



State of West Virginia
 Department of Administration
 Purchasing Division
 2019 Washington Street East
 Post Office Box 50130
 Charleston, WV 25305-0130

Solicitation

NUMBER
BMS14028

PAGE
1

ADDRESS CORRESPONDENCE TO ATTENTION OF:
BOB KILPATRICK 304-558-0067

RFQ COPY
 TYPE NAME/ADDRESS HERE

VENDOR

SHIP TO

HEALTH AND HUMAN RESOURCES
 BUREAU FOR MEDICAL SERVICES
 ROOM 251
 350 CAPITOL STREET
 CHARLESTON, WV
 25301-3709 304-558-1737

DATE PRINTED
06/18/2014

BID OPENING DATE: 06/25/2014

BID OPENING TIME 1:30PM

LINE	QUANTITY	UOP	CAT. NO.	ITEM NUMBER	UNIT PRICE	AMOUNT
0001	1	LS		948-74		
ADDENDUM NO. 2 SEE ATTACHED PAGES. END OF ADDENDUM NO. 2 PER THE ATTACHED SPECIFICATIONS						
***** THIS IS THE END OF RFQ BMS14028 ***** TOTAL:						_____

SIGNATURE		TELEPHONE	DATE
TITLE	FEIN	ADDRESS CHANGES TO BE NOTED ABOVE	

WHEN RESPONDING TO SOLICITATION, INSERT NAME AND ADDRESS IN SPACE ABOVE LABELED 'VENDOR'

SOLICITATION NUMBER: BMS14028**Addendum Number: 2**

The purpose of this addendum is to modify the solicitation identified as BMS14028 (“Solicitation”) to reflect the change(s) identified and described below.

Applicable Addendum Category:

- Modify bid opening date and time
- Modify specifications of product or service being sought
- Attachment of vendor questions and responses
- Attachment of pre-bid sign-in sheet
- Correction of error
- Other

Description of Modification to Solicitation:

1. To revise the response for question #47 as issued in Addendum No. 1
2. The bid opening remains 06/25/2014 at 1:30 pm.

Additional Documentation: Documentation related to this Addendum (if any) has been included herewith as Attachment A and is specifically incorporated herein by reference.

Terms and Conditions:

1. All provisions of the Solicitation and other addenda not modified herein shall remain in full force and effect.
2. Vendor should acknowledge receipt of all addenda issued for this Solicitation by completing an Addendum Acknowledgment, a copy of which is included herewith. Failure to acknowledge addenda may result in bid disqualification. The addendum acknowledgement should be submitted with the bid to expedite document processing.

BMS14028
Addendum 2

The original answer #47 contained in Addendum No. 1 is being revised to read as follows.

Original Question 47:

How will the vendor be paid for the PMPM figures? For example, if the enrollment level is 250,000, will the vendor be paid one rate for the first 100,000, and a second rate for the next 100,000, and a third rate for the final 50,000? Or will the vendor be paid a single rate for all 250,000 members?

BMS Original Response to Question 47:

The vendor would be paid a single PMPM rate for all 250,000 members. Cost proposals should include tiered PMPM rates based on the membership bands

BMS Revised Response to Question 47:

The vendor response is to be provided as requested in the bid sheet. In that the number of members is not known at this time, the vendors are requested to propose their PMPM rate for each tier assuming the actual number of members at each level. After the contract is awarded the vendor will be paid a single PMPM based on the actual number of members, using the PMPM proposed at the tier level in which the number of actual members falls. The following hypothetical examples are provided for clarification:

Expense	Members	PMPM Rate	(A*B)*12=C
YEAR 1			
0 TO 100,000 members	100,000	\$4.00	400,000
100,001 to 200,000 members	100,000	\$3.00	300,000
200,001 to 300,000 members	100,000	\$2.00	200,000
≥300,001 members	100,000	\$1.00	100,000
Subtotal Year 1			\$1,000,000

Based on the above hypothetical example, if there were 90,000 members the vendor would be paid \$4.00 PMPM. However if there were 150,000 members the vendor would be paid \$3.00 PMPM. If the actual number of members were 250,000 the vendor would be paid \$2.00 PMPM. The grid structure allows the vendor to incorporate any achievable economies of scale into the PMPM proposal given the unknown number of actual members at this time. The assumption of 100,000 in the "Members" column and totaling of the individual tiers allows comparison of all vendor proposals using the same assumptions.

ADDENDUM ACKNOWLEDGEMENT FORM
SOLICITATION NO.: BMS14028

Instructions: Please acknowledge receipt of all addenda issued with this solicitation by completing this addendum acknowledgment form. Check the box next to each addendum received and sign below. Failure to acknowledge addenda may result in bid disqualification.

Acknowledgment: I hereby acknowledge receipt of the following addenda and have made the necessary revisions to my proposal, plans and/or specification, etc.

Addendum Numbers Received:

(Check the box next to each addendum received)

- | | |
|---|--|
| <input type="checkbox"/> Addendum No. 1 | <input type="checkbox"/> Addendum No. 6 |
| <input type="checkbox"/> Addendum No. 2 | <input type="checkbox"/> Addendum No. 7 |
| <input type="checkbox"/> Addendum No. 3 | <input type="checkbox"/> Addendum No. 8 |
| <input type="checkbox"/> Addendum No. 4 | <input type="checkbox"/> Addendum No. 9 |
| <input type="checkbox"/> Addendum No. 5 | <input type="checkbox"/> Addendum No. 10 |

I understand that failure to confirm the receipt of addenda may be cause for rejection of this bid. I further understand that that any verbal representation made or assumed to be made during any oral discussion held between Vendor's representatives and any state personnel is not binding. Only the information issued in writing and added to the specifications by an official addendum is binding.

Company

Authorized Signature

Date

NOTE: This addendum acknowledgement should be submitted with the bid to expedite document processing.