

KERN HEALTH SYSTEMS

REQUEST FOR PROPOSAL

SUBMISSION CHECKLIST

Kern Health Systems (KHS) is a government agency dedicated to running a fair bidding program to foster high quality business relationships. In preparing an RFP response, please bear the following in mind:

1. This RFP is not an offer. It is a request for proposals. KHS may reject all proposals at its convenience without any liability to proposers.
2. There is a deadline for submitting questions to KHS about this RFP.
3. There is a deadline for submitting bids to KHS.
4. Every bid package must include:
 - a. Indemnification letter for Confidential and Proprietary information
 - b. Answers to questions in Attachment A
 - c. Answers to questions in Attachment B
 - d. Answers to questions in Attachment C
 - e. Signed copy Attachment D
 - f. Signed copy of Attachment E



KERN HEALTH SYSTEMS

2900 Buck Owens Blvd

Bakersfield, CA 93308

Request for Proposal

Professional Services Agreement

To

REPLACE EXISTING ERP SYSTEM – SAGE ACCPAC

December 11, 2024

Proposal Deadline:

2:00 pm PST

January 31, 2025

TABLE OF CONTENTS

A. INSTRUCTIONS AND CONDITIONS

1. Definitions
2. Preparation of Responses
3. Explanation to Bidders
4. Amendments
5. Submitting Proposals
6. Non-Collusion Affidavit
7. Bidders Response Information
8. Award of Contract
9. Evaluation Process
10. Company Evaluation
11. Late Bids
12. Cost of Preparation of Bids
13. Withdrawal of Bids
14. Payment
15. Miscellaneous
16. Disposition of Proposals and Proprietary Data
17. Timeline

B. STATEMENT OF PURPOSE

C. BACKGROUND INFORMATION

ATTACHMENTS

Attachment A1: Scope of Services

Attachment A2: System Requirements Matrix

Attachment A3: Technical Requirements Matrix

Attachment B: Schedule of Fees

Attachment C: Company Evaluation Criteria

Attachment D: Proposal Signature Verification

Attachment E: Non-Collusion Affidavit

A. INSTRUCTIONS AND CONDITIONS

1. Definitions
 - a. As used herein, “RFP” means “Request for Proposal.”
 - b. As used herein, “KHS” means “Kern Health Systems.”
2. Preparation of Responses (Instructions to Bidders)
 - a. Before submitting a Proposal, each Bidder is expected to thoroughly examine the specifications in the Attachments, and all other related contractual documents included in this RFP, including subsequent amendments to the RFP. Failure to do so will be at the Bidder’s risk and will not bar the Bidder’s obligation to perform if a contract is awarded pursuant to this RFP.
 - b. Each Bidder shall submit, as part of their Proposal, completed copies of Attachments “D”, Proposal Signature Verification, and “E” Non-Collusion Declaration.
 - c. **Each Bidder shall complete Attachments A, B, and C according to the instructions on each of the attachments.**
 - d. Each Bidder must be satisfied by personal examination and by such other means as it may prefer, as to the actual conditions and requirements under which the contract will be performed.
 - e. **KHS’ standard Professional Service Agreement (PSA) will be used to contract with the chosen vendor. A blank template is included with this RFP package. Any objections to the terms and conditions stated in that document must be clearly explained and included with the bid package as an additional Attachment F**
3. Explanation to Bidders
 - a. If a Bidder desires an explanation of any kind regarding provisions of this RFP, the Bidder must generate a written request for such explanation. The request may be e-mailed to rfp@khs-net.com, faxed to 661-664-4381, or addressed to:

Kern Health Systems
Attention Purchasing Department
2900 Buck Owens Blvd
Bakersfield, CA 93308
 - b. Requests for explanation must be submitted by **January 10, 2025, no later than 2:00 pm PST**, allowing sufficient time for a reply to reach all Bidders before the submission of their Proposals. The Purchasing Manager or duly authorized personnel will advise all candidates known to have received a copy of the RFP of each question and subsequent explanation.
4. Amendments
 - a. Bidders are advised that KHS reserves the right to amend the requirements of this RFP prior to the date set for opening of bids. Such revisions will be done formally by publishing amendments to all Bidders known to have received a copy of the RFP. This may be done via fax, e-mail, or other method as determined by KHS. Amendments will be posted to the KHS website: <http://www.kernhealthsystems.com/>, listed under the specific RFP. If in the judgment of KHS, the change is of such nature that additional time is required for Bidders to prepare their Proposals, KHS will change the date of the

Proposal opening and notify all Bidders by e-mail and it will be posted to the KHS website.

- b. Bidders are requested to acknowledge receipt of amendments to an RFP. This may be done by any one of the following means:

- 1) Sign and return the amendment via e-mail or fax.
- 2) Sign Attachment “D”, Proposal Signature Verification.

5. Submitting Proposals

- a. **Please submit ONE (1) electronic copy of your Proposal. Electronic copy should be submitted via e-mail to rfp@khs-net.com. Please ensure that a delivery receipt request is included in your email. An email delivery receipt should not be confused with a read receipt.**
- b. KHS is not responsible for delinquent delivery issues.
- c. Faxed proposals and amendments will NOT be considered.
- d. Alternate Proposals are not authorized and will NOT be considered.
- e. **All Proposals must be received by KHS no later than January 31, 2025, no later than 2:00 pm PST. Late Proposals will NOT be considered or accepted. For purposes of this RFP, the official time shall be the time on the email of the confirmed delivery receipt of delivery. Participants are strongly encouraged to send the email early to avoid any discrepancy between their proof of receipt and KHS’ official email clock.**

6. Non-Collusion Declaration

Each Bidder is required to complete the document entitled, “Non-Collusion Declaration” on the form provided herein (Attachment E).

7. Bidders Response Information

Since KHS is a public entity, all responses may be disclosed through the Public Records Act. KHS may keep submissions and negotiations confidential until the Governing Board approves the final contract and/or a Purchase Order is issued.

8. Award of Contract

- a. Award will be made, in whole or in part, to the responsive, responsible Bidder whose Proposal is determined by KHS to be most advantageous to KHS, price, delivery, and other factors considered.
- b. KHS may reject any or all bids and may waive informalities and minor irregularities in bids received.
- c. **THE CONTRACT IS SUBJECT TO KHS GOVERNING BOARD APPROVAL.**

9. Evaluation Process

- a. The determination and final selection of the successful Bidder will be based upon evaluation by KHS considering all factors and such other criteria (subjective and otherwise) as KHS may, at its sole discretion, deem relevant. In no event will KHS be limited to selecting a Bidder based solely upon total cost submitted.
- b. Including the Total Price, the following overall factors will be considered:
 - Corporate capabilities
 - Responsiveness to RFP
 - Experience with **HEALTHCARE ERP SYSTEM REQUIREMENTS**
 - Value-added services

- Timeliness of service
 - Trade reference and/or referrals
 - History of compliance with government contracts and laws
 - Implementation Capabilities (from the Vendor and/or Qualified Implementation Partner) and the willingness and ability to provide ongoing ad hoc support
- c. KHS will provide special consideration to vendors located and doing substantial business in Kern County.
10. Company Evaluation
- Bidders shall provide responses to the series of questions and information requested in Attachment C that will be used to evaluate the Bidder's company. Responses to individual questions/information request should be kept to a single page, except as designated.
11. Late Bids
- No Proposal or Proposal Amendment received at the office designated in this RFP after the time set for receipt specified in this RFP will be considered or accepted.
12. Cost of Preparation of Bids
- Costs for developing responses to this proposal are entirely the responsibility of the Bidder.
13. Withdrawal of Bids
- a. Proposals may be withdrawn by letter or in person by a Bidder or an authorized representative possessing proper identification and written proof of his authority to act on behalf of the Bidder. If withdrawn in person by a Bidder or a representative of the Bidder, the person withdrawing the Proposal will be required to sign a receipt for the Proposal.
 - b. Withdrawal action of any type must be done before the date and time specified for opening of bids in this RFP.
14. Payment
- a. Invoices for services rendered shall be directed to:
Kern Health Systems
Accounts Payable
2900 Buck Owens Blvd
Bakersfield, CA 93308
or submitted via email to:
apinvoice@khs-net.com
 - b. Payment will be made upon receipt of an appropriate invoice and determination by KHS where products and/or services have been determined by KHS to be satisfactorily provided, and subject to the terms of the contract. Payment terms are Net 30 after receipt of a valid invoice. KHS is unable to take advantage of any prompt-payment discounts. KHS is not responsible for misdirected invoices.
15. Miscellaneous
- a. The successful Bidder may not assign the contract or any part of its obligations without the prior written consent of KHS, which may be withheld in its sole discretion.
 - b. The successful bidder will enter into a "Professional Services Agreement" with KHS.
 - c. Bidder recognizes that the Medi-Cal Managed Care and Healthy Families programs are dynamic programs that are subject to numerous legislative and regulatory changes, which

will likely require the successful Bidder to implement related changes to the agreement that may be awarded pursuant to this RFP.

16. Disposition of Proposals and Proprietary Data

All materials submitted in response to this RFP become the property of Kern Health Systems. Any and all proposals received by the KHS shall be subject to public disclosure and inspection, except to the extent the proposer designates trade secrets or other proprietary data to be confidential, after the Evaluation Committee has completed its deliberative process and either the proposer has been informed that they are not the vendor selected by the Evaluation Committee for recommendation to the Board of Directors, or the matter has been set for consideration before the Board of Directors, whichever comes first.

Material designated as proprietary or confidential shall accompany the proposal and each page shall be clearly marked and readily separable from the proposal in order to facilitate public inspection of the non-confidential portion of the proposal. Prices, makes and models or catalog numbers of the items offered, deliverables, and terms of payment shall be publicly available regardless of any designation to the contrary. KHS will endeavor to restrict distribution of material designated as confidential or proprietary to only those individuals involved in the review and analysis of the proposals.

Proposers are cautioned that materials designated as confidential may nevertheless be subject to disclosure. Proposers are advised that KHS does not wish to receive confidential or proprietary information and that proposers are not to supply such information except when it is absolutely necessary. If any information or materials in any proposal submitted is labeled confidential or proprietary, the proposal shall include the following clause:

(legal name of proposer) shall indemnify, defend and hold harmless Kern Health Systems, its officers, agents and employees from and against any request, action or proceeding of any nature and any damages or liability of any nature, specifically including attorneys' fees awarded under the California Public Records Act (Government Code §6250 et seq.) arising out of, concerning or in any way involving any materials or information in this proposal that (legal name of proposer) has labeled as confidential, proprietary or otherwise not subject to disclosure as a public record.

17. Timeline

The following timeline is based on KHS' requirements and will be strictly adhered to unless modified by amendment

RFP TIMELINE

- | | |
|---------------------|--|
| • December 11, 2024 | RFP release |
| • January 10, 2025 | Bidders Questions Due (2:00 pm, PST) <u>Please e-mail.</u> |
| • January 17, 2025 | KHS will e-mail responses to all Bidders |
| • January 31, 2025 | Proposals due (2:00 pm PST) |
| • April 17, 2025 | Proposed contract presented to KHS Board for approval |
| • April 18, 2025 | Award Announcement |
| • April 1, 2026 | System Go-Live Date must be no later than this date |

Notwithstanding the approval of the contract by the KHS Governing Board, the contract, its terms and conditions, and the commencement of operations thereunder are subject to regulatory approval and modification.

B. STATEMENT OF PURPOSE

This RFP contains a list of requirements for the development of Replacement of the Current ERP System

KHS is soliciting responses from qualified Bidders to address the stated requirements of this RFP. A qualified Bidder, for the purpose of this RFP, is one that can reliably provide the required services to KHS and perform to the satisfaction of KHS and its regulators for the entire term of the agreement.

Upon receipt of this RFP, recipients are expected to read and understand the service priorities and requirements that have been defined by KHS. Ample opportunity will be given to ask questions and receive clarification. The final Proposal submitted should include all appropriate goods and services required to satisfy the identified priorities and requirements. KHS will look to the selected vendor for technical compatibility of components and application requirements satisfaction during the entire term of the agreement.

KHS management would prefer to have an ongoing relationship with the chosen Bidder. The character and operating principles of the successful Bidder are important to KHS management. The following sections ask questions about the history and purpose of the Bidder's company. Please answer the specific questions. If additional information would be informative to KHS Management please add it to the last question in each section. Bidders should number all responses with the section letter and section number. Please include an appropriate description of the Bidder's Company as well as a description of the Bidder's preferred Implementation Partner in any response.

C. BACKGROUND INFORMATION

KHS is a public agency formed under Section 14087.38 of the California Welfare and Institutions Code. KHS began full operations on September 1, 1996. KHS serves about 409,000 Medi-Cal participants in Kern County. Medi-Cal is a jointly funded, Federal-State health insurance program for certain low-income people.

Company Information:

Kern Health Systems operates through a single entity and has a non-profit foundation, Kern Family Foundation

Approximate Annual Revenue	\$1.8 billion
----------------------------	---------------

Approximate Number of Employees	700
---------------------------------	-----

Approximate Number of ERP Users	40
---------------------------------	----

ATTACHMENT A1

SCOPE OF SERVICES

Kern Health Systems is looking to implement a new, holistic ERP environment which will replace the existing on-premises Sage300 ACCPAC environment and integrate where possible the various third-party applications currently incorporated into KHS workflows.

KHS operates as a single legal entity for reporting purposes but may seek to add a consolidation element to their framework as business continues to develop and grow.

KHS operates in a US GAAP compliance environment, with no additional tax or international compliance requirements.

Current Systems in Place:

- ERP: Sage300 ACCPAC on premise
- OCR: SAP Concur
- Claims/Eligibility Data: Cognizant Trizetto QNXT
- Procurement: IntelAgree
- Support: Microsoft System Center
- Project Management: Team Dynamix
- Payroll: Ceridian
- Bank: Wells Fargo

KHS is seeking to license an Enterprise Resource Planning (ERP) tool to replace the company's current platform, Sage Accpac. The scope of the ERP tool must address:

- Record to Report Process
 - US GAAP compliant
 - Support multiple entities and consolidation
 - Accounting segmentation (department, class, etc)
 - Journal Entries (Memorized, reversing, etc)
 - Allocation
 - Amortization
 - Reconciliation
 - Integration with financial institutions
 - Bank Reconciliation
 - Approval Workflows
 - Robust Period Close Process
 - Strong Financial Reporting Capabilities

- Budgeting/FP&A
 - Budgeting scenarios
 - By Department/Function
 - By Program
 - Workforce Budgeting
 - Revenue Forecasting
 - Capital Expenditure
 - Annual budgeting exercise
 - Quarterly Forecast updates
 - Linked to ERP
 - Robust Reporting Capability
- Procure to Pay Process
 - Purchase Requisitions
 - Purchase Orders
 - Approval Workflows
 - Receiving
 - Vendor Bills
 - Payment Automation
 - Credit Card Management
 - Fixed Assets Management
- Expense Reporting
 - Integration with Concur
- Order to Cash
 - Integration with Cognizant Trizetto QNXT
 - Periodic journal entry of summary results
- Project Management
 - Internal projects
 - Resource Management
 - Contract Management
 - Cost Tracking
 - Capitalization
 - Reporting and Metrics
- Business Analytics
 - Vendor performance
 - Program performance metrics
- Integrations:
 - Payroll – Ceridian
 - Banking – Wells Fargo
 - Task Ticketing/Approval Workflow – Microsoft System Center
 - Contract Management – IntelAgree
 - Project Management - TPX

Attached is a System Requirements Spreadsheet (Attachment A2) and a list of Comprehensive IT Assessment Questions (Attachment A3) providing detailed requirements/considerations for the new ERP System

The intent is to enable KHS to perform required due diligence when considering technology integrating with KHS Systems. KHS recognizes and accepts all industry recognized certifications including SOC 2, FedRAMP, HiTRUST, 3rd Party Audit Report for ISO 27001, ZeroTrust, as examples. The questions below are part of KHS Due Diligence efforts and any supporting artifact you can provide is requested for a successful review outcome. Not every question may be directly relevant to every situation.

While not an absolute mandate, it is KHS preference that its new ERP System be cloud-based rather than on-premise.

ATTACHMENT B

SCHEDULE OF FEES

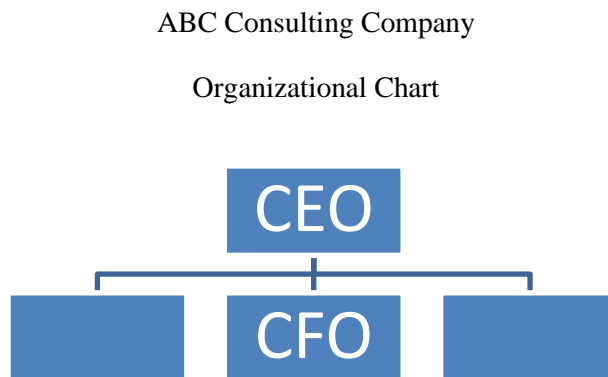
Proposal Costs (This section is derived from the Scope of Services, Attachment A)

- A. Define your proposed method of reimbursement for services provided through your organization. Kern Health Systems customarily prefers itemized billing on a project basis (or as major milestones are accomplished for very large projects) with specific deadlines identified in the Proposal.
- B. Please provide a summary table matrix of costs by line item including:
 - 1. Item description
 - 2. Quantities required (specify units of measure)
 - 3. Not-to-exceed amounts for installation or travel
 - 4. Target date of completion
- C. List any additional costs that may be incurred in completion of this project and the circumstances that would trigger those costs.

ATTACHMENT C

COMPANY EVALUATION CRITERIA

- A. Provide a “functional organizational chart” of your company. Indicate the name and experience of the Manager or Lead Employee that will be assigned to Kern Health Systems and the functional area to which this position reports. If your company is NOT a full-service consulting organization, indicate which services are subcontracted in the “functional organizational chart.” The following chart is for illustration purposes only:



- B. **IMPORTANT:** Bidder’s present financial statements are necessary and must be part of the Proposal submission. If any type of prepayment is required, Bidder must provide company’s summary of its present financial status **and** performance *for the past three years*

C. Organizational information

1. Provide a summary list of the organizational personnel that will actively participate and contribute their skills to this project. Include in this list the individual’s name, job title, work location and relevant experience in projects of similar size and complexity. (Responses may be one page per individual.)
2. Provide a summary of the work plan and/or methodology and physical resources (staff and equipment) your company will commit to ensure successful project completion. (Response may be up to four pages.)
3. Summarize your company’s overall project services that you are able and willing to provide.
4. Provide three current customer references of organizations currently receiving products or services similar to those proposed. Include in the reference list organization name, location, contact name and telephone number.
5. Summarize your billing procedures.
6. List the members of your organization who are authorized to negotiate Proposals/Contracts.

7. What is your company's Mission Statement?
8. How long has your company been in business?
9. Describe the educational background and experience of the key members of the project team your firm would assign to KHS' project.
10. Describe your company's experience with health insurance plans.
11. Describe your company's experience with governmental agencies (in particular, California Department of Health Care Services, California Department of Managed Health Care, and the Centers for Medicare and Medicaid Services).
12. Does your company perform audits or consulting services for any Independent Physician Associations (IPAs) or hospitals?
13. Is your firm currently under investigation or being sued by any governmental agency? If so, describe.
14. Has your company been investigated or sued by any governmental agency over the past five years? If so, describe.
15. Has your company been sued over the last five years for services similar to those that are the subject of this RFP?
16. Has your company been the subject of a sanction, audit deficiency, settlement or Corporate Integrity Agreement under the Medicare or Medicaid Programs?
17. What is the form of your organization? (e.g., profit, not-for-profit, private, public)
18. List any shareholders who own five or more percent of the company and their percent share.
19. Describe your organization's policies, procedures and protocols to protect Protected Health Information under HIPAA, HITECH and the California Confidentiality of Medical Information Act.

Add any information that would be useful in describing your company.

ATTACHMENT D
PROPOSAL SIGNATURE VERIFICATION

All offers in response to this RFP must be received on or before **January 31, 2025 at 2:00 pm PST** at the office of **Kern Health Systems, via Email at RFP@khs-net.com.** All offers are subject to the attached Instructions and Conditions, general provisions, special provisions, and Attachments. The undersigned agrees, if its offer is accepted (in whole or in part) to provide products, other materials, and services as set forth in the Attachments, it shall do so in accordance with the provisions of this RFP, the controlling contract between the parties, and the master contracts between KHS and the State of California.

Offer Name: _____

Address: _____

Phone Number: _____

FAX: _____

Typed or printed name and title of person authorized to sign offer:

Signature of Authorized Person: _____

Date of Offer: _____

Grand Total of "Attachment B": \$ _____

Acknowledgment of Amendments

The Offer acknowledges receipt of Amendments to the RFP numbered and dated as follows:

Amend #	Date	Amend #	Date	Amend #	Date

ATTACHMENT E
NON-COLLUSION DECLARATION

TO BE EXECUTED BY BIDDER
AND SUBMITTED WITH PROPOSAL (Mandatory)

Public Contract Code § 7106

State of California

County of Kern

The undersigned declares:

I am the ____ of ____, the party making the foregoing bid.

The bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation. The bid is genuine and not collusive or sham. The bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid. The bidder has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or to refrain from bidding. The bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the bidder or any other bidder, or to fix any overhead, profit, or cost element of the bid price, or of that of any other bidder. All statements contained in the bid are true. The bidder has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, to any corporation, partnership, company, association, organization, bid depository, or to any member or agent thereof, to effectuate a collusive or sham bid, and has not paid, and will not pay, any person or entity for such purpose.

Any person executing this declaration on behalf of a bidder that is a corporation, partnership, joint venture, limited liability company, limited liability partnership, or any other entity, hereby represents that he or she has full power to execute, and does execute, this declaration on behalf of the bidder.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on ____[date], at ____[city], ____[state].”

Signature

Date