

COOPERATIVE EDUCATIONAL SERVICES
4216 Balloon Park Road NE • Albuquerque, New Mexico 87109-5801
PHONE (505) 344-5470 • FAX (505) 344-9343

REQUEST FOR PROPOSALS

RFP Date **June 7, 2004**

RFP Number: RFP 2005-01

Issue Date: June 7, 2004

Commodity Title: Services Relating to Medicaid Reimbursement of School Based Health

RFP Due Date **July 16, 2004**

Day / Date: July 16, 2004

Time: 1:30 p.m. local time

Location / Mail Address: Cooperative Educational Services
4216 Balloon Park Road NE
Albuquerque, NM 87109-5801

Directions: In Albuquerque, take I-25 North. Take Exit 229, Jefferson and proceed 4/10th of a mile west. Turn left on Balloon Park Road NE. The CES offices will be the third building on the left. The office manager will receive proposals.

RFP Contents Overview

- I. Instruction to Offerors
- II. Scope of Work and Specifications
- III. Conditions Leading to and Including Contract Award
- IV. Proposal Forms

Note: The RFP has been divided into four (4) sections.

Section I outlines the RFP; indicates how to prepare a response; and states the General Terms and Conditions.

Section II lists the various commodity titles and, for each, states the Special Terms and Conditions, the Scope of Work and Required Additional Responses.

Section III indicates how the proposals will be evaluated and how the awards will be made.

Section IV incorporates the forms used in the proposal response.

Legal Advertisement

ADVERTISEMENT FOR PROPOSAL

Cooperative Educational Services, 4216 Balloon Park Road NE, Albuquerque, NM 87109, will receive sealed proposals until 1:30 p.m. local time, July 16, 2004, for Services Relating to Medicaid Reimbursement of School Based Health for public educational institutions in New Mexico.

All proposals must be submitted in a sealed envelope marked "SEALED PROPOSAL – RFP 2005-01" on the front of the envelope. A list of qualifications and specifications, instructions to bidders and bid forms can be obtained upon request by fax (505-344-9343), mail, e-mail (bids@nmedu.org) or by telephone (505 344-5470) from 8:30 a.m. to 4:30 p.m., Monday-Friday, except holidays.

Cooperative Educational Services reserves the express right to accept or reject any or all bids.

/s/ Max Luft,
Executive Director

PUBLISH: Sunday, June 6, 2004
Sunday, June 13, 2004

The Albuquerque Journal
Farmington Daily News
Las Cruces Sun
Roswell Daily Record
The Santa Fe New Mexican

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SECTION I: INSTRUCTIONS TO OFFERORS

A. INTRODUCTION

Parties to the Joint Powers Agreement to Establish an Educational Cooperative through its administering agency, Cooperative Educational Services (CES), invites experienced vendors to submit proposals in accordance with the outlines and specifications contained herein. Proposals are requested from qualified respondents to provide products and services for one or more CES members. Selection for award will go to the responsive offeror whose proposal is most advantageous to CES. The method by which the offeror will be selected is detailed further in the evaluation section.

B. EXAMINATION OF DOCUMENTS

Offeror will carefully examine the REQUEST FOR PROPOSALS, which includes Instructions to Offerors, Scope of Work and Specifications, Conditions Leading to and Including Contract Award and Proposal Forms.

C. QUESTIONS

Submit all questions about the REQUEST FOR PROPOSALS (RFP) in writing to Cooperative Educational Services, Max Luft, Executive Director. Replies will be made via the website (www.nmedu.org/ces/jobrfp/rfprfb_1st.asp) as addenda and will become part of the proposal documents. Those not having access to the Internet can call CES either to determine if addenda have been issued, or to request to CES by phone or fax that copies of the addenda be mailed. Questions received less than seven (7) days prior to proposal due date will not be answered.

D. VENDOR CONFERENCE CES

CES will hold a vendor conference (NOT REQUIRED) for anyone having questions or needing assistance in understanding the CES procurement process. The vendor conference will be on Monday, June 28, 2004 at 1:30 p.m. in the CES offices at 4216 Balloon Park Road NE, Albuquerque, NM.

E. PROPOSAL SUBMISSION

1. Preparation of the Proposal

- a. Proposals will be submitted on either unaltered proposal forms furnished by CES or a reasonable facsimile thereof. Telegraphic offers, electronic mailgrams, or facsimile machine offers will not be considered.
- b. The Offer, Acceptance of Offer and Contract Award document must be submitted with original ink signature by the person authorized to sign the Offer. If a company or corporation submits the proposal, an official or duly authorized agent will sign the proposal. Powers of Attorney, which authorize agents or others to sign proposal, must be properly certified by resolution of the Board of Directors, attested to by the secretary of the corporation, and attached to the proposal. Mistakes can be corrected prior to opening but must be initialed by the person signing the proposal. Corrections and/or modifications received after the opening time will not be accepted.
- c. In case of an error in extension of prices in the offer, unit prices will govern.

- d. Periods of time stated as a number of days will be in calendar days, not business days.
- e. It is the responsibility of offeror to examine the entire RFP package and seek clarification of any item or requirement that may not be clear, and to check all responses for accuracy before submitting an offer. Negligence in preparing an offer confers no right of withdrawal after due time and date.
- f. The offeror's ability to follow the proposal preparation instructions set forth in this solicitation will also be considered to be an indicator of the offeror's ability to follow instructions, should it receive an award as a result of this solicitation. Any contract between CES and a vendor requires the delivery of information and data. The quality of organization and writing reflected in the proposal will be considered to be an indication of the quality of organization and writing which would be prevalent, if a contract is awarded. As a result, the proposal will be evaluated as a sample of data submission. Subjective judgment on the part of CES evaluators is implicit in this process.

2. Format of the Proposal

- a. One (1) original of the proposal must be submitted on the forms and in the format contained in the RFP. The proposal must contain all descriptive literature, specifications, samples, etc., and be submitted in a three-ring binder.
- b. Use the format and forms as requested in the RFP. Offer can reproduce the forms and retype the information, but all of the required information must be presented in the order requested. All proposals must be completed in ink, on a computer or typewritten. **Forms can be filled in by hand, but must be printed.**
- c. In preparing a proposal, the offeror should present a point-by-point response to each relevant term, special consideration, or specification. A response that says "See Appendix," "Acknowledge," or "Understood" is not acceptable and may be sufficient to render the proposal as non-responsive. Usually, on a term or condition, either the word "Accept" is appropriate or the word "Exception" with a clarification. Should the offeror take any "exceptions" to this RFP, a summary of those items must be included in the response to be considered valid. Exceptions can be accepted, negotiated or rejected by CES.

3. Contents of the Proposal

In order to insure that every proposal receives a fair evaluation, it is required that each vendor organize its proposal in the following manner:

Step One: Obtain a three-ring binder and a set of 10 index dividers.

Step Two: Prepare the Table of Contents with the tabs in this order:

Tab 1: The Offer

- Signed Offer (page 35)
- The RFP Affidavit page, notarized signature required (page 36)

Tab 2: Introduction

- Executive Summary (a one or two page description of what you are proposing on this contract)

- Tab 3: General Terms and Conditions
 - Terms and Conditions (copy of each page in order)
 - Acceptance of all Terms and Conditions, first line must be signed (page 38)
 - Written documentation of any exceptions and/or additions to the solicitation's General Terms and Conditions.
- Tab 4: Vendor Qualifications
 - Answers to Numbers 1-9 (pages 8-10)
 - Copies of required licenses in order to perform, conduct and provide the products and services requested herein.
- Tab 5: Category
 - Acceptance of Categorical Terms and Conditions (second line of page 38)
 - Include a copy of the Categorical Terms and Conditions (page 38)
 - Required Categorical Response (written response to every part)
- Tab 6: Cost Quotation
 - Price for category
 - Additional price information, price sheets from RFP
- Tab 7: Required Forms
 - Offeror's Support for CES Prices (page 37)
- Tab 8: Additional Information
 - Additional information that you wish to include
 - Additional support documentation as requested in this RFP
- Tab 9: Submission Check-Off Form
 - Make certain everything is included, and then sign Form (page 41)
- Tab 10: Literature, slicks, samples and supporting printed material

Step Three: Go to the last page of this RFP and prepare the Submission Check-Off Form. Sign it and place it after Tab 9. Send your proposal to CES so that it arrives on or before Friday, July 16, 2004, at 1:30 p.m. local time.

Proposals must be submitted in a sealed envelope/package with the proposal number, date and time of proposal opening clearly marked on the outside.

Step Four: Before you seal your proposal, ask yourself this question, "Did I really give my best prices to the schools?" Be sure the Offer is signed and that all forms are enclosed. After verifying this has been done, make a copy of the proposal for yourself. Submit your proposal to CES.

4. Vendor Qualifications

All proposals must contain answers or responses to the nine (9) items listed below. Any offeror failing to answer these questions completely may be considered non-responsive.

Please arrange your responses by placing them after Tab 4. One essential part of the evaluation process is for the evaluators to have information about the company being evaluated. For the evaluators to know if the proposal being read is within the capability of the offeror, factual information about the offeror is vital. After the evaluation process is finished and a contract is awarded, the information can be provided to the CES members considering the purchase. This is your opportunity to present your company to those interested evaluators or, if awarded, member staff.

1. Write a brief history of your company that includes its philosophy of doing business. Generally, CES will not accept an offer from a business less than three (3) years old or which has failed to establish a proven record of business. If the offeror has recently purchased an established business or has proof of prior success in this business or a closely related business, please provide written verification. CES reserves the right to accept or reject newly formed companies solely based on information provided in this response and from its own investigation of the company. Since any contract awarded by CES is a recommendation to members to do business with the vendor, organizations with little or no demonstrated ability to perform may be placing members at risk.
2. Where are the headquarters of the company located? Provide address, city, and state, and if there are branch offices in New Mexico please also supply those. How long has your company provided these services/products in New Mexico? If you are offering after-sales services to CES members, what are the qualifications of your service staff?
3. Almost every business has professional organizations and associations that provide standards and/or produce evaluations/comparisons for sales use and for other competitive purposes. Have any of the products/services you are offering received an evaluation by any of these groups, and have they issued a report of their findings or any awards or nominations for excellence? Will the products you offer in this contract meet or exceed industry standards if submitted for evaluation? If so, please submit copies of the reports and a written narrative describing the standards and/or awards your products/services or company has received. Also, place copies of articles, sales slicks, catalogs, news clippings, or news bulletins that describe these awards and standards after Tab 10.
4. A major problem often facing companies awarded a CES contract is rapid growth followed by cash flow difficulties. For purposes of evaluation, attach a letter from your financial institution that indicates the line of credit available to you. This letter does not need to identify a dollar amount. Instead, a credit range should be indicated. (For example, "credit in the low six figures" or "a credit line exceeding five figures.")
5. Describe your company's policies and procedures in regard to complying with the New Mexico state mandated security and background checks for individuals working and providing services in public school buildings. Please provide a sample of the type of background check that you are willing to perform for these purposes.
6. Unfortunately, the United States of America is now a very litigious society. Provide a certificate of verification of insurance listing minimum and maximum coverage for liability, vehicle and property damage. CES is not asking you to acquire additional or special insurance for this contract. CES needs proof that you are insured. Before any work can commence, you must provide a certificate that names CES as a certificate holder. Normally, this is a free service provided by an insurance company.
7. CES is the administrative agency of the Joint Powers Agreement to Establish an Educational Cooperative. Its members are the public educational institutions in New

- Mexico. CES' sole purpose is to support these institutions in their day-to-day procurement. Describe in writing any conditions where you would not use the CES contract with a CES member. CES will not enter into a contract with a vendor who has an existing contract that would be more advantageous than a CES contract to provide services to members. Do you currently have or plan to have such state contracts, that is, with the State Procurement Division? If so, why do you wish to secure a CES contract? How would the CES contract be more advantageous in pricing or other services over other cooperative contracts or individual responses to public educational institution contracts?
8. It has been CES' experience that a gap exists between the management (those who respond to RFP's) and sales staff (those who contact the schools and political subdivisions) which results in problems. Will your sales staff sell a product or service to a CES member that it knows will not meet the member's needs? What training does your sales staff have that gives you confidence in their ability to serve the needs identified in RFP 2005-01? Name your key people who will provide supervision, coordination, technical support, processing and day-to-day services that will be assigned this contract; provide a brief description of each person's qualifications that includes title, work experience, educational background and related skills. Provide an organizational chart including these people.
 9. Although CES is not required to base an award strictly on the lowest price, any time one vendor charges more than another for a product or service, justification is needed. Every CES contract must be for the public good, not for the benefit of a vendor. However, CES is totally committed to two basics in the American way of business, profit and competition. Please provide, in writing, reasons why your products and services are worth the prices or fees you are proposing. Is there "added value" received by the customer when purchasing through you rather than a competitor, or is your major benefit price alone?

F. LISTING OF GENERAL TERMS AND CONDITIONS

For the purposes of this REQUEST FOR PROPOSALS, the following terms and conditions shall be defined as indicated below.

Acceptable Quality Level (AQL): CES expects that offeror possess the experience, as well as human and facility resources to implement and maintain the services required herein to strive for zero (0) errors per hundred (100) claims. If the AQL exceeds five (5) errors per hundred (100) processed claims, CES reserves the right to cancel the contract following the procedures described in this RFP (*caveat venditor*).

Acceptance of Delivered Services: CES will be the sole determining judge of whether materials and services delivered under the contract satisfy the requirements as identified in the contract order.

Advertising: Contractor will not advertise or publish information concerning this contract prior to the award being announced by CES. Once the award is made, CES encourages the contractor to advertise to CES members that products/services are available.

Amendment of Offer: An offer can be amended up to the time of opening by submitting a sealed letter to the place indicated on the front of the response to this RFP.

Announcement of Successful Vendors: Selection will be made via written communication to successful offerors.

Applicable Law: This contract will be governed by the laws of the State of New Mexico, both as to interpretation and performance. Suits pertaining to this contract can be brought only in courts in the State of New Mexico. Offerors doing business with CES must be in compliance with the Federal Civil Rights Acts of 1964 and Title VII of that Act, Rev. 1979. All work under this contract will be done in strict accordance with the most recent edition of any relevant regulation, standard, document or code that relate to these laws. Where conflict among the requirements or with these specifications exists, the most stringent requirement will be used.

Arbitration: This contract is subject to arbitration to the extent required by the New Mexico Procurement Code.

Assignment: No right or interest in this contract can be assigned or transferred by the offeror without prior written permission by CES, and no delegation of any duty of the offeror will be made without prior written permission by CES. CES will not unreasonably withhold approval and will notify the contractor within 15 days of receipt of written notice by the contractor.

Audit Rights: In accordance with applicable New Mexico law, the contractor's books and records related to this contract may be audited at a reasonable time and place.

Authority: This RFP, as well as any resultant agreement, is issued under the New Mexico Procurement Code, CES Board Policies and CES Procurement Guidelines.

Awarding of Contract: CES reserves the right to make multiple awards, to award the entire contract to one responsible offeror, or to reject one or all proposals. A response to the RFP is an offer to contract with CES based upon the terms, conditions, scope of work and specifications contained in this Request For Proposal. An RFP does not become a contract unless and until CES signs the Acceptance of Offer and Contract Award document, eliminating the need for a formal signing of a separate contract.

Best and Final Offer: After initial receipt of proposals, CES reserves the right to conduct discussions with responsible offerors who submit responsive proposals.

Billing: All invoicing will be issued to the CES' member's business office in accordance with the terms, conditions and timelines established during final contract negotiations with CES. The contractor will be required to work with CES and its members to streamline and make the invoicing process efficient for all parties.

Bribes, Gratuities and Kickbacks: Sections 13-1-191 and 13-1-198 Procurement Code, NMSA, 1978 prohibits bribes, gratuities and kickbacks, and provides for criminal prosecution for the violation thereof.

Cancellation: CES can, by written notice stating the extent and effective date, cancel the contract issued as a result of this RFP for convenience in whole or in part, at any time. CES will pay offeror as full compensation for performance until such termination as follows:

1. The unit or pro-rata order price for the delivered and accepted portion; and
2. A reasonable amount, not otherwise recoverable from other sources by offeror as approved by CES with respect to the undelivered or unaccepted portion of the service; provided compensation in no event exceeds the total contract price.

CES reserves the right to cancel in whole or any part of the contract due to the failure of the contractor to carry out any obligation, term or condition of the contract. CES can issue written notice to the contractor for acting or failing to act under the following conditions:

1. The contractor provides materials or services that do not meet the specifications of the contract.
2. The contractor fails to complete the services set forth in the specifications of the contract.
3. The contractor fails to complete the work required or to furnish the materials required within the specified time.
4. The contractor fails to make progress in the performance of the contract and/or gives CES cause to believe that the contractor will not or cannot perform the requirements of the contract.
5. The contractor fails to observe any or all the terms and conditions of the contract.
6. The contractor accepts purchase orders, based on this contract, directly from a CES member and then invoices them directly.
7. Any other conditions that, in the opinion of CES, warrants such action.

Upon receipt of a written Notice of Concern, the contractor will have 10 days to provide a satisfactory response in writing to CES. Failure on the part of the contractor to satisfactorily respond may result in CES canceling the contract.

Contractor can, by written notice at least 30 days in advance, terminate the contract issued as a result of this RFP for convenience in whole or in part. CES reserves the right to cancel or suspend the use thereof, of any contract resulting from this RFP if the contractor files for bankruptcy protection or is acquired by an independent third party.

Captions, Headings, and Illustrations: The captions, headings and subheadings in this RFP are for convenience, enjoyment and ease of perusal only and in no way define, limit or describe the scope or intent of the request.

Certificate of Insurance: Prior to the signing of the contract, the contractor must furnish CES certification from insurer(s) for minimal coverage, to be maintained in full effect during the term of this contract. The certificate will be issued by the contractor's insurance company and name CES as the certificate holder. In addition, offeror must be willing to provide, upon request, certification of insurance to any CES member using this contract. If the offeror will use vehicles and workers at the member's location, evidence of workmen's compensation and auto liability insurance must be provided and other coverages as required herein.

Certification: By signature in the offer section of the offer page, the contractor certifies:

1. The submission of the offer did not involve collusion or other anti-competitive practices.
2. The contractor will not discriminate against any employee, or applicant for employment in violation of Federal and State Laws (see Federal Executive Order 11246).
3. The contractor has not given, offered to give, nor intends to give at any time hereafter any economic opportunity, future employment, gratuity, special discount, trip, favor or service to a public servant in connection with the submitted offer.
4. The contractor agrees to promote and offer to members of CES only those products, and/or services allowed under resultant contract as CES contract items.

Christian Doctrine: Any clause required by rule or regulation to be included in this contract will be read as if in this contract, whether or not physically included.

Clarification: As used in the RFP, clarification means communication with an offeror for the sole purpose of eliminating minor irregularities, informalities, or apparent clerical mistakes in the proposal. It is achieved by explanation or substantiation, either in response to an inquiry by CES, or as initiated by the offeror. Unlike “Discussion” (see below), clarification does not give the offeror an opportunity to revise or modify its proposal, except to the extent that correction of apparent clerical mistakes results in a revision.

Competitive Range: Since CES often receives many proposals for one solicitation, it may be necessary to establish, as part of the evaluation process, a competitive range of acceptable proposals for the purpose of further discussions. Proposals not in the competitive range are unacceptable and not considered further.

Competitive Sealed Proposals: As required in the Procurement Code, CES has determined that competitive sealed bids are neither practical nor advantageous for this solicitation. These CES contracts will be awarded through competitive sealed proposals for the following reasons:

1. CES desires to conduct oral or written discussions with potential offerors prior to an award;
2. CES desires to allow vendors to revise proposals;
3. CES wishes to award contracts on which price is only one of many determining factors;
4. CES realizes that over the period of a multiyear contract, certain prices may change.

Confidential Information: If an offeror believes that any part of its proposal should be withheld from public inspection, a statement advising CES of this fact must accompany the submission. The CES Executive Director will review the same and determine in writing if the information can be withheld. If the Executive Director determines that the information should be disclosed, the offeror will be informed in writing of such determination. If the offeror objects to the disclosure, it has five (5) days after notification thereof to state in writing that no disclosure can be made. The proposal may then be rejected.

Contract: Any agreement for the procurement of products and services as described herein.

Contract Changes: CES can make changes in the general scope of this contract by giving notice to the contractor, and subsequently confirming such changes in writing. If such changes affect the cost and/or the time required for performance of this service, an equitable adjustment in the price or delivery or both will be made. No change by the contractor will be recognized without written approval of CES. Any claim of contractor for any adjustment must be made in writing within 30 days from date of receipt by contractor of notification of such change, unless CES waives this condition. Nothing in this section will excuse contractor from proceeding with performance of the service as changed hereunder.

Contract Type: Indefinite quantity with:

1. Fixed discount off retail or off published education/catalog price list; or
2. Fixed price with economic adjustment (offeror must identify in writing in this RFP any contingencies prior to approval).

Note: A cost-plus-a-percentage-of-cost contract is prohibited. Request for a price adjustment must be submitted 30 days prior to the annual renewal date. Justification for any adjustment must be in writing, and be accompanied by appropriate documentation.

Contractor: Offeror who has been awarded contract for delivery of products and/or services as stipulated within this RFP document and the offeror's response document.

Cooperative Purchasing: This contract is based on the need for CES to provide the economic benefits of volume purchasing, and reduction in administrative costs, through cooperative purchasing for public educational institutions and other procurement units. Although vendors may restrict sales to certain public units (for example, to state agencies or local government units), any contract that restricts sales from being made to public educational institutions will not be considered.

Cost of Proposal Preparation: CES will not reimburse the cost of developing, presenting or providing any response to this solicitation.

Credit Hold: The offeror must agree not to place CES on "credit hold" without 10 days advanced notice in writing, either by letter or facsimile. Before CES can pay a vendor's invoice, it must collect payment from the member or political subdivision that received the product. CES believes it is better for the vendor if CES places the slow-paying agency on "credit hold". If a vendor places CES on credit hold, agencies that pay promptly are penalized. If, on the other hand, CES places the offending agency on "credit hold", payment is more likely to result and only the offender is punished.

Current Products: Offer will provide services currently offered and marketed to the general public and educational/governmental agencies.

Default in One Installment to Constitute Total Breach: Contractor will deliver conforming materials and services to each participating CES member and cannot substitute nonconforming materials and/or services. CES reserves the right to declare a breach of contract if the contractor delivers nonconforming materials and services to any member of CES under this contract.

Delivery: Delivery is defined as providing the products and services covered by this RFP and the vendor's response in accordance with the terms, conditions and time lines proposed and accepted for each member's program. Contractor agrees to notify CES if a project cannot be processed and delivered within the established timelines. Member's acceptance of products and services delivered will occur only upon acknowledgement of the member of receipt.

Disclosure: Offerors submitting proposals must disclose any and all owners, contractors or employees, who are active employees of CES/its members or are immediate relatives of an employee of CES/its members.

Discussions: Discussions occur, when oral or written communications between CES and the offeror are conducted for the purpose of minor clarifications involving information essential for determining the acceptability of a proposal or that provides the offeror an opportunity to revise or modify its proposal. CES will not help an offeror bring its proposal up to the level of other proposals. CES will not disclose technical information pertaining to a competing proposal. CES will neither indicate to an offeror a cost nor price that it must meet to obtain further consideration, nor will it provide any information about other offerors' proposals or prices. CES is willing to discuss with an offeror having a proposal in the competitive range any weaknesses, excesses or deficiencies in its proposal.

Electronic Data: The offeror must be willing and able to interface with CES members in the importing and exporting of benefit data electronically using computer technology. Upon request of the member, offeror will provide electronic data in an appropriate format.

Eligible Agencies: Any CES member can use the services of Cooperative Educational Services. CES reserves the right to reject any purchase authorizations it receives from New Mexico educational institutions and agencies, without cause.

Estimated Quantities: CES anticipates considerable activity resulting from this solicitation; however, no commitment of any kind is made concerning quantities actually to be acquired. CES does not guarantee usage. Usage depends on the actual needs of the CES members and on the marketing expertise of the contractor.

Exculpatory Provisions: All parties to this contract agree to save harmless one another from simple negligence.

Force Majeure: Except for payments of sums due, neither party will be liable to the other nor deemed in default under this contract, if and to the extent that such party's performance of this contract is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence, including, but not limited to, the following: acts of God; acts of a public enemy; war; riots; strikes; mobilization; labor disputes; civil disorders; fire; flood; earthquakes; famine; volcanic eruptions; meteor strikes; lockouts; injunctions-intervention-acts or failures or refusals to act by government authority; and other similar occurrences beyond the control of the party declaring force majeure which such party is unable to prevent by exercising reasonable diligence. The force majeure will be deemed to commence when the party declaring force majeure notifies the other party of the existence of the force majeure, and will

be deemed to continue as long as the results or effects of the force majeure prevent the party from resuming performance in accordance with this agreement. Force majeure does not include late deliveries of software or materials caused by congestion at a manufacturer's plant or elsewhere, an over-sold condition of the market, inefficiencies and poor management practices, or similar occurrences. If either party is delayed at any time by force majeure, then the delayed party must notify the other party in writing of such delay within 48 hours.

Gratuity: CES can, by written notice, cancel this contract if it is found that gratuities, in the form of entertainment, gifts or otherwise, were offered or given by the contractor or any agent or representative of the contractor, to any employee of CES with a view toward securing a contract or the respect to the performance of the contract. Paying the expenses of normal business meals, which are generally made available to all eligible school and government employees, are not prohibited by this paragraph. Samples of software, equipment or hardware provided to CES for demonstration, evaluation, or loan purposes are not considered gratuities.

Indemnification: Contractor will indemnify, defend, and save harmless CES for any and all claims, demands, suits, proceedings, loss, cost and damages of every kind and description, including any attorney's fees and/or litigation expenses, which may be brought or made against or incurred by CES on account of loss or damage to any property or for injuries to or death of any person, caused by, arising out of, or contributed to, in whole or in part, by reasons of any act, omission, profession error, fault, mistake, or negligence of contractor, its employees, agents, representative, or subcontractor, their employees, agents, or representative in connection with or incident to the performance of this agreement, or arising out of Worker's Compensation claims, Unemployment Compensation claims or Unemployment Disability Compensation claims of employees of contractor, and/or its subcontractors or claims under similar such laws or obligations. Contractor's obligation under this section does not extend to any liability caused by the sole negligence of CES or its employees.

Inquiries: Any question related to the RFP must be directed to CES. Submit all questions about the RFP in writing to Cooperative Educational Services, Max Luft, Executive Director. Replies will be made to all who have received this RFP, as addenda, and will become part of the proposal documents. CES may require any and all questions to be submitted in writing. Any inquiries related to this RFP should not have the solicitation number on the envelope, since it might then be confused with a sealed proposal response and not be opened until the due time and date. Inquiries may be faxed or sent by e-mail to mluft@nmedu.org

Insurance: On contract, the contractor will, at its own expense, purchase and maintain insurance that will protect its from claims that may arise out of, or as a result from, its activities under this contract, where those activities are performed by itself, or by any subcontractor or by anyone directly or indirectly employed by any of the contractors, or by anyone for whose acts may be liable during the entire performance period of this contract. Prior to commencing services under this contract, the contractor must furnish CES certification from insurer(s) for minimal coverage, to be maintained in full effect during the term of this contract. The certificate will be issued by the contractor's insurance company and name CES as the certificate holder. In addition, offeror must be willing to provide, upon request, certification of insurance to any CES member using this contract. If policy changes occur during the life of the contract, it is the contractor's responsibility to provide updated

proof of coverage to the CES procurement office. Offeror will submit proof of coverage under the Workman's Compensation Insurance as required by the Labor Laws and New Mexico Statutes. Offeror will submit a certificate of general liability insurance for the personal injury, occupational disease, sickness or death, and property damage. Insurance will include "occurrence" claim provisions. Minimum acceptable coverage is \$1,000,000 combined single limit for bodily injury and property damage, or \$500,000 bodily injury and \$250,000 property damage (each occurrence). The offeror will name CES and the CES members as co-insured up to the limits of the Tort Claims Act. Additional punitive damages liability to \$500,000 shall be provided naming CES as co-insured.

Late Offers: Late offers will not be considered and will be returned, upon request, unopened.

Legal Remedies: All claims and controversies will be subject to the New Mexico Procurement Code.

Liability: The contractor will hold CES harmless from and will indemnify CES from and against any and all claims, demands and causes of action of whatever kind or nature asserted by any third party and occurring or in any way incident to, arising out of, or in connection with the contractor's conduct of the contract awarded as a result of this procurement process, to the extent the negligent act or failure to act or willful act of the contractor, its agents, representatives or employees is deemed to be the cause of the resulting personal injury or property damage claimed. It is expressly agreed that, to the extent it is determined that the damage claimed was in part caused by the negligence of CES or other parties, the contractor's liability pursuant to this indemnification provision will not be greater than that portion of the total liability in the same proportion as vendor's negligence bears to the entire negligence giving rise to the liability.

Licenses: The contractor must maintain in current status all federal, state and local licenses, bonds and permits required for the performance of the contract.

Liens: All materials and services will be free of all liens.

Local Education Agency: The public school districts within the state of New Mexico.

Local Public Body: Every political subdivision of the state and the agencies and institutions thereof.

Provider's Representative: Dealers or agents of employee benefit products and services, who, if permitted by the Scope of the Work, submit an offer as a provider's representative must be able to submit with their response a letter from the provider certifying that the offeror is a bona fide dealer/agent for the specific products and services presented, that the contractor is authorized to submit an offer on such products/services, and which guarantees that should the dealer/agent fail to satisfactorily fulfill any obligations established as a result of the award of contract, the provider will either assume and discharge such obligations or provide for their competent assumption by one or more bona fide dealers/agents for the balance of the contract period.

Member: Any public educational institution in the State of New Mexico that has, by their board resolution, resolved to become a party of the Joint Powers Agreement and has been approved for membership by CES' Board of Directors and the New Mexico Department of Finance and Administration.

Money: All transactions are payable in U.S. currency only.

Most Favored Customer: Although CES expects contractors to offer its very best prices to CES members; nothing in this contract established a most favored customer relationship between CES and the contractor. The contractor can respond to any solicitation from any public procurement unit without regard to this contract; however a response that quotes the best contractor price and a lower CES price is mutually beneficial. If contractor offers lower prices to any of its other customers, it can lower its prices to its CES customers at the same time by facsimile or written notice.

Multiple Awards: CES has determined that often contracts awarded to more than one supplier for comparable goods and services at various prices best meets the many needs of our members. Hence, when an award to one supplier would be impractical or fail to meet the total requirements of comparison or evaluation, multiple awards may be made.

Multi-Term Contract: A contract having a term longer than one (1) year.

Negotiations: Where there is not competition that would result in a better contract, negotiation may be conducted until a detail agreement is reached.

New Products and Services: New products announced by the providers can be added to the existing contract. Pricing must be equivalent to the percentage discount of other products and services. Dealers/agents can replace or add product lines to an existing contract, if the line is replacing previous products; is substantially superior to the original products offered; is discounted in a similar or to a greater degree; and if the products meet the requirements of the original RFP. No products can be added to avoid competitive procurement procedures. CES may reject any additions, without cause.

No Replacement of Defective Tender: Every tender of products and services must fully comply with all provisions of this contract. If tender is made which does not fully conform, this will constitute a breach, and contractor will not have the right to substitute a conforming tender without written consent of all parties involved.

Non-Exclusive Contract: Any contract resulting from this solicitation will be awarded with the understanding and agreement that it is for the sole convenience of local procurement units in New Mexico. CES reserves the right to obtain like goods and services from another source when necessary.

Non-Responsive Offer: Any offer that does not conform to the mandatory or essential terms, conditions and/or specified requirements for this solicitation is considered non-responsive.

Notation: If the original contractor sells or transfers all assets or the entire portion of the assets used to perform this contract, a successor in interest must guarantee to perform all

obligations under this contract. CES reserves the right to accept or object to the new party with the original contractor being obligated if the new party fails to perform. A simple change of name agreement will not change the contractual obligations of the contractor.

Notice: Notices under this contract must be in writing and will, for all purposes, be deemed to have been fully given when sent by registered or certified mail, return receipt requested, postage prepaid, properly addressed to the respective parties as specified herein, or at such other address as may be specified by either party from time to time.

Offer Acceptance Period: In order to allow local educational agencies opportunity to evaluate the proposals offered, CES requires that an offer in response to this solicitation to be valid and irrevocable for 90 days after opening time and date.

Offeror Qualifications: The offeror must have at least three (3) years experience in providing the services requested in this RFP.

Options: Optional products and services can be added to the contract at the time they become available under the following conditions:

1. The option is priced at a discount similar to other options, or
2. The option is an enhancement to the products offered that improves benefit and suitability to the end users.

Ordering Process: All requests accepted by the contractor to participate under any contract awarded through this RFP must be submitted and approved by CES. CES and the offeror will at the time of final contract negotiations establish a process for this to occur. The contractor must agree never to process a request without CES' approval based on this contract.

Overcharges by Antitrust Violations: CES maintains that, in actual practice, overcharges resulting from antitrust violations are borne by the purchaser. Therefore, to the extent permitted by law, the contractor hereby assigns to CES any and all claims for overcharges as to the goods or services used to fulfill the contract.

Parol Evidence: This contract represents the final written expression of agreement. All agreements are contained herein and no other agreements or representations that materially alter it are acceptable.

Past Performance Information (PPI): PPI is relevant information regarding a vendor's actions under previously awarded contracts to schools, local, state or federal agencies. It includes the vendor's record of conforming to specifications and to standards of good workmanship; the vendor's record of containing and forecasting costs on any previously performed cost reimbursable contract schedules, including the administrative aspects of performance; the vendor's history for reasonable and cooperative behavior and commitment to customer satisfaction; and generally, the vendor's business-like concern for the interests of the customer.

Patent and Copyright Infringement: Contractor will, at its expense, defend CES and its members against any claim that any equipment or software supplied hereunder (even if such

equipment or software are modified by CES or its members, subject to the last paragraph of this section) infringe a patent or copyright in the United States, Puerto Rico, or a U.S. territory, and will pay all costs, damages and attorney's fees that a court finally awards as a result of such a claim. To qualify for such a defense and payment, CES must:

1. Give contractor prompt written notice of any such claim after becoming aware of such claim.
2. Allow contractor to control, and fully cooperate with contractor in the defense and all related settlement negotiations.

CES will be reimbursed for all expenses incurred by CES in fully cooperating with contractor as specifically requested by contract. CES is not required to incur any expenses specified in this paragraph, which are not reimbursable, by the contractor. If any CES member is involved by any party in any way, the same provisions that apply to CES in this paragraph will apply to the member. Contractor's obligation under this section is conditioned on CES' agreement that if the subject of such a claim, CES will permit the contractor, at its expense and option, either to procure the right for CES and its members to continue using the equipment and/or software, or to replace or so modify them with equipment or software which are functionally equivalent so that they become non-infringing. If neither of the foregoing alternatives is available on terms, which are reasonable in contractor's judgment and satisfactory to CES, CES will request its members to return the equipment or software on written request by contractor at contractor's expense.

Contractor agrees to refund CES and/or its members a refund for returned equipment as depreciated. The depreciation will be an equal amount per year over six (6) years. In the event that contractor's written request for return is made after full depreciation, the contractor will pay CES, or its members who purchased the equipment, an amount equivalent to the fair market value of the returned equipment. If CES, or any of its members, fails to return the equipment, the contractor is not obligated to that member under this clause.

Contractor has no obligation with respect to any such claim based upon a member's modification of the equipment or software or combination, operation or use with apparatus, data or programs not furnished by contractor. However, one school's, or procurement unit's action, will not preclude contractor's obligation to others not having modified their equipment or software.

Payment: CES members will make every effort to deduct or collect payment from their employees for products and services purchase within the agreed upon time frames, as long as a correct and complete invoice of amount due has been received, unless a good faith dispute exists as to any obligation to pay all or a portion of the invoice amount due. *Any offer that requires payment in less than 30 days will not be considered.* The CES member must first verify the individual amounts due and that they have been deducted from their employees in order to process payment to the contractor. Any contractor, whose business would be in jeopardy due to slow payments, is encouraged not to respond. It has been the experience of CES that its members always pay, but many are slow in processing payments.

Payment Discounts: Any payment discount offered must be made directly to the CES member receiving the products or services. Quick-payment discounts of 10 days are normally impossible; 15 and 25 days are more reasonable.

Price Reduction and Adjustment: A price reduction can be offered at any time, and will become effective upon notice. Special, time-limited reductions are permissible under the following conditions:

1. The price reduction is available to all members equally.
2. The price reduction is for a specific time period.
3. The original price is not exceeded after the time limit.
4. CES is to be notified and have the new prices on record prior to any offer of the new prices to a CES member.

Price increases (change in discount rate) will be considered at the time of a contract extension, and will be a factor in renewal.

Pricing: Offeror will clearly identify and describe any/all fee schedules, discounts and special pricing offered. Contractor must agree that prices offered through this contract, while this contract is in effect, will be at least 3% below the lowest offered by the contractor to New Mexico educational institutions and local/state procurements units for a similar volume. Should a lesser cost be provided to any other client, the preceding and existing work through this contract will be reduced in price to meet that rate. A copy of the current retail provider's fee schedules will be included in the proposal.

Prime Contractor: For the purpose of this solicitation, a contractor will be considered a prime contractor and not a subcontractor. Any offeror who has signed an awarded contract as a result of this RFP is a prime contractor. Prime contractors using subcontractors are responsible for all actions of its subcontractors.

Project Director: The offeror will assign a project director to coordinate operational activities with the Executive Director of CES and will make monthly reports to CES.

Protests: Protests will be filed and resolved in accordance with the State of New Mexico Procurement Code. Venue for any and all legal actions regarding or arising out of the transactions covered herein will be solely in the District Court in and for the County of Bernalillo, State of New Mexico. The laws of the State of New Mexico will govern this RFP and resulting transactions.

Provisions Required by Law: Each and every provision of law and any clause required by law to be in the contract will be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon application of either party, the contract will forthwith be physically amended to make such insertion or correction.

Public Record: All proposals submitted in response to this invitation become the property of CES and will become a matter of public record available for review, subsequent to the award notification, under the supervision of the Executive Director of CES from 9:00 a.m. to 4:00 p.m., Monday through Friday, at 4216 Balloon Park Road NE, Albuquerque, New Mexico.

Request for Proposals or RFP: All documents, including those attached or incorporated by reference, which are used for soliciting proposals.

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

Responsive Proposal: An offer that conforms in all material respects to the requirements set forth in the REQUEST FOR PROPOSALS. Material respects of a request for a proposal include, but are not limited to, price, quality, quantity or delivery requirements.

Right to Assurance: Whenever one party to this contract in good faith has reason to question the other party's intent to perform, it can demand that the other party give a written assurance of this intent to perform. In the event that a demand is made and no written assurance is given within 10 days, the demanding party may treat this failure as an anticipatory repudiation of the contract.

Safety Standards: All items supplied on this contract must comply with all current applicable Occupational Safety and Health Standards, National Electric Code, American Refrigeration Institute (ARI), National Electrical Manufacturers Association (NEMA), American Society of Heating, Refrigeration, and Air Conditioning Engineers (ASHRAE), American National Standards Institute (ANSI) and National Fire Protection Association Standards (NFPA).

Severability: The provisions of this contract are severable to the extent that any provision or application held to be invalid will not affect any other provision or application of the contract, which may remain in effect without the invalid provision or application.

Shortlist: The evaluation committee will review each offeror's proposal. Points will be allocated by each member as outlined herein. Each committee member's point totals will be translated into a numeric ranking of all proposals. The committee will select those respondents based on these ranking and conduct oral interviews. The committee will determine number of offerors on the shortlist. This decision will be based on the number and quality of proposals received.

Smoking: All contractors and subcontractors must adhere to local smoking policies when inside a building working while on this contract. Smoking will only be allowed in posted areas or on premises where permitted.

Specifications: All Scope of Work specifications in this RFP are designed to enable a contractor to satisfy a requirement for a product, material, process or service. A specification can be expressed as a standard, a part of a standard or independent of a standard. No specifications are intended to unnecessarily limit competition by eliminating items capable of satisfactorily meeting the actual needs of the procurement. Any contractor believing a specification is unnecessarily restrictive, and submits a proposal, must indicate such in its initial response.

Suspension or Debarment Status: If any firm, business, person or vendor submitting an offer has been debarred, suspended or otherwise lawfully precluded from participating in any public procurement activity with any federal, state or local government, the offeror must include a letter with its response or offer setting forth the name and address of the public procurement unit, the effective date of the suspension or debarment, the duration of the suspension or debarment and the relevant circumstances relating to the suspension or debarment. Any failure to supply such a letter, or to not disclose in the letter all the pertinent information, will result in the cancellation of any contract. By signing the offer section, the offeror certifies that no suspension or debarment exists.

Taxes: Prices offered will not include applicable state and local taxes. All applicable taxes must be listed as a separate item on all invoices and will be paid by the educational agency issuing the purchase order to CES. No gross receipts tax can be collected on delivery charges to the purchaser's location.

Term of Contract and Extension: The term of the agreement commences on date of award and continues until August 20, 2005 unless terminated, canceled or extended. By mutual written agreement, the contract can be extended for three (3) additional 12-month periods ending on August 20, 2006; August 20, 2007; and August 20, 2008. Since product lines change year to year, CES may require a vendor to respond to a new RFP rather than extend a contract secured under this RFP.

Termination of Contract by CES: CES can cancel any contract secured by solicitation without any further obligation if any person significantly involved in initiating, negotiating, securing, drafting, or creating the contract on behalf of CES is, or becomes, at any time, while the contract or any extensions of the contract are in effect, an employee of or a consultant to any other party to this contract with respect to the subject matter of the contract. Such cancellation will be effective when written notice from CES is received by the parties to this contract, unless the notice specifies a later time.

Termination of RFP: The Request for Proposals (RFP) in no manner obligates CES to the eventual purchase of any product or services described or which may be proposed, until confirmed by a written Acceptance of Offer and Contract Award. Progress towards this end is solely at the discretion of CES and may be terminated without penalty or obligation at any time prior to the signing of a contract. CES reserves the right to cancel this RFP at any time and for any reason and to reject any or all proposals.

Title and Risk of Loss: The title and risk of loss of products or services will not pass to the procurement unit purchasing the products or services until it actually receives the products or service at the point of delivery, unless otherwise provided within this document.

Token Offer: If any offeror submits a perfunctory offer with no serious intent of being accepted, CES reserves the right to remove the offeror from its potential vendor's list. If an offeror wishes to remain on the vendor's list, either a no response or a request to remain on the list is all that is needed.

Warranty: Contractor warrants that all products and services delivered under this contract will conform to the specifications of this contract. All products and services must carry the maximum warranty available from the provider includes satisfaction of the CES member.

The offeror has the primary responsibility to honor a provider's warranty. A dealer or agent must agree to assist the purchaser in reaching a solution regarding a dispute with the provider over a warranty's terms.

Withdrawal of Offer: An offeror can withdraw its proposal, provided such written notice is received at the CES office, prior to the specified due date and time.

SECTION II: SCOPE OF WORK AND SPECIFICATIONS

A. SCOPE OF WORK

1. CES, which is based in Albuquerque, is composed of all of the 89 New Mexico public school districts and other public educational institutions that are parties to the Joint Powers Agreement to Establish an Educational Cooperative. CES was organized in 1979 as a direct response to the needs of small and rural Local Education Agencies (LEA's). CES offers numerous programs and services. Currently, there are 145 public educational institutions that use one or more of the CES provided programs or services each year.
2. It is important that all vendors realize that CES is not a sales agency or marketing firm. If are awarded a contract, the vendor must work its contract. A few contractors with powerful mail campaigns have been able to market to schools through CES, but, normally, mail alone is not sufficient. Member buyers like to meet and talk with a sales agent when making decisions on large orders.
3. When you respond, CES is asking you to become a partner in providing quality goods and services to members at competitive prices. Partnership with a contract awarded through competitive bidding saves members both time and money. Time is saved by being able to purchase what is needed without having to wait through the solicitation process (write solicitation, advertise proposal, open each response, evaluate and have the board make a selection). Money is saved because each CES partner has already agreed that the members have the lowest prices it will offer to procurement units in the state.
4. Read through the section that concerns you as an offeror. Next, prepare a rough draft of your offer, fill out the forms necessary and gather all the advertising slicks you want to send with your proposal. Finally, print a final offer, write the executive summary and organize everything in a three-ring binder.

B. DUTIES OF THE CONTRACTOR

Once the award is made to the offeror, the offeror, as contractor, will assign a project director to coordinate operational activities with the designated representative of CES and will make monthly reports to this representative. It is the responsibility of the contractor to market the products or services to the member.

C. DUTIES OF CES

The general duties of CES include:

1. Inform CES members of vendors and obtain participation of members.
2. Inform contractor of participating members.
3. Follow up as needed on problems.
4. Periodic review with contractor as to projects and problems.

D. SPECIFICATIONS

CES has provided General Terms and Conditions. In the following part of this section, CES is providing additional Categorical Terms and Conditions that apply. In case of conflict between the General Terms and Conditions and Categorical Terms and Conditions, the latter will apply. Additional responses may be requested in the specific Categorical Terms and Conditions.

E. LISTING OF CATEGORY

CES has prepared one (1) category in this RFP document. Prepare the response for this category. The category is divided into several sections, including:

1. Categorical Scope of Work;
2. Categorical Terms and Conditions;
3. Categorical Required Responses; and
4. Price and Cost Submittal.

Categorical Scope of Work

CES has a contract in place to provide its members with assistance in the compilation of billing information, submittal of claims and financial account management of claims filed for their participation in the Medicaid Direct Service Claiming Program, hereinafter "DSC." In addition, the program offers CES members technical support, seminars and planning services for implementation and operation of their DSC programs. CES and its members have found the existing program to be beneficial and cost effective.

The existing contract expires in the fall 2004. This RFP is seeking a single contractor to provide a solution to meet member needs in the Medicaid reimbursement of school based health services.

The professional services offered under this RFP must be broad and complete enough for CES members to receive optimal amount of reimbursement for services provided, while being in compliance with all federal, state and local rules, regulations and guidelines.

This is an indefinite delivery contract. No warranties or guarantees are made as to the extent of and/or level of services to be provided under a contract awarded under this RFP. Please also note that the final scope of work will be determined and based on the offeror's response to this solicitation, the negotiations of the awarded contract and may include but is not limited to the following areas:

1. Implement for the CES member and its' identified staff a tested HIPAA compliant, Internet, web-based, electronic system for the submission of claims to the State Medicaid third party administrator and its designated representatives for eligible students and services under the State of New Mexico's Medicaid Direct Service Claiming Program (DSC).
2. The maintenance and refinement of procedures to determine, identify and verify Medicaid eligibility of students, to review records, provide claim documentation, submission and monitoring of all claims.
3. The maintenance of an electronic, Internet based, tracking system to monitor students receiving therapy or services, claims submitted, reimbursements received, payments billed and received.
4. The training of CES member's staff and eligible providers, including contracted providers, which includes, but is not limited to, formal and informal presentations and provision of written or electronic materials (that is, procedures manuals and computer-aided instruction).
5. The processing of eligible DSC claims, which includes, but is not limited to, claim calculations, claim documentation, submission and resolution of denied claims.
6. Assistance with audits or reviews that may be conducted by federal, state or local agencies responsible for the supervision and oversight of Medicaid's school based health programs.
7. Compile and submit periodic reports to CES and its members detailing types of reimbursable therapies and services, number of service providers by type, the number of reimbursable claims by provider and student and other necessary reports as mutually agreed up by all parties.

8. The monitoring and assessing of the CES member's DSC program, ensuring maximum reimbursement within state and federal auditing guidelines.
9. Assistance in negotiations with state and federal Medicaid agencies relating to reimbursable services, credentialing, and access to Medicaid eligibility information and data transfer.
10. Developing and providing training for CES member's administrators regarding the overview and benefits of the member's DSC program.
11. Electronic tracking of licensure of all providers associated with programs to determine which providers meet eligibility requirements to claim reimbursement.
12. Provide to the CES member and its employees and contracted personnel, upon request, paper scan forms for claims encounter collection and a reliable system of importing this data into the claims system.
13. Receive and process electronic acknowledgement and remittance advice (RA) files, to include adjudication of denied claims.
14. Assist CES members in the analysis of data to distinguish potential claimable activities.

Categorical Definitions

Evaluation Committee means a body constituted in accordance with CES' procurement policies to perform the evaluation of offeror's proposal and to make a recommendation to the CES Executive Director. The committee will consist of individuals from the CES staff, member institutions and other associated organizations (NMASBO, NMCSA, NMSBA). The Evaluation Committee is chaired by the Executive Director of CES.

The terms "must," "shall," "will," "is required," or "are required" identify a mandatory item or factor. Failure to comply with a mandatory item or factor will result in the rejection of the offeror's proposal.

The terms "can," "may," "should," "preferably," or "prefers" identify a desirable or discretionary item or factor.

Categorical Terms and Conditions

The following items are in addition to the General Terms and Conditions of this RFP. In case of conflict between the General Terms and Conditions and the Categorical Terms and Conditions, the latter will apply.

1. All offerors responding to this RFP certify by their response that their organization, principals of the organization and providers/subcontractors, including supervisors, consultants and sales agents/representatives possess the experience to meet all requirements to implement and execute the scope of work as defined within this RFP in accordance with all federal, state and local regulatory, licensing and governing agencies/commissions/organizations.
2. If requested, the offeror must be able to analyze and evaluate any existing DCS program of a CES member to determine and provide information and suggestions on the programs current status and efficiency, as well as compliance with current federal, state and local

- requirements. To assist the member in determining if any change is necessary and if so what potential benefits may be achieved.
3. The offeror, as part of any proposal, will clearly identify all resources that are required by both the offeror and the CES member to implement, coordinate and execute a successful DCS program.
 4. Release and use of member, their student's or provider's information must be in accordance with all federal, state and local governing board regulations, policies and procedures governing privacy of such information. The offeror is solely responsible for being aware of, understanding and complying with such regulations, policies and procedures. Only the member's authorized agent of record can grant authorization to release and/or use covered DCS program information.
 5. Vendor Selection and Contract Negotiation
 - a. CES reserves the right to "shortlist" and conduct interviews with the shortlisted candidates or, at its sole discretion, to waive the shortlist process and make a direct selection based on the materials presented in response to this RFP. If CES elects to interview the shortlisted candidates, they will be notified within 21 calendar days after the receipt of proposals and an appropriate interview schedule will be developed.
 - b. If CES elects to make a direct selection without the benefit of interviews, all respondents to this RFP will be so notified as to the successful respondent within 30 calendar days of RFP due date. Fee and final negotiations will then be conducted with the successful respondent to this RFP. If the negotiations are successful and result in a contract, no further notification will be issued. Otherwise, the second ranked candidate will be contacted for further consideration.
 6. The offeror must be willing, able and possess the necessary resources to provide services and support in three areas. Participating CES members may select options two or three. The offeror will supply all labor, equipment, supplies and forms necessary to complete this scope of work, except for consumable supplies. Alternative pricing may be proposed for CES members assuming personnel costs.
 - a. Legislative and policy making services and services to CES. There are several services that overlap all CES members. This is the general support of the Medicaid in the Schools Program at the state level and coordinates all participating members.
 - 1) Direct assistance with the development and implementation of legislative and other state actions required maximizing revenues received by CES members.
 - 2) Monitoring of state and federal Medicaid regulations to enable CES members to maximize claims.
 - 3) Design, develop, implement and maintain an appropriate software application allowing CES to track member's billing and reimbursements.
 - 4) Development of the CES provider as a statewide facilitator.
 - 5) Assisting CES in initiating steps to allow the members enrolled as an approved Medicaid provider.
 - 6) The development and installation of a billing system and the development, design, programming and installation of enhancement to the billing system as mutually agreed upon by the parties.
 - 7) Supervise, monitor and assess the Medicaid reimbursement.
 - 8) Provide continuing evaluation of the program.
 - 9) Assisting CES with public relations to its member regarding the program.
 - 10) Assist in updating or developing an awareness program for Medicaid in the school program.

- 11) Provide CES advice and make recommendations on operation of the program to ensure maximum success.
- b. Third party billing assistance to CES members as required and appropriate. Members can be those initiating or continuing Medicaid in the schools billing.
 - 1) Converting member's services and standards to requirement for Medicaid billable services.
 - 2) Assist in development of the member's collaborative plan.
 - 3) Development and implementation of members Medicaid claim reimbursements.
 - 4) Assist in the ongoing identification of eligible Medicaid students.
 - 5) Establish and maintain the participating student's file as required, including identification of the PCP.
 - 6) Establish and maintain member's database to provide required reports.
 - 7) Cross-match member's student master file with state Medicaid agency's master file of Medicaid eligible individuals.
 - 8) Follow-up on rejected and unpaid fee for service claims.
 - 9) Process of member's claims during the contract period.
 - 10) Training of member's staff to effectively use the Medicaid reimbursement program.
 - 11) Distribute forms and gather data for administrative time study.
 - 12) Prepare quarterly submittal of administrative reimbursements.
 - 13) Assist with securing Medicaid service provider numbers for member's staff providers.
 - 14) Submit to the state agency, on a monthly and annual basis, lists of students for continued Medicaid eligibility determination.
 - 15) Assist in maintaining the direct Medicaid program (that is, health-related services prescribed by a primary care physician and documented on IEP, by SLP, OT, PT, Psych., etc.).
 - 16) Collect and compile all billing data on a monthly and quarterly basis for filing Medicaid reimbursement claims.
 - 17) Assist members with public relations regarding the program.
 - 18) Assist members in updating or developing an awareness program for Medicaid in the school program.
 - 19) Provide an end-of-year process and outcome evaluation of the Medicaid program.
- c. Services to assist members in becoming self sufficient in Medicaid operations. Many members may wish to do their own billing. Contractor will assist member with technical expertise. Software will be provided by lease or purchase (at member's option) for submitting fee for service and administrative claim requests.
 - 1) Provide through lease or purchase billing the software necessary to allow CES members to perform Medicaid in the member's reimbursement.
 - 2) If purchased, members will have option to receive non-compiled code with appropriate guarantees that program will not be given, sold or bequeathed.
 - 3) If purchased, provide for periodic updates to meet changing needs of the program and technology.
 - 4) Assist members by providing consultancy to train staff to complete all third party billing tasks.
 - 5) Provide continual monitoring of members operations.
 - 6) Provide an end-of-year process and outcomes evaluation of the Medicaid program.

7. The offeror as part of its response will include proposed fee and cost schedules addressing all aspects of proposed solutions for a maximum of a four (4) year period. The successful offeror will be paid from the revenues received by the CES members from Medicaid refinancing and said fees/costs schedules proposed should take this fact into consideration.
 - a. The awarded contractor will be compensated solely from the Medicaid refinancing revenues directly received by the member. It is the member's intent that if Medicaid refinancing is discontinued at any time during the term of the contract, the member will owe the contractor only for those revenues received up to the time of discontinuance.
 - b. The contractor will repay to the member any fees for services received for a claim that is disallowed or denied by AHCCCS.
 - c. If a modified solicitation is offered to a CES member in order to meet their individual needs, the contract will insure that compensation is fair and reasonable, taking into account budgetary limitations and the scope, complexity and professional nature of the services to be provided.
8. The offeror must be able to demonstrate through written or other documentation that it possesses the resources to compile and submit an invoice to CES clearly identifying and stating CES members name, the services rendered and rate of compensation, the dates services were provided and other information established during contract negotiations.
9. The offeror must demonstrate its ability to provide the local agents/representatives necessary to adequately meet the requirements of the awarded contract.

Required Categorical Responses

The offeror must include the written responses and other documentation to clearly address the items listed below. The responses and documentation provided must be placed after Tab 5. The offeror's failure to respond to and provide the requested documentation behind Tab 5 may cause the offeror's response to be determined non-responsive.

1. Using the items listed under Categorical Scope of Work, demonstrate through a written narrative your firm's understanding of the scope of work requested and identify the technical approach your firm will use to implement, coordinate and fulfill the contract requirements. Specify the aspects of the scope of work that you the offeror will provide as a single full services provider and those that your firm will be subcontracting out or partnering with other providers to provide.
2. Under the existing CES contract there are 27 out of 89 public school districts in the state of New Mexico participating in this contract. Provide a list of current and successful Medicaid DSC claim processing programs your firm has directly performed and been the prime contractor during the last five years that are/were of the scope of work identified herein. Indicate which programs use an Internet, web-based, claims, submission system. Provide the name of the educational institution, their address, phone number and e-mail address of the contact person with their name and position held with the institution.
3. Please provide complete and detailed responses to the following:
 - a. A description of the CES member's requirements under a contract awarded based on your response to this RFP, that is, record keeping, data entry, submission of data on providers and students.

- b. A description of the management information systems requirements under your proposal.
 - c. Indicate any licensing or other requirements of any of the parties involved with the implementation and execution of a contract awarded under this RFP (offeror, providers, CES or its members).
4. Because this is a request for proposal and negotiations will establish the final contract, list any concerns or issues that you feel need to be addressed during the final negotiations.

SECTION III: CONDITIONS LEADING TO AND INCLUDING CONTRACT AWARD

A. CONTRACT FORM

The form of the contract between CES and the contractor will be as per that in Section IV.

B. PROPOSAL SUBMISSION

Sealed proposals will be received until 1:30 p.m. local time, on Friday, July 16, 2004, either hand delivered to the agency offices, 4216 Balloon Park Rd NE, Albuquerque, NM 87109-5801, or by mail at the same address. One (1) original of the proposal and supporting documentation must be included and submitted in a binder. No oral, telephonic, or facsimile of any proposal or proposal modifications will be considered.

C. PROPOSAL REVIEW

Commencing on Friday, July 19, 2004, proposals will be reviewed by the Executive Director and an evaluation committee designated by CES.

D. EVALUATION FACTORS

To qualify for evaluation, a proposal must be responsive, must have been submitted on time, and materially satisfy all mandatory requirements identified throughout the RFP. To be considered responsive, a proposal must reasonably and substantially conform to all of the specified requirements in the RFP in the judgment of the evaluation committee. Any deviation from requirements indicated herein must be stated on an attached sheet(s). Otherwise, it will be considered that proposals are in strict compliance with all requirements, and any successful vendor will be held responsible therefore. Deviations or exceptions stipulated in vendor responses, while possibly necessary in the view of a particular vendor, may result in a penalty assessment being assigned during the evaluation process. Language to the effect that the vendor does not consider this proposal to be part of a contractual obligation will result in that vendor's proposal being disqualified. Due to the unpredictable nature of what any particular vendor may wish to stipulate with regard to exceptions, exclusions, or limitations of liabilities, vendors are forewarned that CES reserves the right to assign any penalties it considers warranted. Terms of the RFP that any vendor considers particularly unwarranted, and to which that vendor would have to take significant exception in its response, should be stated in the proposal clearly and concisely as exceptions and/or deviations.

Part 1 Vendor Qualifications – 500 points

100 points	1. History Background and Experience (page 9)
75 points	2. Available Resources and Capacity to Perform (page 10)
60 points	3. Past Performance in Providing Proposed Services
25 points	4. Financial Resources and Stability
20 points	5. Background
20 points	6. Risk Insurance
50 points	7. Support for CES Pricing
100 points	8. Staffing
50 points	9. Added Value

Part 2 Evaluation Criteria for Required Categorical Responses – 300 points

130 points	Required Categorical Response Number 1
130 points	Required Categorical Response Number 2
20 points	Required Categorical Response Number 3
20 points	Required Categorical Response Number 4

Part 3 Cost – 200 points

TOTAL EVALUATION – 1000 points

E. NEGOTIATIONS

In order to obtain the most favorable price and support for member schools, CES reserves the right to enter negotiations with responsible offerors.

F. COST CONSIDERATIONS

The negotiated contract between CES and the vendor will be for a firm, fixed percentage of the total amount of the reimbursement of claims received by the CES member. CES will not be liable for any cost in proposal application or for the interview session.

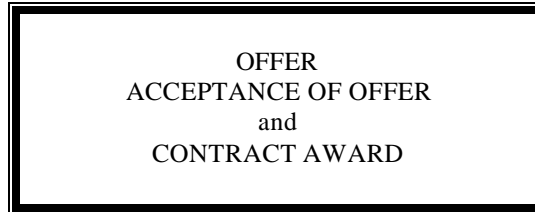
G. IMPORTANT NOTICE TO OFFERORS

CES is an educational service agency that provides needed education-related materials and services to New Mexico public education institutions. Under CES policy, CES charges a fee to the member when it provides a service. There are no other annual membership fees or dues other than what CES collects for offering a procurement service.

Finally, offeror should keep in mind that CES desires to provide for small, rural New Mexico public educational institutions the same prices that larger members pay. Therefore, offers that require minimum purchases or minimum dollar amounts on a purchase order will either be rejected or have very little business if accepted.

OFFER AND ACCEPTANCE OF OFFER AND CONTRACT AWARD

Project: Services Relating to Medicaid reimbursement of School Based Health



OFFER TO BE COMPLETED BY VENDOR

In compliance with the Request for Proposal, the undersigned warrants that I/we have examined the Instruction to Offerors, and, being familiar with all of the conditions surrounding the proposed projects, hereby offer and agree to furnish all labor, materials, and supplies incurred in compliance with all terms, conditions, specifications and amendments in this Request for Proposal, and any written exceptions in the offer. Signature also certifies understanding and compliance with the certification requirements of the Categorical Terms and Conditions. The under-signed understands that his/her competence and responsibility and that of his/her proposed subcontractors, time of completion, as well as other factors of interest to CES as stated in the evaluation section will be a consideration in making the award.

Company Name _____ Contact Person _____

Address _____ Authorized Signature _____

City _____ State _____ Zip _____ Printed Name _____

ACCEPTANCE OF OFFER AND CONTRACT AWARD TO BE COMPLETED ONLY BY AGENCY

Your offer for services and materials is hereby accepted. As vendor, you are now bound to sell the materials and services listed by the attached offer based upon the solicitation, including all terms, conditions, specifications, amendments as set forth in the Request for Proposal. As vendor you are hereby cautioned not to commence any billable work or provide any material or service under this contract until vendor receives an executed purchase order from Agency.

The parties intend this contract to constitute the final and complete agreement between agency and vendor, and no other agreements, oral or otherwise, regarding the subject matter of this contract, will bind any of the parties hereto. No change or modification of this contract will be valid unless it is in writing and signed by both parties to this contract. If any provision of this contract is deemed invalid or illegal by any appropriate court of law, the remainder of this contract will not be affected thereby. The term of the agreement will commence on award and continue until August 20, 2005 unless terminated, canceled or extended. By mutual written agreement, the contract may be extended for three (3) additional 12-month periods ending, August 20, 2008.

Authorized Signature Contract Number

Awarded this _____ day of _____, 2004.

AGENCY
SEAL
or
STAMP

AFFIDAVIT

1. The undersigned, duly authorized to represent the persons, firms and corporations joining and participating in the submission of the foregoing proposal (such persons, firms and corporations hereinafter being referred to as the offeror), being duly sworn, on his oath, states that to the best of his/her belief and knowledge, no person, firm or corporation, nor any person duly representing the same joining and participating in the submission of the foregoing proposal, has directly or indirectly entered into any agreement or arrangement with any other vendors, or with any official of CES, or any employee thereof, or any person, firm or corporation under contract with CES, whereby the vendor, in order to induce the acceptance of the foregoing proposal by CES, has paid or is to pay to any other vendor or to any of the aforementioned persons anything of value whatever, and that the vendor has not, directly or indirectly entered into any arrangement or agreement with any other vendor or vendors which tends to or does lessen or destroy free competition in the letting of the contract sought for by the foregoing proposal.
2. This is to certify that the vendor, or any person on its behalf, has not agreed, connived or colluded to produce a deceptive show of competition in the manner of the responding or award of the referenced contract.
3. This is to certify that neither I, nor to the best of my knowledge, information and belief, the vendor, nor any officer, director, partner, member or associate of the vendor, nor any of its employees directly involved in obtaining contracts with the State of New Mexico, Cooperative Educational Services, or any subdivision of the state has been convicted of false pretenses, attempted false pretenses, or conspiracy to commit false pretenses, bribery, attempted bribery or conspiracy to bribe under the laws of any state or federal government for acts or omissions after January 1, 1985.
4. This is to certify that the vendor or any person on its behalf has examined and understands the terms, conditions, scope of work and specifications and other documents of this solicitation.
5. This is to certify that if awarded a contract, the vendor will provide the equipment, commodities, and/or services to members and affiliate members of Cooperative Educational Services in accordance with the terms, conditions, scope of work and specifications and other documents of this solicitation in the following pages of this proposal.

Authorized Representative (Please print or type)

Position (Please print or type)

Mailing Address

City, State, Zip

Phone

Fax

Email Address

By: Signature of Authorized Representative Date

Subscribed and sworn to before me this _____ day of _____, 2004.

Notary Public in and for County of _____, State of _____

My commission expires: _____

Signature: _____

INDEFINITE QUANTITY UNIT PRICE SCHEDULE

Bid Submission Form: All Categories

Use this form, or duplicate it, to price all equipment, services, supplies, and other commodities you wish to place on contract. If you have a printed price list or catalog, you can attach it in an appendix.

Description	Retail	%Discount	CES Price

Acceptance of Terms and Conditions

Rather than duplicate each term and condition and indicate acceptance, offeror may sign the statement below. Any exceptions must be listed on this page (additional pages may be attached, if necessary).

I accept the General Terms and Conditions of this RFP, except as listed below.

Printed Name and Title

Signature (should match cover signature)

I accept the additional Categorical Terms and Conditions except as listed below:

Signature (should match cover signature)

OFFEROR'S SUPPORT FOR CES PRICES

Cooperative Educational Services (CES) is a school service agency established as a JPA. All school service agencies in New Mexico are supported by user's fees rather than by appropriated funds. The procurement activities of CES, therefore, are funded through a small administration fee paid by the school district or local procurement unit using one or more of our contracts. There is no cost or fee paid by the vendor to CES.

There are many reasons the members use CES contracts. Because each of CES' contracts is based on a sealed proposal, members are exempt from having to issue a proposal or RFP. This saves them a great deal of time and a large amount of money. In addition, because each vendor agrees that the price charged through a CES contract will be the lowest that vendor will offer, the member knows that issuing its own proposal will not necessarily reduce the cost of the procurement. Finally, the service and convenience of processing orders through one agency (CES) simplifies the procurement process. Rather than having to issue a dozen purchase orders, for example, a member can issue one to CES. If problems occur, the member has the assistance of CES in reaching a satisfactory solution.

A vendor receives many of the same benefits as a CES member. Rather than having to respond to dozens of individual proposals and RFP's (which is a big cost of doing business), a response to CES opens the door to over 100 procurement units. The business office of the vendor has the advantage of invoicing CES rather than each individual account. The vendor also has CES' service in collection (some public entities are slow in processing payments). If problems develop, the vendor has the mediation service of CES to settle difficulties.

Purchase orders from the members are sent to CES. CES then issues its purchase order to the vendor asking the vendor to ship directly to the member, but to send CES the invoice. Next, CES invoices the member, and adds a one percent administration fee to that invoice. This fee (\$10 minimum) is CES' income. The state does not give CES any funds to provide procurement services for schools.

Because CES asks the members to pay one percent for the services, CES also expects vendors, who are awarded contracts, to provide an incentive to the members to use a CES contract. If a vendor will sell a product to a member for the same price as on the CES contract, the member, in effect, is paying one percent more when it purchases through CES. On large purchases the convenience of not having to issue a proposal may be overshadowed by the amount of the administration fee.

Therefore, CES requests that each vendor offer prices on CES contracts lower than the price it offers to members that purchase directly, or that might issue a local proposal. CES asks this, not for a "most favored nation" relationship, but as a commitment of partnership between CES and the vendor. CES wants members to understand that when using a CES vendor, they are not only satisfying the procurement code, but are truly reducing the costs of education.

Please indicate the level of support you will offer on this contract. *Check only one box*

- Prices will be **no different** from what we ordinarily offer to schools.
- Prices are (check) three percent (3%) lower than our best price to individual districts.
 four percent (4%)
 five percent (5%)
 ten percent (10%)
 other

Signature (must match signature on cover sheet)

Title

INSTRUCTIONS FOR COMPLETION OF PRICE PAGES

1. Before you begin, make duplicate copies of the price page.
2. All pricing must use the price form, normally using one sheet per brand of product. If you have an exceptionally large price list, or a price catalog, you may attach the data to the form, but it must be categorized and indexed in a way that the following information is clearly identified:
 - A. Product Brand
 - B. Product Description
 - C. Retail Price or Standard Education/Government Price
 - D. Percent Discount
 - E. CES Price
 - F. Volume Discounts Available
 - G. Any Special Pricing (bundles, time-limit sales, etc.)
 - H. Installation/Labor Costs, if any
 - I. Mileage/Travel Costs, if any
 - J. Freight/Shipping, if any
 - K. Special Warranty Information
3. Once your offer is accepted, any future price adjustments must be made in the same manner.
4. It is your responsibility to keep your contract current in every way. Auditors review our contracts, and we want to keep everything legal.

IF, FOR ANY REASON, YOU NEED TO LOWER A PRICE TO REMAIN COMPETITIVE, OR TO PASS ON A SPECIAL PRICE OFFERED BY YOUR SUPPLIER, YOU MUST FIRST SEND A FAX OR LETTER TO CES THAT OFFICIALLY LOWERS THE PRICE. ONCE CES HAS RECEIVED THE INFORMATION, THEN YOU MAY OFFER THE NEW PRICES TO YOUR CUSTOMERS. IT IS AGAINST THE TERMS AND CONDITIONS OF THIS RFP TO AGREE TO A LOWER PRICE WITH A CUSTOMER, AND THEN LATER NOTIFY CES. CES ENCOURAGES ALL OFFERORS TO OFFER THE LOWEST PRICES POSSIBLE, BUT AT NO TIME MAY THE OFFEROR GIVE A PRICE TO ONE CES MEMBER THAT IS NOT AVAILABLE TO OTHERS.

SUBMISSION CHECK-OFF FORM

In order for CES to clearly understand the proposal being presented by the offeror, a complete response to this RFP must contain the following:

It is suggested that the vendor preparing a response check off each required item as it is completed.

- _____ 1. The signed Offer, Acceptance of Offer and Contract Award cover sheet has been completed (page 35)
- _____ 2. The signed Affidavit (page 36)
- _____ 3. Certificate of Insurance (page 12)
- _____ 4. A point-by-point response for the items referenced under Vendor Qualifications (pages 8-10)
- _____ 5. A point-by-point response to each requested item to which the offeror is responding under the Required Categorical Responses (pages 31-32)
- _____ 6. A list of any additions, exemptions or modifications of Terms and Conditions (pages 10-24)
- _____ 7. Price List of the products/services offered (page 37)
- _____ 8. Letters of financial stability and credit limit
- _____ 9. All miscellaneous forms that apply
- _____ 10. Copies of all licenses
- _____ 11. Appendix with catalogs, slicks, model information, etc.
- _____ 12. Submission Check-off Form (page 41)
- _____ 13. **All bids must be submitted in a sealed envelope marked “SEALED BID – RFP 2005-01” on the front of the envelope.**

Signature