



**July 29, 2003**

**To All Proponents**

**Subject: Ministry of Health Services – Health Benefits Operations Alternative Service Delivery**

I am pleased to be able to provide the private sector with the opportunity to work with my ministry on a very important priority for the Government of British Columbia.

We are requesting solutions from an outside partner, to improve our health business services to the public. Over the past three decades, technology and business processes used to serve the public have been developed on an ad hoc basis and are now ineffective in meeting the growing needs of British Columbians. Unfortunately, too many British Columbians associate MSP with unanswered mail and endless busy signals. We need a long-term solution to turn that around.

Our goal is to modernize and improve MSP services to the public, and maintain the quality of our MSP and PharmaCare business services to physicians and other health care professionals. That is why we are releasing this request for joint solutions – JSRFP document. In this process, we will select a suitable vendor to lead our business transformation process. The JSRFP process will allow flexibility and innovation as we work towards a solution that will hopefully become an example for other governments.

When the JSRFP process is completed and these services are delivered by an outside partner, it is important to note that our Government will continue to be accountable for all information and services, and ensure British Columbians' personal privacy is protected. The protection of privacy is fundamental to having a trusted and effective health system. The Ministry of Health views the protection of personal information very seriously and builds privacy protection into new systems and initiatives, such as this one.

I am offering my personal commitment to this outcome. This project will be high on my list of priorities as we proceed. I welcome your proposals and thank you in advance for the time and effort you will contribute during the procurement process.

Good luck to all of you. I know there are many who could step up to our challenge and that we will only be able to select one of you on this particular project. For the selected vendor, the work will be just beginning. For the others, I encourage you to participate in future opportunities as the Province moves forward with other exciting initiatives.

[Original signed by]

Hon. Colin Hansen  
Minister of Health



## Ministry of Health Services

## Joint Solutions Procurement For The Health Benefits Operations Project

### Government Contact:

All enquires related to this Joint Solution Request for Proposal, **JSRFP# SATP029** are to be directed in writing to the person set forth below, who will respond to all inquires if time permits. Information obtained from any other source is not official and should not be relied upon. Inquires and any responses will be recorded and may be distributed to all Proponents at the Province's discretion.

Patrick Ngo  
Manager, Commercial Services  
Strategic Acquisitions and Technology Procurement Branch  
Common Business Services, Solutions B.C.  
email: [pcadmin@gems2.gov.bc.ca](mailto:pcadmin@gems2.gov.bc.ca)  
Facsimile: (250) 387-1399

### Delivery of Proposals:

Proposals must not be sent by mail, facsimile or email. Proposals and their envelopes should be clearly marked with the name and address of the Proponent, the JSRFP number, and the program title. Four (4) complete hard-copies and one electronic copy on diskette or CD must be delivered by hand or courier, and must be received prior to **2:00 pm, Pacific Time on, September 8, 2003 at:**

Procurement Services – Ministry of Management Services  
102 – 3350 Douglas Street  
Victoria, B.C., V8Z 7X9  
Attention: Patrick Ngo

### Proponent Information Session

A Proponents' information session will be held on:

Monday, August 11<sup>th</sup> 2003 at 2:00 pm  
Ministry of Management Services  
Presentation Room, E155  
4000 Seymour Street  
Victoria, BC, V8W 9V1

Please note that this meeting is an information session to announce the Health Benefits Operations Project. This meeting will be recorded. Attendance is optional. Dial-in phone access will be provided.

Please refer to section 1.2.2.4 for instructions on making enquiries or asking questions on this JSRFP. Please refer to sections 1.2.2.5 to 1.2.2.8 for details on Proposal submission and related information.

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# 1 JOINT SOLUTION REQUEST FOR PROPOSAL INTRODUCTION

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## 1.1 PURPOSE OF THE JSRFP AND JSP

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The purpose of this Joint Solution Request for proposal is to identify Proponents with the optimum combination of the capacity, capability and commitment to guide the Ministry in formulating a Solution for Health Benefits Operations that meets the business objectives of the Ministry.

The strategic goals for seeking an alternative service delivery arrangement is to:

- i) improve service to the Public while protecting privacy and personal information;
- ii) maintain or improve service to health care professionals;
- iii) permit the Ministry to focus on its core business – stewardship and leadership for the health system in British Columbia;
- iv) increase operational flexibility;
- v) avoid capital costs associated with upgrades/replacement of existing systems; and,
- v) manage costs within the context of the Ministry Service Plan.

In general, for services to the Public, goals for improved service delivery include: a better ability to meet peak demands for service; quicker response times when clients call; the ability to provide service 24 hours per day, 7 days a week through self-service options; and the ability to provide service in multiple languages. Due to the importance and sensitivity of health related information, Proponents must demonstrate an understanding of the importance of privacy and their ability to protect personal information. As well, in order to ensure successful transition of staff and continued successful operations, Proponents must describe their understanding and experience related to workforce transition and successorship rights. Details on the British Columbia Labour Relations Code, collective agreements, and related issues can be accessed via the Labour Relations Board – British Columbia website<sup>1</sup>.

Proponents should understand that this Project represents a business solution with supporting technology. In order to ensure a smooth transition of operations, the Ministry is seeking a Partner to “run then build then run” business operations, including all in-scope business processes and technology. This means the Ministry is looking for a Partner to assume the business operations for the length of time necessary to design and implement business re-engineering and technological improvements. Following the transition to the new environment, the Partner would be expected to continue to run operations and the supporting technology for the remaining contract period (anticipated to be 7-10 years in total). A successful Partner will demonstrate excellent ability to deliver business process, related technology operations and transformation aspects of this Project while meeting the goals of this Health Benefits Operations Project.

The JSP process is a multi-stage business solution procurement process comprised of two major parts. The first part is the JSRFP process designed to qualify and short-list Proponents primarily on capacity, capability and commitment to provide services to the Ministry. As part of the qualifying process, the Ministry will be looking at initial written Proposals and Proponent presentations in an effort to align a Proponent’s capacity, capability and commitment with the Ministry’s expected vision of an eventual Partner’s ability to deliver the Ministry’s expected business outcomes. The second part of the JSP process involves distinct phases including a

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<sup>1</sup> The Labour Relations Board British Columbia website is: <http://www.lrb.bc.ca>.

Joint Solution Definition Phase, a Due Diligence & Negotiations Phase and a Contract Negotiations Phase and will culminate in a jointly developed business Solution.

The Ministry will approach the Project with no pre-conceived notion of how the services should best be delivered and will work closely with the Preferred Proponents, through the Joint Solution Definition Phase, in determining how to best meet the service requirements. The Ministry expects that the process will follow the JSP approach described in this JSRFP and that two Preferred Proponents will be identified and invited to enter into Joint Solution Definition activities with the Ministry. The form of deal structure (e.g. joint venture, transitional joint venture or outsource) will depend on the outcome of these discussions. It is expected that the commercial arrangement resulting from JSP process will range between 7 and 10 years in duration.

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## 1.2 DEFINITIONS AND ADMINISTRATIVE REQUIREMENTS

### 1.2.1 Definitions

Throughout this JSP, the following definitions will apply:

- a) “3C’s” means, capacity, capability, and commitment to jointly achieve the best business outcomes for the Health Benefits Operations Project, and are the key attributes that will be assessed during the JSP process;
- b) “Beneficiary” means a resident of British Columbia who is eligible for enrolment with MSP and therefore entitled to publicly funded healthcare;
- c) “Business Alliance” means a mutually beneficial relationship between the Ministry and the Partner;
- d) “Concept” means the high level concept relating to the Project presented orally and in writing by a Proponent to the Province during Stage 3 of the Proponent Qualification Phase;
- e) “Contract Negotiation Phase” means Phase 4 of this JSP which commences upon the Province indicating that it is prepared to start negotiation of the Final Contract with the Successful Proponent and ends upon the execution of the Final Contract;
- f) “Due Diligence & Negotiation Phase” means Phase 3 of this JSP which commences upon an invitation being extended by the Province to the Successful Proponent to enter into Phase 3 of this JSP and ends upon the Province indicating that it is prepared to start negotiation of the Final Contract with the Successful Proponent;
- g) “Final Contract” means the written agreement executed by the Province and the Successful Proponent resulting from completion of the Contract Negotiation Phase and which shall include the Privacy Schedule attached at Appendix D of this JSRFP;
- h) “IBM” means International Business Machines Corporation and all of its affiliates and related entities;
- i) “Joint Solution Definition Agreement” means the agreement that will be entered into by the Province and each Preferred Proponent prior to the Joint Solution Definition Phase which will include the provisions described in Appendix C;
- j) “Joint Solution Definition Phase” means Phase 2 of this JSP which commences upon invitations being extended to Preferred Proponents to enter into Phase 2 of this JSP and ends upon an invitation being extended by the Province to one of the Preferred Proponents to become the Successful Proponent;
- k) “JSP” means the Joint Solution Procurement Process for the Project;
- l) “JSRFP” means this document;
- m) “Letter of Intent” means the letter of intent that will be entered into by the Successful Proponent prior to the Due Diligence & Negotiation Phase;
- n) “Ministry” means the Ministry of Health Services;
- o) “MSP” means Medical Services Plan as administered by Health Benefits Operations;
- p) “must”, or “mandatory” in respect of evaluation criteria means a requirement that must be met in order for a Proposal to receive consideration;
- q) “Partner” means the Successful Proponent who enters into the Final Contract with the Province and works with the Ministry in a strategic relationship, but not necessarily a legal partnership, in achieving the Ministry’s goals for the Project;
- r) “Preferred Proponents” means the Proponents who are invited by the Province to advance to the Joint Solution Definition Phase and who sign the Joint Solution Definition Agreement;
- s) “Project” means the Health Benefits Operations Project;
- t) “Proponent” means the entity that submits, or intends to submit, a Proposal in response to this JSRFP, and where the Proposal consists of a joint submission or contemplates the use of subcontractors, then the Proponent will be the individual entity that acts as the lead entity responsible for the Proposal, as more particularly described in paragraph 1.2.2.25;
- u) “Proponent Qualification Phase” means Phase 1 of this JSRFP which commences upon the release of this JSRFP and ends upon invitations being extended by the Province to Preferred Proponents to enter into the Joint Solution Definition Phase;
- v) “Proposal” means the written submission required for Stage 1 of the Proponent Qualification Phase;
- w) “Province” means Her Majesty the Queen in Right of the Province of British Columbia as represented by the Ministry;

- x) “Public” means the general populace who may or may not be Beneficiaries;
- y) “should” or “desirable” in respect of evaluation criteria means a requirement having a significant degree of importance to the objectives of the JSRFP
- z) “Solution” means the Project solution and framework that is developed during the Joint Solution Definition Phase in response to the Ministry’s business goals and desired outcomes for the Project;
- aa) “Stage 1” means the initial stage of the Proponent Qualification Phase during which Proposals will be created by Proponents and evaluated by the Province;
- bb) “Stage 2” means the second stage of the Proponent Qualification Phase during which up to four Proponents will be asked to participate in separate Workshops with the Province;
- cc) “Stage 3” means the final stage of the Proponent Qualification Phase during which the Proponents who participated in the Workshops will present their Concepts to the Province, both orally and in writing;
- dd) “Subcontractors” mean entities retained by the Partner to perform certain services in respect of the Final Contract;
- ee) “Successful Proponent” means the Preferred Proponent who is invited by the Province to advance to the Due Diligence & Negotiation Phase and who signs a Letter of Intent;
- ff) “Workshops” means the working sessions between a Proponent and the Ministry during Stage 2, as more particularly described in section 4.1.5;

## 1.2.2 Joint Solution Request for Proposal Process – Proponent Qualification Phase

### 1.2.2.1 Terms of the Proponent Qualification Phase

This JSP will consist of four phases: the Proponent Qualification Phase, the Joint Solution Definition Phase, the Due Diligence & Negotiation Phase and the Contract Negotiation Phase. The following terms apply to the Proponent Qualification Phase of this JSRFP. In consideration of the Province’s preparation of this JSRFP document, in conducting the JSRFP and the Proponents’ opportunity to submit a Proposal, each Proponent hereby acknowledges and agrees by submitting a Proposal in response to this JSRFP that the Proponent is accepting and agreeing to be bound by the terms of this JSRFP. Provisions in a Proposal that conflict or are

inconsistent with any of the terms of this JSRFP shall be of no force or effect.

### 1.2.2.2 Proponent Qualification Phase Process

The Proponent Qualification Phase will consist of three stages:

- (a) Stage 1 – During this stage Proponents will submit Proposals in accordance with the terms of this JSRFP. Each Proposal will be evaluated by the Province. The Province will select up to four Proponents to advance to Stage 2 of the Proponent Qualification Phase based upon the Province’s evaluation of the Proposals;
- (b) Stage 2 – During this stage Workshops will be held with up to four Proponents that have advanced from Stage 1. Subject to the terms of this JSRFP, each of the Proponents from Stage 2 will advance to the Stage 3 of the Proponent Qualification Phase; and
- (c) Stage 3 - During this stage each of the Proponents who have advanced from Stage 2 will present their Concepts to the Province. The Province will initially select up to two Proponents who will become Preferred Proponents and will advance to the Joint Solution Definition Phase.

Neither the acceptance by the Province of any Proposal, the conducting of any Workshop nor the receipt by the Province of any Concept in any format whatsoever shall under any circumstances cause any express or implied commitment or undertaking on the part of the Province to advance any Proponent to the next Stage or Phase, to receive any presentation from a Proponent, to acquire services, to undertake any form of transaction or to continue the JSRFP process.

### 1.2.2.3 Receipt Confirmation Form

Proponents are advised to fill out and return the attached Receipt Confirmation Form to the Province immediately. Only those Proponents who return a fully completed Receipt Confirmation Form will be notified of any subsequent information relating to this JSRFP, including any changes made to this document. Subsequent information will be distributed by the Province to a Proponent in accordance with the method authorized on the Proponent’s Receipt Confirmation Form.

Notwithstanding the foregoing, Proponents who have returned the Receipt Confirmation Form to the Province may be notified that certain additional information will only be made available to Proponents who return to the Province a signed Confidentiality Form (which will be



provided by the Province). Where such notification is given to the Proponents, then only those Proponents who return a fully signed Confidentiality Form will be provided with the additional information. It is intended that any such additional documents will be made available for courier pickup or for viewing in a restricted documents room that may be established by the Province in Victoria. The responses to any enquiries regarding such additional information will be provided by email, facsimile, or courier at the Province's discretion

#### 1.2.2.4 Enquiries

All enquiries related to this JSRFP are to be directed, in writing, to the person set forth below. Information about this JSRFP obtained from any other source is not official and should not be relied upon. Enquiries and responses will be recorded and may be distributed to all Proponents at the Province's option.

**Patrick Ngo**

E-Mail: [pcadmin@gems2.gov.bc.ca](mailto:pcadmin@gems2.gov.bc.ca)

Tel: (250) 387-1430

Fax: (250) 387-1399

The Province has no obligation to ensure consistency between each of the Workshops or each of the Concept presentations. Accordingly, during Stages 2 and 3, questions and responses exchanged between the Province and one Proponent may differ from questions and responses exchanged between the Province and any other Proponent. The Province does not intend to share the questions or answers that are exchanged with a Proponent during Stages 2 and 3 with any other Proponents; however, if a Proponent makes a request for information during a Workshop that the Province determines to be a request for basic information that should be made available to all Proponents, then the Province, in its sole discretion, may distribute that basic information to all Proponents participating in the Workshops.

#### 1.2.2.5. Closing Date and Time

Four complete hard copies of the Proposal and one electronic copy on diskette or CD must be delivered by hand or courier, and received prior to 2:00 PM, Pacific Time, on September 8, 2003 at:

Procurement Services  
Ministry of Management Services  
102 – 3350 Douglas Street  
Victoria, B.C., V8Z 7X9

**Attention: Patrick Ngo**

Proposals must not be sent by mail, facsimile or email. Proposals and their envelopes should be clearly marked with the name and address of the

Proponent, the JSRFP number, and the program title.

#### 1.2.2.6 Late Proposals

Proposals will be marked with their receipt time at the closing location described in section 1.2.2.5 above. Late Proposals will not be accepted and will be returned to the Proponent. In the event of a dispute, the Proposal receipt time as recorded at the closing location will prevail whether accurate or not.

#### 1.2.2.7 Signed Proposals

The Proposal must be signed by a person authorized to sign on behalf of the Proponent and to bind the Proponent to the terms of this JSRFP and any statements made in response to this JSRFP. The Proponent must ensure that its Proposal includes a letter or statement(s) substantially similar in content to the sample Proposal Covering Letter provided in Appendix A.

#### 1.2.2.8 Changes to Proposals

By submission of a clear and detailed written notice, the Proponent may amend or withdraw its Proposal prior to the closing date and time. The Proponent cannot change the wording of its Proposal after closing and no words or comments will be added to the Proposal after closing unless requested by the Province for purposes of clarification, or to correct minor defects pursuant to section 1.2.2.16 below.

#### 1.2.2.9 Eligibility

A Proposal will not be evaluated if the Proponent's current or past corporate or other interests may, in the Province's opinion, give rise to a conflict of interest in connection with the Project. Subcontracting to any firm or individual whose current or past corporate or other interests may, in the Province's opinion, give rise to a conflict of interest in connection with the Project, will not be permitted. The Province may also remove a Proponent from any later stage of the Proponent Qualification Phase where the Province determines, in its opinion, that such Proponent's current or past corporate or other interests may give rise to a conflict of interest in connection with the Project. Any such determination by the Province of a conflict of interest shall be final and shall be based upon such information as the Province in its sole discretion determines to be relevant.

#### 1.2.2.10 Evaluation Committee

The evaluation of Proposals will be undertaken by a committee formed by the Province, which committee may include employees and contractors. The evaluation committee may consult with such technical advisors, including financial, legal, operating, marketing and other experts, as the evaluation committee may, in its discretion, determine to be necessary. The evaluation committee may be expanded by the

Province in its sole discretion during Stages 2 and 3.

#### **1.2.2.11 Evaluation**

The evaluation committee will check Proposals against the mandatory criteria. Proposals that do not meet all of the mandatory criteria will be rejected without further consideration. Proposals that do meet all of the mandatory criteria will also be evaluated against the desirable criteria. The Workshops and Concepts will be evaluated against the criteria described in this JSRFP.

#### **1.2.2.12 Debriefing**

At the conclusion of Stage 1, Proponents who are not invited to advance to Stages 2 and 3 of the Proponent Qualification Phase will be so notified in writing, and may then request a debriefing meeting with the Province, which will be scheduled by the Province after the Preferred Proponents have been announced. Proponents who will not be invited to participate in the Joint Solution Definition Phase will be so notified in writing at the end of the Proponent Qualification Phase, and may then request a debriefing meeting, which will be scheduled by the Province following the conclusion of the Contract Negotiation Phase.

#### **1.2.2.13 Proponent Expenses**

Proponents are solely responsible for their own expenses in preparing a Proposal and for participating in any or all Stages of the Proponent Qualification Phase including, without limitation, if the Province elects to reject all Proposals or to not ask any Proponents to advance to the Joint Solution Definition Phase. In no event will the Province or any of its employees, representatives or contractors be liable to any Proponent for any claims, whether for costs or damages incurred by the Proponent in preparing the Proposal, or in preparing for or participating in Stages 1, 2 or 3, or any Phase of this JSP, or for any loss of opportunity, loss of anticipated profit in connection with any Final Contract (whether or not the Final Contract is awarded to the Proponent or at all), or for any other loss, damage or claim of any kind whatsoever relating in any way to all or any portion of the JSRFP or the JSP.

#### **1.2.2.14 Limitations of Damage**

Further to the preceding paragraph, the Proponent, by submitting a Proposal, agrees that it will not claim for any loss, costs or damages, for whatever reason, relating to the Final Contract (whether or not the Final Contract is awarded to the Proponent or at all) or in respect of the Proponent's preparation for or participation in, or failure to be invited to participate in, any one or more Stage or Phase of this JSRFP or JSP. If, contrary to the terms of this JSRFP the Province should be held liable for any reason

whatsoever (whether in contract or in tort) for any of the foregoing losses, costs or damages, then such losses, costs or damages shall not, in any circumstances, exceed an amount equivalent to the reasonable costs incurred by the Proponent in preparing its Proposal.

#### **1.2.2.15 Right of the Province to Check References**

The Province reserves the right to verify a Proponent's references at any Stage in the Proponent Qualification Phase. Effort will be made to notify Proponents in advance of reference checks.

#### **1.2.2.16 Correction of Minor Defects**

The Province reserves the right, in its sole discretion, to correct minor defects in the Proposals or Concepts.

#### **1.2.2.17 Acceptance of Proposals**

This JSRFP should not be construed as an agreement to purchase goods or services. The Province is not bound to enter into any contract with any Proponent including, without limitation, any Proponent who submits the lowest priced Proposal or Concept. Proposals and Concepts will be assessed in light of the evaluation criteria described or referenced in this JSRFP. The Province will be under no obligation to receive further information, whether written, oral, or otherwise, from any Proponent at any Stage in the Proponent Qualification Phase.

#### **1.2.2.18 Restriction on Contact/No Lobbying**

Proponents must not attempt to communicate directly or indirectly with any employee, contractor or representative of the Province, including the evaluation committee or with members of the public or the press, about the Project described in this JSRFP, during the Proponent Qualification Phase, other than as expressly directed or permitted by the Province.

#### **1.2.2.19 No Contract**

By submission of a Proposal, Proponents agree that no Proponent will acquire any legal or equitable rights or privileges relative to the Project described in this JSRFP prior to the full execution of a Final Contract. Further, the Province reserves the right not to enter into a Final Contract with any of the Proponents.

#### **1.2.2.20 Liability for Errors**

While the Province has used considerable efforts to ensure an accurate representation of information in this JSRFP, and provided pursuant to this JSP, the information is supplied solely as a guideline for Proponents. The information is not guaranteed or warranted to be accurate by the Province, nor is it necessarily comprehensive or exhaustive. Nothing in this JSRFP is intended to relieve Proponents from forming their own

opinions and conclusions with respect to the matters addressed in this JSRFP.

#### **1.2.2.21 Modification of Process or Project**

The Province reserves the right to modify the JSP, this JSRFP or the Project at any time in its sole discretion. This includes, but is not limited to, the right to cancel this JSRFP at any time, to extend the closing time, change the number of Proponents asked to advance to any Stage of this JSRFP or any Phase of this JSP, re-commence a Stage or Phase of this JSRFP or JSP, alter the Project requirements or make other changes to the process or to a term set out in this JSRFP. If a modification is communicated to the Proponents prior to closing time, it is the Proponents' sole responsibility to ensure that they make appropriate use of that information.

#### **1.2.2.22 Ownership of Proposals**

All documents, and electronic media, including the Proposals and Concepts, submitted to the Province become the property of the Province. The Province may make such copies as the Province may require for evaluation purposes. All Proposals and Concepts will be received and held in confidence by the Province, subject to the provisions of the *Freedom of Information and Protection of Privacy Act* and this JSRFP.

#### **1.2.2.23 Use of JSRFP Document**

No portion of this document, nor any information supplied by the Province in relation to this JSRFP, may be used or disclosed by a Proponent in any manner other than for the sole purpose of submitting a Proposal and participating in the JSP.

#### **1.2.2.24 Working Language of the Province**

The working language of the Province of British Columbia is English and all responses to this JSRFP must be in English.

#### **1.2.2.25 Proposals with Joint Submissions or Subcontractors**

A Proponent may submit a Proposal consisting of a joint submission by the Proponent together with one or more other entities, or which proposes the use of Subcontractors in the Final Contract. In either case, the Proponent will be the only party responsible to the Province for the Proposal, will act as the liaison and main contact with the Province in respect of the Proposal, this JSRFP and the JSP, and will take overall responsibility for the successful inter-relationship among the Proponent and the other entities involved in the joint submission, or contemplated as Subcontractors, as the case may be. The Province will have no obligations with respect to those other entities or Subcontractors under this JSRFP, the JSP, the Final Contract or otherwise.

#### **1.2.3 JSRFP Process – Joint Solution Definition Phase**

Prior to participation in the Joint Solution Definition Phase, the Province will enter into a Joint Solution Definition Agreement with each of the Preferred Proponents, which will include the provisions described in Appendix C as well as such other provisions as may be determined by the Province, in its discretion, to be necessary, desirable or useful.

#### **1.2.4 JSP Process – Due Diligence & Negotiation Phase**

The Due Diligence & Negotiation Phase will substantially follow the process described in section 4.3 below.

#### **1.2.5 JSP Process – Contract Negotiation Phase**

The Contract Negotiation Phase will substantially follow the process described in section 4.4 below.

## 1.3 MINISTRY OVERVIEW

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The Ministry of Health Services is responsible for implementing performance expectations and monitoring results for health authorities, and planning and administering MSP, PharmaCare and the British Columbia Ambulance Service.

### 1.3.1 Background

Since 2001, major strategic shifts in health services have been undertaken to meet the government's New Era goals to provide high quality, patient-centred care, improve the health and wellness of British Columbians and create an affordable, sustainable health services system.

An aging population and increase in chronic diseases have put new demands on our system. We are now focused on creating a flexible, adaptable health care system that does not remain static but has the capacity to meet the needs of our population as it grows and changes.

As part of its Service Plan<sup>2</sup>, the Ministry identified a number of key goals and strategies to better manage health care for the residents of British Columbia. Amongst the challenges identified was managing the restructuring of the Ministry and health care service delivery within fixed health system budgets. Within that context, the Ministry is closely examining how to maintain high quality health care while providing more effective, efficient service delivery.

### 1.3.2 Ministry Vision for this Project

The Ministry's vision for the Project is to achieve an integrated, streamlined business and systems environment that:

- improves service to the Public;
- ensures continued high service to health care professionals;
- maintains strong protection of individuals' personal information; and
- is affordable and not exceeding current budget allocations.

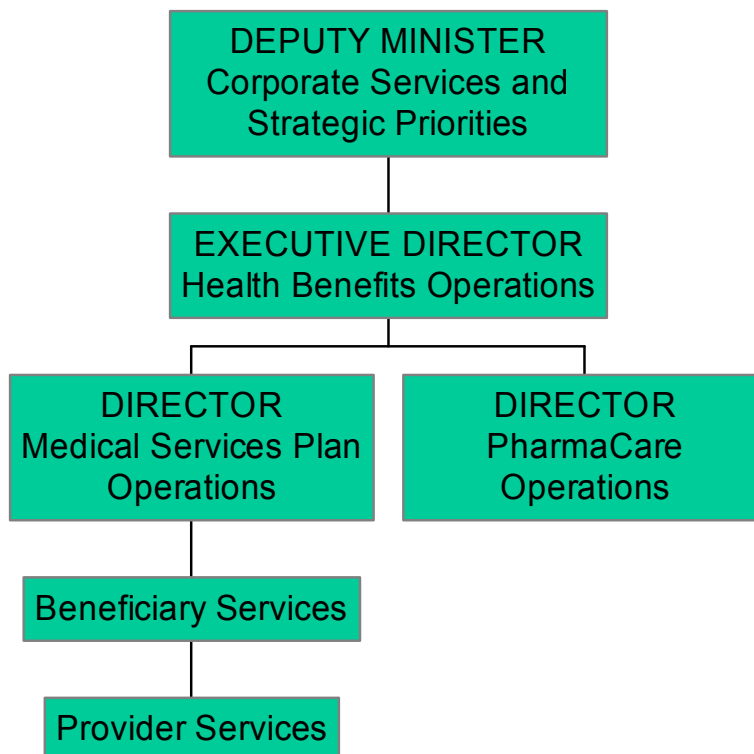
This needs to be done within a quality assured framework that protects privacy and complies with all applicable laws, regulations, policies and agreements.

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<sup>2</sup> Details about the Ministry and its Service Plan are available at [www.gov.bc.ca/healthservices](http://www.gov.bc.ca/healthservices)

### 1.3.3 Overview of the Health Benefits Operations

Health Benefits Operations is the functional area of the Ministry responsible for administering MSP and PharmaCare<sup>3</sup>.



MSP was established in 1965 and operates in accordance with the Medicare Protection Act and its supporting regulations under the direction of the Medical Services Commission. The Medical Services Commission is a statutory body, established under the Medicare Protection Act.<sup>4</sup> The Medical Services Commission operates independently of the Ministry and reports directly to the Minister of Health Services. MSP Operation acts as a functional delegate of the Medical Services Commission in carrying out many of its statutory responsibilities. However, the staff of MSP Operations are employees of the Ministry and not the Medical Services Commission. In addition, MSP Operations is required to operate according to the terms and conditions of a number of negotiated agreements with health care practitioners, an inter-provincial agreement and a number of memoranda of understanding.

Enrolment in MSP is mandatory for all eligible British Columbia residents. Through its enrolment and adjudication processes MSP provides eligible residents with access to publicly funded health care and medical practitioners receive payments for services provided. MSP is comprised of two main Branches – Beneficiary Services and Provider Services.

PharmaCare was established in 1974 and operates in accordance with the Pharmacists, Pharmacy Operations and Drug Scheduling Act, Continuing Care Act and Ministry

<sup>3</sup> Additional Information available at [www.gov.bc.ca/healthservices](http://www.gov.bc.ca/healthservices)

<sup>4</sup> Additional Information available at [www.healthservices.gov.bc.ca/msp/legislation/msc.html](http://www.healthservices.gov.bc.ca/msp/legislation/msc.html)

policies. It is the Province's drug benefits program that assists British Columbia residents in paying for eligible drugs and designated medical supplies. PharmaCare Operations provide services to pharmacists for enrolment and processing via PharmaNet (the electronic system that connects pharmacies to PharmaCare) and the general Public under the Fair PharmaCare Plan and other PharmaCare Plans.

The majority of the information technology supporting all Health Benefits Operations business functions is currently outsourced to the Ministry of Management Services or IBM. Both MSP and PharmaCare have dedicated quality assurance teams that provide user acceptance testing for all system changes.

### 1.3.4 Beneficiary Services

Beneficiary Services is responsible for:

- enrolling eligible British Columbia residents for publicly funded health care;
- determining the MSP premium rates for individuals and families;
- administering premium subsidies for low income individuals/families (approximately 1.2 million residents receive subsidy);
- managing registration maintenance activities; and,
- handling Public enquiries through correspondence and telephone calls.

In September 2002, the responsibility for the billing and collection of MSP premiums was transferred to the Ministry of Provincial Revenue. This transfer has resulted in the sharing of business processes, computer applications, interactive voice response and document management systems.

The Beneficiary Services' operational database and the Ministry's corporate Client Registry contain the Beneficiaries' demographic information and are updated daily. The Client Registry has an application that issues the lifetime Personal Health Number. The Personal Health Number is the unique number assigned to individuals for use and reference in all health related transactions.

Government Agents – small government offices located throughout the province – provide a variety of services to residents on behalf of MSP, such as ordering replacement CareCards, address changes, assistance and submission of premium assistance applications, and answering general inquiries.

Technology support for Beneficiary Services is mainly outsourced. The only business process currently outsourced for Beneficiary Services is the first level call center that is responsible for answering general inquiries and assisting and processing address changes.

#### **Key Stakeholders:**

- The Public
- MSP Beneficiaries
- Medical Services Commission and advisory committees
- Other Ministry Programs and Ministries
- Group Administrators
- Government Agents
- Office of the Information and Privacy Commissioner of British Columbia

**Other Stakeholders:**

- Health Authorities
- Canada Customs and Revenue Agency
- Immigration Canada
- School Boards
- Medical and Health Care Services Appeal Board

**1.3.5 Provider Services**

Provider Services is responsible for:

- enrolling eligible health care practitioners;
- adjudication and payment of claims for insured services;
- managing the electronic billing system; and,
- providing a wide variety of technical and business support services.

In addition, Provider Services is a processing agent for the Workers Compensation Board of British Columbia, the Insurance Corporation of British Columbia and the Ministry of Human Resources. It also provides support for several programs within the Ministry.

Enrolment with the MSP is optional for eligible health care providers. The majority of licensed physicians and health care practitioners do enrol so that their services are publicly funded. Provider Services works with the various professional and regulatory bodies to ensure only appropriately licensed health care providers are eligible for payment for their services. A central repository contains all health care practitioners' demographic information.

Electronic claim submission is mandatory. Less than 1 per cent of claims are paper (for out of country claims and special exceptions). Currently 58 per cent of all claims are received via the web and it is anticipated that this will increase substantially by the Fall of 2003. The electronic claims system functions 24 hours per day, 7 days per week, and performs all necessary checks or information requests automatically. Of the approximately 67 million claims received and paid per year, an estimated 98 per cent of claims are processed automatically using a complex array of automated business rules. Technical and business support is provided by an in-house help desk.

In addition to medical services obtained in British Columbia, MSP covers the cost of medically necessary services not available in British Columbia or Canada and reimburses residents for medical and hospital services obtained while temporarily out of the country. These claims are usually submitted directly by the client in paper format.

In addition to being a processing agent, Provider Services operates as a corporate service and provides administration for other Ministry programs such as the Rural Locum Program, primary care Project, and the Travel Assistance Program. It is also the payment agent for the Physician Recruitment and Retention Program and the Urban Specialist Availability Program<sup>5</sup>.

While Provider Services is largely automated and provides timely service, the ongoing challenge is to maintain sufficient flexibility to be able to operate and respond to changes quickly in a changing environment (i.e. changes such as the recently negotiated agreements with health care providers and technology changes).

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<sup>5</sup> Additional information is available at [www.gov.bc.ca/healthservices](http://www.gov.bc.ca/healthservices)

The majority of technology support for Provider Services is currently outsourced. All business functions within Provider Services are currently performed in-house.

#### **Key Stakeholders:**

- MSP Beneficiaries
- Physicians and other health care practitioners
- Medical Services Commission and advisory committees
- British Columbia Medical Association and other health care provider associations
- Other Provincial Health Programs
- College of Physicians and Surgeons of British Columbia and College of Dental Surgeons of British Columbia
- Office of the Information and Privacy Commissioner of British Columbia
- The Insurance Corporation of British Columbia and the Workers' Compensation Board of British Columbia
- Health Authorities
- Travel assistance program partners

### **1.3.6 PharmaCare Operations**

PharmaCare provides assistance to eligible British Columbia residents for the purchase of eligible prescription drugs, prosthetic appliances and medical supplies through 8 separate plans.

Effective May 1, 2003, the PharmaCare program replaced the separate seniors and universal plans with a single, active registration, income-based program available to all residents. The new Fair PharmaCare Plan provides financial assistance based on family income and at a much higher degree of specificity than the previous plans. A number of registration channels were developed including a web, interactive voice response, phone and paper applications. These services will form part of the scope of this Project. Development is still underway in order to complete the implementation phase. It is anticipated that this will stabilize after the first year of operation.

This Branch administers PharmaNet, the secure computer-based system that connects British Columbia's community and hospital pharmacies to automate billing and payment processing to pharmacists. PharmaNet supports enrolment services to pharmacists, and provides information only as needed, in a private and secure environment. In addition to claims processing, PharmaNet provides comprehensive drug use evaluation and is a valuable tool in preventing the misuse of prescribed medication.

Subsequent projects connecting hospital emergency departments and medical practices on a voluntary basis have been in place since 1997. Enrolment in PharmaCare is voluntary for community pharmacies. To hospital pharmacies dispensing to outpatients, enrolment is mandatory.

The Ministry shares custodial responsibility for the data collected on PharmaNet with the College of Pharmacists of British Columbia. However, the government is in the process of amending the legislation to transfer responsibility to a stewardship committee within the Ministry.

Technology supporting this area currently is primarily outsourced. All business functions for PharmaCare are performed in-house with the exception of a temporary registration



desk established to handle the initial high volume of registrations required for the recently implemented Fair PharmaCare Plan. This temporary registration desk function is outsourced. The PharmaCare Operations area is largely automated and provides services in a timely manner.

**Key Stakeholders:**

- The Public
- College of Pharmacists of British Columbia
- College of Physicians and Surgeons of British Columbia
- British Columbia Pharmacy Association
- British Columbia Medical Association
- Canadian Association of Chain Drug Stores
- Pharmacists across British Columbia
- Medical Practitioners across British Columbia
- Office of the Information and Privacy Commissioner of British Columbia
- Other Ministry Programs and Ministries

### 1.3.7 Existing Ministry Contracts

The Ministry currently holds contracts for delivery of call centre operations as well as systems support for Health Benefits Operations. Those services currently delivered under contract will be included in the Project as the contracts for those services expire or otherwise terminate in accordance with their terms. The services being considered for alternative service delivery outlined within this document greatly exceed the services currently delivered through contract. Moreover, the Ministry is seeking a different contracting relationship and the goals of this Project differ from those of the current arrangements.

### 1.3.8 Ministry Commitment

The Health Benefits Operations Project is focused primarily on improving service to the Public, ensuring strong privacy protection, and maintaining good service to medical practitioners and PharmaCare related services. It plans on achieving these goals through a controlled and phased approach that evaluates opportunities for alternative service delivery.

The Ministry has assembled a core team of experts that are dedicated to this project. This team is supported by the Deputy Minister of Health Services (Project Sponsor)

External expert assistance was provided to the Province to ensure that a consistent and comprehensive approach is taken for alternative service delivery initiatives in the future. The same consulting team was engaged by the Ministry to ensure the Project is equipped to manage this special process. External expert assistance will continue to be employed to ensure the process is fair and leads to selection of the most qualified proponent to build the best Solution for Health Benefits Operations.

Through this process, the Ministry will endeavour to identify a Partner with whom to negotiate a long term, mutually beneficial, risk-sharing contract.

The Ministry will provide a level playing field for all Proponents. A number of steps have been taken to provide a fair process so the Ministry can find the best Solution and the best Partner. Some of these steps are briefly described below:

- **Procurement Process.** The Joint Solutions Procurement Process was selected to ensure fairness, innovation and success. It provides an opportunity for Proponents to meet one on one with Ministry experts to attain knowledge of the problems/issues/constraints and goals of the program. This opportunity is not available in a traditional procurement process.
- **Scope of Project.** As noted above, the scope of services will include those services currently provided under contract and will include a broader range of business functions. The current service providers do not provide the full range of business services being considered for alternative service delivery.
- **Licensing Arrangements.** The Ministry has embarked on discussions with software owners for permission to assign software licenses to a Partner. The Ministry is confident that this will be accomplished.
- **Evaluation Criteria.** Selection does not favour companies that have British Columbia experience. The Ministry is seeking Proponents who have experience with similar clients and scope of work. Moreover, this JSP process requires minimal initial investment.
- **Transition Costs.** The costs for the incumbent to move to a new model of delivery may be lower than a competing Partner. Accordingly, during the Joint Solutions Definition and Due Diligence & Negotiations Phases, the selection criteria for costs will specifically require all bidders to break out the costs associated with transition.
- **Collection and Organization of Metrics.** The Project team, supported by experts in specialized fields, will identify, collect and organize technical and business data, business maps and metrics and make this information available to the Preferred Proponents.
- **System and Business Process Specific Information.** The Project team will provide necessary system documentation, operational procedures and descriptions (held by both the Ministry and the current service providers) to the Preferred Proponents. A restricted documents room will be maintained storing relevant information. Access will be controlled and monitored to ensure equal access for the Preferred Proponents.
- **Proponents' Access to Management/Staff and Current Service Providers.** Proponents will be given controlled access to certain specified management, operational staff and existing partners during stages of the process. The current contract service providers will be required to support this procurement process and disclose information as required.
- **Controlled and Equal Access to the Minister of Health and Ministry Executive Staff.** A process will be established to ensure that no single Proponent will have unequal opportunity for audience with the Minister of Health or the Ministry's Executive Staff. Those individuals will not entertain meetings related to the JSP outside of the controlled process.
- **Controlled Interaction Between Incumbent Partner and Ministry of Health Staff.** Strict rules will be established, communicated and enforced that restrict Ministry personnel and current service providers' personnel and sub-contractors from communicating on any subject other than operational activities.

- **Stability.** It is the Ministry's intention not to undertake any new discretionary development Projects within Health Benefits Operations of a material size until the procurement process is completed.
- **Process Monitor.** The Project team will engage the services of a Process Monitor to oversee the procurement process.

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## 2 DEFINING THE OPPORTUNITY

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### 2.1 OVERVIEW, BUSINESS ISSUES AND OBJECTIVES

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The Ministry is seeking a Partner to improve services and find efficiencies within allowable funding limits. These efficiencies will likely be achieved through automation and business process transformation. The Ministry has not done this on its own in the past because of the lack of resources and capital. The Ministry is now looking for the opportunity to partner with the private sector to achieve these goals.

#### 2.1.1 Overview

The ministry's strategic goals for seeking an alternative service delivery arrangement are to

- i) improve service to the Public while continuing to protect personal privacy;
- ii) maintain or improve service to health care professionals
- iii) permit the Ministry to focus on core business;
- iv) increase operational flexibility;
- v) avoid capital costs associated with upgrades/replacement of existing systems; and
- vi) manage costs within the context of the Ministry's Service Plan.

The projected annual budget for the components proposed for alternative service delivery, including in-house information technology support and currently outsourced services, will be between \$21 million and \$25 million. The Ministry's assumptions indicate that the stated objectives could be achieved within the projected budget level through increased automation and technological and business process transformation.

Health Benefits Operations represents a complex array of programs, activities, and services, and involves the management of the Public's sensitive personal information. The diversity of programs and activities and the nature of its work create challenges in ensuring Proponents have sufficient knowledge to offer competitive and integrated Solutions. Through the JSP process, it is anticipated that the Ministry will work jointly with two Preferred Proponents to develop two separate Solutions that will improve services to the Public and maintain services to medical and healthcare practitioners and pharmacists in a cost effective manner. Ultimately, the Ministry intends to select one Successful Proponent to negotiate a long term Final Contract that meets the goals of the Ministry.

As noted previously, Proponents should understand that this Project represents a business Solution that includes the supporting technology. In order to ensure a smooth transition of operations, the Ministry is seeking a Partner to "run then build then run". This means the Ministry is looking for a Partner to assume the business operations as is for the length of time necessary to design and implement business re-engineering and technological improvements. Following the transition to the new environment, the Partner would be expected to continue to run operations and the supporting technology for the remaining contract period (anticipated to be 7-10 years in total). A successful Partner will demonstrate excellent ability to deliver on the business process, technology and transformation aspects of this Project.

### **2.1.2 Business Issues**

As with all government operations, the Ministry operates within a dynamic environment that is subject to factors such as legislative and policy changes as well as budgetary constraints. Accordingly, operations and supporting technology need to be sufficiently flexible and robust to respond to changes and meet ongoing demands. This environment represents an ongoing challenge for the Health Benefits Operations program but also affords future opportunities for development and improvement.

Other challenges exist for all three programs within the Health Benefits Operations business areas and will be discussed in detail in the text that follows. Volume and utilization metrics for the three program areas are also provided below. Further information will be made available to Preferred Proponents during the Joint Solution Definition Phase.

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## 2.2 MEDICAL SERVICES PLAN OPERATIONS

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### 2.2.1 Overview

As described above, the MSP is made up of Beneficiary Services – services to the Public, and Provider Services – services to medical and healthcare practitioners. These areas and their respective challenges and opportunities for improvement are described below.

A common challenge for all areas is the need for integration and/or communication with other ministries and agencies. This requirement imposes additional steps for development or changes to business processes or technology including needs identification, testing, privacy, and quality assurance. For example, the billing and collection of MSP premiums is performed by the Ministry of Provincial Revenue. In order for the Ministry of Provincial Revenue to perform these functions, access is required to the Ministry of Health Services registries and related data. Because the functions of both MPR and Health Benefits Operations relate to the same client groups, there is often overlap in queries and requirements requiring additional communication and liaison.

### 2.2.2 Beneficiary Services – Services to the Public

Beneficiary Services is an area of significant concern. Beneficiaries experience lengthy turnaround times for information, document processing and telephone service.

- **Lengthy Turnaround Times.** The current paper-based system, with staff handling 800,000 documents annually, is labour intensive and processing delays are common. This creates a cascade effect, as delays in document processing lead to increased public telephone inquiries, which then causes higher rates of busy signals, unanswered mail, inability to address routine daily business issues and frustration for the general public. These wait times and busy signals in the public telephone queue are unacceptable, as is document-processing time. The public confidence in service levels offered through Beneficiary Services is low.
- **Limited Internet Access.** The public can access extensive information on MSP via the web, but may only perform limited business transactions, such as address changes. The public is not tolerant of lengthy telephone waits, busy signals and process delays to initiate transactions they could perform themselves as web transactions.
- **Inadequate Service Availability.** The most common complaint regarding MSP client services is telephone access during regular business hours.
- **Limited Self Service Options.** MSP does not currently offer a wide range of self-service options. Although some routine business can be conducted via e-mail, forms by fax and Internet services, public demand for greater self-service options is increasing.
- **Limited Access For Some Beneficiaries.** The diverse population of British Columbia expects ready access to government services, regardless of language limitations or disabilities. MSP Beneficiary Services does not offer in person service to clients and all business is conducted in English. (Government Agents outside the Greater Vancouver and Victoria areas do offer in person services to MSP beneficiaries.)

- Limited 3<sup>rd</sup> Party Services. Trusted third parties, such as employer groups, can provide limited services directly to their own employees on behalf of MSP. These trusted third parties are requesting the ability to provide the full range of MSP services.
- Shared Client Base. The Ministry of Provincial Revenue is responsible for the billing and collection of MSP premiums but the Ministry of Health Services is responsible for determining eligibility and establishing the premium rate. The client base for these services is shared between the two ministries and this creates challenges when priorities and service issues differ.

The following table summarizes service level targets and current performance levels in Beneficiary Services:

	Performance Target	Actual (Apr. 03)
Enrolment applications	Less than 4 weeks	16 weeks
Registration maintenance	Less than 4 weeks	Up to 24 weeks
Premium assistance transactions	Less than 4 weeks	12 weeks

### 2.2.3 Provider Services – Services to Medical and Healthcare Practitioners

Provider Services supports medical and healthcare practitioners as well as other Ministry programs, the Workers' Compensation Board of British Columbia and the Insurance Corporation of British Columbia. These latter agencies have specialized needs and have had some customization of services provided in the past. As such, if the business functions and supporting technology are currently outsourced, support for customization and other needs for the agencies may be negotiated directly between the Partner and those agencies.

As previously stated, Provider Services is largely automated and provides services to client groups in a satisfactory manner. However, there are challenges, both over the short and long term, which may impact the effectiveness of service delivery.

The following table summarizes service level targets and current performance levels in Provider Services:

	Performance Target	Actual (Apr. 03)
Enrollment applications	Less than 7 days	Less than 7 days
Account maintenance	Less than 24 hours	Less than 7 days
Claim adjudication and payment - first level automated	96.5 per cent within 2 weeks	96.5 per cent within 2 weeks
Claim adjudication and payment - second level automated	98.5 per cent within 4 weeks	98 per cent within 4 weeks
Claim adjudication and payment - manual complex adjudication	100 per cent within 4 weeks	100 per cent within 12 weeks

## 2.2.4 Provider Services – Short term Challenges (1-2 years)

### **Meeting Fixed Budget Appropriations:**

Transaction levels have historically increased by 1 to 2 per cent each year. While the system is currently capable of handling this increase, all other administrative costs associated with the increase must be dealt within fixed budgets.

## 2.2.5 Provider Services – Longer Term Challenges (3-5 years)

### **Implementing an Electronic National Health Claims Standard:**

A National Standard is under development, and it is anticipated that current technology will need to be modified to ensure system compatibility. System upgrades and training costs are unknown. Implementation of a national electronic claims standard would enable national health reporting on a consistent basis. The Ministry has traditionally played a leading role in the development and implementation of electronic standards in the Canadian health sector. Its business Partner will be expected to actively support and enable that continued leadership role.

### **Responding to Changes in Medical Practitioners' Payment Mechanisms:**

Over the past few years there has been a gradual shift to a greater number of physicians on contract, and a reduction in the number of fee-for-service providers. If this shift continues, transaction volumes on the automated payment system will decrease. However, details about services delivered (i.e. patient encounter reporting) by physicians under service contracts may continue to be required (as is available with the fee for service system currently in place) for performance monitoring purposes. Therefore, a secondary reporting system similar to the existing model may continue to be required, increasing input for physicians and the complexity of the system.

### **System Enhancements:**

Over time, system enhancements will be required to meet new demands (e.g. providing physicians with on-line access to their own information and self-service profile management). With increased automation comes the demand for improved monitoring and accountability tools. As well, recent technological advances should be used to flag any occurrence of frequent or unusual physician practices. The Ministry and the professional associations traditionally collaborate on practice monitoring and improvement initiatives, usually resulting in system changes.



## 2.3 PHARMACARE OPERATIONS

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### 2.3.1 Overview

PharmaCare Operations provides services to medical and healthcare practitioners, pharmacists and the general Public. As well, PharmaCare manages the Triplicate Reporting System for the College of Physicians and Surgeons Triplicate Prescription Program.

### 2.3.2 PharmaCare Short-term Challenges (1-2 years)

#### **Streamlining Processes Impacted by Fair PharmaCare:**

The implementation of the PharmaNet system eliminated most of the requirement for paper handling in PharmaCare operations. However, the recently implemented Fair PharmaCare plan has increased some of the manual processes. The Fair PharmaCare plan modified the previous PharmaCare plans such that eligibility for financial assistance for drugs and medical supplies is now income-based to ensure continued coverage. Paper consent forms are required by the Canada Customs and Revenue Agency for release of income data. There are some automated tools in place to manage the paper flow. Notwithstanding, the new plans have increased volumes of transactions, queries and processing time but it is anticipated that the increase will abate to some degree after the initial registration volumes subside.

The adjudication of and entry of approved Special Authority requests on PharmaNet is not the responsibility of PharmaCare Operations. The current process, using a LAN/fax system, is labour intensive and requires some dual entry. As the number of requests continues to increase, technical solutions need to be found. These solutions will require development of, or integration with PharmaNet.

Increases in the number of hospital emergency departments and medical practices accessing PharmaNet will increase the number of transactions processed by PharmaNet. It is expected that approximately 2000 physicians will attempt to connect to PharmaNet in the next one to two years.

#### **Maintaining Current Service Levels within Budget Constraints:**

As a result of British Columbia's aging population, the volume of PharmaNet transactions in British Columbia has increased by approximately 10 per cent each year for the past 6 years. Administrative costs for this volume increase must be addressed within significantly reduced budget allocations.

The following table summarizes service level targets and current performance levels in PharmaCare:

	Performance Target	Actual (Apr. 03)
Public Enrollment applications (Fair PharmaCare)	Less than 4 weeks	N/a
Pharmacy Enrollment applications	Less than 1 week	Less than 1 week
Claims payment - Online	Less than 2 weeks	Less than 2 weeks
Claim payment - Manual	Less than 3 weeks	Less than 3 weeks

N/A = not available yet, registration process initiated in March, 2003.

### 2.3.3 PharmaCare Long-term Challenges (3-5 years)

#### **Adding PharmaNet Functionality Based on Changing Practices:**

It is expected that electronic prescribing will be approved by Federal authorities within the next 3 years. For ease of use by pharmacists in accessing electronic prescriptions, some form of PharmaNet development or integration will be required.

As we move towards more chronic disease management initiatives in the Ministry, an increased role for PharmaNet (e.g. as a patient outreach tool) will likely be necessary.

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## 2.4 MSP AND PHARMA CARE OPERATIONS – HIGH LEVEL PROGRAM METRICS

The following table provides some baseline data on clients and transactions. All values are current to the 2002/03 fiscal year (April 1, 2002 to March 31, 2003) unless otherwise indicated. Additional details regarding variations and trends will be provided to Preferred Proponents during the Workshops.

Item	Approximate Annual volume/value	Highest (values are per month, unless otherwise specified)	Lowest (values are per month, unless otherwise specified)
Residents in scope – MSP and PharmaCare	4.1 million (est.)	-	-
MSP web site: forms/document requests	15,000 per day	N/A	N/A
MSP web site data transferred/day	325 Mbytes	N/A	N/A
<b>MSP Services to Providers</b>			
Physicians and Health Care Providers in scope	11,000	N/A	N/A
Medical (billing) sites supported	4,000	N/A	N/A
Total Fee-for-service claims from healthcare providers	67 million	6.2 million	5.1 million
Manually entered claims	132,000	12,188	10,801
Value of claims paid	\$2,232 million	\$325 million	\$144 million
Teleplan claims processed automatically	98 per cent	98 per cent	98 per cent
Teleplan claims requiring manual adjudication	2 per cent	2 per cent	2 per cent
Telephone calls from providers – IVR	1,344,923	121,962	102,201
Telephone calls from providers – Staff	149,948	19,774	10,135
Correspondence received	54,000	4,500	4,500
<b>MSP Services to Beneficiaries</b>			
<b>By Ministry</b>			
Beneficiaries enrolled total	4,017,912	-	-
System Updates (automated)	2,084,717	N/A	N/A
System Updates (manual)	1,819,087	N/A	N/A
Group Pay clients	1,863,402	N/A	N/A
No. of groups	15,001	N/A	N/A
Group employer applications	276	206	0
Group enrollment applications (manual)	56,653	8,639	1,629
Group account changes (manual)	149,136	12,614	12,242
Groups on-line with MSP Direct (connected/active)	Approx. 3,100	-	-
MSP Direct (web-based) system group transactions	604,458	66,813	36,267
Direct Pay clients	1,811,786	-	-

Item	Approximate Annual volume/value	Highest (values are per month, unless otherwise specified)	Lowest (values are per month, unless otherwise specified)
Direct Pay enrollment applications (manual)	153,000	21,821	10,563
Direct Pay account changes (manual)	18,000	3,037	1,267
Applications for premium assistance benefits	131,521	14,358	2,657
Telephone call attempts*	380,000	56,872	32,092
Calls abandoned*	100,000	13,497	287
Calls handled – IVR*	1,321,773	155,536	77,854
Calls handled – Staff*	256,710	34,247	15,547
Average wait time*	4.45 minutes	8.6 minutes	1.4 minutes
Per cent busy signals*	35 per cent	79 per cent	24 per cent
Public E-mail received	40,000	N/A	N/A
<b>By Contracted Call Centre**</b>			
Call attempts	1,000,000 (est.)	164,000	74,411
Calls abandoned	60,000 (est.)	8,632	2,458
Calls handled	360,000 per year (est.)	51,328	18,855
Call Wait Times (monthly avg.)	3.8 minutes	4.7 minutes	1.8 minutes
Per cent busy signals	60 per cent	68 per cent	26 per cent
E-mail sent to MSP	70,000	8,185	5,024
<b>PharmaCare</b>			
Prescription drug claims	26,132,000	N/A	N/A
Value of claims paid	\$728 million	\$90.5 million	\$43.9 million
Help Desk calls	278,785	29,987	22,044
Web site visits	757,900	N/A	N/A
System Availability	99.9 per cent	100 per cent	99.9 per cent
Help Desk availability	7x24 hours		
Help Desk calls answered within first 45 secs.	95 per cent	86%	81%

\* These telephone statistics should not be regarded as measures of total demand. The figures indicate the number of customers that were able to connect to the government router. An unknown number of other customers would have been unable to connect to the router due to limitations on the system capacity, and are not reflected in the totals.

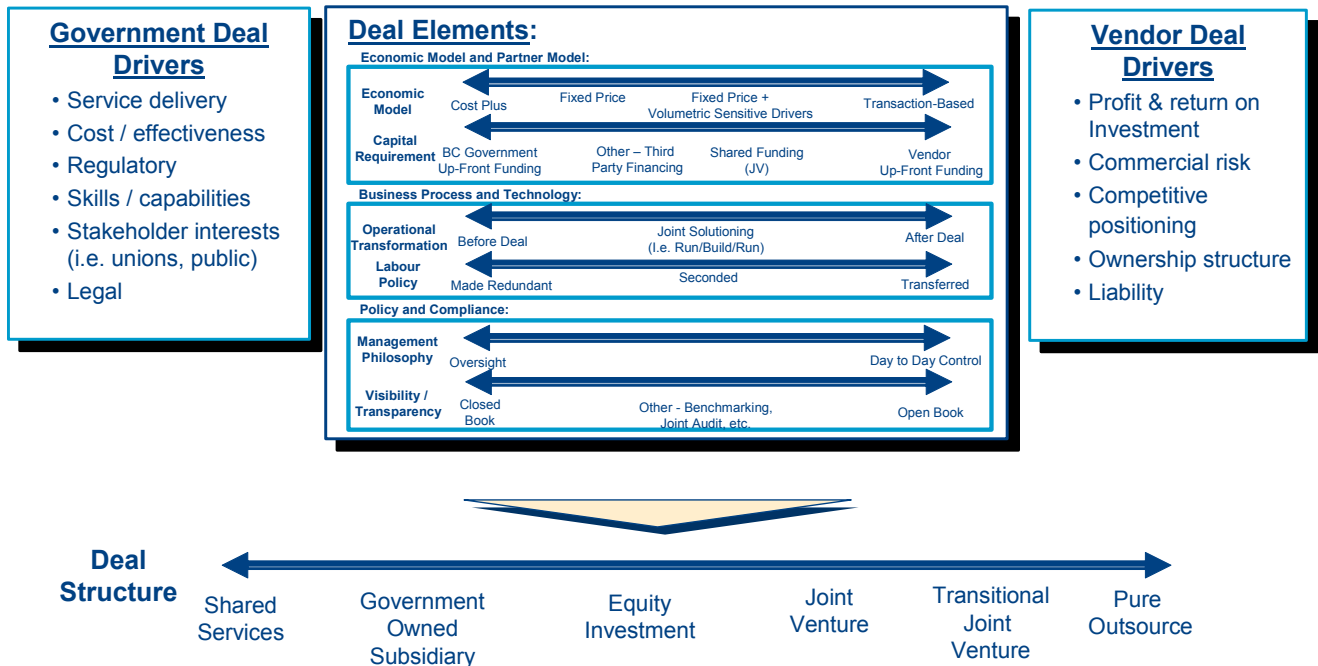
\*\* Data from operational period August 1, 2002 to May 31, 2003.

## 2.5 ECONOMIC MODEL AND DEAL STRUCTURE

### 2.5.1 Deal Structure

Proponents should understand the significant business transformation and outsourcing opportunities that will exist as the business relationship evolves. The extent of the business transformation and alternative service delivery and the associated deal structure will depend on the solution possibilities arising out of the Joint Solution Definition Phase of the JSP process.

The diagram shown below describes some potential commercial arrangements.



### 2.5.2 Economic Model

There are a variety of possible economic models that can arise from the Joint Solution Definition Phase of the JSP process. Proponents will be asked to describe past alternative services delivery projects and demonstrate to the Province their in-depth knowledge and experience in conceptualizing, designing, developing and operating economic models that are true to the spirit of the type of deal structures contemplated for the Health Benefits Operations Project. This could range from a cost-plus model to a transaction based model or be a combination of several models depending upon the various business processes under consideration and the type of deal structure contemplated by the Proponent.

The allocation of risks and rewards between the Partner and the Province should be balanced for the commercial arrangement to be successful over the long term.

## 2.6 BUSINESS PROCESSES AND TECHNOLOGY

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The Joint Solution Definition Phase of the JSP process will allow both the Ministry and Preferred Proponents to explore prospective business transformation and alternative service delivery opportunities.

The Ministry will be inviting Preferred Proponents to table innovative ideas and demonstrate their capability to formulate business cases for alternative service delivery components of the business processes as the relationship evolves. As well, Preferred Proponents will be asked to identify any potential short term improvements and/or other related functions where alternative service delivery could be beneficially applied. Examples of past accomplishments in this area and explanations of how they could be applied to the Project will aid the Province in properly assessing the Proponent's capability. The critical need is to acquire a Partner who will utilize leading practices and transformational capability to help the Ministry realize its service goals.

The Ministry is open to ideas which will support the goal of achieving maximum business results. Further, the Ministry is seeking a Partner who can scale rapidly and extensively as the Ministry's business transformation evolves and who is committed to a strategic relationship with the Ministry over the long term.

This section describes both business processes as well as technology that is either in scope for immediate alternate service delivery or is to be the subject for exploration during the Joint Solutions Definition Phase or which is entirely out of scope of the Project.

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### 2.6.1 Project Implementation Plan

The Ministry’s plan for transitioning the services to an alternative service delivery Partner includes the following. All services and technology in scope for the Project are expected to go through the following lifecycle with the new Partner.

<b>Run = Transition</b>	<b>Build = Transformation</b>	<b>Run = Operate and Continually Improve</b>
<p>The Partner will assume responsibility for all in scope business processes and technology and operate them for the length of time necessary to design and implement business re-engineering and technological improvements. The Partner will be given the incentive to find opportunities to improve service levels in the short term.</p>	<p>The Partner will develop/re-engineer business processes and/or develop technology improvements or Solutions to improve service levels and meet other long term goals. This “build” will be based on the jointly developed Solution. The Partner will be responsible for transitioning to the new environment.</p>	<p>The Partner will operate services and technology ensuring service levels are maintained or exceeded and systems/processes are continuously improved.</p>

### 2.6.2 Scope

Business processes that are of strategic importance to the Ministry (e.g. core business processes) are out of scope for the Project. Some examples are:

- strategy and policy development;
- government reporting and communication; and
- contract management.

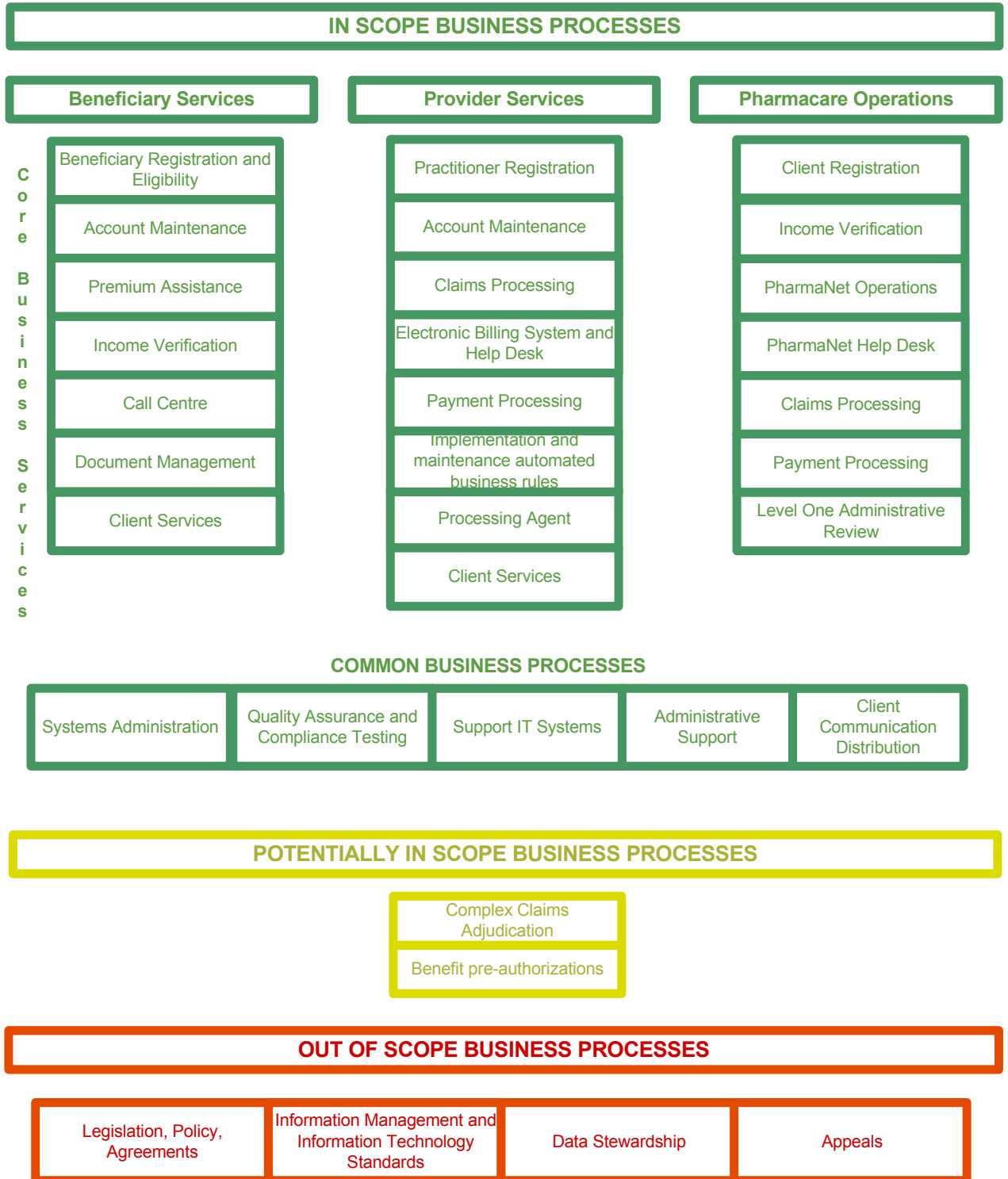
The Preferred Proponents are invited to comment on what these core business processes should be, and to demonstrate how they are planning to interface with these core business processes.

All business operations that support Health Benefits Operations are included as potentially in-scope for this Project unless identified below.

It is the intent of the Ministry to establish a long term business relationship with a Partner to deliver the services and technology described below. The Business Alliance will focus on desired outcomes and not preconceived solutions. In order to facilitate the effectiveness of the Business Alliance and the outcomes, the Ministry will have the option of directly negotiating additional business opportunities not specifically identified in this JSRFP with the Partner. It is expected that the Business Alliance will result in additional contracted

services which might include other information technology and business processes of the Ministry or other organizations closely associated with the Ministry.

## Health Benefits Operation





The above functions include approximately 175-200 Full Time Equivalents (FTEs). The numbers of affected FTEs will not be known until closer to the transfer of operations. The FTEs are divided approximately equally across the three areas of MSP Beneficiary Services, MSP Provider Services and PharmaCare Services. It would also include all business operations and technology currently outsourced.

## **2.6.3 Technology Supporting Health Benefits Operations**

### **2.6.3.1 Background**

The Ministry utilizes a centralized group called the Information Management Group (IMG) to coordinate and manage the delivery of Information Management and Information Technology (IM/IT) services for all of its departments. IMG's responsibilities include planning, policy, protection of privacy and security, client services, regional co-ordination, coordination of electronic government initiatives, business analysis, health information and technology standards and architecture, and budget development, analysis and control. IMG is accountable to Health Benefits Operations for IM/IT service delivery and manages associated contracts and service level agreements on their behalf.

IMG utilizes a blend of internal Ministry resources, other BC government resources, and external contracted resources to deliver services to Health Benefits Operations. The three primary technology delivery organizations providing services to Health Benefits Operations are the:

- (i) The Ministry of Health Information Management Group (IMG);
- (ii) International Business Machines (IBM); and
- (iii) The Ministry of Management Services, Common IT Services division (CITS).

### **2.6.3.2 Overview**

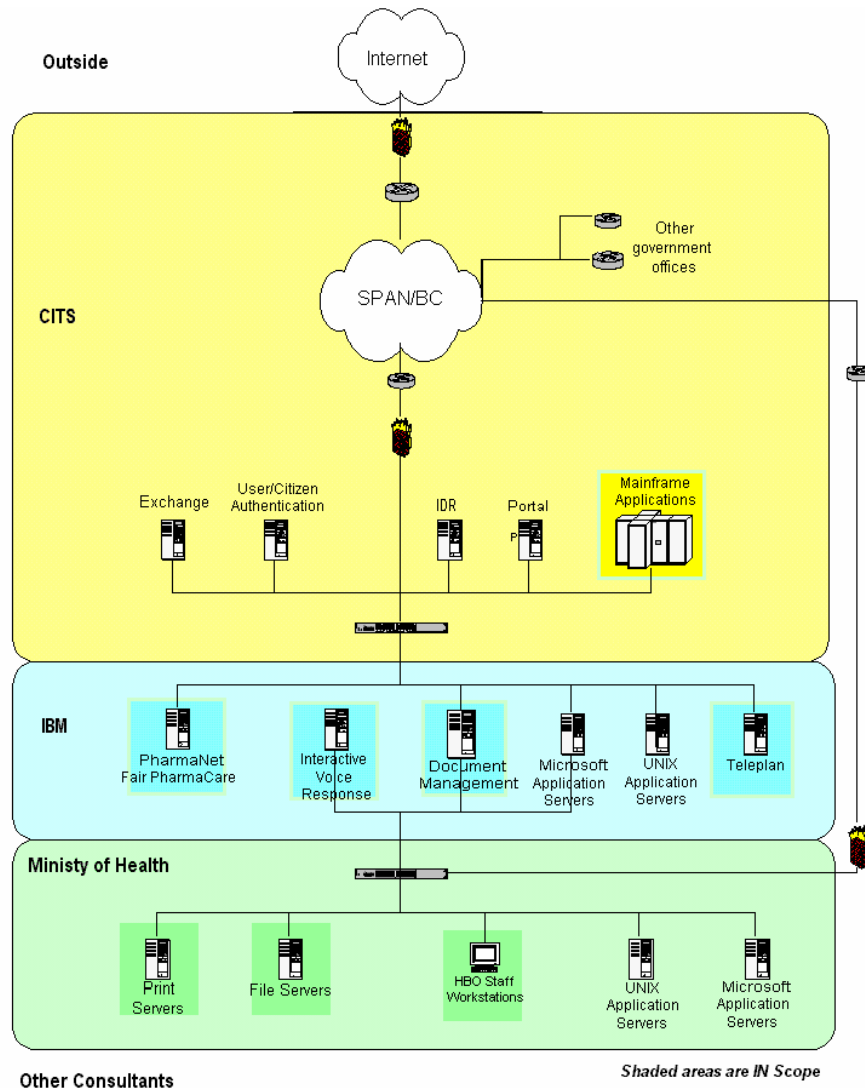
Support of the Health Benefits Operations servers and associated applications is complex. The objective of this JSRFP document is to provide only a high level understanding of the systems. More detailed systems information will be provided throughout the process.

It is anticipated that most, if not all technology services currently provided for Health Benefits Operations will be in scope, and that the use of shared government resources such as the mainframe and data network can be negotiated if the Successful Proponent should choose to use them. The Successful Proponent will facilitate the development, support and ongoing operations of the technology Solution.

The Successful Proponent will have to demonstrate the capacity, capability and commitment to manage new technology, existing government and Ministry technology (where appropriate), and integrate the components into a manageable, adaptable, scalable and stable Solution. Health Benefits Operations provides business services to thousands of organizations in the Province; therefore a key component in the final Solution will be the ability to integrate effectively with the program area, with the Ministry, and with external stakeholders. The final Solution should be an innovative approach combining new and existing technology elements to support the Health Benefits Operations business outcomes while respecting the existing contractual agreements, policy and legislation.

### 2.6.3.3 Current Technology

The following diagram outlines various components of the Ministry’s technical infrastructure. The business drivers (e.g. legislation, agreements, the Ministry’s Service Plan) are on the left of the diagram. Those drivers determine Health Benefits Operations business and resulting workload. Health Benefits Operations then communicates the business requirements to IMG, who translates them into technical specifications. IMG then refers the work to the three primary delivery organizations and other consultants as required. The thick blue lines show the high level boundaries of responsibilities between the organizations and the green boxes indicate the services that are in scope.



- SPAN/BC. The Shared Provincial Access Network (SPAN/BC) provides high-speed data connections to government offices and stakeholders, which in turn connects to the Public internet. Management of this private data network is the responsibility of the Ministry of Management Services – Common IT Services (CITS).
- Data Centres. Equipment is located at three locations, two production facilities in Victoria and a disaster recovery facility in Vancouver.

- Mainframe. The systems in support of MSP are largely resident on IBM mainframes, running Multiple Virtual System (operating system for the IBM mainframe computers), Customer Information Control System (IBM software developed to translate processes for mainframes), DB2 (a database application) and an IBM Information Management System. The Ministry purchases processing time on the IBM mainframe which is managed by CITS.
- PharmaNet. The PharmaNet system runs on IBM RS/6000 Unix (AIX) processors, using Oracle. This environment is currently managed by IBM who sub-contracts with CITS for some support elements. UNIX stands for Universal Information Exchange – an operating system developed by Bell Laboratories and AIX is the Advanced Interactive Executive which is IBM's version of the UNIX computer operating system.
- Web Applications. Web applications (e.g. Teleplan, Fair PharmaCare) run on shared infrastructure, which includes Oracle Application servers, IBM WebSphere, iPlanet LDAP, HL7 Messaging. This environment is currently managed by IBM who sub-contracts with CITS for some support elements. These applications are program specific. Further information will be provided during the JSP Process.
- Interactive Voice Response (IVR). The IVR system is currently run on shared infrastructure, however, Health Benefits Operations is the primary user. The system is currently configured with 120 lines connected to Dialogic cards and WebSphere Voice Response and IBM Personal Communications and runs on Windows 2000 servers. This environment is currently managed by IBM who sub-contracts with CITS and IMG for some support elements.
- Electronic Document Management. The Ministry document management and imaging infrastructure is based on IBM's Content Manager and runs on a combination of Microsoft Windows 2000 and IBM AIX servers. This environment is currently managed by IBM who sub-contracts with CITS and IMG for some support elements.
- Operating Systems. The Ministry supports a number of operating systems for database and application servers including MVS, UNIX variants and Windows 2000. Recent deployments for database and application servers have been on IBM's version of UNIX (AIX) and SUN Microsystems' version of UNIX (Solaris).
- Application Development Environment. The Ministry's standard is J2EE.
- Web Server. The Ministry supports a number of web server products; these are normally tuned to the underlying operating platform. The Ministry standards are IBM HTTP Server and iPlanet Web server.
- Database. The Ministry fully supports Oracle and DB2 (MVS) and provides limited support where solutions involving commercially off the shelf components require the use of Microsoft's SQL Server.
- Portal. BC Connects is the province of British Columbia's Internet portal that provides interactive services and information online to help meet the needs of the citizens and businesses of British Columbia, as well as visitors. It is expected that citizens will continue to access the Health Benefits Operations services through the enterprise portal.
- IDIR is the core Government directory consisting of approximately 40,000 members in Government Ministries, Crown Corporations and Agencies, their printers and computers.
- BCeID is the non-core directory and consists of 'Government Business Partners' and other sponsored users of Government business applications. The potential population consists of over 100,000 users in private sector companies, members of the Public, other governments and agencies that have information access agreements with the BC Government.

## 2.7 POLICY AND COMPLIANCE

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### 2.7.1 Procurement Policy

The JSP process is a recognized approach described in the government's Core Policy Manual<sup>6</sup>.

### 2.7.2 Privacy Policy

The Ministry is responsible for managing some of the Public's most sensitive personal information. Strong protection of personal privacy is vital to Public confidence in the health system. The Ministry is committed to keeping the Office of the Information and Privacy Commissioner of British Columbia informed throughout the JSP process to ensure that Provincial privacy legislation and policies are met or exceeded in all solutions.

Privacy and security of personal information will be a key element in the design of any Solution. Protection of privacy must be integrated into project design and resource allocation. Successful Proponents will be required to meet or exceed the privacy requirements of the *Freedom of Information and Protection of Privacy Act*, the *Medicare Protection Act*, the *Personal Information Protection Act (Bill 38)*, and other applicable legislation and obligations.

Proponents must show experience in the management of sensitive personal information. Further, Proponents must demonstrate knowledge of the *Freedom of Information and Protection of Privacy Act*, the *Medicare Protection Act* and related policies and guidelines<sup>7</sup>.

The Partner will also be required to, at a minimum, adhere to the Privacy Protection Schedule attached (Appendix D). Proponents should familiarize themselves with the relevant recommendations of the Office of the Information and Privacy Commissioner for British Columbia in its "Guidelines for Data Services Contracts" (Guideline 01-02)<sup>8</sup>.

Proponents should also be aware that procedures must be put in place to allow the Ministry to comply with requests from the Public for access to information under the *Freedom of Information and Protection of Privacy Act*, and to ensure that the Office of the Information and Privacy Commissioner will have full access to the operational site for oversight and investigation purposes.

The Ministry commissioned a privacy assessment of this proposal by former British Columbia Information and Privacy Commissioner and active consultant on privacy and information policy issues David Flaherty. Proponents should familiarize themselves with the recommendations in this review<sup>9</sup>.

Issues related to privacy will be assessed during the Solution compliance activity of the Joint Solution Definition Phase as described in section 4.2.4.

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<sup>7</sup> The URL is [http://www.fin.gov.bc.ca/ocg/fmb/manuals/CPM/06\\_Procurement.htm#632](http://www.fin.gov.bc.ca/ocg/fmb/manuals/CPM/06_Procurement.htm#632).

<sup>7</sup> Information on these policies is available at <http://www.cio.gov.bc.ca/prgs/policies.htm> and <http://www.cio.gov.bc.ca/prgs/Standards.htm>

<sup>8</sup> Data service contract guidelines can be found at [http://www.oipcbc.org/advice/Guidelines-Data\\_services.pdf](http://www.oipcbc.org/advice/Guidelines-Data_services.pdf).

<sup>9</sup> The document can be found at <http://www.healthservices.gov.bc.ca/msp/>.

### 2.7.3 Labour Relations

The Province estimates that 175 to 200 staff will be impacted by this Project.

As part of the qualifying process, the Ministry will be evaluating the Proponent's ability to manage any labour relations aspects of business transformation and related alternative service delivery methods to ensure a smooth transition for affected staff and operations. Experience with similar transfer situations, including change management, will add to the capability assessment of the Proponent. Information on the British Columbia Labour Relations Code, collective agreements, and other related issues can be accessed through the Labour Relations Board – British Columbia website<sup>10</sup>. Proponents are asked to detail their labour relations strategy and their anticipated implications resulting from it.

Issues related to labour relations will be assessed during the Solution compliance activity of the Joint Solution Definition Phase as described in section 4.2.4.

The British Columbia Public Service Agency has announced a general offering of a voluntary exit program which includes an Early Retirement Incentive Plan (ERIP) and Voluntary Departure Plan (VDP). A separate version of these plans will be offered to employees directly impacted by this Project, subject to negotiation with the British Columbia Government and Service Employees Union (BCGEU). Employee applications would be subject to management approval. Management approvals would be made in the context of maintaining business continuity.

### 2.7.4 Other Policies and/or Regulations that may Impact the Solution

As part of the Joint Solution Definition Phase it is possible that specific legislation, policies and/or regulations that may be inconsistent with a preferred Solution. The Ministry may seek legislative approval to change or create the legislation, policies and/or regulations to effectively support the business case for the final Solution and facilitate execution of a Final Contract. Proponents are encouraged to identify potential legislative or policy changes early in the process to enable their review.

Issues related to government policy, legislation or other related regulations, if applicable, will be assessed during the Solution compliance activity of the Joint Solution Definition Phase as described in section 4.2.4. Knowledge of this area, and experience in this or other similar Public jurisdictions, will add to the assessment of Proponent capability during the Proponent Qualification Phase.

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<sup>10</sup> The website is located at <http://www.lrb.bc.ca>.

### 2.7.5 Some Relevant Legislation and/or Regulations (Note: list not exhaustive)

- *Medicare Protection Act*
- *Canada Health Act*
- *Ministry of Health Act*
- *Medical Practitioners Act*
- *Medical and Health Care Services Regulation*
- *Health Professions Act*
- *Chiropractors Act*
- *Naturopaths Act*
- *Dentists Act*
- *Optometrists Act*
- *Podiatrists Act*
- *Continuing Care Act Regulations pertaining to PharmaCare*
- *Pharmacists, Pharmacy Operations and Drug Scheduling Act*
- *Freedom of Information and Protection of Privacy Act*
- *Personal Information Protection Act (Bill 38)*
- Others<sup>11</sup>

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<sup>11</sup> Additional information may be obtained at <http://www.legis.gov.bc.ca>.

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## 3 OVERVIEW OF THE END-TO-END JSP PROCESS

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### 3.1 DEFINITION

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The JSP process is a multi-phased approach designed to select a Partner to work strategically with the Ministry from identification of Preferred Proponents through to joint development of a Solution and subsequent delivery of services over a long-term relationship. Emphasis will be placed on making sure that the Partner brings an optimum combination of commitment, capacity, and capability to manage an alternative delivery of the Ministry's business processes and technology.

The JSP process is normally used in situations where a complex business problem exists and where no clear 'off the shelf' solution can be readily identified. Due to the nature of such projects, the various phases of the JSP process are designed to help leverage the combined capability and creativity of the Ministry project team and the Preferred Proponents to create a Solution that effectively addresses the Project's goals and desired business outcomes, while optimizing the total value to the Business Alliance over the duration of the commercial arrangement.

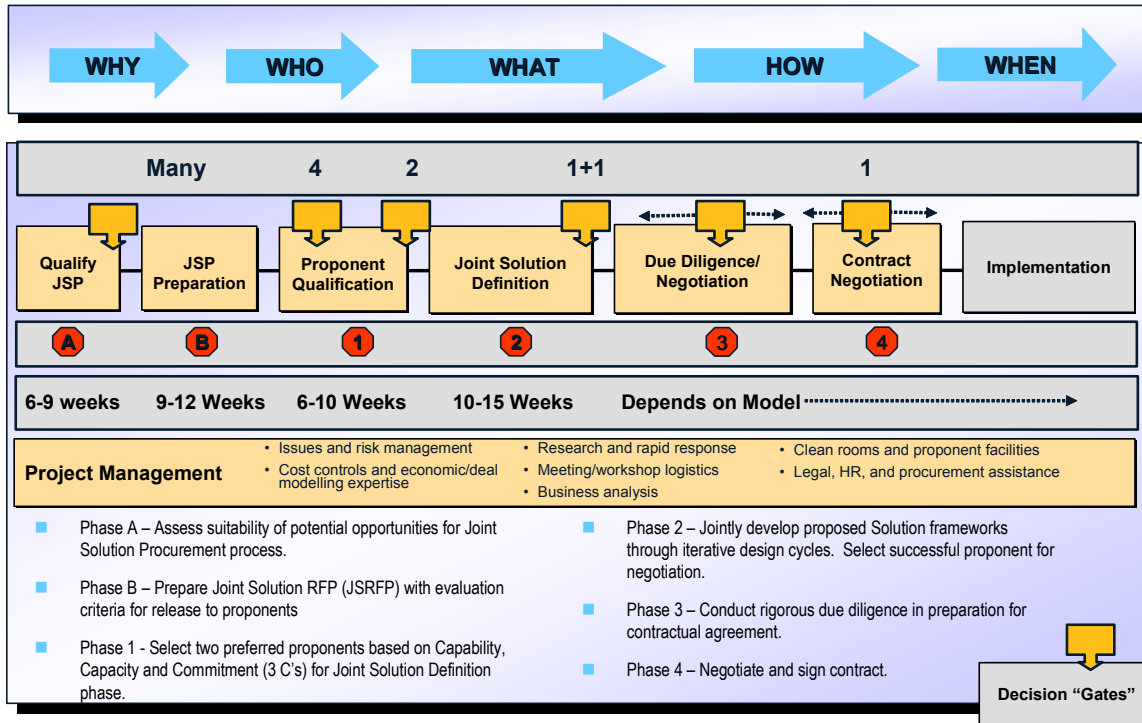
Unlike conventional procurement processes, a successful JSP process culminates with a long term Business Alliance that is adaptive in that it allows for creativity, flexibility and evolution over an extended period of time (typically seven to ten years).

The JSP approach is structured to be fair, open and competitive and includes activities in the Proponent Qualification Phase of the selection process that facilitate greater communication between Proponents and the Ministry.

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### 3.1.1 Approach and Timeline

The figure below illustrates the overall approach from JSP planning to the identification of a Successful Proponent.



### 3.1.2 Tentative Work Plan

Task Activity	Anticipated Date
JSRFP Closing date	September 8 <sup>th</sup> 2003
Proposal evaluations completed and short-listed Proponents notified	September 26 <sup>th</sup> 2003
Meeting with Ministers	September 29 <sup>th</sup> 2003
Workshops completed	October 17 <sup>th</sup> 2003
Preferred Proponents announced	November 14 <sup>th</sup> 2003
Joint Solution Definition Phase initiated	November 24 <sup>th</sup> 2003
Joint Solution Definition Phase completed	March 12 <sup>th</sup> 2004
Letter of Intent signed and Successful Proponent announced	March 29 <sup>th</sup> , 2004
Due Diligence and Negotiations completed	May 14 <sup>th</sup> 2004
Final Contract signed	August 31 <sup>st</sup> , 2004

The Ministry is interested in expediting the selection process to the maximum degree possible, and reserves the right to adjust the preceding schedule as it sees fit.



## 3.2 KEY SUCCESS FACTORS

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### 3.2.1 Mutual Understanding and JSP Structure

The JSP process is an intensive procurement approach that requires patience and substantial commitment by all parties to ensure its success.

The process allows Proponents more flexibility than commonly available during a conventional request for proposal. This includes, for Proponents, the ability to ask questions of Ministry staff (e.g., at Workshops) during the selection process and, for the Ministry, more latitude during the subsequent presentations.

One key premise of the JSP process is that the selection of a Successful Proponent will focus on the optimum strengths that a Proponent could bring to the Business Alliance. The other key premise is that the Solution itself is jointly developed after the Preferred Proponents have been identified, which allows for some significantly innovative approaches (e.g., during the Joint Solution Definition Phase) to be developed in order to meet the desired business outcomes of the Project.

Successful completion of the Joint Solution Definition Phase will be followed by a period of detailed due diligence and negotiations activities in the Due Diligence & Negotiation Phase. The final phase (Contract Negotiation) of the JSP process is marked by activities needed to finalize the commercial arrangement.

### 3.2.2 Sharing of Risks and Rewards

In order for a long-term Business Alliance to exist, both the prospective Partner as well as the Ministry will have to share the risks and rewards associated with the Project Solution. In order to assess the economic sharing of the risks and rewards, the Ministry is interested in understanding not only the Proponent's 3C's, but also any opportunities for sharing risks and rewards that may arise as a result of Business Alliance with the Partner.

While the Ministry is looking for innovative economic sharing models, one simple example may be gain sharing; another is a Proponent's interest in assuming business risk for the Solution as a springboard for other opportunities. Proponents will be asked to demonstrate their ability to engage in this sort of arrangement as part of the Proponent Qualification Phase.

Any details related to the economic sharing of risks and rewards in the Business Alliance and Final Contract will be formulated during the Joint Solution Definition Phase and finally negotiated as part of the Due Diligence & Negotiation and the Contract Negotiation Phases of the JSP process.

### 3.2.3 JSP Communications Protocol

Maintaining proper communications protocol throughout the JSP process is important in order to protect the integrity of the JSP procurement and the Project, as well as to protect the interests of the Proponents and Ministry. The following communication protocol will apply during the JSP process. The failure of a Proponent to adhere to the communication protocol may result in the Proponent being disqualified from the JSP process.

### **3.2.3.1 During the JSRFP**

All communication related to the JSRFP should be referred to the government contact listed on the front page of this document.

### **3.2.3.2 Workshops**

All communication related to the JSRFP should be referred to the government contact listed on the front page of this document. This excludes face-to-face communications with Proponents as part of the Workshops where communication with Ministry representatives is expected. Please note that the Ministry reserves the right to withhold information at the Workshops that may impact its negotiating position during the subsequent phases of the JSP process.

### **3.2.3.3 Joint Solution Definition Phase**

The Ministry will publish a list of staff capable of providing information during the Joint Solution Definition Phase. The list will include access to members of the evaluation committee, project staff, subject matter experts and senior executives of the Ministry as well as the Deputy Minister. Preferred Proponents may also request interviews with other Ministry staff as needed.

### **3.2.3.4 Due Diligence & Negotiation Phase**

The Ministry will publish a list of staff capable of providing information during the Due Diligence & Negotiation Phase of the JSP process. The list will include access to project staff, subject matter experts and senior executives of the Ministry as well as the Deputy Minister. The Ministry is committed to making senior decision makers available during this Phase of the process to ensure that commercial elements are immediately discussed, resolved and agreed upon.

### **3.2.3.5 Contract Negotiation Phase**

The Ministry will publish a list of staff capable of providing information during the Contract Negotiation Phase of the JSP process. This may include access to project staff, subject matter experts and senior executives of the Ministry as well as the Deputy Minister. The Ministry may retain the services of an independent party to act as a negotiating lead working with senior executives during this Phase.

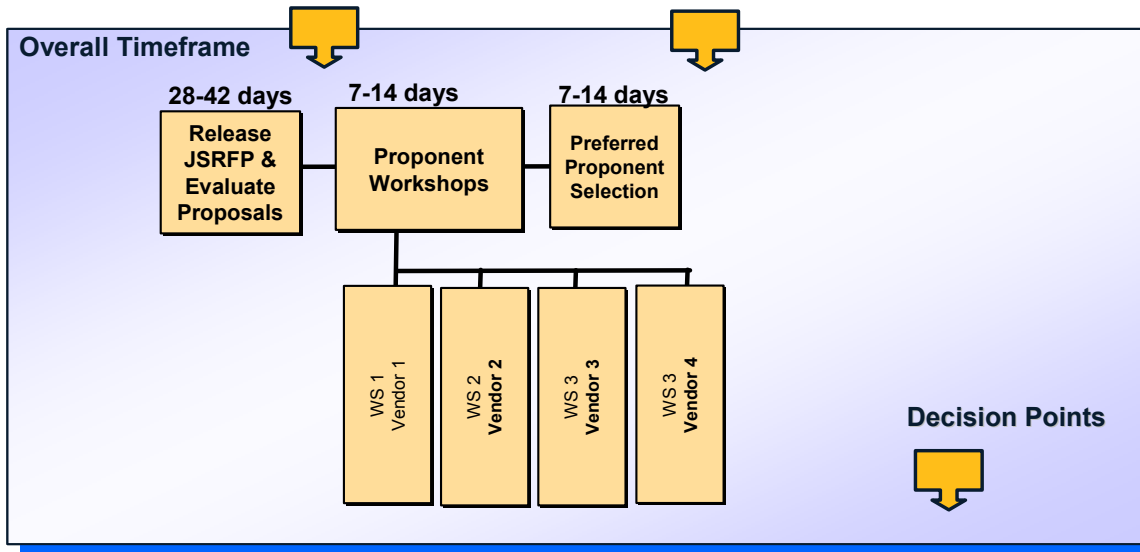
## **3.2.4 Fairness and Transparency in the JSP process**

The Ministry has engaged an individual to monitor the Ministry's decision making processes throughout the JSP. The individual (or delegate if for some reason the individual becomes unavailable) will monitor the Ministry's evaluation activities during the Proponent Qualification Phase and the decision points during the Joint Solution Definition Phase.

## 4 THE JSP PROCESS AND EVALUATION CRITERIA

### 4.1 THE JSRFP PROCESS

#### 4.1.1 Approach and Timeline Overview



The JSP process is designed to take a prospective JSP project through an initial series of pre-JSRFP exploratory sessions in order to determine a project's candidacy as a JSP project, through to a series of phases that culminates in some form of Business Alliance between a Successful Proponent as Partner and the Ministry. Examples of deal structures for the Business Alliance are outlined in section 2.2.1 of this document.

Identification of the Preferred Proponents is based on continuous assessment of a Proponent's 3C's to work with the Ministry in developing a Solution that meets the goals of the Ministry and desired business outcomes for the Project. As a guideline, the Ministry will be looking for a logical trend or progression in the Proponent's demonstrated skills as the Proponent moves from Stage 1 (being the evaluation of Proposals), gains more knowledge of the Ministry business environment and needs during Stage 2 (the Workshop Stage) and finally delivers a more focused but still conceptual solution (Concept) during Stage 3 (the Concept Stage) of the Proponent Qualification Phase. The Concept provided by the Preferred Proponents will be validated early in the Joint Solution Definition Phase of the JSP process. The Proponents should understand that the Concepts may be subject to significant change as the Joint Solution Definition Phase progresses.

A Proponent's Proposal in response to this JSRFP is the initial step in qualifying to participate in the Joint Solution Definition Phase. Preferred Proponents will be selected on overall performance in a number of areas encompassing the 3C's and not exclusively on the Concept. Proponents should keep in mind that the Ministry is not only looking for information on how to do the Project, but also on proof that the Proponent has successfully performed, managed and operated a similar sort of business process transformation initiative.

As part of the proposal, each Proponent is required to submit a short high-level Concept paper (one to two pages) that outlines the Concept on a high level, the Proponent's vision for the Project as well as the principles of success to be utilized.

#### **4.1.2 Release JSRFP & Evaluate Proposals**

Upon completion of the evaluation of the Proposals, a short-list of up to four Proponents will be created and those Proponents will be invited to participate in Stage 2 (the Workshop Stage). The remaining Proponents will be advised of their standing in writing and offered debriefing sessions. The Ministry proposes to hold the debriefing sessions soon after the Preferred Proponents are announced.

#### **4.1.3 Meeting with the Ministers**

All short listed Proponents will be scheduled for a brief meeting with the Minister of Health and the Minister of Management Services prior to the Workshops. This meeting is intended to be a forum where the Ministers can describe their vision for the Project as well as serve as introductory opportunities for the Proponents. The meeting is anticipated to last 30 to 60 minutes.

#### **4.1.4 If Only Two Proponents**

In the event that only two Proponents are deemed to qualify as a result of the evaluation of the Proposals in Stage 1, then the Ministry reserves the right to consider these Proponents as Preferred Proponents and to proceed directly to the Joint Solution Definition Phase. In this case some aspects of the Workshops may be performed during the early part of the Joint Solution Definition Phase in order to set the stage for Solution development. The Ministry also reserves the right to invite the two Preferred Proponents to present their 3C's to the Ministry to ensure that they have the necessary 3C's required to undertake the Project and deliver the final Solution. These presentations may take place either prior to the commencement of the Solution definition activities, or at any other time during the Joint Solution Definition Phase.

#### **4.1.5 Workshops**

The purpose of the Workshops is to allow short-listed Proponents the ability to further explore the Project and to provide an avenue for them to assess whether the Project is of sufficient interest to engage in a significant amount of work at the Joint Solution Definition Phase and, if the Proponent is the Successful Proponent, at the Due Diligence & Negotiation Phase and the Contract Negotiation Phase.

The guidelines that will govern the Workshops are outlined below. The Ministry reserves the right to alter these guidelines (and any scheduling) as needed, but will only do so after notifying the short-listed Proponents.

a) The Ministry will allot a full working day (in two half-day segments) for each of the short-listed Proponents. The first half-day will begin with an information session delivered by the Ministry to the short-listed Proponents. This information session will be unidirectional in order to ensure that all short-listed Proponents are given the same information. The Ministry will be available for questions for the immediate hour following the session. The second half-day session will be reserved for a short-listed Proponent's staff to question the Ministry team so as to further explore the material presented in the morning session or to ask questions that the short-listed Proponent feels are needed in order for it to deliver a Concept at Stage 3 of the selection process. The second half-day session may take place on the same day or be scheduled in the morning of the following day so as to give short-listed Proponents time to assimilate the first session's information and to prepare questions

for the second session. Please note that there will be no allowance for a follow-up Workshop.

b) The second session is for the benefit of the short-listed Proponents, and accordingly, wide latitude will be afforded to the question period. Short-listed Proponents may manage the meeting in the manner that they deem most useful. Please remember that the Ministry will be evaluating aspects of the 3C's during the Workshops.

c) While the Ministry will make every effort to ensure that pertinent people are available to answer queries, there may be some questions that cannot be answered during the second session. In this case every effort will be made to communicate the response to the short-listed Proponent within one working day of the Workshop. The Ministry will, however, not be liable whatsoever for any delays in providing a response to any unanswered questions within that period.

d) The Workshops will not be electronically recorded. Subject to paragraph 1.2.2.4, all questions asked by a short-listed Proponent will not be released to other short-listed Proponents and answers to questions asked during the Workshops which could not be answered by Ministry staff will be communicated in writing to the respective short-listed Proponent only. All questions asked prior to or after the Workshops should be submitted in writing to the contact person indicated on the front of this document. Responses to these questions may be communicated to all short-listed Proponents. The Ministry reserves the right, however, to disseminate information related to the Province or the Project arising as a result of questioning in any one of the Workshops, to all short-listed Proponents if, in the opinion of the Ministry, the information is related to a matter that all Proponents will need to know in order to prepare for the presentations.

e) The Ministry will not require short-listed Proponents to bring specific staff to the Workshops. Each short-listed Proponent should decide who from their organization is best suited to gather the necessary information. Please remember that the Ministry is still assessing the 3C's. While a poor showing will result in a poor assessment, it does not automatically follow that bringing a large team will result in a good assessment on the 3C's.

#### **4.1.6 Proponent Presentations**

On completion of the Workshops, short-listed Proponents will be given approximately one week to assess the information they have gathered during their Workshops and further develop a Concept for presentation to the evaluation committee in Stage 3. Section 4.6.3.4 describes the evaluation criteria that will be used at Stage 3.

While the major portion of the presentation should focus on the short-listed Proponent's Concept (which should include some possible deal structures and high level solution approaches), the short-listed Proponent's overall ability to function in a Business Alliance will also be considered. A transcription of minutes may be taken of the Stage 3 proceedings.

Presentations will be limited to 3 hours of which at least half the time will be reserved for the evaluation committee to ask questions on any aspect of the short-listed Proponent's Concept or performance during the various Stages of the Proponent Qualification Phase. The time may also be used to pose situational questions designed to assess the 3C's of the short-listed Proponent. Please note that the evaluation committee reserves some latitude when asking questions during Stage 3 on the condition that the questions will be based on information provided during the selection process.

Each short-listed Proponent is required to supplement its presentation with a paper and electronic copy version of its Concept presentation.

#### **4.1.7 Preferred Proponents Selection**

On completion of the evaluation process, the Ministry will tabulate the evaluation results and rank the short-listed Proponents. The top two ranked short-listed Proponents will be deemed Preferred Proponents and will be invited to engage in the Joint Solution Definition Phase.

#### **4.1.8 Post Presentations and Debriefings**

Once the top two Preferred Proponents have been declared, a Joint Solution Definition Agreement will have to be executed by the Ministry and each of the two Preferred Proponents prior to commencing the Joint Solution Definition Phase activities.

In the event Joint Solution Definition Phase activities or negotiations with one of the Preferred Proponents fail, the Ministry reserves the right to contact the next highest ranked short-listed Proponent and invite them to engage in Joint Solution Definition Phase activities with the Ministry.

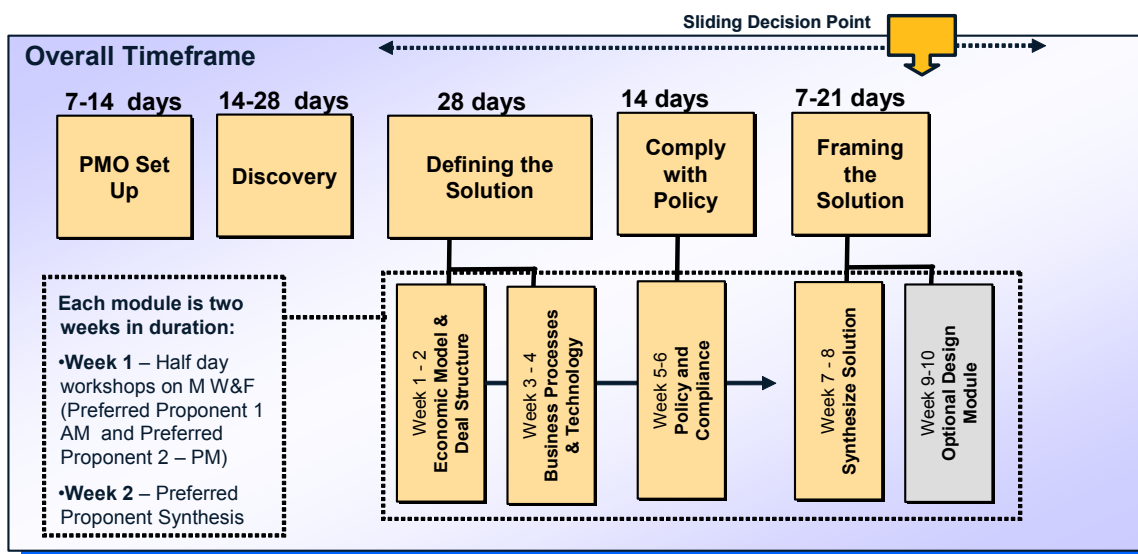
Proponents who are not invited to the Joint Solution Definition Phase may request a debriefing session which will be scheduled by the Province after the conclusion of the Contract Negotiation Phase.

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## 4.2 JOINT SOLUTION DEFINITION PHASE

The Joint Solution Definition Phase of the JSP process will require significant investment on the part of the Ministry as well as the Preferred Proponents. The Joint Solution Definition Agreement that is signed by the Province with each of the Preferred Proponents will govern the conduct of the remaining Phases of the JSP.

Preferred Proponents are cautioned not to delay in finalizing the Joint Solution Definition Agreement as once one Preferred Proponent has satisfactorily executed the Joint Solution Definition Agreement, the discovery cycle of the Joint Solution Definition Phase described in section 4.2.2 may begin immediately with that Preferred Proponent.



The core objective of the Joint Solution Definition Phase is to work with both Preferred Proponents to define Solutions, economic models and deal structures for the Project. These activities (and series of meetings) will be performed jointly with the Ministry teams (see section 4.2.3) but independently with each Preferred Proponent. The primary deliverable coming out of the Joint Solution Definition Phase will be a document that describes (a) the deal structure, (b) a model that describes alternative services delivery strategy for business processes and technology, and (c) a statement of validation that the Solution framework is compliant with policy and other government regulations and agreements. This document is the platform that will be subject to due diligence and negotiations at the subsequent Due Diligence & Negotiation Phase of the JSP process.

There are five (5) key tasks, as follows, that describe how the Joint Solution Definition Phase will proceed.

### 4.2.1 Restricted Documents Room

The Ministry plans to establish a restricted documents room which will serve as a central repository of confidential Ministry information. Procedures will also be implemented to regulate information disclosure and maintain the confidentiality of Ministry and certain Proponent information.

Details about the restricted documents room and associated information disclosure procedures will be provided to the Preferred Proponents as the JSP process progresses.

#### **4.2.2 Discovery Cycle**

The discovery cycle is a one time period of activity when Preferred Proponents are permitted access to Ministry staff, documents, technology assets and records and service metrics (where applicable) as well as any information that a Preferred Proponent may feel is necessary in order to prepare for the process of creative Solution definition. Please note that this period is not guided by the Ministry, but will be subject to contract and information disclosure guidelines.

#### **4.2.3 Defining the Solution**

This period of activity consists of a series of iterative two-week Solution definition cycles designed to define the business and technical scope of the Project, as well as the potential timing to benefit realization, the nature of the deal structure (e.g., joint venture, outsource etc.) and economic model. The Preferred Proponents will be working independently from each other, with the Ministry Project team, in jointly formulating a Solution to the Project objectives.

While the Concept provided at the Preferred Proponent's presentation will be used as a basis for the Solution, it is possible that information gathered during the discovery cycle or as a result of discussions with the Ministry during this cycle may result with an entirely different approach being considered. It is likely as well that the Solutions developed by the Preferred Proponents may be very different.

The iterative series of meetings is envisioned to rotate with one week of data gathering workshops (e.g., 3 days a week with one Preferred Proponent allocated morning workshops and the other Proponent allocated afternoon workshops) with the subsequent week for synthesizing the models. The activities will focus on a proposed economic model for the Solution as well as Ministry business processes and technology. The Ministry expects that the Solutions will be very creative.

The Ministry will ensure that its decision makers are at the table so that decisions are expedited and the Solution Definition Phase of the JSP process successfully concluded.

#### **4.2.4 Comply with Public Sector Service Standards**

Once the economic model and business processes/ technology aspects of the final Solution are formulated, the Preferred Proponents and the Ministry will need to assess the Solution framework for compliance with public-sector service delivery standards. This process will include a series of iterative cycles where the Solution parameters are measured against functions such as: labour relations, conformance with privacy laws and standards, government direction and statutes, and existing agreements.

#### **4.2.5 Framing the Solution**

At this point in the Joint Solution Definition Phase, the Preferred Proponents will have formulated a Solution approach that incorporates work on a proposed deal structure, associated economic model, and Solution parameters addressing the scope of business



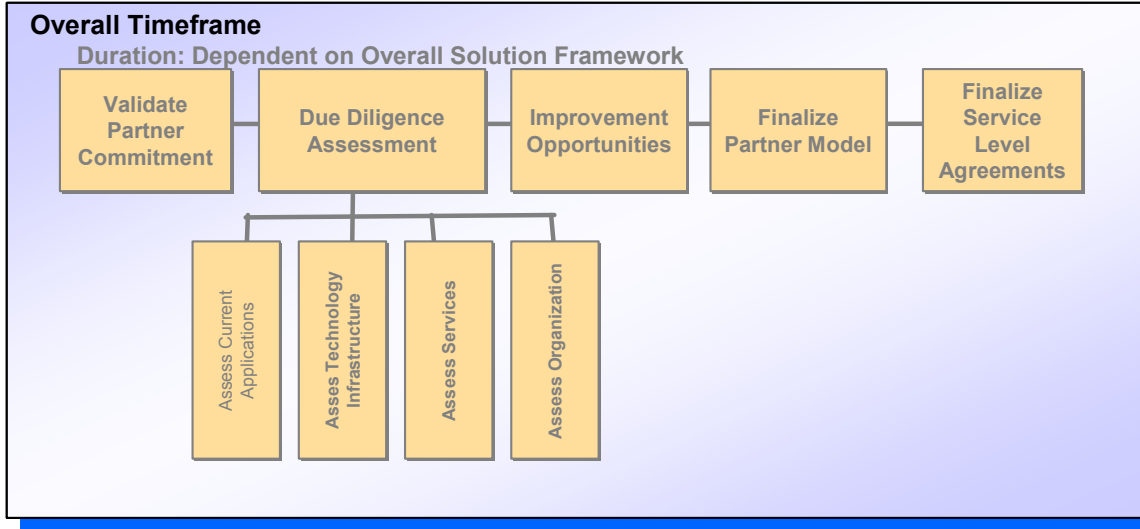
(business processes and technology) and will have been tested against government policy and standards.

A period of Solution synthesis will take place on the overall model after which the Ministry will perform a final evaluation to determine the Successful Proponent. The final evaluation will be based on the Preferred Proponent's Solution in the areas of: (a) deal structure, (b) economic model and assumptions; and (c) Solution business processes and technology. Details of the evaluation process will be more particularly set out in the Joint Solution Definition Agreement.

Once a Successful Proponent has been announced, the remaining Preferred Proponent will be designated as the 'vendor-in-waiting'. In the event negotiations with the Successful Proponent fail or do not adequately progress, the Ministry reserves the right to contact the remaining Preferred Proponent and invite it to enter into the Due Diligence & Negotiation Phase.

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## 4.3 DUE DILIGENCE & NEGOTIATION PHASE



The Due Diligence & Negotiation Phase will begin with a period of due diligence where both the Successful Proponent and the Ministry will engage in activities to ensure that the Solution developed during the previous Joint Solution Definition Phase is validated against detailed information.

There are five (5) key tasks that describe how the Due Diligence & Negotiation Phase will proceed.

### 4.3.1 Validate Commitment

An early activity in this Phase is validation of the prospective Business Alliance structure and of the Solution framework presented by the Successful Proponent entering into this Phase. The Ministry expects that a Letter of Intent will be signed by the parties and announced to the Public. The Letter of Intent will make reference to the Successful Proponent's Solution framework as the approach of choice.

A series of project management activities will take place to set the stage for detailed due diligence and negotiations. This includes establishment of both the Ministry and Successful Proponent's negotiating and supporting infrastructure (tools and resources), meeting schedules, subject areas and rules of engagement as applicable. An oversight process will be discussed and participation of decision makers for the duration of the Phase, in Victoria, British Columbia, agreed to prior to commencing with the due diligence process.

### 4.3.2 Due Diligence Assessment

This period of activity is primarily for the Successful Proponent to detail its understanding of the parameters impacting successful delivery of the Solution formulated in the previous Joint Solution Definition Phase. This includes detailed verification of information used to design the Solution, assumptions reviewed and accepted or referred to negotiations, business processes and human resources data detailed and base-line service and financial levels assessed and verified against the Solution model and inventory of technology completed. The Ministry may in addition, perform further due diligence on the Successful Proponent to

verify its current financial and operating capacity to deliver on and/or commit to the statements made in the Solution framework.

### **4.3.3 Improvement Opportunities**

As a result of the due diligence process it is expected that opportunities to increase services and decrease costs of delivery will be discussed, negotiated and agreed upon to the maximum extent possible. An approach to establishing subsequent opportunities and the costs/benefits involved will also be defined.

### **4.3.4 Finalize Partner Model**

An important activity of this Phase is finalization of the proposed Partner model that will be used as a basis for the Final Contract. A number of joint discussions will need to take place including detailed understanding on the governance structure, strategic and tactical plans and guiding principles that describe how the Partner model will operate. This activity has to be completed prior to commencing the Contract Negotiation Phase of the JSP process.

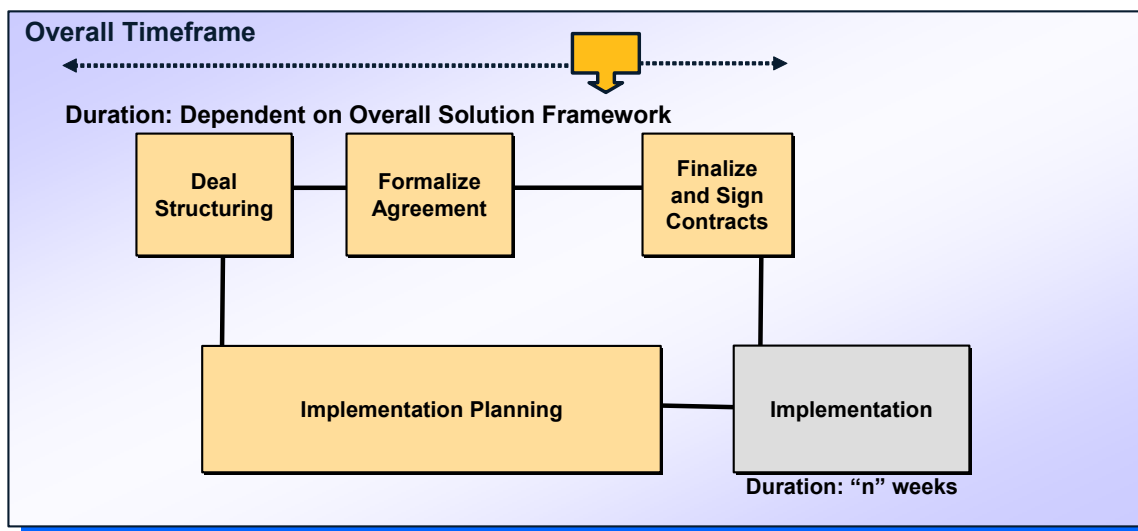
### **4.3.5 Finalize Service Level Agreements**

Based on the solution definition and due diligence assessment, detailed service level agreements will be developed and agreed upon. This will include agreements on key performance measures.

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## 4.4 CONTRACT NEGOTIATIONS PHASE

The Contract Negotiation Phase marks the final section of the JSP process. Activities include negotiations on the deal structure, governance and operational plans necessary to operate the Solution as well as developing the Final Contract so as to establish a long-term commercial arrangement and Business Alliance with the Partner. The negotiations will also include discussion on opportunities and mechanisms for mutual re-negotiation of the Final Contract, so as to respond to changes in the parties' respective business environment, as the Business Alliance evolves over the term of the Final Contract.



There are four (4) key tasks that describe how the Contract Negotiations Phase will proceed.

### 4.4.1 Deal Structuring

A period of deal structuring will take place once the economics have been finalized and agreed upon. The final term sheet will be produced, contract structure determined and final decision to proceed with the Final Contract will be made.

### 4.4.2 Implementation Planning

In preparation for implementation of the Project, the short term plan will be completed to:

- Transition staff;
- Establish priorities;
- Identify quick wins; and
- Establish communication requirements.

### 4.4.3 Formalize Agreement

During this period of activity the Final Contract will be negotiated and schedules prepared.

#### **4.4.4 Finalize and Sign Contract**

Once the Final Contract is ready for execution, both the Ministry and Partner will need to obtain the necessary approvals to sign the Final Contract. On signing, a public announcement may be made and implementation of the services will begin. Any public announcement by the Partner is to be approved by the Ministry before release.

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## 4.5 DECISION POINTS

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The Ministry reserves the right to apply a decision point at any time from the Joint Solution Definition Phase through to the end of the JSP process and either suspend, terminate or re-start discussions or negotiations with any of the Proponents. Any determination to invoke a decision point will reside with the Ministry.

At various stages in the JSP process, the Ministry may request that the Preferred Proponents prepare a presentation for the Ministry's executive so as to assess the progress of the activities to date. These presentations will be used to assess the state of the respective discussions and to determine whether the JSP approach continues to be appropriate.

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## 4.6 EVALUATION CRITERIA

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### 4.6.1 Proposal Format Guidelines

Proponents are asked to assist the evaluation committee by structuring their Proposals in a consistent manner. Proponents are strongly encouraged to limit their proposals to fifty pages, including appendices. The suggested Proposal format is described below.

- JSRFP Cover Page
- Signed letter in substantially similar format to that of Appendix A
- Table of Contents
- Executive Summary
- Proponent Profile
- Proponent Experience
- Checklist of Mandatory Requirements
- Body of the Proposal (see section 4.7 for questions that should be responded to)
- Corporate References
- Appendices
- Concept Paper – the format for this paper being:
  - High-level Concept
  - Vision for the Project
  - Principles for Success

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**4.6.2 JSRFP (Phase 1) Evaluation Criteria**

Selection is based on continuous evaluation of a Proponent's ability to demonstrate its 3C's to the evaluation committee. Identification of the Preferred Proponents is based on performance over a three Stage evaluation process. The evaluation will proceed as follows:

**4.6.2.1 Mandatory Criteria**

All Proposals that have satisfied the mandatory criteria will be evaluated according to the criteria described below. Failure to satisfy any one or more of the mandatory criteria will result with disqualification from the JSP process.

<b>Mandatory Criteria</b>	
<b>1</b>	The Proposal must include a covering letter in substantially similar format as the Sample Letter at Appendix A.
<b>2</b>	The Proposal must be received at the closing location before the specified closing time or it will not be accepted.
<b>3</b>	The Proposal must be in English and must not be sent by mail, facsimile or e-mail.
<b>4</b>	Proposals must include a statement that the Proponent is not in receivership or insolvent.
<b>5</b>	Proposals must include a statement that the Proponent has achieved annual revenues in excess of \$100 million for each of the last three years.

**4.6.2.2 Stage 1 Evaluation Criteria**

Proposals will be evaluated based on the evaluation criteria listed in the following table. Stage 1 will be used to qualify Proponents to proceed to Stage 2 of the Proponent Qualification Phase. Scores achieved in Stage 1 will not be carried to Stage 2. However, information provided in Proposals may be referenced throughout the JSP process.

<b>Evaluation Criteria</b>	<b>Minimum Score</b>	<b>Stage 1 Weighting</b>
Capability – Privacy protection - Demonstrated experience ensuring privacy and security in the management of sensitive personal information	70%	10%



Evaluation Criteria	Minimum Score	Stage 1 Weighting
<p>Capability - Proponent</p> <ul style="list-style-type: none"> <li>- Company Profile</li> <li>- Demonstrated experience in similar scope work with similar size clients</li> <li>- Demonstrated experience in business transformation outsourcing</li> <li>- Demonstrated experience working with Public Sector client</li> <li>- Demonstrated experience in technology outsourcing</li> <li>- Demonstrated experience in labour transitioning</li> <li>- Demonstrated experience in innovative deal structuring</li> <li>- Demonstrated experience in designing and implementing innovative economic models</li> </ul>	60%	30%
<p>Capability – Formulating a solution</p> <ul style="list-style-type: none"> <li>- Proven experience in designing and implementing solutions similar to the scope and magnitude of the Health Benefits Operations Project</li> </ul>		15%
<p>Capability – High-level concept</p> <ul style="list-style-type: none"> <li>- Presentation of a high-level workable concept to be applied to the Ministry’s transformation</li> </ul>		5%
<p>Capacity</p> <ul style="list-style-type: none"> <li>- Corporate and financial capacity</li> <li>- Demonstrated ability to manage investment risk</li> <li>- Demonstrated capacity to engage in long term commercial arrangements</li> <li>- Demonstrated capacity to manage services of similar magnitude to the Project</li> <li>- Demonstrated capacity to manage an outsourcing project</li> </ul>	60%	20%
<p>Commitment</p> <ul style="list-style-type: none"> <li>- Commitment to the JSP process</li> <li>- Commitment to the Business Alliance</li> <li>- Commitment to the business goals and objectives of the Ministry</li> </ul>	60%	20%

On completion of the Stage 1 evaluation process, the scores will be tallied and Proponents ranked. Up to the four (4) top ranked Proponents will be invited to participate in the Stage 2 Workshops. The remaining Proponents will be advised of their ranking and offered debriefing sessions that will be held after the Preferred Proponents have been announced. Section 4.7 provides response guidelines for Stage 1 of the Proponent Qualification Phase.

#### 4.6.2.3 Stage 2 Evaluation Criteria

All short-listed Proponents will be invited to participate in individual Stage 2 Workshops with the Ministry.

The Workshops provide an opportunity for the short-listed Proponents to explore the Project and to apply their knowledge of health benefits operations and alternative services delivery in producing a Concept for the Stage 3 presentations.

The following criteria will be used to evaluate the Stage 2 Workshops.

<b>Evaluation Criteria</b>	<b>Stage 2 Weighting</b>
Commitment to the JSP process	To be finalized
Communication skills	To be finalized
Subject matter expertise/ relevance of questions	To be finalized

The scores for Stage 2 account for 25% of the total evaluation for Stages 2 and 3 of the Proponent Qualification Phase.

#### 4.6.2.4 Stage 3 Evaluation Criteria

On completion of Stage 2 of the Proponent Qualification Phase, short-listed Proponents will be asked to develop a Concept for presentation to the evaluation committee. Proponents are not limited in any way to the brief Concept overview that they provided as part of their Proposal. Section 4.1.6 describes the format of the presentations.

The Concept accounts for 75% of the total evaluation score of Stages 2 and 3.

The Province will finalize the evaluation criteria for Stage 3 prior to opening of the Proposals and will distribute the finalized evaluation criteria to the short-listed Proponents.

<b>Evaluation Criteria (Concept) To be finalized</b>	<b>Stage 3 Weighting</b>
Deal Structure <ul style="list-style-type: none"> <li>- Governance model, strategic direction and suitability for the Health Benefits Operations Project</li> <li>- Compatibility (cultural fit of deal structure with government)</li> <li>- Challenges and key success factors</li> <li>- Proposed Health Benefits Operations Project deal</li> </ul>	To be finalized

<b>Evaluation Criteria (Concept) To be finalized</b>	<b>Stage 3 Weighting</b>
structure (e.g. pure outsource, joint venture etc) and supporting reasoning <ul style="list-style-type: none"> <li>- Understanding of government labour relations and human resources considerations governing choice of deal construct</li> <li>- Impact of existing privacy legislation, statutes, and compliance on conceptual deal structure</li> </ul>	
<b>Business Processes</b> <ul style="list-style-type: none"> <li>- Understanding of the business problem, scope and key success factors</li> <li>- Conceptual solution to alternative service delivery of Ministry business processes (including potential candidates as well as supporting reasons)</li> <li>- Impact of existing privacy legislation, statutes, and compliance on business processes solution</li> </ul>	To be finalized
<b>Technology</b> <ul style="list-style-type: none"> <li>- Understanding of the technology environment, current problem, scope and key success factors</li> <li>- Conceptual solution for alternative service delivery of Ministry technology</li> <li>- Impact of government standards on conceptual approach to the Ministry technology situation</li> </ul>	To be finalized
<b>Economic Model</b> <ul style="list-style-type: none"> <li>- Demonstrated understanding of government financial and governance environment and its impact on the Proponent's conceptual economic model</li> <li>- Key challenges and success factors impacting a mutually beneficial commercial arrangement for the Health Benefits Operations Project</li> <li>- Description of conceptual economic model arising out of the Health Benefits Operations Project alternative service delivery</li> </ul>	To be finalized
Other criteria to be determined.	To be finalized

The Concept to be delivered at the presentations should address the finalized criteria. Proponents will be notified of these criteria when they become available. Proponents are required to provide a written (and electronic) version of the Concept (slides) presented to the evaluation committee. The Ministry acknowledges that the Concept presented during Stage 3 may be substantially different from the Concept overview provided as part of the

Proposal and that the final Solution may be substantially different from the Concept following the Joint Solution Definition Phase.

On completion of the Stage 3 evaluation process, the scores will be tallied, weighted and added to the scores coming out of Stage 2, and the short-listed Proponents will be ranked. The top two short-listed Proponents will be deemed the Preferred Proponents and invited to the Joint Solution Definition Phase of the JSP process.

**4.6.2.5 Joint Solution Definition Phase Decision Criteria**

Once the Preferred Proponents have been identified, a period of Joint Solution Definition activities will take place that culminates with both Proponents each completing a Solution and economic model that describes their proposed commercial arrangement.

As described in section 4.2.5, the Ministry will request that the Preferred Proponents present their Solution where the following criteria will be assessed.

(Note: The Ministry reserves the right to alter these criteria provided it does so prior to the commencement of the Joint Solution Definition Phase, in which case, written notice of any alterations will be provided to the Preferred Proponents prior to the commencement of the Joint Solution Definition Phase).

	<b>Decision Criteria</b>
<b>1</b>	Deal Structure
<b>2</b>	Business Processes
<b>3</b>	Technology
<b>4</b>	Economic Model
<b>5</b>	Policy and Compliance

The decision criteria and governing process will be communicated to the Preferred Proponents upon the signing of the Joint Solution Definition Agreement, which must be signed prior to the commencement of the Joint Solution Definition Phase.

On completion of the evaluation, the Ministry will announce the Successful Proponent and the Due Diligence & Negotiation Phase will commence as described in section 4.3.

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## 4.7 PROPONENT RESPONSE GUIDELINES

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Proponents should provide as much detail as necessary in order to demonstrate (e.g., not how to do, but have done) expertise in the pertinent criteria. This includes providing real examples with contact references that can validate a Proponent's information as part of the reference checks. Proponents should carefully review the JSRFP definitions prior to Proposal preparation.

### 4.7.1 References

Proponents should provide both corporate and project references that support the statements made in the examples provided for the evaluation criteria.

### 4.7.2 Capability – Privacy Protection

#### **Demonstrated experience in privacy and security in the management of sensitive personal information.**

Each Proponent should describe its experience working with and providing protection over sensitive, confidential and/or personal information on behalf of their client. The Proponent should describe the prevailing law, policy or contractual obligations in relation to the information and what practices including quality assurance they had in place to provide protection and compliance.

### 4.7.3 Capability – Proponent

#### **Company Profile**

Each Proponent should include a proponent profile that details background information on the Proponent, including the year established; corporate ownership, corporate strategic direction; area of recognized expertise in the market place; an overview of the Proponent's corporate structure including information on size, revenues, market and geographic coverage. Each Proponent should ensure that sufficient information is provided in its Proposal to support its compliance with the mandatory requirements.

#### **Experience with projects of similar size and scope**

Each Proponent should describe its experience with projects of similar scope and working with similar sized clients. Information should demonstrate how this experience relates to the Project and why the experience is evidence of the Proponent's capability to understand, manage and operate required aspects of the Project.

#### **Business transformation outsourcing**

Each Proponent should describe its experience in business transformation and alternative service delivery and provide examples that demonstrate success in managing the transitioning and operating challenges of a major business transformation, preferably in healthcare and the public sector. The Proponent should be sure to support its statements with examples and include information that confirms the size and complexity of the engagements.

The Ministry is also interested in understanding the critical success factors that were identified as part of the business process transformation. As such Proponents are required to explain the challenges that had to be overcome in order to arrive at a mutually beneficial long term commercial arrangement.

Please provide any additional information that demonstrates past expertise in business transformation projects with a similar size and complexity to the Project.

### **Experience working with public sector client**

A successful relationship is based on mutual understanding of the needs and wants of the Business Alliance. Proponents should explain their cultural alignment and demonstrate (using real examples) success and ability to understand and work with the Ministry and with government in general in addressing the needs of the Project.

### **Technology outsourcing**

Proponents should describe their experience in technology transition and provide examples that demonstrate success in managing the transition and operation of an organization's technology assets. Proponents should support their statements with examples and include information that confirms the size and complexity of the engagement(s). Where possible, give examples that have similarities to this Project.

### **Labour transitioning**

Transitioning one or more business processes from a government environment to an outside operation requires significant experience and expertise in labour transitioning. This includes understanding the concerns of affected staff and having proper procedures in place in order to establish and successfully implement a transition plan.

Using past or current examples, Proponents should describe the challenges associated with labour transitioning and explain what approaches were employed by them in order to ensure smooth handling of the issue. Proponents should also describe the critical success factors associated with their project examples and explain how their approach resulted with a mutually beneficial result for both organizations.

Proponents should also demonstrate their understanding of the impact of existing provincial labour transitioning policy on any outsourcing that may be performed in British Columbia.

### **Deal structuring**

The Joint Solution Definition Phase of the JSP process will allow the Preferred Proponents to arrive at innovative approaches to addressing the Health Benefits Operations Project business goals and objectives. The commercial deal structure will define the relationship in which the Project will be delivered as well as the migration path for the services.

Referring to examples, Proponents should describe their depth and breadth of experience in conceptualizing, negotiating and operating within various commercial deal structures (including establishing shell companies, if applicable). Proponents should also describe any innovative commercial arrangements that they have structured that allowed for migration of services from a traditional model through to a partial or full outsource model or other form of alternative service delivery.

For all cases, Proponents should describe the types and challenges associated with deal structures they have established and the methods used to ensure that a mutually beneficial commercial arrangement was established and successfully operated.

### **Economic models**

In addition to a variety of important factors (e.g., deal structure, business and technology process specifics, labour relations, etc.) that make up a successful, long term, commercial arrangement, the economic model is possibly the most critical factor that makes or breaks a deal. The Ministry is interested in innovative economic models for the Health Benefits Operations Project.

Using past or current examples, Proponents should describe their ability to take a business problem and then conceptualize and produce innovative economic models with the flexibility

to handle changes in program deliverables over a long term commercial arrangement. Proponents should also describe their view of sharing the risks and rewards associated with long term commercial arrangements and discuss their success in maintaining a mutually beneficial relationship.

#### 4.7.4 Capability – Formulating a Solution

##### **Proven experience in designing and implementing solutions similar to the scope and magnitude of the Health Benefits Operations Project.**

Proponents should explain, using examples from past projects similar to the scope and magnitude of the Project, how they approached the process of business transformation and outsourcing. Proponents should use examples to formulate an idea of how the business outcomes of the Ministry could be achieved from a business transformation perspective. Proponents should explain the types of deal structures used in the past, the advantages and disadvantages of these forms of deal structures for projects similar to the Project, the various types of economic models that were found to be suited to a public sector environment, as well as the kinds of business processes that were easily adopted. Wherever possible, experiences gained from past projects should be cross-referenced to the business situation currently faced by the Ministry. The preference is that the project examples be based on alternative service delivery projects in the public sector and in an area involving sensitive personal information with high volume transactional processing in the provision of services to a broad client base.

#### 4.7.5 Capability – High Level Concept

##### **Presentation of a high-level workable concept to be applied to the Ministry's transformation.**

Using one or two pages, Proponents should submit a paper outlining their Concept on a high level. Proponents should briefly explain their vision for the Project, and the principles they will use to ensure the Project's success.

#### 4.7.6 Capacity

##### **Corporate and Financial Capacity**

The Health Benefits Operations Project may require that the prospective Proponent put up the initial funding to transform the Ministry business processes and technology. Proponents are asked to demonstrate (i.e. not explain how but show where and when) it has engaged as a lead vendor, with substantial financial obligation, on a similar project that involved the transformation and/ or outsourcing of business processes and technology. A large scale public or private sector related example would be preferred.

##### **Manage investment risk**

The Ministry is interested in the Proponent's experience in the allocation of risk associated with capital investment for projects that are funded by the Partner. As the JSP process contemplates a risk/ reward sharing mechanism in the Final Contract, Proponents are asked to demonstrate, using past project examples, where investment risk was assumed by the Proponent and the types of mitigation plans that were put in place that resulted with a mutually beneficial solution.

##### **Capacity to engage in long term commercial arrangements**

The Project is a significant endeavour and the Ministry expects that the Solution will evolve over the years. Proponents are required to demonstrate, using past or current examples, of

projects of similar scope and prospective change where the Proponent was able to successfully engage in a long term (five or more years) commercial arrangement.

#### **Capacity to deliver services of similar magnitude**

The business and technology scope described in this document illustrates the magnitude of the Project. Proponents are required to demonstrate, using past or current examples, where they had successfully transformed, transitioned and managed business processes and technology of similar magnitude to the Health Benefits Operations Project.

#### **Capacity to manage an outsourcing project**

Proponents should describe their capacity to manage an outsourcing initiative with the level of diversity and undefined scope inherent in this Project. Use examples that can be verified.

### **4.7.7 Commitment**

#### **Commitment to the JSP Process**

The JSP process will require a substantial commitment from the Proponents that advance to later Stages and Phases. It is critical to the Province that those Proponents who advance to later Stages and Phases of the JSP process will be fully dedicated and committed to the JSP process.

Proponents are asked to consider the magnitude of the JSP process and name individuals that will make up the Proponents' team as the JSP progresses from the Workshops (Stage 2) through to the Concept presentation (Stage 3), Joint Solution Definition Phase, Due Diligence & Negotiation Phase and finally the Contract Negotiation Phase. Please describe what duties the individuals currently have in the Proponent's organization and the role he or she will take in the JSP process. Proposals should also include any other steps or assurances that a Proponent can take or provide to demonstrate its commitment to the JSP process.

#### **Commitment to the Business Alliance**

The Business Alliance is a principled and holistic driven relationship between the Ministry and Partner designed to create an environment that facilitates and encourages a mutually successful commercial arrangement. Proponents should provide examples where this sort of commercial relationship has been successfully implemented and should describe any problems that needed to be addressed in order to maintain relationship. Proponents should also state their commitment to the Business Alliance and explain what they would do to ensure success for all parties.

#### **Commitment to the business drivers/ objectives of the Ministry**

Success in meeting or exceeding the business outcomes of the Project is a basic success factor for the Project. Proponents should describe how they would ensure that the Ministry's desired business outcomes will be met and demonstrate, using past or current examples, where their innovativeness, ingenuity and commitment to their client resulted with accelerated benefits to their client and which have met or exceeded the objectives of the alternative services delivery project objectives.



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## 5 APPENDICES

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### APPENDIX A – SAMPLE LETTER

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Letterhead or Proponent's name and address

Date

Ministry of Management Services  
Strategic Acquisitions and Technology Procurement Branch  
Common Business Services, Solutions BC  
102 – 3350 Douglas Street  
Victoria, BC  
V8Z 7X9  
Attention: Patrick Ngo

Dear Sir/Madam

**Subject:** Joint Solutions Procurement For The Health Benefits Operations Project  
JSRFP Number SATP029 (the "JSRFP")  
List any amendment nos. and dates

The enclosed proposal is submitted in response to the above-referenced JSRFP. Through submission of this proposal we agree to all of the terms and conditions of the JSRFP.

We have carefully read and examined the JSRFP and have conducted such other investigations as were prudent and reasonable in preparing the proposal. We agree that subject to the terms and conditions of the JSRFP we shall also be bound by statements and representations made in this proposal.

Yours truly

\_\_\_\_\_  
signature

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Legal name of Proponent: \_\_\_\_\_

Date: \_\_\_\_\_

**APPENDIX B – RECEIPT CONFIRMATION FORM**

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**Health Benefits Operations Project  
Closing Date: September 8, 2003  
Joint Solution Request for Proposal No. SATP029  
Ministry of Health Services**

To receive any further information about this JSRFP please return this form to:

**Attention:** Patrick Ngo  
Mail: 102 – 3350 Douglas Street  
Victoria, B.C.  
Or: Fax #: (250) 387-1399  
Email: padmin@gems2.gov.bc.ca  
Tel: (250) 387-1430

**Company:** \_\_\_\_\_

**Street address:** \_\_\_\_\_

**City/Province:** \_\_\_\_\_ **Postal Code:** \_\_\_\_\_

**Mailing address if different:** \_\_\_\_\_  
\_\_\_\_\_

**Phone number:** \_\_\_\_\_ **Fax number:** \_\_\_\_\_

**Contact person:** \_\_\_\_\_

**email:** \_\_\_\_\_

We will be sending \_\_\_\_\_ representatives to the Proponents Meeting.  
(number)

Representative 1: \_\_\_\_\_

Representative 2: \_\_\_\_\_

Others: \_\_\_\_\_

We will not be attending but will probably be submitting a proposal.

Unless it can be sent by fax or email, the Proponent should arrange for courier pickup of further correspondence about this JSRFP upon email notice by the Project’s designated contact.

**Signature:** \_\_\_\_\_

**Title:** \_\_\_\_\_

## APPENDIX C – JOINT SOLUTION DEFINITION AGREEMENT

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The Preferred Proponents must enter into a Joint Solution Definition Agreement with the Province that will govern the actions of the Province and the Preferred Proponents during the Joint Solution Definition Phase, the Due Diligence and Negotiation Phase and the Contract Negotiation Phase. The Joint Solution Definition Agreement will include, but not be limited to, the provisions summarized below:

1. General representations, warranties and covenants;
2. Conflict of interest provisions including representations and warranties in respect of conflicts and a requirement to implement a conflicts plan;
3. Evaluation process including formation of the evaluation committee; certain evaluation criteria used to evaluate the Preferred Proponents; and the debriefing process;
4. The right of the Province to amend, modify or suspend the JSP process or suspend or cancel negotiations with a Preferred Proponent;
5. Right of the Province to designate an alternate Preferred Proponent;
6. Obligation of Preferred Proponents to bear all of their own expenses and to commit to the JSP process;
7. Restriction on lobbying and on any contact with Ministry or government personnel except as authorized by the Province;
8. Due diligence covenants including certain rights of the Preferred Proponent to seek information from the Province and the right of the Province to consult outside references and obtain third party information regarding the Preferred Proponent;
9. Possible obligation of the Preferred Proponent to provide assurances to the Province in the form of bonding, letters of credit or other forms of assurances;
10. The Province being under no obligation to enter into a Final Contract;
11. No obligation for the Final Agreement to be based upon the JSRFP and the ability of the Province and the Preferred Proponent to enter into arrangements that exceed or only include part of the scope contemplated by the JSRFP;
12. Duty of the Preferred Proponent to act in good faith throughout the JSP process;
13. Restricted documents room and information disclosure provisions;
14. Confidentiality provisions including the parties agreeing on processes for information to be released in certain circumstances to other stakeholders;
15. Privacy provisions;
16. Intellectual property provisions including ownership rights, representations, warranties, indemnities and cross licensing provisions;
17. The term of the JSP process, default provisions, termination rights and consequences of termination or breach;
18. A summary of certain terms that would be required to be included in the Final Contract;
19. No representations or warranties from the Province; no liability of the Province for indirect or similar types of damages; and a limit of liability of the Province equal to the reasonable direct expenses incurred by the Preferred Proponent;
20. No liability for errors or inaccuracies of the Province;
21. No assignment right for the Preferred Proponent;
22. Manner in which consortiums and their members are obligated to the Province;

23. General provisions including notice, governing law, entire agreement, nature of relationship, survival and execution; and
24. Dispute resolution process.

## APPENDIX D – GUIDELINES FOR PROTECTION OF INFORMATION

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### PRIVACY PROTECTION SCHEDULE

*This Schedule forms part of the agreement between*

*Her Majesty the Queen in right of the Province of British Columbia represented by*

(the “Province”) and  
(the “Contractor”) respecting  
(the “Agreement”).

#### Purpose

1. The purpose of this Schedule is to enable the Province to comply with its statutory obligations under the Freedom of Information and Protection of Privacy Act with respect to “personal information”, as defined in section 2 of this Schedule.

#### **Definition of personal information**

2. In this Schedule, “personal information” means recorded information about an identifiable individual collected or created by the Contractor as a result of the Agreement or any previous agreement between the Province and the Contractor dealing with the same subject matter as the Agreement.

#### **Collection of personal information**

3. Unless the Agreement otherwise specifies or the Province otherwise directs in writing, the Contractor may only collect or create personal information that is necessary for the performance of the Contractor’s obligations, or the exercise of the Contractor’s rights, under the Agreement.
4. Unless the Agreement otherwise specifies or the Province otherwise directs in writing, the Contractor must collect personal information directly from the individual the information is about.
5. Unless the Agreement otherwise specifies or the Province otherwise directs in writing, the Contractor must tell an individual from whom the Contractor collects personal information:
  - (a) the purpose for collecting it;
  - (b) the legal authority for collecting it; and
  - (c) the title, business address and business telephone number of the person designated by the Province to answer questions about the Contractor’s collection of personal information.

#### **Accuracy of personal information**

6. The Contractor must make every reasonable effort to ensure the accuracy and completeness of any personal information to be used by the Contractor or the Province to make a decision that directly affects the individual the information is about.

#### **Access to personal information**

7. If the Contractor receives a request for access to personal information from a person other than the Province, the Contractor must promptly advise the person to make the request to the Province unless the Agreement expressly requires the Contractor to provide such access and, if the Province has advised the Contractor of the name or title and contact information of an official of the Province to whom such requests are to be made, the Contractor must also promptly provide that official’s name or title and contact information to the person making the request.

#### **Correction of personal information**

8. Within 5 business days of receiving a written direction from the Province to correct or annotate any personal information, the Contractor must annotate or correct the information in accordance with the direction.
9. When issuing a written direction under section 8, the Province must advise the Contractor of the date the correction request to which the direction relates was received by the Province in order that the Contractor may comply with section 10.
10. Within 5 business days of correcting or annotating any personal information under section 8, the Contractor must provide the corrected or annotated information to any party to whom, within one year prior to the date the correction request was made to the Province, the Contractor disclosed the information being corrected or annotated.
11. If the Contractor receives a request for correction of personal information from a person other than the Province, the Contractor must promptly advise the person to make the request to the Province and, if the Province has advised the Contractor of the name or title and contact information of an official of the Province to whom such requests are to be made, the Contractor must also promptly provide that official’s name or title and contact information to the person making the request.

## Appendix D Guidelines for Protection of Information (Cont'd)

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12. The Contractor must protect personal information by making reasonable security arrangements against such risks as unauthorized access, collection, use, disclosure or disposal.

### **Retention of personal information**

13. Unless the Agreement otherwise specifies, the Contractor must retain personal information until directed by the Province in writing to dispose of it or deliver it as specified in the direction.

### **Use of personal information**

14. Unless the Province otherwise directs in writing, the Contractor may only use personal information for the performance of the Contractor's obligations, or the exercise of the Contractor's rights, under the Agreement.

### **Disclosure of personal information**

15. Unless the Province otherwise directs in writing, the Contractor may only disclose personal information to any person other than the Province if the disclosure is for the performance of the Contractor's obligations, or the exercise of the Contractor's rights, under the Agreement.

### **Inspection of personal information**

16. In addition to any other rights of inspection the Province may have under the Agreement or under statute, the Province may, at any reasonable time and on reasonable notice to the Contractor, enter on the Contractor's premises to inspect any personal information in the possession of the Contractor or any of the Contractor's information management policies or practices relevant to its management of personal information or its compliance with this Schedule and the Contractor must permit, and provide reasonable assistance to, any such inspection. The Contractor must provide the same access and assistance to the Office of the Information and Privacy Commissioner for the exercise of its statutory powers of inspection and audit.

### **Compliance with directions**

17. The Contractor must comply with any direction given by the Province under this Schedule.

### **Notice of non-compliance**

18. If for any reason the Contractor does not comply, or anticipates that it will be unable to comply, with a provision in this Schedule in any respect, the Contractor must promptly notify the Province of the particulars of the non-compliance or anticipated non-compliance and what steps it proposes to take to address, or prevent recurrence of, the non-compliance or anticipated non-compliance.

### **Termination of Agreement**

19. In addition to any other rights of termination which the Province may have under the Agreement or otherwise at law, the Province may, subject to any provisions in the Agreement establishing mandatory cure periods for defaults by the Contractor, terminate the Agreement by giving written notice of such termination to the Contractor, upon any failure of the Contractor to comply with this Schedule in a material respect.

### **Interpretation**

20. In this Schedule, references to sections by number are to sections of this Schedule unless otherwise specified in this Schedule.  
 21. Any reference to the "Contractor" in this Schedule includes any subcontractor or agent retained by the Contractor to perform obligations under the Agreement and the Contractor must ensure that any such subcontractors and agents comply with this Schedule.  
 22. The obligations of the Contractor in this Schedule will survive the termination of the Agreement.

**Note:** The Ministry expects that this schedule will apply to any subcontractors of the Partner.

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