This phase involves determining whether to procure, how to procure, what to procure, how much to procure, and when to procure.
- 2. Solicitation Planning**—The phase of preparing documents needed to support the solicitation, including strategy development in crafting the request for proposal (RFP); drafting the RFP and the contract; and defining the evaluation methodology/ criteria.
- 3. Solicitation**—The phase of obtaining bids or proposals from prospective vendors on how business needs can be met.
- 4. Source Selection**—The phase of receiving bids or proposals and applying evaluation criteria to select a contractor.
- 5. Contract Administration**—The phase of ensuring that each contract party’s performance meets contractual requirements.

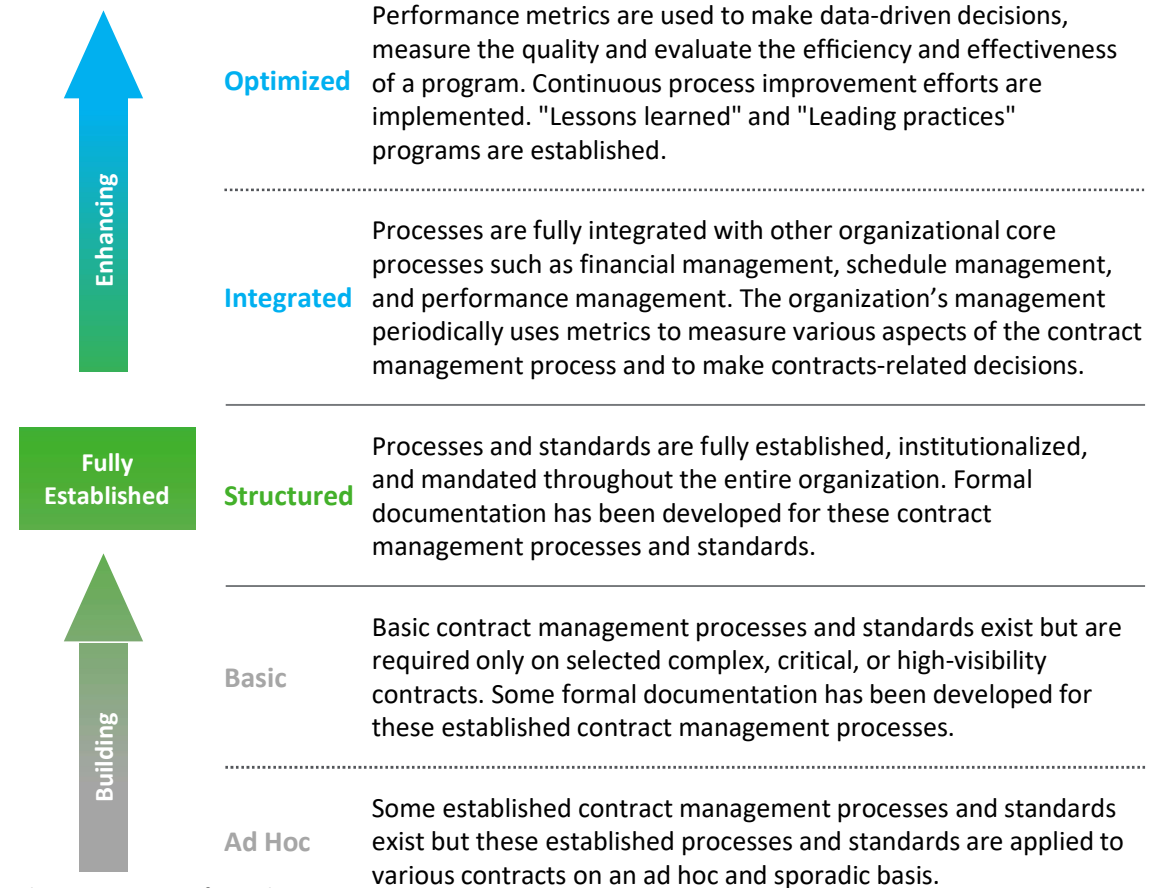
Process Capability Enablers

To determine the level of maturity, the following factors are assessed for each of the five process areas:

- 1. Process Strength**—considers how well the workforce accepts the contract management processes and the level of standardization and documentation within the organization.
- 2. Process Results**—measures the success of outcomes in each key process area.
- 3. Agency Support**—assesses the involvement of senior level management in process input as well as the approval of key process decisions and contract management documentation. In addition, this enabler assesses the ability of staff to support the requirements for the relevant process area.

Maturity Levels

As programs mature, each level is progressively more difficult to attain and likely requires more time to fully accomplish. At higher levels, significant progress may not always result in moving from one level to the next. The designation “structured” is recognized as a fully established process.

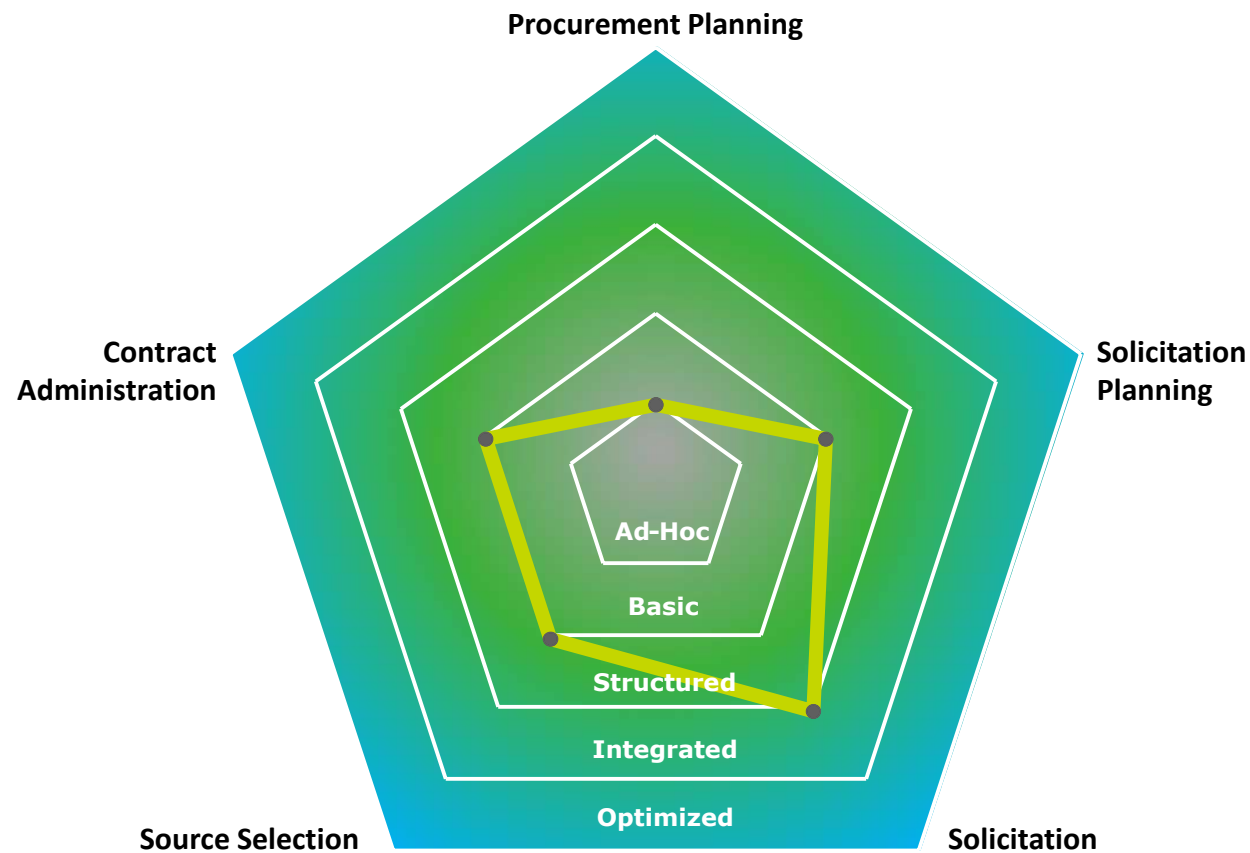


*The commonly included contract management process area/phase Contract Closeout is not depicted as it is not addressed in the Contracting Reform Plan.



Conduct Contract Management Maturity Model Assessment: Snapshot

An initial assessment using the CMMM framework established the current maturity level for each procurement process area. As of April 2021, Puerto Rico's process areas are mostly aligned with the designation 'basic'. Please see the following slides for further discussion of each process phase's assessment as well as next steps.






Contract Management Phase/ Process Area	Maturity Level	High Level Findings
Procurement Planning	Ad Hoc	Staff and resource constraints result in insufficient time spent on procurement planning and unstructured processes
Solicitation Planning	Basic	Solicitation documents are not standardized for all procurements and do not provide detailed guidance on evaluation criteria.
Solicitation	Structured	Large and complex contracts have established solicitation processes. However, many professional services are procured non-competitively.
Source Selection	Basic	There is inconsistency in the types of contracts and the depth and rigor of the scoring processes they are evaluated against.
Contract Administration	Basic	Compliance teams and oversight tools only aid in administering certain types of contracts. There is no governance structure in place to properly manage oversight of all contracts.

*The commonly included contract management process area/phase Contract Closeout is not depicted as it is not addressed in the Contracting Reform Plan.



Procurement Planning

Maturity level: Ad Hoc (Defined as: some established contract management processes and standards exist but these established processes and standards are applied to various contracts on an ad hoc and sporadic basis)

	Process Strength	Process Results	Agency Support
Level	 Ad Hoc	 Ad Hoc	 Ad Hoc
Rationale	<ul style="list-style-type: none">• Puerto Rico Medicaid Enterprise does not currently allocate sufficient time for the procurement planning phase due to resource and staff constraints.• The documentation of contract management processes exists informally within the organization but is used only on an ad-hoc and sporadic basis.• Puerto Rico conducts market research to improve its procurement planning. This involves analyzing data on how similar industries handle contract strategy, pricing, etc. If further research is needed, the Board of Directors requests a third party to conduct additional research.	<ul style="list-style-type: none">• MCO contracts, which are resource-consuming procurements, have durations of 3 years which is shorter than in similar states. This results in significant time spent in procurement cycles with these contracts.• Puerto Rico currently renews non-competitive professional service contracts on a yearly basis in lieu of going through a competitive process and awarding a multiyear contract.	<ul style="list-style-type: none">• The relevant department directors seeking a procurement meet with stakeholders and subject matter experts to discuss business needs.• Senior leadership, including the Board of Directors, provide input on an ad-hoc basis for non-complex and critical contracts.• Staff work together to identify the needs for external services; however, due to restrictive resources, there is a lack of comprehensive research that would improve that identification of external services.

Solicitation Planning

Maturity level: Basic (Defined as: contract management processes and standards exist but are required only on selected complex, critical, or high-visibility contracts. Some formal documentation has been developed for these established contract management processes)



	Process Strength	Process Results	Agency Support
Level	<p>Ad Hoc</p>	<p>Basic</p>	<p>Basic</p>
Rationale	<ul style="list-style-type: none"> The process for solicitation planning is not standardized, especially for those procurements that are non-competitive in nature. Solicitation documents are not consistently structured to facilitate accurate and complete response from prospective vendors. In addition, certain solicitation documents do not include information about the importance of proposal evaluation factor which may compromise fair competition. 	<ul style="list-style-type: none"> The current processes for justifying non-competitive procurements are minimal. However, Puerto Rico will begin documenting justifications for non-competitive contracts valued over 150k. Non-professional services and most health care delivery services procurements follow competitive standards. However, most professional service contracts are procured on a non-competitive basis. 	<ul style="list-style-type: none"> As stated by the OIG, “limitations in hiring and reductions in training opportunities prevent development of institutional knowledge and skill necessary to effectively operate the Puerto Rico Medicaid Program. However, Puerto Rico was able to partially mitigate this risk by hiring subcontractors to provide short-term continuity to program operations.” For a more comprehensive overview of Puerto Rico’s staffing levels please refer to the section: Equitable Staffing.

Solicitation

Maturity level: Structured (Defined as: processes and standards are fully established, institutionalized, and mandated throughout the entire organization. Formal documentation has been developed for these contract management processes and standard)



	Process Strength	Process Results	Agency Support
Level	<p>Structured</p>	<p>Structured</p>	<p>Basic</p>
Rationale	<ul style="list-style-type: none"> For complex and critical procurements, Puerto Rico has a well-structured process for receiving bids from vendors and responding to any questions regarding the proposal. RFPs are published through multiple public notices such as agency websites, government platforms, and newspapers. For complex and critical procurements, Puerto Rico holds a pre-bidders' conference to address any potential questions. Any additional questions are answered and electronically shared to all potential bidders. 	<ul style="list-style-type: none"> Non-professional procurements go through the GSA process which allows Puerto Rico to solicit services from pre-approved vendors with pre-approved rates. If not procured through GSA, multiple quotes that were assessed in the process must be demonstrated. MCO procurements have additional steps such as deposits that must be made by bidders to ensure that, if approved, the bidder will commit to the contract. Professional service contracts do not receive a wide array of proposals from different vendors. These contracts are mostly procured non-competitively. 	<ul style="list-style-type: none"> Processes and standards for staff are established; however, some, like the examples below, are only required for complex and critical contracts. To address the bidders' questions, staff from different departments coordinate to accurately respond. Senior leadership is not directly involved in this stage of the procurement process. However, for certain procurements, both leadership and CMS approval is needed before publishing an RFP to the public and/or a contract can be finalized.

Source Selection

Maturity level: Basic (Defined as: contract management processes and standards exist but are required only on selected complex, critical, or high-visibility contracts. Some formal documentation has been developed for these established contract management processes)






	Process Strength	Process Results	Agency Support
Level	<p>Basic</p>	<p>Basic</p>	<p>Basic</p>
Rationale	<ul style="list-style-type: none"> The process for source selection is well documented for complex and critical contracts. These processes are not standardized for smaller and non-competitive procurements. While the processes are well-documented, the scoring tools are print-based rather than computer-based programs such as Excel. They are not consistently used due to the volume of non-competitive procurements. Individuals involved in the scoring process for MCOs and Enrollment Counselors must sign NDAs and Computer Use attestations. 	<ul style="list-style-type: none"> Different types of procurements have had varying degrees of rigor regarding evaluating and scoring. Healthcare-related procurements have rigorous evaluations and detailed scoring sheets. However, as noted by the GAO, a portion of professional service procurements do not have documentation to support the final evaluation. Puerto Rico’s current method of scoring and evaluating does not have a consistently defined and executed process. This can yield improper and inconsistent scoring. 	<ul style="list-style-type: none"> There is a high level of interaction between the departments, along with external help from procurement experts, in determining the scoring and evaluation criteria. For complex and critical procurements, several committees are used in the scoring process to improve efficiency, confidentiality, and transparency. In addition, for procurements performed by PRHIA, the Board of Directors reserves the right to waive certain requirements in bidder’s responses and has the final decision in awarding a contract.



Contract Administration

Maturity level: Basic (Defined as: contract management processes and standards exist but are required only on selected complex, critical, or high-visibility contracts. Some formal documentation has been developed for these established contract management processes)

	Process Strength	Process Results	Agency Support
Level	 Basic	 Basic	 Basic
Rationale	<ul style="list-style-type: none"> • PRHIA has a compliance team to monitor that subject matter experts are reviewing MCO performance against contract standards. • A newly implemented oversight tool, along with a quality assurance tool and EDW, help PRHIA manage the data, reporting, and requirements from MCO contracts. This level of tracking is not performed for all types of contracts. • Puerto Rico has an established process for ensuring that only authorized individuals negotiate or agree to contract changes and has an established process for managing invoices and payments. 	<ul style="list-style-type: none"> • While there are reporting tools and guidelines in place, they are not always followed by the contracted vendors. There are instances of reporting not being completed and/or submitted late. • There is a process for documenting the review of contractual reports from MCOs for staff to complete within 10 days; however, that process is not applicable to other contract types. • Currently, some non-competitive contracts are audited on a sample basis. Puerto Rico is planning to improve its monitoring and auditing of contracts to ensure all standards, requirements, contracting laws are being met. 	<ul style="list-style-type: none"> • The agency does not tie contract requirements to business owners to enforce standards. However, staff does monitor the performance and fulfillment of contractual obligation for MCO contracts. • There are several departments involved in the contract administration process such as compliance, legal, quality and planning, and relevant business units. However, there is a lack of governance processes to enable to the Medicaid Enterprise to effectively collaborate on oversight and administration activities.



Next Steps for Achieving a More Mature Procurement Process

To reach the next levels of maturity, Puerto Rico will focus on implementing the relevant initiatives for each process area.

Key Phases Highlighted In The Contract Management Maturity Model (CMMM)*

	Procurement Planning	Solicitation Planning	Solicitation	Source Selection	Contract Administration
	Ad Hoc	Basic	Structured	Basic	Basic
Key Observation	Staff and resource constraints result in insufficient time spent on procurement planning and unstructured processes	Solicitation documents are not standardized for all procurements and do not provide detailed guidance on evaluation criteria.	Large and complex contracts have established solicitation processes. However, many professional services are procured non-competitively.	There is inconsistency in the types of contracts and the depth and rigor of the scoring processes they are evaluated against.	Compliance teams and oversight tools only aid in administering certain types of contracts. There is no governance structure in place to properly manage oversight of all contracts.
Contract Reform Measures to Enhance Maturity	<ul style="list-style-type: none"> Allow more time for upfront strategy development in major procurement (Initiative 4). Reconsider the duration of base contracts to reduce risk where necessary (Initiative 5). Engage agency and other stakeholders in strategic planning (Optimization Initiative 12). Engage potential vendors in planning (Optimization Initiative 14). 	<ul style="list-style-type: none"> Establish formal parameters to decide when non-competitive bids are allowable by setting criteria and thresholds (Initiative 1). Define additional actions required to justify non-competitive procurements. (Initiative 2). Identify and involve business owners of each contract requirement to increase oversight and accountability (Initiative 3). Identify which portions of contracting documents can or cannot be made public (Initiative 7). 	<ul style="list-style-type: none"> Assess barriers to entry and bidders' limitations (Optimization Initiative 10). Increase training efforts on process, criteria, and law (Optimization Initiative 15). 	<ul style="list-style-type: none"> Define a rigorous scoring process to establish criteria for competitive bids and test scoring criteria to ensure best bids win (Initiative 6). Establish ongoing process, tools and internal review process to ensure all appropriate documents are published (Initiative 9). 	<ul style="list-style-type: none"> Identify and involve business owners of each contract requirement to increase oversight and accountability (Initiative 3). Publish relevant contracting documents for existing contract (Initiative 8). Strategically tie contract performance goals to contract oversight responsibilities (Optimization Initiative 13). Implement prioritized contract oversight opportunities (Optimization Initiative 16).

*The commonly included contract management process area/phase Contract Closeout is not depicted as it is not addressed in the Contracting Reform Plan.

Decisions and Actions for Enhancing Maturity

Puerto is considering the following decisions and actions to enhance the maturity of the five process areas:



INITIATIVE C



Decisions and Actions



- Establish target maturity level goal for contract management in Puerto Rico
- Implement the Contracting Reform initiatives to enhance maturity levels
- Record and document improvements made in the process areas
- Determine how and when the next iterations of the CMMM assessment will be performed
- Write decisions made into agencies' policies and procedures

Implementing Optimization Initiatives



Contracting Reform Optimization Initiatives

Following the implementation of priority initiatives, Puerto Rico will begin working on additional initiatives to optimize contracting. These require higher levels of effort and more resources and staff dedicated to contracting and procurement than the priority initiatives in the Contracting Reform Plan.

Puerto Rico has identified six initiatives (which are numbered per the Contracting Reform Plan submitted to Congress on December 20, 2020) to optimize contracting processes.

Section Objectives	Optimization Initiatives
Provide an overview description of the optimization initiative	10. Assess barriers to entry and bidders' limitations
Determine desired outcomes for each optimization initiative	11. Competitively establish pre-qualified lists of vendors
Identify the leading practices research and considerations	12. Engage agency and other stakeholders in strategic planning
Define the activities needed to successfully implement the initiative	13. Strategically tie contract performance goals to contract oversight responsibilities
	14. Engage potential vendors in planning
	15. Increase training efforts on process, criteria, and law

Implementation of the Optimization Initiatives is contingent on additional efforts undertaken by Puerto Rico to identify adequate human resources.

The Contracting Reform Plan, dated December 20, 2020 is available at [Programa Medicaid - Departamento de Salud](#)

Connecting Contracting Reform Optimization Initiatives to the CMMM Framework

Contracting Reform Optimization Initiatives help improve three contract management phase areas.

Key Phases Highlighted In The Contract Management Maturity Model (CMMM)*

	Procurement Planning	Solicitation Planning	Solicitation	Source Selection	Contract Administration
Description	<ul style="list-style-type: none"> The phase of identifying which business needs can be best met by procuring products or services outside the organization. This phase involves determining whether to procure, how to procure, what to procure, how much to procure, and when to procure. This phase includes setting the program's goals and how the procurement supports those goals. 	<ul style="list-style-type: none"> The phase of preparing the documents needed to support the solicitation, including strategy development in crafting the request for proposal (RFP); drafting the RFP and the contract; and defining the evaluation methodology/ criteria. 	<ul style="list-style-type: none"> The phase of obtaining bids or proposals from prospective vendors on how business needs can be met. 	<ul style="list-style-type: none"> The phase of receiving bids or proposals and applying evaluation criteria to select a contractor. 	<ul style="list-style-type: none"> The phase of ensuring that each contract party's performance meets contractual requirements.
Associated Contracting Reform Optimization Initiatives					
Optimization initiatives	<p>Initiative 10. Assess barriers to entry and bidders' limitations</p> <p>Initiative 12. Engage agency and other stakeholders in strategic planning</p> <p>Initiative 15. Increase training efforts on process, criteria, and law</p>	<p>Initiative 14. Engage potential vendors in planning</p> <p>Initiative 11. Competitively establish pre-qualified lists of vendors</p>			<p>Initiative 13. Strategically tie contract performance goals to contract oversight responsibilities</p>

*The commonly included contract management process area/phase Contract Closeout is not depicted as it is not addressed in the Contracting Reform Plan.

Initiative 10: Assess Barriers to Entry and Bidders' Limitations



INITIATIVE 10



Initiative Description:

Assess barriers to entry and bidders' limitations to encourage more competition with bids (i.e., assess the impact of external factors such as taxation on continental US companies, inadequate solicitation processes to invite companies outside of Puerto Rico, lack of companies with experience in the Puerto Rico landscape, and territorial laws that favor Puerto Rico based companies for procurements).



Desired Outcomes:

- Increase the number of qualified bidders responding to Puerto Rico Medicaid Enterprise's procurement opportunities



Leading Practices Research and Considerations:

- Research how other states and unincorporated territories promote solicitations effectively to reach a wider pool of bidders
- Research activities that other states and unincorporated territories undertake to encourage a wider pool of non-local bidders to participate in their procurements



Implementation Activities:

- Identify what services are limited in Puerto Rico, to determine which procurements would benefit from having increased competition and bidders from continental US companies
- Assess the agency, territorial, and federal regulations that govern continental US companies providing services in Puerto Rico and determine which can be altered or addressed to meet the agencies' needs
- Evaluate the different methods of promoting and publishing solicitation documents to reach a wider pool of bidders for targeted services, including use of posting active procurements to the transparency platform



Initiative 11: Competitively Establish Pre-Qualified Lists of Vendors



Initiative Description:

Establish pre-qualified lists of vendors using a request for qualifications or a master services agreement as an alternative contracting process. Puerto Rico will determine appropriate service needs where this type of contracting approach can be most beneficial. This competitive process can then be utilized to address short-term or urgent needs such as professional services.



Desired Outcomes:

- Develop procedures for creating and utilizing a pre-qualified list of vendors to reduce administrative workload, increase efficiency, and encourage competition



Leading Practices Research and Considerations:

- Research and evaluate different methods to establish a prequalified list of vendors such as a Request for Quotation, Master Services Agreement (MSA), Indefinite Delivery / Indefinite Quantity contracts with Task Orders, and determine which method is most beneficial for different types of services



Implementation Activities:

- Identify what types of services (e.g., professional services) could benefit from having an established pre-qualified list of vendors
- Determine the possible circumstances where the Puerto Rico Medicaid Enterprise could utilize pre-qualify vendors rather than undergo a traditional competitive RFP procurement and update the procurement decision tree/process flow created as a part of [Initiative 1](#) implementation
- Define, document, and formalize the policy and process for procurements using different methods to establish a pre-qualified list of vendors



Initiative 12: Engage Agency and Other Stakeholders in Strategic Planning



Initiative Description:

Puerto Rico will implement a stakeholder engagement and strategic planning process, involving different groups across the Medicaid Enterprise that will coordinate with other government ombudsmen, offices, providers, advocates, members, the Medicaid Administrative Director, and provider associations to identify current challenges, innovations, and opportunities.



Desired Outcomes:

- Develop a joint strategic approach to Medicaid that aligns with stakeholders



Leading Practices Research and Considerations:

- Research engagement channels for effectively engaging internal agency stakeholders and other external stakeholders



Implementation Activities:

- Understand the current process/local context for coordinating with key stakeholders
- Identify key internal and external stakeholders who could contribute to identifying current procurement and contracting challenges, innovations, and opportunities
- Identify existing engagement channels (e.g., emails, surveys, public meetings) with internal and external stakeholders
- Create, implement, and maintain a stakeholder engagement plan to engage with key stakeholders by determining key messages and selecting appropriate engagement channels
- Engage regularly with key stakeholders to identify and prioritize improvement initiatives
- Develop and maintain a strategic plan and roadmap to implement improvement initiatives

Initiative 13: Strategically Tie Contract Performance Goals to Contract Oversight Responsibilities



INITIATIVE 13



Initiative Description:

Puerto Rico will strategically tie contract performance goals (e.g., network adequacy standards) to contract oversight responsibilities for major contracts such as managed care contracts, MMIS contracts, and/or technical assistance/professional services contracts.



Desired Outcomes:

- Align contractual requirements with oversight responsibilities, and develop and regularly monitor contract performance goals and metrics that meet the Medicaid Enterprise's strategic vision



Leading Practices Research and Considerations:

- Review CMS guidance and research publicly available information on performance metrics used by other states to better oversee contractual performance and the use of Medicaid dollars



Implementation Activities:

- Assign RFP and contractual requirements to program owners as described in [Initiative 3](#) to ensure contractual oversight
- Tie contractual requirements to strategic planning goals and objectives identified in other contracting reform initiatives and performance metrics, to measure contractual performance against performance targets
- Monitor and document progress towards the performance targets via routine reporting and data review, and take necessary actions to meet contract performance goals

Initiative 14: Engage Potential Vendors in Planning



INITIATIVE 14



Initiative Description:

Puerto Rico will implement a stronger vendor engagement and strategic planning process, especially for health care delivery contracts [e.g., MCO, Pharmacy Benefit Managers (PBM) solicitations], utilizing requests for information (RFIs) or other mechanisms to identify current challenges, innovations, and opportunities.



Desired Outcomes:

- Use RFIs posted on the new Transparency platform as described in [Initiative 9](#) to collect information on the market and prospective bidders' capabilities and solutions and determine how the market can help Puerto Rico achieve its procurement goals



Leading Practices Research and Considerations:

- Research publicly available information on how leading Medicaid programs engage with potential vendors appropriately to determine how the market can help with its Contracting Reform goals



Implementation Activities:

- Identify existing and new vehicles (e.g., vendor surveys, vendor conferences) to engage with potential vendors to understand key issues within the market, major players in the market, what steps can Puerto Rico take to better support or collaborate with vendors, and steps Puerto Rico can take to encourage vendors to bid
- Identify key procurements that could benefit from engaging appropriately with potential vendors via RFIs and other engagement vehicles
- Engage potential vendors in the procurement process, as needed and as appropriate



Initiative 15: Increase Training Efforts on Process, Criteria, and Law



Initiative Description:

Puerto Rico will conduct procurement compliance trainings on redesigned procurement and contracting processes, scoring criteria, and ethics rules and laws. (Ongoing process for each contract cycle)



Desired Outcomes:

- Have well-informed staff trained on redesigned procurement and contracting processes, scoring criteria, and rules



Leading Practices Research and Considerations:

- Research publicly available procurement and contracting trainings documented by other states (e.g., on their websites)



Implementation Activities:

- Review Contracting Reform Playbook and documented decisions to identify redesigned procurement and contracting processes, policies and procedures
- Document the updated procurement and contract management processes and tools
- Identify training needs for staff and develop a comprehensive communication plan to effectively deliver critical process change details to appropriate stakeholders/staff
- Develop training materials/user guides/procedure manuals to educate Medicaid Enterprise's current and future staff on redesigned procurement processes
- Designate and educate the training staff who would facilitate trainings
- Conduct ongoing webinars/in-person trainings to educate Medicaid Enterprise's staff on ongoing process changes



Websites



Puerto Rico Department of Health (PRDOH): [Programa Medicaid - Departamento de Salud](#)

Puerto Rico Health Insurance Administration (PRHIA): <https://www.asespr.org/>

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