

SECTION L
INSTRUCTIONS, CONDITIONS AND NOTICES TO OFFERORS

L.1. SOLICITATION PROVISIONS

FAR 52.252-1 Solicitation Provisions Incorporated by Reference (FEB 1998)

This solicitation incorporates one or more solicitation provisions by reference, with the same force and effect as if they were given in full text. Upon request, the Contracting Officer will make their full text available. The offeror is cautioned that the listed provisions may include blocks that must be completed by the offeror and submitted with its quotation or offer. In lieu of submitting the full text of those provisions, the offeror may identify the provision by paragraph identifier and provide the appropriate information with its quotation or offer. Also, the full text of a solicitation provision may be accessed electronically at this/these address(es):
<http://www.arnet.gov/far/loadmainre.html> and <http://www.acq.osd.mil/dpap/dars/dfars/index.htm>

(End of Provision)

FAR 52.204-6 Data Universal Numbering System (DUNS) Number. (JUL 2013)

FAR 52.204-7 System for Award Management (Jul 2013)

FAR 52.211-14 Notice of Priority Rating for National Defense, Emergency Preparedness, and Energy Program Use. (APR 2008)

Any contract awarded as a result of this solicitation will be [] DX rated order; [X] DO rated order certified for national defense, emergency preparedness, and energy program use under the Defense Priorities and Allocations System (DPAS) (15 CFR 700), and the contractor will be required to follow all of the requirements of this regulation.

(End of Provision)

FAR 52.215-1 Instructions to Offerors - Competitive Acquisition. (JAN 2004)

FAR52.215-16 Facilities Capital Cost of Money. (JUN 2003)

FAR 52.215-20 Requirements for Certified Cost or Pricing Data and Data Other than Certified Cost or Pricing (OCT 2010) ALT III (OCT 1997) AND ALT IV (OCT 2010)

- (a) Submission of certified cost or pricing data is not required.
- (b) Provide information described below: Submit the proposal cost schedules and supporting information identified in the paragraphs under L.8.2.
- (c) Submit the “information other than cost or pricing data” portion of the proposal via the following electronic media: As identified in paragraphs under L.8.2.

(End of Provision)

SECTION L
INSTRUCTIONS, CONDITIONS AND NOTICES TO OFFERORS

FAR 52.215-22 Limitations on Pass-Through Charges-Identification of Subcontract Effort (OCT 2009)

FAR 52.216-1 Type of Contract. (APR 1984)

The Government contemplates award of a primarily cost-plus fixed-fee contract; firm-fixed price; time and material; with performance award fee and performance incentive fees resulting from this solicitation.

FAR 52.216-30 Time and Materials/Labor-Hour Time-and-Materials/Labor-Hour Proposal Requirements-Non-Commercial Item Acquisition Without Adequate Price Competition (FEB 2007) (CLINs XXX, XXX, XXX)

(a) The Government contemplates award of a Time-and-Materials or Labor-Hour type of contract resulting from this solicitation.

(b) The offeror must specify separate fixed hourly rates in its offer that include wages, overhead, general and administrative expenses, and profit for each category of labor to be performed by:

(1) The offeror;

(2) Each subcontractor; and

(3) Each division, subsidiary, or affiliate of the offeror under a common control.

(c) Unless exempt under paragraph (d) of this provision, the fixed hourly rates for services transferred between divisions, subsidiaries, or affiliates of the offeror under a common control:

(1) Shall not include profit for the transferring organization; but

(2) May include profit for the prime Contractor.

(d) The fixed hourly rates for services that meet the definition of commercial item at 2.101 that are transferred between divisions, subsidiaries, or affiliates of the offeror under a common control may be the established catalog or market rate when it is the established practice of the transferring organization to price interorganizational transfers at other than cost for commercial work of the offeror or any division, subsidiary or affiliate of the offeror under a common control.
(End of Provision)

FAR 52.222-24 Preaward On-Site Equal Opportunity Compliance Evaluation (FEB 1999)

FAR 52.222-46 Evaluation of Compensation for Professional Employees (Feb 1993)

FAR 52.233-2 Service of Protest. (SEP 2006)

(a) Protests, as defined in section 33.101 of the Federal Acquisition Regulation, that are filed directly with an agency, and copies of any protests that are filed with the Government Accountability Office (GAO), shall be served on the Contracting Officer by obtaining written and dated acknowledgment of receipt from the Contracting Officer, address in Block 7 of the Standard Form 33.

(b) The copy of any protest shall be received in the office designated above within one day of filing a protest with the GAO.

(End of Provision)

SECTION L
INSTRUCTIONS, CONDITIONS AND NOTICES TO OFFERORS

FAR 52.237-1 Site Visit (APR 1984)

FAR 52.252-5 Authorized Deviations in Provisions. (APR 1984)

The use in this solicitation of any Federal Acquisition Regulation (48 CFR Chapter 1) provision with an authorized deviation is indicated by the addition of “(DEVIATION)” after the date of the provision.

(End of Provision)

DFARS 252.204-7004 Alternate A, System for Award Management (FEB 2014)

DFARS 252.225-7003 Report of Intended Performance Outside the United States and Canada-- Submission with Offer (OCT 2010)

L.2. GENERAL INSTRUCTIONS

L.2.1. The Government will conduct full and open competition after exclusion of sources in this solicitation to foster an adequate number of viable Contractors to reduce any risk to the stability of the administration of the TRICARE program, and to ensure the continuous availability of health care services for TRICARE beneficiaries. Therefore, the Government will award two contracts for managed care support services to two different prime Contractors under this solicitation. There will be one TRICARE Region (i.e., geographical area for contract performance) per contract award. The selection of two different prime Contractors will occur even if a potential Contractor submits proposals for more than one contract region and each of the proposals is evaluated as the best value for the Government for the contract region of submission. In such a situation, the Government will select the awardees in accordance with Section M.2.1.2.

L.2.2. The Government will, subject to FAR 9.604 Limitations, recognize the integrity and validity of Contractor team arrangements provided the arrangements are identified and company relationships are fully disclosed in an offer. For purposes of exclusion of sources under this solicitation, a company or business entity identified in an offer as a potential prime Contractor shall be considered to include the named company or business entity, its parent or subsidiary, or a company or business entity directly related to the company or business entity through common (regardless of the percentage) ownership, control, or management (whether by a parent company or otherwise). Under this solicitation, no company or business entity may be awarded more than one contract as a prime Contractor. In addition, if a contract is awarded to a prime Contractor in which a company or business entity has formed a business arrangement (e.g., partnership, joint venture, LLC) to act as a prime Contractor, any offeror which includes that company or business entity in a business arrangement to act as a potential prime Contractor, shall be excluded from award of the other one contract under this solicitation.

L.2.3. Offerors are cautioned to follow the instructions provided in this section carefully to assure the Government receives consistent information in a form that will facilitate proposal evaluation. Proposals that take exception to inclusion of specific requirements in the resultant contract shall not be considered. Offerors may propose on one or both regions. Offerors shall

SECTION L INSTRUCTIONS, CONDITIONS AND NOTICES TO OFFERORS

submit only one offer per region, and alternative offers will not be accepted or evaluated by the Government. Although offerors may propose separately on both regions, an offeror will only be awarded a single region. Proposals with conditional pricing for the award of both regions will not be considered.

L.2.4. This section provides general guidance for preparing proposals as well as specific instructions on the format and content of the proposal. In addition to the offer, the offeror's proposal must include all data and information requested in this solicitation and must be submitted in accordance with these instructions. The offer shall be compliant with the requirements as stated in the solicitation and applicable attachments. Non-conformance with the instructions provided in the solicitation and this section may result in an unfavorable proposal evaluation or rejection of the proposal. The proposal shall be clear, concise, and shall include sufficient detail for effective evaluation and for substantiating the validity of stated claims. Attachment L-7, Sections L, M, and C Cross Reference Table are provided to assist offerors.

L.2.5. The offeror's initial offer should contain the offeror's best terms from a price or cost and technical standpoint. The Government reserves the right to seek information clarifying any element of an offer or other information submitted in Volumes I-V prior to awarding without discussions. This request for information serves to clarify certain aspects of proposals (e.g. the relevance of an offeror's past performance information and adverse past performance information to which the offeror has not previously had an opportunity to respond) or to resolve minor or clerical errors. This exchange shall not be used to cure weaknesses or material omissions of the offer, or materially alter the technical or cost information in the proposal. Under no circumstances will the offeror revise its offer in response to clarification questions; any such revision will not be considered. If the Government determines that it is necessary to conduct discussions; the Contracting Officer will establish the competitive range. If the Contracting Officer decides that an offeror's proposal should no longer be included in the competitive range, the proposal will be excluded from consideration for award; and written notice of this decision will be provided to unsuccessful offerors in accordance with FAR 15.503. If it is determined necessary, the Contracting Officer will notify offerors remaining within the competitive range to schedule discussions..

L.2.6. The proposal shall not simply rephrase or restate the Government's requirements, but rather shall provide convincing rationale to address how the offeror intends to meet these requirements. Offerors shall assume that the Government has no prior knowledge of their facilities, capabilities, and experience. The Government will base its evaluation on the information presented, plus any additional past performance information obtained by the Government from other sources.

L.2.7. Offerors shall submit their anticipated organizational structure at least fifteen (15) calendar days prior to the initial proposal due date. The organizational structure must include the prime Contractor and first tier subcontractors. The organizational structure shall include addresses and telephone numbers. In the case of a joint venture or other business structure, a clear description of the organizational relationships must be disclosed.

L.2.8. ORGANIZATIONAL CONFLICTS OF INTEREST

SECTION L
INSTRUCTIONS, CONDITIONS AND NOTICES TO OFFERORS

L.2.8.1. The Offeror's attention is directed to FAR, Subpart 9.5, "Organizational and Consultant Conflicts of Interest."

L.2.8.2. It is the position of DHA that the following companies, due to the nature of their performance with DHA, have an actual or potential organizational conflict of interest, which must be avoided, neutralized, or mitigated: A-Team Solutions, LLC; Architecture, Engineering, Consulting, Operations and Management (AECOM); Axiom Resource Management Inc; Booz Allen Hamilton; Cherokee Information Services Inc. and their subcontractors: OST Global Solutions Inc. and ThinkQ; Kennell and Associates Inc; Compliance Automation Inc; E.R. Williams Inc; Information Technology Solutions & Consulting, LLC (ITSC); Intellidyne, LLC; Keystone Peer Review Organization, Inc. (KePRO); Kforce Government Solutions, Inc (KGS); Lockheed-Martin; National Government Services, Inc.; SofTec Solutions, Inc.

L.2.8.3. The offeror shall represent in writing within the proposal that, to the best of the offeror's knowledge, there are no relevant facts or circumstances concerning any past, present, or potential contracts or financial interest relating to the work to be performed, which could give rise to an organizational conflict of interest, as described in FAR, Subpart 9.5. In the event an actual or potential organizational conflict of interest exist, the offeror shall submit a mitigation plan to the Contracting Officer as soon as possible, but no later than 15 calendar days prior to the proposal due date, that effectively demonstrates how the offeror will mitigate any actual or potential organizational conflict of interest while supporting this contract and any other DHA contract. The offeror shall also provide the Contracting Officer, no later than 15 calendar days prior to the proposal due date, with information of previous or ongoing work that is in any way associated with this solicitation.

L.2.8.4. The Contracting Officer will review all mitigation plans to determine whether award to the offeror is consistent with FAR, Subpart 9.5. If the Contracting Officer determines that no conflict would arise or that the mitigation plan adequately protects the interest of the Government, the offeror will be eligible for award. If the Contracting Officer determines that the mitigation plan is inadequate, remedial actions will be considered, including elimination from the solicitation process, termination of related contract efforts already awarded, or negotiation of the mitigation plan.

L.2.8.5. The above restrictions shall be included in all subcontracts, teaming arrangements, and other agreements calling for performance of work which is subject to the organizational conflict of interest restrictions identified in these provisions.

L.2.8.6. The offeror acknowledges the full force and effect of these provisions. The Government reserves the right, in case of a breach, misrepresentation or nondisclosure, to terminate the resultant contract, disqualify the offeror from subsequent related contractual efforts, or pursue any remedy permitted by law, regulation or the terms and conditions of this solicitation.

L.2.9. Use of Former DoD/Defense Health Agency (DHA) Employees and Uniformed Service Members in Proposal Preparation.

SECTION L INSTRUCTIONS, CONDITIONS AND NOTICES TO OFFERORS

The involvement of a former DoD/DHA employee/member in an offeror's proposal preparation may give rise to an unfair competitive advantage or the appearance thereof, if the former DoD/DHA employee/ member acquired non-public, competitively-useful information in his or her former position. Such knowledge could include proprietary information of competitor's performance on past or current contracts with similar requirements or source selection sensitive information pertaining to this procurement. Consequently, the Offeror must notify the Contracting Officer *prior to* the involvement in the proposal preparation by a former DoD/DHA employee/member reasonably expected to have had access to such information. Based on the notification, the Contracting Officer will make a determination whether involvement of the former DoD/DHA employee/member in proposal preparation could create an unfair competitive advantage or appearance thereof. The Contracting Officer will further determine whether any mitigation measures taken or proposed by the offeror are adequate to alleviate this concern. Failure to comply with these procedures may result in the offeror's disqualification for award.

L.2.10. Offerors shall submit proposals to the Contracting Officer at the address indicated below. The proposals are to be in electronic and hard copy format. Hardcopies and DVD/CD-ROMs shall be submitted to:

Contracting Officer
TRICARE 2017 Managed Care Support
DHA Acquisition Management & Support
16401 East Centretech Parkway, Aurora, CO 80011-9066

Each DVD/CD and/or volume shall be marked as follows:
OFFEROR's COMPANY NAME, e.g., XYZ Corporation
H94002-15-R-0002

TRICARE 2017 Managed Care Support, Region Volume Number
DVD/CD number (e.g., 1 of 3)

Identify if the data is protected by the Privacy Act, HIPAA or both as appropriate
Date the DVD/CD was created
Software and version used

L.3. INFORMATION

L.3.1. The Contracting Officer is the sole point of contact for this procurement. Questions regarding the solicitation or other concerns are to be submitted in accordance with L.3.9.

L.3.2. Summary level data on eligible beneficiaries, direct care workload, purchased care costs, electronic and paper claims quantities, administrative support services workload volumes, and other categories are available at no cost to all interested parties. This data is located on the DHA web site and in attachments to Section L.

L.3.3. Detail level data on purchased care costs, direct care workload, eligible beneficiaries, and pharmacy workload may be ordered by potential offerors for a processing fee of \$2,500.00 that will include the original data set and updated data sets, if any, for the acquisition. Offerors

SECTION L INSTRUCTIONS, CONDITIONS AND NOTICES TO OFFERORS

should refer to the "Detail Level Data Files: Ordering Instructions and Fees" icon at the DHA solicitation web site page.

L.3.4. Offerors may access the TRICARE Manuals through the DHA website at <http://manuals.tricare.osd.mil/>.

L.3.5. The remarks, explanations, and answers provided by Government representatives whether orally, or in writing, shall not change or qualify any of the terms or conditions of the solicitation. The solicitation can only be changed by a formal written amendment issued by the Contracting Officer.

L.3.6. Non-Government Advisors: The expertise of Non-Government advisors may be required to support evaluation of technical proposals. When the identity of the Non-Government advisor(s) is known, DHA will immediately, provide the name(s) of the Non-Government advisor(s) by correspondence to the offerors. These advisors will have broad and comprehensive knowledge of the civilian health care industry and managed health care in particular, and will apply their expert knowledge of civilian health care industry practices and standards to assist the Government in evaluation of proposals. Non-Government advisors are subject to the limitations of FAR 7.503 and FAR Part 37.2; and shall not determine ratings or rankings of offeror's proposals or perform any inherently Governmental function.

(a) **The Release of Proposal Information to Non-Government Advisors:** The release of proposal information to non-Government advisors will be subject to the controls of DHA. Non-Government advisors are not allowed access to past performance information or proprietary financial data (dollar figures) contained in the price/cost proposal; however, to make technical judgments, they are allowed access to man-hours, labor categories, and lists of materials proposed.

(b) **Prohibitions:** Non-Government advisors are prohibited from proposal rating, ranking, or recommending the selection of a source. They are not normally allowed to participate in discussions, but may attend if requested by the chairperson(s). Non-Government advisors are not normally allowed to participate in Government decision-making meetings (Source Selection Evaluation Board (SSEB) sessions or SSA briefings), unless invited by the chairperson(s) to be present during a particular portion to provide specific technical information.

(c) **Access to Proprietary Information:** Non-Government advisors that have access to proprietary information in performing their roles for the Government must agree to protect the information from unauthorized use or disclosure for as long as it remains proprietary and refrain from using the information for any purpose other than that for which it was furnished. All non-Government advisors are required to sign a Non-Disclosure Statement, DHA Form 821. The Contracting Officer shall retain the signed agreements in the contract file.

(d) **Organizational Conflict Of Interest (OCI):** OCI clauses are included in the contracts under which non-Governmental technical advisors are performing services for the Government. The OCI clauses require the companies and individual non-Government advisors to protect offeror proprietary data and Government source selection information and prohibit the companies from

SECTION L
INSTRUCTIONS, CONDITIONS AND NOTICES TO OFFERORS

otherwise participating as an offeror, a subcontractor as a consultant to an offeror/subcontractor in relation to this acquisition participation.

(e) Permission from Offerors: Upon review of the above limitations, and after the identity of the Non- Government advisor(s) is provided by letter to the offerors, any offeror having concerns/issues regarding these Non- Government advisors having access to its proposal information should notify the Contracting Officer of said objection or obtain a written agreement between the Non-Government advisor and the offeror in accordance with FAR 9.505-4(b), and submit to the Contracting Officer within seven (7) working days at time of notification. If no agreement or objection to the proposed non-Government advisors is submitted within the seven (7) working days, the offeror will be deemed to have consented to the limited access described above.

L.3.7. Solicitation Questions

Questions regarding this solicitation shall be submitted in writing. The Government will answer all questions prior to the deadline for proposal submittal provided those questions are received by **2:00PM Mountain Standard Time, DD MMM 201X**

Written questions may be submitted by fax or email to:

Defense Health Agency – COD-A
ATTN: Charles Hargett

Facsimile: 303-676-3987
Email: charles.hargett@dha.mil

Alternate POC:

At no time will the government answer questions regarding the solicitation to a single potential offeror without providing the answer to all potential offerors. The Government reserves the right not to respond to any questions received concerning this solicitation after the question receipt date and time above. Accordingly, offerors are encouraged to carefully review all solicitation requirements and submit questions to the Government early in the proposal cycle. It is not anticipated that the closing date for receipt of proposals will be extended.

The Government will post the answers to questions on the solicitation on www.fbo.gov.

L3.8. Pre-Proposal Conference/Site Visits

(a) A Pre-Proposal Conference/Site Visit will be conducted as follows:

<u>Location: (s):</u>	<u>Site POC/Address/Phone:</u>	<u>Date/Time/Bldg & Room Number:</u>
TBD	TBD	TBD

SECTION L
INSTRUCTIONS, CONDITIONS AND NOTICES TO OFFERORS

(b) All prospective offerors are urged to attend the Pre-Proposal Conference/Site Visit. However, each company is restricted to **three (3)** attendees at the Pre-Proposal Conference/Site Visit. Exact building/room number location for the Pre-Proposal Conference/Site Visit (if changed from above) will be provided by the POC in paragraph (a) above upon receipt of visitor requests (see paragraph (c) below for Visit Requests information). Subcontractor requests are to be requested through the Prime Contractor, and Subcontractor attendees count toward the limit of three attendees.

(c) In order to attend the Pre-Proposal Conference/Site Visit, each offeror shall submit visit requests for those company officials who will attend. **Send electronic Visit Requests for the Pre-proposal Conference/Site Visit, a minimum of four (4) business days prior to the scheduled visit, on prime contractor letterhead, to the POC. A courtesy copy of the electronic visit requests shall also be submitted to the contracting officer.** The visit requests must include the reason for visit, name, date of birth, last 4 digits of the SSN, their business address and company name, and the date.

(d) Questions generated at the Pre-Proposal Conference/Site Visit shall be submitted in writing IAW L.3.9 above. At no time during the pre-proposal conferences/site visits will the government answer questions regarding the solicitation to a single potential offeror without providing the answer to all potential offerors. The government will not engage in "side-bar" question and answer sessions with any individual potential offeror. Questions submitted formally (by the date noted in paragraph L.3.9) will be answered and distributed to offerors..

(e) Failure of a prospective offeror to attend the conference or to submit any questions will be construed to mean that the offeror fully understands all requirements of the solicitation. Prospective offerors are advised that the conference will be held solely for the purpose of allowing prospective offerors the opportunity to see first-hand the operational interdependencies between the Direct Care and Purchased Care systems within the Military Health System (MHS). All prospective offerors are advised that this solicitation will remain unchanged at the conclusion of the conference, unless this solicitation is amended in writing. If an amendment is issued, normal procedures relating to the acknowledgement and receipt of any such amendment shall be applicable.

L.4. PROPOSAL PREPARATION

L.4.1. Offerors are required to provide separate proposals volumes I-V for each region it chooses to submit an offer. The overall proposal shall consist of five (5) physically separated and detachable parts/volumes, individually entitled as indicated below. Offerors are required to submit separate proposals for each region if proposing more than one region. The offeror shall provide one original, plus the number of copies as follows:

SECTION L
INSTRUCTIONS, CONDITIONS AND NOTICES TO OFFERORS

PART/VOLUM	NAME	NO. OF COPIES
Volume I	Executed Offer, to include: <ul style="list-style-type: none"> • SF 33 • Completed Schedule B • Completed Section K Certs & Reps • Completed copy of paragraph G.3.5 (Points of Contact) • Completed copy of paragraph H.4.3 (Performance Guarantees) • Subcontracting Plan 	3/3
Volume II	Technical to include <ul style="list-style-type: none"> • Written Technical Proposal (see L.6.1.) • Offered elements exceeding minimum 	15/3
Volume III	Past Performance (see L.7.)	10/3
Volume IV	Price/Cost (see L.8.) <ul style="list-style-type: none"> • Completion of H.2 	3/3
Volume V	Financial Data (see L.9.) to include Guarantee Agreement for Corporate Guarantor	3/2

L.4.2. Electronic Copies: The electronic portion of the proposal shall be submitted on DVD/CD-ROMs compatible with Microsoft Office 2010 applications. In addition, each DVD/CD must be made “final.” “Final” is a recording option that renders the DVD/CD totally used so no other data tracks can be added. Do not use compressed file formats. Use separate files to permit rapid location of all portions, including exhibits, annexes, and attachments, if any. A separate DVD/CD is required for each Volume identified above. A directory shall also be placed on the CD/DVD, if it contains more than one file. Indicate on each DVD/CD: the offeror’s name; proposal volume number; technical, past performance, price/cost proposal or financial data; proposal date; and solicitation number.

L.4.3. Paper Copies: Each paper volume must correspond to a directory on the DVD/CD. Paper copies shall be separated by Volume, each in a three-ring binder and identified with the region proposed, offeror’s name, volume number and title, proposal date and solicitation number. A separate binder is required for each Volume. All paper copy proposal narrative material shall be submitted on white paper with one inch (1") margins on all sides. The font for both DVD/CD and paper submissions shall be Times New Roman, not smaller than 12 points; however, smaller fonts on areas of the proposal that will not easily accommodate 12 point font and limited to illustrations, organization charts, supporting data exhibits, report listings or labels on process

SECTION L
INSTRUCTIONS, CONDITIONS AND NOTICES TO OFFERORS

flows are permitted. Elaborate brochures or documentation, binding, detailed artwork, or other embellishments shall not be submitted. Footnotes on text pages shall also be in 12 point font. Proposals shall be printed double-sided only with non-duplicative, sequential page numbers at the bottom of each printed page; however, pages may be printed single-sided for Volume IV, Price/Cost only.

L.4.4. Specific Instructions for the Price/Cost Proposal: The electronic price/cost proposal shall duplicate the hardcopy version. Do not use compressed file formats. In instances where the paper copy differs from the electronic copy, the original paper volume prevails. Submitted files shall contain all formulae, calculations, and worksheet/workbook links used to compute the proposed amounts. The cell formulae, calculations, and links shall not be hidden. Print image files or those Excel files/ Excel worksheets containing only “values” are not acceptable. There is no page limit for the price/cost proposal Volume IV or for the financial viability/statements; however, brief but concise explanations, summaries, and worksheets are advised and appreciated.

L.4.5. Page Limitations: Page limitations shall be treated as maximums. If exceeded, the excess pages will not be considered in the evaluation of the proposal and will be destroyed without review. The following table contains all page limit requirements. If there is a requirement for information to be submitted in the proposal, but it is not included in the following table, then a page limitation is not applicable.

Reference and Description	Page Limit
Organization Chart	3
Written Technical Proposal	150
List of Offered Elements Exceeding Minimum Standards/Requirements	4
Past Performance Narrative	10
Summary Description of Largest Clients (see L.7.3. and L.7.4.)	3 pages per client
Resumes for Key Personnel (if applicable, see L.7.10.)	1 page per resume

L.4.6. Proposals will be reviewed for completeness and compliance with the solicitation and preparation instructions. If an offeror (1) fails or refuses to assent to any of the terms and conditions of the RFP, (2) proposes additional terms and conditions of this RFP (beyond the List of Offered elements exceeding minimum standards/requirements permitted in L.6.1.), or (3) fails to submit any of the information required by this RFP, then DHA may consider the offer to be unacceptable, which could make the offer ineligible for contract award. Offerors shall not include price information anywhere in the proposal package other than in the Price/Cost volume,

SECTION L
INSTRUCTIONS, CONDITIONS AND NOTICES TO OFFERORS

and prices in completed Section B. All pages of each proposal shall be appropriately numbered and identified with the solicitation number.

L.4.7. If final proposal revisions are required (if requested by the Contracting Officer), the offeror shall follow the final proposal revision instructions provided by the Contracting Officer.

L.5. VOLUME I, EXECUTED PROPOSAL

L.5.1. Volume 1 shall contain the signed original of all documents requiring signature of the offeror. Use of reproductions of the signed original is authorized in the copies. Offerors shall commit in writing to fulfilling the terms and conditions of the contract. All certifications and representations, to include Section K, required by the solicitation shall be completed and provided in Volume 1. The provision in Section K, FAR 52.204-8, Annual Representations and Certifications, must be completed and submitted with the proposal. An online Representations and Certifications Application is available at <https://www.uscontractorregistration.com/>.

L.5.2. Offerors shall include In Volume I the requirements for Small Business Participation

L.5.2.1. Offerors designated as large businesses shall include in Volume I a subcontracting plan as required by FAR 19.702, FAR 19.704, FAR 52.219-8 Utilization of Small Business Concerns, FAR 52.219-9 Small Business Subcontracting Plan, and DFARS 252.219-7003, Small Business Subcontracting Plan (DoD Contracts). Please note that network providers are not considered subcontractors of the prime contractor, and therefore healthcare services provided by network providers may not be counted in the subcontract plan. Additionally, offerors are advised in accordance with 10 U.S. Code 2410d, contractors may use the services and/or products of the AbilityOne program (National Industry for the Blind/National Industry for the Severely Handicapped) in meeting their small business subcontracting goals.

L.5.3. Offerors must complete, sign, and date the offer at Blocks 12 through 18 of the Standard Form 33. Source selection procedures including the evaluation of offers received in response to the solicitation are projected to require up to 270 days to complete. As a result of this, the Government requires that the Minimum Acceptance Period identified in Item 12 of the Standard Form 33 be a minimum of 270 days. The Contractor's information for paragraph G.3.5., Contractor Points of Contact shall be included in this Volume.

L.5.4. Offerors must acknowledge receipt of the amendments when submitting the offer and include the acknowledgements in this volume.

L.5.5. Offerors shall submit a completed original Section B in Volume I. Offerors are required to complete Section B, Supplies or Services and Prices/Costs. Offers submitted in response to this solicitation shall be in terms of U.S. dollars. Offerors are instructed to price the appropriate contract line items and sub-line items in Section B.

SECTION L
INSTRUCTIONS, CONDITIONS AND NOTICES TO OFFERORS

L.6. VOLUME II, TECHNICAL PROPOSAL

L.6.1. Written Technical Proposal Submission: The offeror shall submit a written technical proposal which effectively demonstrates the offeror's understanding of the requirements, and provides a successful technical solution for the prospective contract. The written technical proposal shall also include a separate list of those elements of the offer that exceed the Government's minimum requirements including performance standards that exceed the minimum standard or additionally offered performance standards ("enhancements"). The separate list shall have a clear cross reference to where each offered element is located in the technical proposal. The technical proposal shall clearly describe each element offered and demonstrate how the offeror will meet the higher standards or exceed minimum requirements and why it is beneficial to the Government. An enhancement may be incorporated into the contract, if the Government also determines that it exceeds requirements/standards and finds it to be beneficial. Accordingly, for each enhancement, the offeror shall include adequate language that may be incorporated into the contract as an enforceable provision. The Government, at its sole discretion, may incorporate some, none or all proposed enhancements.

L.6.1.2. The proposal shall not reflect a marketing or sales presentation. Unnecessarily elaborate proposals beyond those sufficient to present a complete and effective response to this solicitation are not desired. The proposal should illustrate the offeror's capability, and clearly demonstrate the organization and methodology that will satisfy the solicitation requirements. The proposal should clearly describe the technical solution and overall approach to the solicitation requirements and address all of the subfactors identified in Section L which will be evaluated against the criteria specified within Section M of this solicitation. The proposal may have information on the offeror's experience (for this purpose, experience refers to what an offeror has done, not how well it was accomplished) in performing proposed processes and procedures. This information may be considered in the evaluation of specific technical approaches and related technical proposal risk. However, any such information in the technical proposal will not be considered for purposes of the overall past performance rating as described in Section M.7. The price/cost proposal, past performance information, and financial information shall not be addressed in the technical proposal volume, and no part of the technical proposal shall incorporate by reference portions of other volumes of the proposal.

L.6.2. Technical/Management

L.6.2.1. Subfactor 1 - Network Management

L.6.2.1.1. The offeror's proposal will include its approach for developing and maintaining an accredited, stable, high-quality network that supplements services provided by the MTF within access to care standards as defined in 32 CFR 199. Within its description, the offeror will explain its consideration of the effect of any guaranteed network discounts on the development and maintenance of this network. The offeror will provide its network sizing model, including the number of providers, types of providers, consideration of MTF capacity/capability and beneficiary population and plan to address network shortages. The offeror's proposal will

SECTION L

INSTRUCTIONS, CONDITIONS AND NOTICES TO OFFERORS

include examples of how its network sizing model will be applied to the PSAs surrounding the following locations:

- Colorado Springs eMSM (West Region)
- Ft. Bliss (West Region)
- Camp Pendleton (West Region)
- Tidewater eMSM (East Region)
- Ft. Hood (East Region)
- Dover (East Region)

L.6.2.1.2. The offeror will describe how it will ensure access to care if MTF capabilities and capacities change, including its plan for responding to such changes on short notice. The offeror will describe how it will stay informed of potential changes, and how activities will be coordinated with the Regional Director and/or the MTF Commander.

L.6.2.1.3. The offeror will describe its methodology for directing beneficiaries to providers who demonstrate quality outcomes, lower costs and demonstrate administrative efficiencies.

L.6.2.1.4. The offeror's proposal will describe its plan, required by Section C.2.1.7, to facilitate the timely return of network provider consult reports to the MTFs.

L. 6.2.1.5. The offeror's proposal will include its approach for maintaining an accurate, real-time network provider directory. The offeror shall include in its proposal its proposed accuracy percentage (which shall be inserted into Section C.2.1.3 upon contract award).

L.6.2.2. Subfactor 2 – Referral Management

L.6.2.2.1. The offeror will describe its process for managing referrals from/to the MTF/civilian network in accordance with the TOM, Chapter 8, Section 5. The offeror will include its approach on how its referral management process directs MHS beneficiaries to the MTF; how this process will be supported through network management activities; and how the offeror proposes to meet the referral processing requirements.

L.6.2.3. Subfactor 3 – Medical Management

L.6.2.3.1. The offeror will describe its design and approach for implementing/maintaining a medical management program for MHS-eligible beneficiaries receiving care in the civilian sector. This description will include how the program will complement the medical management services available in the MTFs. The offeror will include its approach to utilization management, case management, and disease management. The offeror will describe how its process will objectively document improvements in outcomes.

L.6.2.3.2. The offeror will provide its approach in providing a Prime beneficiary-centric data warehouse, industry analytic tools, data analysis technique with evidence-based algorithms. The

SECTION L INSTRUCTIONS, CONDITIONS AND NOTICES TO OFFERORS

offeror will describe its systems and processes that will be utilized to discover and correct gaps in care, medical errors, and quality issues for Prime beneficiaries. The offeror will demonstrate how proposed processes for applying data stratification and predictive modeling will produce positive patient outcomes, measurable gains in quality of patient care and result in lower costs.

L.6.2.3.3 The offeror will describe its plan to implement a clinical quality management and patient safety program for MHS beneficiaries. The offeror will describe systems and processes for standardizing error reduction, as well as maintain transparency and adherence to evidence-based practices and national clinical recommendations.

L.6.2.3.4. The offeror will demonstrate how its case management program for TRICARE-eligible beneficiaries will support and manage the health care of individuals with high-cost conditions or with specific diseases for which evidenced-based clinical management programs exist.

L.6.2.3.5. The offeror will describe its disease management program and how that program will improve the clinical and satisfaction outcomes for TRICARE beneficiaries and reduce the financial burden to the Government.

L.6.2.4. Subfactor 4 – Beneficiary Satisfaction/Customer Service

L.6.2.4.1. The offeror will describe its approach in providing accurate, comprehensive customer service with knowledgeable, courteous, and responsive staff. The offeror will describe its approach for providing customer service via multiple, contemporary avenues of access.

L.6.2.4.2. The offeror will describe its approach for establishing and maintaining maximum beneficiary and provider satisfaction in a manner that meets the contract requirements throughout the period of performance.

L.6.2.4.3. The offeror will describe its approach to identifying and responding to beneficiary and provider educational needs consistent with the contract requirements.

L.6.2.5. Subfactor 5 – Claims Processing

L.6.2.5.1. The offeror will describe its plan for providing an adaptable, scalable claims processing system which incorporates industry best practices and utilizes modern, state-of-the-art software. The offeror will show how the system can easily be configured such that changes are quickly made at the lowest possible cost to the Government.

L.6.2.5.2. The offeror will describe how its proposed claims processes/methods will ensure that claims processing timeliness and accuracy standards are met.

SECTION L
INSTRUCTIONS, CONDITIONS AND NOTICES TO OFFERORS

L.6.2.6. Subfactor 6 – Program Planning and Control

L.6.2.6.1. The offeror shall describe its staffing plan and how it will establish and maintain experienced and qualified key personnel in order to meet the requirements of this contract and support the offeror's technical approach.

L.6.2.6.2. The offeror will provide a Risk Mitigation plan which includes transition risk areas and provides risk mitigation strategies. (Note: The Risk Mitigation plan can be a separate attachment to the proposal and does not count towards the page limitation for the written technical proposal.)

L.6.2.7. Subfactor 7 - Transition

L.6.2.7.1. The offeror shall provide an Integrated Master Plan (IMP) and Integrated Master Schedule (IMS) which details of the offeror's approach to meeting transition milestones. The IMP and IMS shall demonstrate the offeror's approach to the Integrated Product and Process Development framework wherein the IMP and IMS include all necessary activities performed by all functional disciplines to produce the product required by this RFP. The IMP and IMS for purposes of the proposal will be limited to a Level 3 work breakdown structure. The IMS/IMP must be congruent with and reference all CDRLs with due dates prior to the start of healthcare delivery. (Note: The IMP/IMS can be a separate attachment to the proposal and does not count towards the page limitation for the written technical proposal).

L.7. VOLUME III, PAST PERFORMANCE INFORMATION

L.7.1. This section applies to the Prime Contractor and its first tier subcontractors. The term "Prime Contractor," for the purpose of submitting past performance information, includes an entity that is a consortium of entities. For purposes of this section, a first tier subcontractor is a company with a direct contractual relationship with the offeror and whose total contract price exceeds \$100,000,000 or a subcontractor who has direct responsibility for providing/authorizing health care, managing or directing health care of TRICARE beneficiaries, or who provides claims processing services regardless of the price. For purposes of this section, a first tier subcontractor excludes institutional, professional and other providers as defined in 32 CFR 199.6. The Government will only consider relevant past performance information for ongoing contracts/agreements and contracts/agreements concluded within the last three years. (The last three (3) years is defined as: three (3) years as of 60 calendar days prior to the proposal due date.) All relevant past performance shall be submitted.

L.7.2. The offeror shall provide a narrative that describes the relevant past performance that the prime Contractor and first tier subcontractor(s) have in performing work that is relevant to this solicitation. Within the narrative the offerors are required to explain what aspects of the past performance are deemed relevant to the proposed efforts, and to what aspects the proposed efforts relate. The offeror is required to clearly demonstrate management actions employed in resolving problems and the effects of those actions, in terms of improvements achieved or problems resolved (i.e., submittal of quality performance indicators or other management indicators).

SECTION L
INSTRUCTIONS, CONDITIONS AND NOTICES TO OFFERORS

L.7.3. In addition to the narrative described in L.7.2., the offeror shall identify the five (5) largest contracts/agreements based on gross revenues, for itself and each of its first-tier subcontractors that are currently ongoing or have concluded in the last three (3) years. For each contract/agreement, the offeror shall provide information regarding the customer, a verified point of contact for the customer (name, title, address, phone number) who will be able to discuss the offeror's performance with the Government, the functions performed, the time period covered, number of beneficiaries covered, dollar value of the contract (specifying administrative versus health care dollars), key contract standards, and the measure of performance achieved against the standard(s). A separate description shall be provided for each client not to exceed three (3) pages per client. (This summary does not count against the ten (10) page narrative limitation.)

L.7.4. The offeror and each of its first-tier subcontractors shall identify their three largest federal and/or state Government contracts, in terms of contract price, and provide the same information that is required for the top five (5) contracts as described in L.7.3. The offeror, and its first tier subcontractors, must state if it has fewer than three (3) Government contracts. (If any of the top three (3) Government accounts are already included in the top five (5) accounts, it is not necessary to repeat the information. The offeror is only to provide information for the top three (3) Government accounts if they are not already included in the top five (5) accounts in L.7.3.). A separate description shall be provided for each Government contract not to exceed three pages per contract. (This does not count against the 10-page narrative limitation.)

L.7.5. If the offeror, or its first-tier subcontractors, has had any contracts terminated for default or cause within the last three years preceding submission of the proposal, the offeror shall provide documentation detailing the reason for the termination. The documentation shall identify the customer, its address, the contracting official, and his/her telephone number. For any contract terminated for default or cause, the offeror shall provide what actions have been taken to prevent similar failures from reoccurring.

L.7.6. If the offeror, or its first tier subcontractor(s), were formed solely for the purpose of proposing on this solicitation and the parent corporation or consortium has relevant past performance, the offeror shall submit information on its top five (5) contracts/agreements on its parent organization or each member of the consortium. The offeror must document how the parent corporation's or consortium's past performance is relevant to this solicitation and the amount of involvement the parent or consortium member will have in the daily operations of the offeror.

L.7.7. The offeror shall submit for itself and each of the first tier subcontractor(s) a completed past performance questionnaire for each of the contracts/programs required in L.7.3 and L.7.4. (See Attachment L-5, Past Performance Questionnaire). These clients may return the completed questionnaires directly to DHA at the source selection office identified in Block 7 on the SF33. If not returned directly by the client, the offeror shall include the completed questionnaire(s) in the past performance proposal. It is the offeror's responsibility to have the questionnaire completed by the referenced client. The questionnaires shall be completed by the most cognizant officer of the contract/program, or if it is a Government contract, by the Contracting Officer or Contracting Officer's Representative (COR). The offeror shall not include accounts from their own

SECTION L INSTRUCTIONS, CONDITIONS AND NOTICES TO OFFERORS

subsidiaries, subcontractors, or other team members. The offeror, and/or its first tier subcontractor, must state if it has fewer than five (5) accounts that are relevant to this solicitation.

L.7.8. The offeror shall submit a record of its compliance with FAR 52.219-8 Utilization of Small Business concerns and 52.219-9, Small Business Subcontracting Plan including past SF294/SF295, if applicable, and all correspondence by the Contracting Officer or Small Business Specialist regarding your compliance for the past two (2) years on current or past Government contracts. There is no page limit applicable to this information.

L.7.9. The offeror shall also include past records of monetary targets for Small Disadvantaged Business participation expressed in terms of dollars for the total contract value (if this had been incorporated in past contracts as required by FAR 19.12).

L.7.10. Many companies have acquired, been acquired by, or otherwise merged with other companies, and/or reorganized their divisions, business groups, or subsidiary companies. If an offeror provides past performance information that was rendered by a predecessor company, the offeror must include a “roadmap” describing all such changes in the organization of the offeror in order to facilitate the relevancy determination. The offeror shall describe how the past performance efforts of a predecessor company are relevant to this solicitation.

L.7.11. Any offeror without past performance history relevant to this solicitation shall submit information relating to key personnel in the firm who have relevant past performance history. Offerors shall specifically identify relevant past performance efforts for each individual cited, the nature of the history and the results of the individuals efforts. Resumes of key personnel are not required and shall not be submitted if the offeror submits relevant past performance history, including that of the parent corporation, consortium, or predecessor company in accordance with L.7.6. and L.7.9.

L.8. VOLUME IV PRICE/COST ORGANIZATION/INSTRUCTIONS

L.8.1. “Data Other than Certified Cost or Pricing Data” shall be submitted by the Offeror to support the price reasonableness of its proposal. All “Data Other than Certified Cost or Pricing Data” submitted pursuant to this section is for the exclusive use of the Government. It will be handled as **business confidential and source selection sensitive**.

L.8.2. Section B. Section B constitutes the price portion of the “offer” to the Government. The unit prices, carried to two decimal places (\$0.00), multiplied by the estimated quantity for each respective CLIN/SLIN shall equal the extended amount in Section B, with no rounding. For all CLINs/SLINs, if there is a discrepancy between the proposed unit prices extended by the estimated quantities and the offeror’s proposed extended amounts, the proposed unit prices shall be presumed to be correct and extended accordingly by the government supplied quantities. A zero dollar figure (\$0.00) entered or a line item left blank will be interpreted as the CLIN/SLIN shall be provided at no charge to the Government. In the event there is a discrepancy between the proposed prices in Volume IV, Price Proposal and the SF 33, Section B, the amounts on the SF 33, Section B - Supplies or Services and Prices/Costs shall prevail.

SECTION L INSTRUCTIONS, CONDITIONS AND NOTICES TO OFFERORS

L.8.3. Price/Cost Proposal Narrative: Major Cost Element Information. The offeror's proposal shall include a Price/Cost Proposal Narrative discussing its proposed prices for Transition-In, Per Member Per Month (PMPM), and Transition-Out by major cost element. The offeror shall provide the bases for the proposed costs by major cost element, including the rationale and assumptions used for its estimates. All calculations shall be fully disclosed with explanations for how the amounts were derived; the proposal data shall allow for replication and validation of the calculations, with clear tracking of key figures among the support schedules. The proposal shall identify any judgmental factors applied and the nature of any contingencies included in the proposed costs. The estimated cost to the government shall reflect the use of prudent judgment and sound business practices, including, but not limited to, compliance with governing regulations concerning estimating and accounting for costs. The proposal cost breakdowns should follow the cost accounting and estimating practices of the offeror.

L.8.4. Price/Cost Evaluation Template. In order to facilitate the government's price/cost evaluation, the offeror shall use the Price/Cost Evaluation Template provided with the RFP. The Price/Cost Evaluation Template is a set of simple Excel spreadsheets, following the general cost element configuration common in federal government contracting. The government will use the Price/Cost Evaluation Template to analyze the offeror's submitted proposed prices. There are several worksheets comprising the Price/Cost Evaluation Template: Total Proposed Prices by CLIN/SLIN, Section B Proposed Unit and Extended (Total) Prices by CLIN/SLIN, PMPM by Major Cost Element, Rate Table, Direct Labor Cost, and Other Direct Costs (ODCs).

Please Note: The government acknowledges that the contractors' cost Accounting/estimating systems may differ. No attempt was made to anticipate every method of presenting or calculating costs. The offeror is given the latitude to introduce minor adjustments to the Template. Minor adjustments would be inserting columns or rows for additional indirect rates, adding a column/row for fringe benefits not calculated with a percent applied to a base amount, etc. If adding or deleting columns/rows is not sufficient to present the proposed cost item, the offeror may add a linked spreadsheet to support and explain a cost item presented in the Template.

The offeror is responsible for its own proposal data entered into the Price/Cost Evaluation Template submission. All data entries, cell calculations, and links among spreadsheets and files shall be checked and verified by the offeror as correct.

The amounts and rates (direct labor and indirect rates, profit, etc.) used in the model are examples only. These figures, especially profit/fee, are not recommended by the government or in any way reflect suggested amounts. The offeror shall enter its proposed direct labor and indirect rates, profit/fee, airfare, etc., into the Template.

The FAR and DFARS provide guidance in proposal preparation and presentation. The offeror is advised to read/review the table at FAR 15-408, TABLE 15-2—INSTRUCTIONS FOR SUBMITTING COST/PRICE PROPOSALS WHEN COST OR PRICING DATA ARE REQUIRED. Though the table specifically refers to "cost or pricing data," it is still applicable to proposals requiring "other than

SECTION L
INSTRUCTIONS, CONDITIONS AND NOTICES TO OFFERORS

certified cost or pricing data.” The government believes the solicitation lends itself to the offeror’s proposal being prepared and presented in the format discussed in the FAR.

L.8.5. Staffing/Man-Loading. The offeror shall list its proposed staffing/man-loading by the functional areas of the template: claims, customer service, referral management, network management, medical management, enrollment, and other. **NOTE:** The offeror’s staffing and staffing charts in the technical and price/cost volumes shall match/be identical.

L.8.6. Direct Labor Categories. The offeror shall provide brief descriptions/duties of the proposed labor categories. There is no limit to the number of labor categories that may be entered.

L.8.7. Full Time Equivalent (FTEs)/Productive Labor Hours Direct Labor Hours. The offeror should enter the number of FTEs in the FTE column for each labor category; the FTEs should reflect the offeror’s proposed man-loading. Productive hours are the actual employee work hours for the year. It is calculated taking the total available hours (52 weeks/year x 40 hours/week = 2,080 annual hours) and deducting holidays, vacation, personal leave, etc. The annual number of work hours available and the time off may differ among offerors.

L.8.8. Direct Labor Rates: The offeror shall provide and discuss the basis for the proposed direct labor rates, such as whether the rates are current/actual (with the effective date), Forward Pricing Rate Agreement (FPRA) or Submission (FPRS), Bureau of Labor Statistics (BLS) or commercial consulting firm wage/salary survey (for example: Economist Intelligence Unit), or offeror estimate. Recent (within the last twelve [12] months) DCAA audits may serve as support documentation for the proposed direct labor rates. If weighted labor rates are used, provide the weighting factors.

L.8.9. Economics/Escalation. For the Direct Labor Rates, the offeror shall provide the bases for any proposed/projected price changes and the assumptions used: forecast source (such as Global Insight, or Economy.com), index used (index name, number/code, and title), calculations (index values used: base and projected values), and dates used (month and year for applicable index numbers). The offeror shall provide copies of the escalation forecasts as support documentation in the proposal.

L.8.10. Fringe Benefits/Allowances. The offeror shall provide a list of allowances and benefits for its OCONUS employees. The basis of the proposed allowances and benefits shall be provided and discussed. The allowance/benefit method of calculation shall be detailed, including its percentage or flat amount, the base for the application of percentages, and other relevant information.

L.8.11. Subcontractors, Team Members, and/or Interdivisional Transfers.

The offeror shall list all anticipated team member and subcontractor effort in the format of the table below, to include: team member/subcontractor name, proposed price by option period and total contract price, and service provided.

**SECTION L
INSTRUCTIONS, CONDITIONS AND NOTICES TO OFFERORS**

SUBCONTRACTOR OR TEAM MEMBER NAME	PRICE PER OPTION PERIOD	TOTAL PRICE	SERVICE PROVIDED
--------------------------------------	----------------------------	-------------	------------------

The same level of cost element detail as required for the prime contractor shall be submitted by the team members, major subcontracts, and inter-organizational transfers. A major subcontract or interdivisional transfer is defined as one over \$10-million. The team members and major subcontractors shall submit their proposals in the same format as the prime contractor, using the Price/Cost Template, and providing a proposal narrative discussing their estimating assumptions/rationale.

L.8.12. Fringe Benefits, Indirect Costs/Overhead Rates (Material Handling, Manufacturing, Engineering), General and Administrative Expenses (G&A), and Facilities Capital Cost of Money (FCCOM or COM). The offeror shall provide the basis of the proposed indirect cost and/or rates, such as the following: actual/current with date, Forward Pricing Rate Agreement (FPRA)/Submission (FPRS), budget, or estimate, with supporting documentation. If weighted indirect rates are used, provide the weighting factors. If the proposed rates are budgetary estimates, the expense pools and bases shall be presented with a comparison to the offeror’s last two fiscal years. If current, actual, or year to date data were used, the offeror shall provide support documentation (pools and bases) for the proposed figures. If FPRA/FPRS was used, a hardcopy shall be included in the proposal; the offeror shall track the proposed rates back to the FPRA/FPRS for easy verification by the government. Recent (within the last twelve (12) months) DCAA audits may serve as support documentation for indirect rates. A copy of the audit may be included in the proposal. If the award of this contract will have a significant impact on the offeror’s business volume, the effects of those changes on the expense pools and bases shall be identified and disclosed.

L.8.13. Other Direct Costs (ODCs). The offeror shall list the ODC line items types and proposed amounts for each program year. The line item costs shall be fully supported with narrative rationale and calculations.

L.8.14. Profit/Fixed Fee, and Award Fee. The offeror shall provide proposed profit and fee rates, the profit/fee bases, and the calculated amounts.

L.8.15. Option Period Price Changes. The offeror shall provide the basis for its proposed price changes between option periods. The offeror shall discuss the price change rationale used in preparing its proposal. If a price index was used to escalate the proposed prices, the offeror shall identify the index title, source, index number, and provide its calculations.

L.8.16. CLIN Transition-In and CLIN Transition-Out.

L.8.16.1 CLIN Transition-In. The offeror shall propose a firm-fixed price for its transition-in effort.

L.8.16.2. CLIN Transition-Out. The Transition-Out CLIN is cost plus fixed fee. The offeror shall propose a single price (not a price for each option period) for its transition-out effort, assuming the work will be performed at the conclusion of the five (5) option periods. The

SECTION L
INSTRUCTIONS, CONDITIONS AND NOTICES TO OFFERORS

offeror shall enter separate proposed amounts for its estimated cost and proposed fixed fee in Section B.

L.8.17. Prime Contractor's Price and/or Cost Evaluations of Subcontractor and Interdivisional Transfer Prices per FAR 15.404-3. Describe the evaluation rationale that leads to the Prime's conclusion that the subcontract/interdivisional prices are reasonable. Explain all adjustments made to the subcontractor's proposed costs and prices. Include the price or cost analyses performed for all major subcontracts as defined in Section L.8.11.

L.8.18. Completeness and Technical/Cost Congruence. To assist the Contracting Officer in determining price reasonableness, the offeror shall demonstrate that all RFP requirements and its technical approach have been priced/costed-out in the Cost/Price Volume. A table/matrix shall be included that cross-references the Technical Volume/proposed technical approach to the Cost/Price Volume. The cross-references shall note the page numbers, paragraphs, etc., between the Technical and Cost/Price Volumes; the Cost/Price Volume shall include the appropriate page numbers from the Technical Volume, demonstrating the appropriate cost for a corresponding technical approach item.

L.8.19. Professional Employees' Compensation Plan per FAR 52.222-46. Offerors are to submit a total compensation plan setting forth the salaries and fringe benefits proposed for the professional employees who will work under the proposed contract, as prescribed in FAR 52.222-46. (For a definition of a 'professional employee,' offerors are advised to review the Code of Federal Regulations section referenced in FAR 52.222-46.) Attention should be drawn to the following sentences from the cited clause: "The supporting information for the proposed plan will include data, such as recognized national and regional compensation surveys and studies of professional, public and private organizations, used in establishing the total compensation structure." In addition, "Offerors are cautioned that lowered compensation for essentially the same professional work may indicate lack of sound management judgment and lack of understanding of the requirement." The supporting information provided should be clearly traceable to the salaries proposed in the price/cost proposal by CLIN. The professional employee job category, salary rates or ranges must be identified.

L.8.20. Management Reduction/Absorption of Costs. If an offeror intends to absorb a portion of cost and/or provide other benefits that affect the offered prices(s), the offeror shall provide a detailed explanation of the absorbed amount and its impact on the price(s).

L.8.21. Field Pricing Support. The Defense Contract Audit Agency (DCAA) and/or Defense Contract Management Agency (DCMA) may be requested to perform proposal direct labor or indirect rate reviews, financial analyses of the offeror's organization, and/or provide other pricing/audit support, as deemed necessary. The DCMA and DCAA Point of Contacts (office names, office addresses, name of cognizant ACO and DCAA supervisory auditor/auditor, e-mail addresses, and phone numbers) for the offeror and any team members/subcontractors shall be included in the proposal.

L.8.22. Adequate Accounting System. The offeror shall have an accounting system capable of handling a cost-reimbursement type of contract. The offeror shall provide evidence that its

SECTION L INSTRUCTIONS, CONDITIONS AND NOTICES TO OFFERORS

accounting system is capable of tracking and segregating cost data in sufficient detail to administer the contract. This may include a letter from either DCMA or DCAA stating that the offeror has an acceptable accounting system, with the approval date. In those cases where the accounting system does not have DCMA or DCAA approval, the offeror shall describe the action taken to obtain such approval prior to contract award.

Cost Note: The Government reserves the right to request additional information in support of any proposed cost, as required for a reasonableness determination.

L.8.23. Underwritten Health Care.

L.8.23.1. Underwritten Health Care Cost. The Government has provided the estimated Underwritten Health Care Costs for each option period, 1 through 5, for each Region in Attachment **X**. There are separate estimated costs for Prime network enrollees and MTF Prime enrollees, plus non-enrolled beneficiaries. These estimates are based on TRICARE's actual allowable health care costs; they do not include credits (reductions) for any network discounts. The offeror shall not propose its own estimated health care costs, but use those supplied by the government. The offeror may propose a **fixed-dollar amount** for network discounts; the Government shall not accept any proposed percentage figure discounts. The offeror's proposed fixed dollar network discount amounts shall be subtracted from the Government's health care cost estimates for the applicable region for each option period. The net underwritten health care amounts (government estimate less offeror's proposed network discounts) shall be entered into the appropriate option period CLIN of Section B. The offeror's proposed fixed dollar network discount amounts shall be clearly identified in the price proposal.; **NOTE:** The costs for administering and managing the underwritten health care costs are considered "administration" costs, included in the offeror's proposed Per Member Per Month (PMPM) CLIN prices; they are not considered indirect costs added to or cost factors applied to the underwritten health care costs.

L.8.23.2. Underwritten Health Care Fixed Fee. For all option periods, offerors shall offer the underwriting fee as a dollar amount. The fees offered shall not exceed the maximum amounts for option periods 1-5 for the _____ Region as stated in Attachment L-13 for: (i) the Contractor Network Prime Enrollee cost; and (ii) the Non-Prime Beneficiaries and MTF Prime Enrollees cost. These underwritten categories, which have differing levels of control by a Contractor, are summarized in Section H-1. Offerors are reminded to consider the underwriting costs and risks associated with underwriting, including: the time involved for DHA to reimburse health care costs; the offeror's actual cash flow; the terms of the Allowable Cost and Payment (Deviation) Clause regarding frequency of reimbursement payments and unallowable costs; the cost incentives described in Section H-2; and the Government's health care cost estimate. The offered fee should take into account the benefit contractors receive for the earlier payment (7th day upon receipt of valid TEDS record) rather than as required by the Prompt Payment Clause (30th day); and also for a payment term as frequent as every Government business day as permitted by the Allowable Cost and Payment (Deviation) clause.

L.8.24. Per Member Per Month (PMPM)/Administration Costs.

SECTION L INSTRUCTIONS, CONDITIONS AND NOTICES TO OFFERORS

The offeror shall include all its contract administrative costs in the proposed CLIN Per Member Per Month (PMPM) price. The price shall include but not be limited to the costs for the requirements detailed in Section C of the solicitation such as Disease Management, Claims Processing (both paper and electronic), Customer Service, Referral Management, Network Management, and Medical Management. For the Clinical Support Agreement Program, the administrative costs, not the actual direct labor for performing the services, shall be included in the PMPM price. Attachment L-12, Government Estimate for PMPM, includes the estimated eligible member months for each option period by bi-annual periods for each region.

L.8.25. Network Discounts.

A guaranteed network provider discount shall consist of a fixed dollar amount for each option period for medical care by civilian network providers for each of the two underwritten populations (contractor Prime network enrollees and MTF Prime enrollees plus non-enrolled beneficiaries) by option period, even if the dollar amount explicitly proposed for each of the two populations is the same number (amount). The network provider discount guarantee proposed by the offeror will be measured as an overall discount for care by civilian network providers, using the same measurement methodology and data specifications described for the discount incentive provision in Section H.2.3.1. Within the price/cost proposal volume, the offeror shall affirmatively agree to accept all risks of future conditions that may impact the offeror's ability to obtain provider discounts and shall not include conditions or qualifications to limit risk. The offeror shall further agree that the guaranteed network provider discount shall not be adjusted for any action by the Government, including unilateral contract changes, allowable rates, and payment methodology.

L.8.26. Service Assist Teams. The Offeror is to offer fully burdened rates for the categories of labor shown in Exhibit A, Service Assist Teams –Time and Material Rates. In support of the proposed loaded labor rates (direct labor rates, fringe benefits, overhead, other direct costs, G&A expenses, and profit), the offeror shall provide a breakdown by major cost element, along with a discussion of its estimating assumptions and rationale.

L.8.27. Reports, Contract Data Requirements List (CDRL) (DD1423). The reports shall not be separately priced. In accordance with DFAR Supplement 215.470, Estimated Data Prices, DoD requires estimates of the prices of data in order to evaluate the cost to the Government in terms of their management, product, or engineering value. The offeror shall state what the proportional value for each CDRL is to the total price of the contract attributable to the production or development of the listed data for the Government (Section J, Appendix B).

L.8.28. TRICARE Reserve Select, TRICARE Young Adult, TRICARE Retired Reserve, CHCBP (East Region) and Prime Enrollment Premium/Fees. The premium/fees collected for these programs by the Contractor will be forwarded to the Government. Offered prices should not include cost offsets.

L.8.29. Excessive Pass-through Charges - Identification of Subcontractor Effort, per FAR 52.215-22. For this solicitation, this requirement applies to the total cost of work performed for all of the following CLINs: Per Member Per Month, Service Assist Teams, and Transition-Out.

SECTION L
INSTRUCTIONS, CONDITIONS AND NOTICES TO OFFERORS

L.9. VOLUME V, FINANCIAL

L.9.1. Financial Viability. The offeror must demonstrate adequate financial resources to perform the prospective contract or demonstrate an ability to obtain adequate financial resources. Offerors shall submit the financial data listed below on the offeror, any parent corporation, and any prior or prospective significant merger candidates.

L.9.2. The offeror shall submit the following:

- a. The offeror's most recent Dun and Bradstreet (D&B) Comprehensive Report, or if not available, another rating company report that is essentially equivalent to D&B (e.g., A.M. Best Company).
- b. Annual Reports for the offeror's three most recent fiscal years (including audit opinions)
- c. Balance Sheets, Income Statements, Statement of Retained Earnings, and Statements of Cash Flows
- d. Statement of projected quarterly cash flows for a one year period beginning with the start of the contract (i.e., transition base period).
- e. DCMA Form 1620 04-04 Guaranty Agreement for Corporate Guarantor (Exhibit L-8).

L.9.2.1. Offerors shall clearly label all financial statements as "audited" or "unaudited," and include the date last audited, audit opinion, auditor's name, and the date of any certification of the financial statements by the responsible company official. All off-balance sheet arrangements and related party transactions must be clearly disclosed and explained.

L.9.2.2. The offeror shall also identify and explain any audit report opinions that are other than a "Clean" or "Unqualified Opinion," any audit findings, and any required corrective action plans.

L.9.2.3. An offeror without audited financials shall provide historical documents (i.e., tax returns), projected income statements and balance sheets, and narrative documentation supporting its ability to obtain financial resources to perform the contract.

L.9.2.4. The offeror shall submit copies of adverse financial items uncovered in any of the last 3 years' State Insurance Department audits if applicable. Offerors shall provide a supporting narrative, including a brief description of anomalies in the submitted financial data and a brief description of any projected increases and decreases in the offeror's business base.

L.9.3. The offeror shall include a guarantee from the offeror's holding or parent company, or owner(s), if applicable, indicating its willingness to guarantee complete and faithful performance of the offeror and to provide the offeror all necessary and required resources, including financing, which are necessary to assure the full, complete and satisfactory performance of the contract. The format to be used for this guarantee is DCMA Form 1620 04-04 Guaranty Agreement for Corporate Guarantor (Section L Exhibit L-8). A signed original shall be included in Volume I, and a copy of the signed guarantee shall be included in Volume V. Failure to provide this guarantee, if applicable to the offeror, may result in the CO making a determination that the offeror is not responsible, and thus ineligible for award (FAR 9.105).

L.9.4. As part of the CO's responsibility determination (FAR 9.1), the CO will evaluate the offeror's financial viability to ensure the offeror has adequate financial resources to perform the prospective contract or demonstrates an ability to obtain adequate financial resources. If an

SECTION L
INSTRUCTIONS, CONDITIONS AND NOTICES TO OFFERORS

offeror fails submit the required financial information, the CO may make a determination the offeror is not responsible and thus ineligible for award.

DRAFT