

State Procurement Office
Workshop

**Planning,
Requests for Information (RFI),
and Collaboration**

**in Procuring and Contracting
for Health and Human Services**

Pursuant to HRS Chapter 103F

This workshop is designed for
Planning and RFIs when contracting
for health and human services, but
the principles can be used for any
good or service.

About the State Procurement Office

- SPO oversees 2 statutes
 - HRS Chapter 103D – The Procurement Code
 (goods services and construction)
 - HRS Chapter 103F – Purchases of Health and Human Services
- Inventory Management & Excess Property
- Surplus Property
- P-card
- Hawaii e-Procurement System (HePS)
- Travel Services
- Assistant Administrator : Ruth Yamaguchi
- Administrator: Aaron Fujioka

About HRS Chapters 103D and 103F

It's not a choice for State Agencies

chapter	103D	103F
Applies to:	Goods, services, construction	Health and human services
Must be utilized by:	State and County agencies	State Agencies <i>(optional for county agencies)</i>
Method of procurement used most often:	Competitive sealed bids (IFB)	Requests for proposals (RFP)

Chapters 103D and 103F *Methods of Procurement (Source Selection)*

103D	103F
Competitive Sealed Bids (IFB)*	--
Competitive Sealed Proposals (RFP)	Requests for Proposals (RFP)*
Sole Source	Restrictive Purchase
Professional Services	--
--	Treatment Services
Emergency	Crisis
Small Purchase (>\$50,000) <i>\$15,000 to \$50,000 shall be procured on HePS)</i>	Small Purchase (>\$25,000)

When We Buy... *Public Sector Procurement*

- **We must be open/transparent.**
 - Our shareholders are everyone: the taxpayers, legislators, advocates, vendors and other interested parties.
- **We must be fair.**
 - Level playing field.
- **We ARE accountable.**
 - Established rules must be followed consistently. Statutes, rules, procurement circulars, establish procedures and guidelines. (ABA Model Code)
 - Audit trail.

How do I know if a Procurement is Subject to HRS Chapter 103F?

1. The procurement must be for **services** (as opposed to goods.)
2. The service must be intended to **maintain or improve health or social well-being** and may include assessment, treatment, diagnosis, prevention or educational services.
3. The service is to be provided **directly to a targeted clientele.**

Planning

It takes time.

Planning HAR Chapter 3-142

Why do we need to plan?

- 1.To establishes procurement schedules and timelines so services are delivered in a timely manner.
- 2.To improve service specifications and progress towards desired outcomes.
- 3.To determine the services you want to purchase to attain your goals.

Planning: Identify the Team

- RFP coordinator
- Planner(s)
- Program manager
- Proposal evaluators
- Fiscal staff
- Contract administrator
- Program evaluator
- Contract evaluator

A Word about Planning and Timelines

- **Work backwards**
 - When does the service need to start?
 - Will provider need start-up time after execution of contract? How much?
(Note: ensure it is clear in the RFP if this is allowed/anticipated.)
 - How long does it take your office/division/department to get a contract executed?

Some Planning Activities

1. Requests for Information (RFI)
2. Collaboration with other state agencies, providers, and stakeholders.
3. Needs assessments.
4. Data gathering (CDRS, RFPW, etc.)

Requests for Information (RFI)

What is a Request For Information (RFI)?

- An RFI is a tool used to gather, share, clarify, and incubate ideas and information.
- The RFI can be conducted in many ways including but limited to:
 - writing,
 - Meeting,
 - e-mail,
 - teleconference,
 - video conference/webinar,
 - webcast.

Conducting an RFI *Guiding Principles*

- Be open
 - Open to all who may be interested.
 - Open to hearing other points of view.
- Be fair
 - The RFI may not exclude or give unfair advantage.
- Keep a good record

RFIs for Health & Human Services *Requirements Pursuant to HAR §3-142-202*

- ***An RFI must be conducted whenever developing/preparing to issue an RFP***

“...At a minimum, a purchasing agency shall prepare a request for information prior to the development of a request for proposals to obtain community input and facilitate community planning activities...”

RFI Requirements *(continued)*

- ***Notice of the RFI must be posted on the Procurement Notices System (PNS)***

“...Public notice shall be given for all requests for information in accordance with section 3-141-407 and shall be posted for a minimum of seven days...”

- ***An RFI shall be in writing***

Permissible Subjects for an RFI

Includes but is not limited to:

- Long- and short-term goals/objectives, or the objective of a procurement;
- Target population to be served;
- Services the purchasing agency anticipates may be necessary to achieve its goals and objectives;
- Service specifications, feasibility, or cost;
- Request for expressions of interest to provide a service.

Examples of Subjects for RFIs

- **Configuration of services**
(Different combinations of services or geographic areas of services)
- **Method of payment**
(Capitated rates, unit rates, guaranteed minimums, etc.)
- **Target population**
(Expand/contract target population, include service for family members or significant others)
- **Personnel requirements**
(Require one MSW licensed social workers per 4 case managers who will supervise the 3 BA licensed social workers instead of all MSW.)

The RFI Timeline

- Varies depending on what the purchasing agency is seeking.
- Feasibility of a new service- RFI will occur early in the process.
- An established service- might include a draft of the service specifications and might be issued a little later in the process.

RFI Timeline (*continued*)

- Give as much advance notice as possible when there will be significant change in an RFP.
This allows providers to plan for services more effectively and benefits the client.
- For quality information, it must flow both ways. Allow time for respondents to ask clarifying questions.
- Recommended time for conducting an RFI is 2 to 9 months prior to the procurement notice for an RFP.

The RFI Notice

What do we need to include in the RFI notice?

- **Name of the state agency** issuing request;
- **Description of the information** being sought (can be brief and refer to another document);
- **Procedure for responding** (when where how, who, etc.);
- If applicable, **other means by which the request for information is being solicited** (such as a presentation, meeting, telephone survey, electronic media, or any combination of these methods; and

The RFI Notice *(Statements that shall be included)*

- The following two statements:
 1. Participation is optional, and is not required to respond to any subsequent procurement action a purchasing agency may take.
 2. Neither the purchasing agency nor the interested party responding has any obligation under the request for information.

The RFI Notice *Time for Response*

How much time do we need to allow for responses?

- Must be posted on the PNS for a minimum of 7 days. Give more time whenever possible (2 weeks is better.)
- Request for response by may not be less than 7 days. Notice must remain up until the date by which you are requesting response.
- If there will be an RFI meeting, give more time. Be fair. Schedules fill up quickly.

Conducting an RFI Meeting

- Be Prepared!
- Developing an RFP is a team effort. Have members of the team present. (The community is part of the team, too.)
- Have an agenda.
- Have someone from your office take notes. (*Remember: keep a good record*)

The RFI Meeting *(continued)*

- Answer questions.
- Don't be afraid to say "I don't know. We will get back to you on that."
- Have a way to get back to attendees. (For instance, a sign-in sheet with names and e-mail addresses.)

The RFI Meeting *Requests for Written Responses*

- Make the request for submittal of written responses after the meeting.
 - Great ideas sometimes occur after-the-fact.
 - Give those who could not attend an opportunity to respond.

Summarizing the RFI Results

- Summarize approximately how many responded.
 - How many attended the meeting.
 - How many written responses.
- Summarize the issues.
 - Generally questions are grouped into clusters of issues.
- Summarize the purchasing agency's response.
 - Measures the purchasing agency plans to take in response to the feedback.

Summarizing RFI Results *Who Responded*

“Approximately 35 individuals from 27 organizations attended the RFI general meeting held on March 8, 2006. Over 35 written responses were received. Most of the responses were from providers of services to youth and the majority of those were nonprofit providers on Oahu. Several responses were from parents and one was from an interested community member...”

Summarizing RFI Results *The Issues*

Unit Rate: There were several comments about the unit rate. Most related to being paid the same unit rate for high intensity clients as low intensity clients and how this leads to “creaming.” There was one suggestion that pricing be a fixed price for an entire program and that only one contract awarded statewide. There was also a suggestion about utilizing capitated rates.

Service Configuration: There was one suggestion that services be configured for one provider to provide XXX services statewide. There were several other comments in this area reflecting that one statewide provider was unnecessary, severely limited competition and was neither advisable or feasible.”

Summarizing the RFI Results
Response to Feedback

Example 1:

“Unit Rate: It is unlikely there will be more than a slight increase in the total funds available for this service. ABCD will work to establish a graded unit rate for high and low intensity clients. ABCD has no experience with capitated rates for this type of service and would appreciate assistance from any providers/clients or interested community members who have knowledge of using capitated rates with this type of service.

Summarizing the RFI Results
Response to Feedback (continued)

Example 2:

Service Configuration: The biggest concern was the possibility of soliciting for one statewide contract. Several providers indicated it was not feasible in this field. ABCD will continue to contract by geographic by island with the exception that separate proposals will be accepted for East and West Hawaii...”

Using RFIs for Federal Grant Applications

RFI for Federal Grant Applications *Pursuant to HAR §3-143-614*

- This is **not** an exemption from procurement whenever federal funds are involved.
- This special procedure may **not** be used with block grant federal funds.
- This special procedure is to be utilized when:
 - A state agency applies for a federal grant;
 - Grant application requires a description of how the funds will be spent; and
 - It is necessary or will increase the likelihood that the state agency will be awarded by naming the provider(s) in the grant application.

RFI for Federal Grant Applications *(continued)*

- Notice must be posted on the PNS for a minimum of 7 days. (Longer is better.)
- The names of all who responded and the justification for the selection shall be included as part of the procurement file. (This means it is open to the public.)

RFI for Federal Grant Applications *(continued)*

What Must be Included:

- The state agency issuing the request.
- A statement that the request is issued for the purpose of including a provider (or providers) in a federal grant application and that if awarded, may result in a contract with the provider(s).
- A description of the services.
- The criteria by which the provider(s) will be selected.
- The deadline for submission of responses.
- Contact information for questions

RFI for Federal Grant Applications *(continued)*

- Request responses in writing, even if you hold a meeting.
- In describing the services, do not simply refer applicants to the federal website. Federal websites are very confusing and sometimes the web address changes.

Utilizing the RFI *Summary*

- Can be used to for a variety of purposes.
- Required when preparing an RFP for health and human services.
- Must be posted on the PNS for a minimum of 7 days.
- Can conduct more than one RFI.
- Providing the results of the RFI is extremely helpful.
- There are many ways an RFI can be conducted. Check the Procurement Notices Website (PNS) to see how other purchasing agencies conduct theirs.

Want to post your RFI on HePS?

- Contact us.
- Training.
- Ensuring providers are registered in HePS.

Collaboration

It's a good thing...

Collaboration

There are 2 basic definitions, one good and one bad; Collaboration in the context of procurement is the first definition:

To work together, especially in a joint intellectual effort.

It is not this:

“To cooperate treasonably, or as a traitor.”

Providers, advocates, the public, or the State are not the enemy...

Collaboration *(continued)*

Uncompensated provider participation is encouraged.

Ask providers, other state agencies, clients, etc. to participate in planning activities.

Areas for Collaboration

- Share information on community needs
- Determine best practices
- Inventory of available resources
- Budgetary or cost factors
- Configuration of services
- Recommendations for service specifications and requirements
- “Heads up:” advance notice gives time to plan & respond more effectively

Collusion

It's Not okay

- A secret agreement, esp. for fraudulent or treacherous purposes; conspiracy:
His employees were acting in collusion to rob him.
- A secret understanding between two or more persons to gain something illegally, to defraud another of his or her rights, or to appear as adversaries though in agreement.
- A secret agreement between two or more parties for a fraudulent, illegal, or deceitful purpose.

Data Sources

- Contracts database reporting system (CDRS)
 - *Contracts for health and human services issued by the state since 2005. Services available; an indicator of what we may need; trends, etc*
 - *search by: key words (title and description); dept., division; year; provider; general and special population; island*
- RFP Database (RFPW) Includes RFPs issued since 2004.
 - *a database of service specifications*
- DBEDT website
 - *economic data and trends, census, Hawaii databook*
- The Web!-
 - *a huge data source at your fingertips-*

Planning

If you don't have time to do it right...

Then you have time to do it over...

Questions?

The SPO website

<http://hawaii.gov/spo>

Click on "Health and Human Services Ch. 103F, HRS..."

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