



**ADMINISTRATION & FINANCE  
PURCHASING DIVISION  
CITY OF WORCESTER, MA  
455 MAIN STREET  
ROOM 201, CITY HALL  
WORCESTER, MA 01608  
(508) 799-1220**



**Christopher J. Gagliastro, MCPPO  
Purchasing Agent**

**RFP NO. CR-8622-W6  
ISSUANCE DATE: 12/26/2025**

**BUYER: Christopher J. Gagliastro**

**AN EQUAL OPPORTUNITY/AFFIRMATIVE ACTION EMPLOYER  
REQUEST FOR PROPOSALS  
NOTICE TO PROPOSERS**

**RFP TITLE: Consultant – Pharmacy Benefit Management Services / Human Resources**

**REFER TO PAGE 7 FOR PROPOSAL SUBMISSION INFORMATION**

**General Conditions:**

All proposals are subject to the terms, conditions and specifications herein set forth:

1. **Scope: Provide consulting services for pharmacy benefits management as per the attached requirements and specifications of the City of Worcester Executive Office of Human Resources for a period of one year from date of contract. This contract may be renewed for a second and third year at the sole discretion of the City. The option to extend shall be determined at the end of the current period. Please refer to cost / price proposal pages at end of specifications.**
2. A certified check or bid bond made payable to the "City Treasurer, City of Worcester" in the amount of N/A must accompany this proposal. This must be submitted under separate sealed cover marked "Proposal Security." In the case of default, the surety shall be forfeited to the City as liquidated damages.
3. All terms and conditions are applicable to this proposal except the following section(s) which are hereby deleted from this RFP: 4, 22, 23, 27
4. A performance bond in the amount of N/A will be required. If this proposal is accepted by the City and the Proposer shall fail to contract as set forth in these requirements and to give a bond in the aforementioned amount, within ten (10) days, (not including Sundays, Saturdays, or a legal Holiday) from the date of the mailing of a notice from the City to the Proposer, according to the address given herewith, that the contract is ready for signature, the City may by option determine that the proposer has abandoned the contract and thereupon the proposal and acceptance shall be null and void and the proposal security accompanying this proposal shall become the property of the City as liquidated damages.

**Any prospective proposer requesting a change in or interpretation of existing specifications or terms and conditions must do so within 5 days (Saturdays, Sundays, and Legal Holidays excluded) before scheduled proposal opening date. All requests are to be in writing to the Purchasing Division. No changes will be considered or any interpretation issued unless request is in our hands within 5 days (Saturdays, Sundays, and Legal Holidays excluded) before scheduled proposal submission date.**

**Any inquiries related to technical or contractual matters must be submitted in writing to:**

**Christopher J. Gagliastro, MCPPO  
Purchasing Director  
City of Worcester, City Hall  
455 Main Street, Room 201  
Worcester, MA 01608  
[gagliastroc@worcesterma.gov](mailto:gagliastroc@worcesterma.gov)**

5. Nothing herein is intended to exclude any responsible Proposer or in any way restrain competition. All responsible Proposers are encouraged to submit proposals. The City encourages participation by Minority and Women Owned Business Enterprises (M/WBE).
6. The following meanings are attached to the defined words when used in this RFP.
  - a) The word "City" means The City of Worcester, Massachusetts.
  - b) The word "Proposer" means the person, firm or corporation submitting proposal on these specifications or any part thereof.
  - c) The word "Contractor" means the person, firm or corporation with whom the contract is made by carrying out the provisions of these specifications and the contract.
  - d) The words "Firm Price" shall mean a guarantee against price increase during the life of the contract.
7. All proposals and other documents relating to this RFP are subject to the public records provisions of M.G.L. c.30B, and shall remain confidential until the time specified in c.30B section 6 (d).
8. All material submitted by vendors becomes the property of the City. The City is under no obligations to return any of the material submitted by a vendor in response to this RFP.
9. Each vendor's proposal must remain in effect for at least 120 days from the deadline for its submission. The City will decide upon acceptance within 120 days of submission.
10. It is understood and agreed that it shall be a material breach of any contract resulting from this RFP for the Contractor to engage in any practice which shall violate any provision of Massachusetts General Laws, Chapter 151B, relative to discrimination in hiring, discharge,

compensation, or terms, conditions or privileges of employment because of race, color, religious creed, national origin, sex, age or ancestry.

11. The City reserves the right to accept or reject any or all of the proposals submitted and waive informalities and technicalities.
12. The City will review and analyze each proposal, and reserve the right to interview selected proposers. The City shall select the proposer, which in the City's opinion, has made the proposal best suited to the needs and goals of the City and its operations and deemed to be in compliance with the terms of this RFP.
13. The Contractor will be required to indemnify and save harmless the City of Worcester for all damages to life and property that may occur due to his or her negligence or that of his or her employees, subcontractors, etc. during the contract derived from this RFP.
14. The Contract Agreement will be drafted by the City's Law Department in compliance with the terms of the RFP, and may incorporate the terms of this RFP and of the proposal selected.
15. The Proposer must certify that no official or employee of the City of Worcester, Massachusetts, is pecuniarily interested in this proposal or in the contract which the proposer offers to execute or in expected profits to arise therefrom, unless there has been compliance with the provisions of G.L.C. 43 section 27, and that this proposal is made in good faith without fraud or collusion or connection with any other person submitting a proposal.
16. Any proposal withdrawn after time and date specified, the proposer shall forfeit deposit on proposal as liquidated damages.
17. A vendor conference will be held as follows: N/A
18. The Contractor shall not assign, transfer, sublet, convey or otherwise dispose of any contract which results from this RFP, or its right, title or interest therein or its power to execute the same to any other person, firm, partnership, company or corporation without the previous consent in writing of the City. Should the Contractor attempt any of the above without the written consent of the City, the City reserves the right to declare the Contractor in default and terminate the contract for cause.
19. The Contractor shall obtain and maintain in force at all times during the term of the contract derived from this RFP, insurance coverage pertaining to Public Liability, Property Damage and Worker's Compensation in the following types and amounts:
  - A) PUBLIC LIABILITY INSURANCE - Contractor to supply the City of Worcester with certificates of insurance covering public liability in an amount not less than \$1,000,000.00 to any one person, and not less than \$ 1,000,000.00 on account of one accident.

B) PROPERTY DAMAGE INSURANCE - Contractor to supply the City with certificates of insurance covering property damage in an amount not less than \$1,000,000.00 for damages on account of any one accident, and not less than \$2,000,000.00 on account of all accidents.

C) COMPENSATION INSURANCE - The Contractor shall furnish the City with certificates showing that all its employees shall be connected with the management operations are protected under worker's compensation insurance policies.

20. The Contractor shall carry Public Liability Insurance with an insurance company satisfactory to the City so as to save the City harmless from any and all claims for damages arising out of bodily injury to or death of any person or persons, and for all claims for damages arising out of injury to or destruction of property caused by accident resulting from the use of implements, equipment or labor used in the performance of the contract or from any neglect, default or omission, or want of proper care, or misconduct on the part of the Contractor or for anyone in his or her employ during the execution of the contract derived from this RFP.
21. Prior to starting on the contract derived from this RFP, the Contractor shall deposit with the Purchasing Division, certificate from the insurer to the effect that the insurance policies required in the above paragraph have been issued to the Contractor. The certificates must be on a form satisfactory to the City.
22. All prices quoted must include inside delivery, and set-up in place F.O.B. destination to pre-designated City of Worcester departments.
23. No special charges will be allowed for rigging, packing, crating, freight, express, or carriage unless specifically stated and included in the vendor's proposal.
24. The award to the successful proposer may be cancelled in the event of vendor nonperformance as may be determined by the City.
25. The successful proposer shall comply with all applicable federal, state and local laws, ordinances, and regulations. The awarded contract shall be governed under the laws of the Commonwealth of Massachusetts.
26. Purchases made by the City are exempt from Federal and Massachusetts state taxes and proposal prices must exclude any such taxes. Tax exemption certificates will be furnished upon request.
27. When the contract is executed, a performance bond, in the full amount of the contract, is required. See paragraph 4. The bond will be of a surety company qualified to do business under the laws of the Commonwealth of Massachusetts. The cost of this bond is the vendor's responsibility. Bonds shall remain in force and effect thru the performance of the contract.
28. Expenditures by the City and authorization to spend for particular purposes are made on fiscal year basis. The City's fiscal year is the twelve month period ending June 30 of each

year. The obligations of the City under any agreement to be reached are subject to the appropriation or authorization of the necessary funds. The City agrees to make reasonable efforts to obtain funding and all necessary authorization.

29. No amendment to the contract shall be effective unless it is in writing and signed by authorized representatives of both parties and is accepted by the City of Worcester.
30. The vendor (and its insurers, if any) shall bear all risk of loss or damage to the equipment which occurs in transit to the user site. The risk of loss or damage to purchased equipment shall remain with the vendor until the purchase price has been paid and title has passed. The vendor shall also bear the risk of loss or damage to leased or rented equipment during the City of Worcester's possession and use thereof subject, however to such conditions and limitations as may be stated elsewhere in the contract.
31. The vendor shall not assign or in any way transfer any interest in the contract without the prior written consent of the City provided, however, that claims for money due or to become due to vendor from the City may be assigned to a bank, trust company, or other financial institution without such consent so long as notice of such assignment is furnished promptly to the City. Any such assignment shall be expressly made subject to all defenses, set-offs, or counter-claims which would have been available to the City against the vendor in the absence of such assignment.
32. None of the services to be provided by the vendor pursuant to the contract shall be subcontracted or delegated to any other organization, association, individual, corporation, partnership or other such entity without the prior written consent of the City. No subcontract or delegation shall relieve or discharge the vendor from any obligation or liability under the contract except as specifically set forth in the instrument of consent. Any subcontract to which the City has consented shall be attached to the original of the contract on file in the City of Worcester.
33. Neither party will be liable to the other or be deemed to be in breach of the contract for any failure or delay in rendering performance arising out of causes beyond its reasonable control and without its fault or negligence. Such causes may include but are not limited to, acts of God or the public enemy, fires, floods, epidemics, quarantine restrictions, strikes, freight, embargoes, and unusually severe weather. If the vendor's failure to perform is caused by the default of the subcontractor, and if such default arises out of causes beyond the reasonable control of both the vendor and the subcontractor, and without the fault or negligence of either of them, the vendor shall not be liable for any excess costs for failure to perform, unless the equipment or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit the vendor to meet the required delivery schedule. Dates or times of performance will be extended to the extent of delays excused in this section, provided that the party whose performance is affected notifies the other promptly of the existence and nature of such delay.
34. The vendor shall provide to the City of Worcester a warranty and a commitment which clearly states that all equipment and services proposed and supplied by the Vendor, and/or its subcontractors, performs as expected and promised by the Vendor.

35. The vendor represents that no person other than bona fide employees working solely for the vendor, have been employed or retained to solicit or secure this agreement upon an arrangement or understanding for a commission, percentage, brokerage fee, gift or any other consideration contingent upon the award or making of this contract. For breach or violation of the representation, the City shall have the right to annul the contract without liability, or in its discretion to deduct from the contract price or consideration, or otherwise recover the full amount of such commission, percentage, brokerage fee or other consideration.
36. Any contract made by the City in which the Purchasing Agent or any employee of his/her department, the heads of using agencies or any other officer or employee of the City having a part in the placing of such contract is financially interested, directly or indirectly, shall be void.
37. The vendor shall not discriminate against any qualified employee or applicant for employment because of race, color, national origin, ancestry, age, sex, religion or medical handicap. The vendor agrees to comply with all applicable Federal and State Statutes, rules and regulations prohibiting discrimination in employment including: Title VII of the Civil Rights Acts of 1964; The Age Discrimination in Employment Act of 1967; Section 504 of the Rehabilitation Act of 1973; Massachusetts General Laws Chapter 151B, Section 4 (1) and all relevant administrative orders and executive orders.

If a complaint or claim alleging violation by the vendor of such statutes, rules or regulations is presented to the Massachusetts Commission Against Discrimination (MCAD), the vendor agrees to cooperate with MCAD in the investigation and disposition of such complaint or claim.

In the event of vendor noncompliance with the provisions of this section, the City shall impose such sanctions as it deems appropriate, including but limited to:

- 1) Withholding of payments due vendor under the contract until vendor complies.
- 2) Termination or suspension of the contract.

## **SUBMISSION OF PROPOSALS**

38. Proposals must be submitted in two (2) packages according to the instructions below. The City intends to consider responses in the evaluation requirements before considering costs. *Therefore, no reference to pricing may be made in the proposal of evaluation considerations.*

A sealed package containing **the original 2 copies and one PDF copy on USB drive** of the proposal **must** be labeled as follows:

**Purchasing Agent, City of Worcester**

**Consultant – Pharmacy Benefit Management Services / HR – Technical Proposal**

**455 Main Street, Room 201  
Worcester, MA 01608**

**Re: RFP No. CR-8622-W6**

A sealed package containing **one original copy** of the proposal **must** be labeled as follows:

**Purchasing Agent, City of Worcester**

**Consultant – Pharmacy Benefit Management Services / HR – Price Proposal**

**455 Main Street, Room 201  
Worcester, MA 01608**

**Re: RFP No. CR-8622-W6**

***Cost proposal pages are located at end of specifications***

**Proposals must be delivered no later than Wednesday, January 21, 2026 at 10:00 AM LOCAL TIME. *Late submissions will be rejected, regardless of circumstances.*** The City of Worcester is not responsible for submittals not properly marked.

The evaluation and cost proposals will remain confidential until a formal and finalized contract has been executed.

## **RFP EVALUATION**

39. The City of Worcester Purchasing Agent will assign an evaluation team, hereafter referred to as the Selection Committee, to perform a full and complete evaluation of RFP submittals. The Purchasing Agent will ultimately forward a formal recommendation of award to the City Manager who has final award authority.
40. RFP evaluation responses will be evaluated by the Selection Committee based directly upon vendor's response to mandatory and comparative evaluation criteria. Vendors must meet or exceed the mandatory criteria requirements or be rejected as non-responsive.

Comparative criteria will be evaluated by the use of four rating categories as set forth by M.G.L. Chapter 30B:

- 1) HIGHLY ADVANTAGEOUS - Vendor's submittal meets all the stated requirements and offers significant performance above the stated requirements.
- 2) ADVANTAGEOUS - Vendor's submittal meets the stated requirements without risk or disadvantage.
- 3) NOT ADVANTAGEOUS - Vendor's submittal contains some risk or disadvantage but is not unacceptable.
- 4) UNACCEPTABLE - Vendor's submittal fails to meet the standards of the stated requirements.

After proposals have been assigned ratings on the basis of each evaluation criterion, a composite rating will be established by the Selection Committee. Submittals will then be ranked based upon finalized composite rating.

41. The Purchasing Agent will identify the most advantageous proposal based upon the rankings of the Selection Committee and an evaluation of the cost proposals received. The Purchasing Agent will forward a recommendation for award to the City Manager based upon the most advantageous proposal received considering evaluation rankings and cost proposals received.

GIVE FULL NAMES AND RESIDENCES OF ALL PERSONS INTERESTED IN THE FOREGOING PROPOSAL.

(NOTICE: Give first and last name in full; in case of corporations, give corporate name and names of President, Treasurer, and Manager; and in case of firms give names of the individual members)

Name \_\_\_\_\_ Address \_\_\_\_\_ Zip Code \_\_\_\_\_

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KINDLY FURNISH THE FOLLOWING INFORMATION REGARDING BIDDER:

(1) If an Individual or Proprietorship

Name of Owner \_\_\_\_\_

Business Address \_\_\_\_\_

Zip Code \_\_\_\_\_ Telephone No. \_\_\_\_\_

Email \_\_\_\_\_

Home Address \_\_\_\_\_

Zip Code \_\_\_\_\_ Telephone No. \_\_\_\_\_

(2) If a Partnership, Full names and addresses of all partners

<u>Name</u>	<u>Address</u>	<u>Zip Code</u>

Business Address \_\_\_\_\_ Zip Code \_\_\_\_\_

Tel. No. \_\_\_\_\_

(3) If a Corporation

Full Legal Name: \_\_\_\_\_

State of Incorporation: \_\_\_\_\_ Qualified in Massachusetts? Yes \_\_\_\_\_ No \_\_\_\_\_

Principal Place of Business \_\_\_\_\_  
Street \_\_\_\_\_ P.O. Box \_\_\_\_\_

City/Town \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Email: \_\_\_\_\_

Telephone No. \_\_\_\_\_

Place of Business in Massachusetts \_\_\_\_\_  
Street \_\_\_\_\_ P.O. Box \_\_\_\_\_

City/Town \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Telephone No. \_\_\_\_\_

GIVE THE FOLLOWING INFORMATION REGARDING SURETY COMPANY

Full Legal Name of Surety Company \_\_\_\_\_

State of Incorporation \_\_\_\_\_ Admitted in Massachusetts ? Yes \_\_\_\_\_ No \_\_\_\_\_

Principal Place of Business \_\_\_\_\_  
Street \_\_\_\_\_ P.O. Box \_\_\_\_\_

City/Town \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Place of Business in Massachusetts \_\_\_\_\_  
Street \_\_\_\_\_ P.O. Box \_\_\_\_\_

City/Town \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Telephone No. \_\_\_\_\_

NOTE:

The Office of the Attorney General, Washington, D.C. requires the following information on all bid proposals amounting to \$1,000.00 or more.

E.I. Number of bidder \_\_\_\_\_

This number is regularly used by companies when filing their "EMPLOYER'S FEDERAL TAX RETURN, U.S." Treasury Department Form 941.

AUTHORIZED SIGNATURE OF BIDDER \_\_\_\_\_

TITLE

DATE

**UNDER MASSACHUSETTS GENERAL LAWS, CHAPTER 30B: SECTION 10, THE FOLLOWING CERTIFICATION MUST BE PROVIDED:**

**Section 10. A person submitting a bid or a proposal for the procurement or disposal of supplies, or services to any governmental body shall certify in writing, on the bid or proposal, as follows:**

**"The undersigned certifies under penalties of perjury that this bid or proposal has been made and submitted in good faith and without collusion or fraud with any other person. As used in this certification, the word "person" shall mean any natural person, business, partnership, corporation, union, committee, club, or other organization, entity, or group of individuals."**

**(Please Print)**

\_\_\_\_\_

**Name of Person Signing Bid**

\_\_\_\_\_

**Signature of Person Signing Bid**

\_\_\_\_\_

**Company**

**No award will be made without vendor certification of the above.**

## **CERTIFICATE OF AUTHORITY**

At a duly authorized meeting of the Board of Directors of the \_\_\_\_\_ held on \_\_\_\_\_ Directors were present or waived notice,

(name of corporation) (date)  
it was voted that \_\_\_\_\_ of this company be and hereby is (officer and title)

authorized to execute contracts and bonds in the name and behalf of said company, and affix its Corporate Seal thereto, and such execution of any contract or bond of obligation in this company's name shall be valid and binding upon this company.

A TRUE COPY, ATTEST:

\_\_\_\_\_  
[Signed]

\_\_\_\_\_  
[Company Name and Address]

I hereby certify that I am the \_\_\_\_\_ of the \_\_\_\_\_  
(Title) (Name of Corporation)  
that \_\_\_\_\_ is the duly elected \_\_\_\_\_  
(Name of Officer) (Title)  
of said company, and the above vote has not been amended or rescinded and remains in full force and effect as of the date of this contract.

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

Name/Title: \_\_\_\_\_

Date: \_\_\_\_\_  
(Corporate Seal)

COMMONWEALTH OF MASSACHUSETTS  
WORCESTER, SS.

On this \_\_\_\_\_ day of \_\_\_\_\_, 2025, before me the undersigned notary public, personally appeared \_\_\_\_\_, who proved to me through satisfactory evidence of identification, which was/were \_\_\_\_\_, to be the person whose name is signed on the preceding or attached document, and acknowledged to me he/she signed it voluntarily for its stated purpose.

\_\_\_\_\_  
Notary Public  
My commission expires:

# CITY OF WORCESTER



## REQUEST FOR PROPOSALS FOR Pharmacy Benefit Management Consultant Services *RFP #: CR-8622-W6*

The City of Worcester is accepting proposals for a pharmacy benefit consultant to provide expertise, project management, cost reduction strategies, actuarial analysis, and technical assistance with the City's Pharmacy Benefit Manager (PBM). The PBM consulting responsibilities will include performing an initial procurement process on behalf of the City, followed by ongoing support services for the term of the contract.

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**REQUEST FOR PROPOSALS**  
**PHARMACY BENEFIT MANAGEMENT**  
**CONSULTING SERVICES**

The City of Worcester is seeking a consultant to provide project management, actuarial analysis, and technical assistance as it develops a Request for Proposals (RFP) for a Pharmacy Benefit Manager (PBM) from qualified consulting firms who have experience and expertise working with large Massachusetts governmental subdivisions on financial and actuarial analysis of Health Insurance and Pharmacy benefits. The selected consultant will work with the City's internal representatives and the contracted health consultant. The services will include creating a Request for Proposal (RFP) for Pharmacy Benefit Management (PBM) services, evaluating responses, and assisting with negotiations. Consultants should have substantial experience in the design, procurement, and implementation of large-scale<sup>1</sup> pharmacy benefit plans including clinical, financial, and operational perspectives. Following implementation of the PBM effective July 1, 2026, ongoing services will include strategic advisement, continuing industry education, performance oversight, and vendor management. The City intends to award a contract and begin the PBM bid process immediately so that the PBM selection and integration will coincide with the City's health insurance RFQ and selection process to ensure a July 1, 2026 plan implementation date.

This RFP does not commit the City of Worcester to award a contract(s) to any proposer, or to pay any costs incurred in the preparation of a proposal submitted in response to this RFP.

Any contract(s) awarded pursuant to this RFP shall be subject to approval by the City Manager of the City of Worcester and to the availability of appropriation.

## **I. Overview**

The City of Worcester offers group health benefits to approximately 5,575 active employees and (non-Medicare eligible) retirees of both the City of Worcester and the Worcester Public Schools.

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<sup>1</sup> Greater than 5,000 subscribers

The following chart summarizes the self-funded health plans offered by the City of Worcester as of 7/1/25:

<u>Plan Name</u>	<u>Approximate Subscriber Count</u>	<u>Approximate Annual Claims</u>
BCBS Network Blue	1800	\$40.4M
BCBS Network Blue Select	880	\$16.1M
BCBS Blue Care Elect (outside NE)	100	\$ 2.4M
PHPC ChoiceNet	1800	\$38.4M
PHPC Focus	815	\$11.2M
PHPC HDHP with HSA	180	\$ 2.5M

The prescription drug benefits for these conventional health plans are carved out, on a self-insured basis, through a direct contract with a pharmacy benefit manager (PBM). The City's current PBM contract is with CVS Caremark. Since 2007, the annual cost of the City's prescription drug claims historically ranged from \$14M-\$17M. In FY25, those claims increased significantly to \$24M, mostly due to an increase in specialty drug and GLP-1 claims costs. The pharmacy benefit plan design is structured around a three-tier member co-payment arrangement, with different co-payments for generic, brand name formulary, and brand name non-formulary medications. The selected PBM consultant will review the City's current PBM contract, claims, and plan design to make recommendations for potential future savings through the RFP and contracting processes, as well as provide ongoing support, clinical and plan analysis and recommendations including KPIs to track the PBM plan performance. The PBM consultant services will require coordination and data sharing with the City's current health benefit consultant and existing health insurance carriers and pharmacy benefit manager.

## **II. Description of Services to be Provided**

### ***A. Procurement of PBM vendor for July 1, 2026***

1. Develop an RFP for procurement of PBM services.
2. Draft scoring/selection criteria and model answers.
3. Send RFP to vendors.

4. Answer vendor questions; clarify bid instructions.
5. Conduct analysis of proposals and prepare a written report for the City. The report will:
  - Compare major elements of all bidders (i.e., cost, services, access, performance guarantees, etc.);
  - Highlight any vendor “fatal flaws” or those that can be eliminated as a result in four to six remaining vendors for a complete analysis;
  - Recommend the top two or three vendors to be considered for finalist interviews.
6. Compare proposals and cost estimates of all carrier and program options to make recommendations on cost effectiveness and preferred plan designs.
7. Coordinate and participate in vendor interviews and reference checks.
8. Once finalists are selected, commence finalist interviews and reference checks.
9. Require finalists to submit best and final offers based on selected items.
10. Negotiate final terms of agreement including negotiations with PBM companies and health insurance carrier(s) regarding rates and terms of contracts and other relevant matters.
11. Assist with preparation of vendor recommendations for the City’s review and approval.
12. Assist with implementation of PBM selected.
13. Upon request of City/health consultant, attendance at meetings of City Officials and the Insurance Advisory Committee to explain PBM proposals and other related matters.
14. Advise City on appropriate funding levels for purposes of self insurance premiums and annual City budgets, including alternatives to existing carriers.
15. Conduct post-implementation review and analysis/audit.

## ***B. Ongoing Support Services for the Term of the Contract***

### **1. Strategic Advisement**

- a. Provide ancillary support to address any issues between City and selected PBM.
- b. Review and advise on new pricing models, products, programs, and services as they are introduced into the market by PBM, pharmaceutical manufacturer, or other pharmacy related vendors leveraging industry expertise and exposure.
- c. Manage all aspects of statement of work and provide guidance related to any audit findings.

- d. Attend ad-hoc conference calls to address concerns or share industry best practices.
- e. Provide white papers related to industry hot topics and new medications.
- f. Review PBM program ROI methodology and provide input and guidance to the City.

**2. PBM Industry Education – To be provided to the City on an annual basis**

- a. Provide competitive intelligence within the PBM industry.
- b. Educate the City on PBM industry “hot buttons” including the impact of ACA, limited pharmacy networks, PBM pricing strategies, notable new therapies entering the market, etc.
- c. Provide an overview of PBM pricing changes and modifications as seen, and as expected:
  - i. Transparent Pricing vs. Traditional Pricing; how pricing offers are being packaged
  - ii. Mechanics of PBM financials
  - iii. Rebates, trends, conditions, and requirements
  - iv. Mail order value
  - v. Utilization of credits and allowance dollars
  - vi. Identify PBM pricing tactics and trends for City to know and understand

**3. Performance / Oversight**

- a. Act as a *watchdog* over City’s pharmacy contract, ensuring that selected vendor meets and exceeds all financial, clinical, performance standards and service commitments made, once annually. Provide the City with ongoing expertise in prescription drug benefits and trend management, playing an active role in monitoring and evaluating the impact of the City’s benefits and strategic initiatives.
- b. Provide ongoing support including contract negotiation, implementation, clinical and plan analysis and recommendations including KPIs to track plan performance.
- c. Manage and actively participate in the PBMs market check analysis and performance guarantee process and advise city staff on actions required.
- d. Actively work with the City law department, Director of Human Resources and the PBM on negotiating, updating and finalizing the PBM contract annually.

- e. Conduct periodic (quarterly) reviews of PBM service performance against contracted Performance Guarantees (PGs) in the PBM service agreement. Request and review reporting from the PBM that documents their service performance against all relevant PGs in the contract. Seek additional data/information to substantiate the reported Service PG results, as needed. Where PG shortfall exists, work to obtain recoverable financial penalties from the PBM.
- f. Conduct periodic data mining and analytics to identify claims anomalies and track noteworthy developments that impact the City's bottom-line, such as: patent expirations and new drug releases, drug price inflation spikes, compound drug expenditures, and potential instances of fraud, waste, and abuse.
- g. Assist in the annual rate renewal process to create prescription drug premium rates for each of the City's health plan(s) and advise city staff on appropriate funding levels for purposes of self-insured premiums and annual City budgets.

#### **4. Vendor Management**

- a. Participate in up to four plan performance review meetings with the PBM, serving as an independent and trusted advocate and advisor to the City. Work with the PBM to ensure that meeting materials are relevant to meeting objectives and delivered on time, and will engage with City and the PBM during strategic discussions. Conduct follow-up with the PBM to explore specific program options, as needed.
- b. Participate in up to eight monthly checks with the City/health consultant, in between the more formal quarterly meetings.
- c. Support the resolution process for escalated or unresolved client service or member service issues. Where necessary, leverage executive-level relationships within the PBM to ensure prompt resolution of any significant open issues.

### **III. EVALUATION CRITERIA**

Proposals must address each of the points under the minimum and comparative evaluation criteria.

#### **A. Minimum Criteria**

Proposers must satisfy all of the minimum criteria noted below.  
Proposals shall include information demonstrating compliance with each of these criteria.

1. The proposer must have at least 5 years of experience in providing the consulting services described in Section II above -- at least 3 years with a public sector client of greater than 5,000 health plan subscribers.
2. The proposer must have at least 5 years of direct<sup>2</sup> health care and prescription drug actuarial and financial modeling experience.
3. The proposer must include the names and qualifications of all persons who will be assigned to work on the City's contract, as well as those who will not work directly on the account but who will be involved in a managerial, technical or legal oversight function. Briefly describe each person's tasks and responsibilities for this engagement and submit a professional resume for each individual.
4. The proposer must include a description of their ability to perform the Description of Services in Section II, including sample documents and reports used in similar projects performed by the proposer.
5. The proposer must submit two (2) or more examples of PBM consulting projects or programs developed and implemented by the proposer of comparable scope and size and complexity to the RFP (preferably large, public sector clients). In your description please include project goals, team members who participated, work performed, and outcome. Please provide the client name, dates of engagement, client's address, contact person, and his/her telephone number.
6. The proposer must describe how they will evaluate which PBM will be able to provide the best client and member services.

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<sup>2</sup> Proposer has employees with the specified experience and will assign those employees to provide the requested services for the City of Worcester.

7. Submit a detailed work plan/calendar through project completion.
8. The proposer must be available to meet with City officials on a regular basis and at reasonable times and attend special meetings when requested by the City.
9. Following the selection of a vendor as a result of the procurement process, unless the City agrees/authorizes, the proposer must certify as to the following: Proposer and any parent, subsidiary or affiliate of proposer will not earn or receive commission, fees, over-ride, compensation in any form or other discernable benefit, directly or indirectly, associated with this engagement, to be received by the consultant from the selected PBM anyone associated with the PBM vendor.
10. The proposer must have a working knowledge of and comply with all of the statutory provisions of M.G.L. Chapter 32B. Include a statement as to your experience and ability to provide services in this environment.
11. The proposer must provide a statement explaining any and all litigation pending against its firm.
12. The proposer must supply a complete list of clients (over 1000 subscribers) who have terminated a contract with you in the past 24 months.
13. The proposer must include a minimum of three references from clients that they have worked with on projects/services similar in size and scope to that of the City.

***Proposals that do not meet the minimum criteria will not be considered for further evaluation***

B. Comparative Evaluation Criteria

Proposals meeting the minimum criteria will be further evaluated based on the comparative criteria noted below. Proposals shall include a narrative and other information demonstrating the proposer's experience and knowledge with respect to these criteria.

**Proposals will be rated on the following criteria as Highly Advantageous, Advantageous, and Not Advantageous**

The following section contains an explanation of the evaluation criteria which will be used in measuring the relative merits of each proposal which has met the minimum Criteria established in Section III.

There are five major areas that will be evaluated:

1. Experience and Expertise
2. Municipal/Public Sector Client Experience
3. Self-funded Entities
4. Credentials/Qualifications/Examples of Consulting Service
5. Ability to Perform Services

**1. Experience and expertise in providing services requested.**

Proposal shall include a narrative that clearly states firm's expertise and experience in providing the services outlined in Section II.

- Proposers that demonstrate greater than 10 years' experience and expertise including at least 7 years with public sector clients greater than 5,000 will be rated "Highly Advantageous".
- Proposers that demonstrate 7 - 10 years' experience and expertise including at least 5 years with public sector clients greater than 5,000 will be rated "Advantageous".
- Proposers that demonstrate 5 - 7 years' experience and expertise including the minimum of 3 years with public sector clients greater than 5,000 will be rated "Not Advantageous."

## **2. Municipal and/or Public Sector Consulting Experience**

Proposal shall include a narrative that states firm's experience in consulting for, and acting on behalf of another municipality or other public sector entity, as it pertains to the services outlined in Section II.

- Proposers that demonstrate greater than 7 years' experience and expertise will be rated "Highly Advantageous".
- Proposers that demonstrate 5 - 7 years' experience and expertise will be rated "Advantageous".
- Proposers that demonstrate less than 5 years' experience and expertise will be rated "Not Advantageous."

### **2.1 Client References**

Proposal shall include a list of references for services of similar size and scope that the City may contact for detailed information about past projects and overall work history. The City shall act as its own reference.

- Proposers that include 6 or more positive references from clients similar to the City will be rated as "Highly Advantageous"/
- Proposers that include 4 – 5 positive references from clients similar to the City will be rated as "Advantageous".
- Proposers that include the minimum of 3 references from clients similar to the City will be rated as "Not Advantageous".

## **3. Self-Funded/Insured Consulting Services**

Proposal shall include detailed information in reference to firm's experience in consulting for and acting on behalf of other self-funded/self-insured entities.

- Proposers that demonstrate 7 years' or more experience and expertise will be rated "Highly Advantageous".
- Proposers that demonstrate 5 - 7 years' experience and expertise will be rated "Advantageous".

- Proposers that demonstrate less than 5 years' experience and expertise will be rated "Not Advantageous."

#### **4. Credentials, Qualifications and Examples of Consulting Service**

- If the proposal submission indicates that the proposer was actively involved in four or more large scale projects or programs, the response will be rated "Highly Advantageous".
- If the proposal submission indicates that the proposer was actively involved in the implementation and development of two - four large-scale projects or programs, the response will be rated "Advantageous".
- If the proposal submission indicates that the proposer was actively involved in the minimum of two large scale projects or programs, their response will be rated as "Not Advantageous".

#### **5. Ability to perform Description of Services / Plan of Services**

- Highly Advantageous - Proposer has demonstrated a proven ability to complete the scope of services and has provided a well-written and highly detailed Plan that exceeds the stated criteria. Services are expected to be improved under this Plan.
- Advantageous – Proposer has demonstrated some ability to complete the scope of services and has provided a written and detailed Plan that will meet the stated criteria. Services are expected to remain the same under this Plan.
- Non-Advantageous – Proposer has demonstrated a limited ability to complete the scope of services and has provided a written plan that will likely meet the stated criteria. Services are expected to be diminished under this Plan.

**FEE / COST PROPOSAL (TO BE SUBMITTED UNDER SEPARATE COVER)**

Consulting fee must be submitted as a flat fee and must include basis for development of fee. Do not include additional add-ons such as mileage, overhead, printing, etc. Low proposal price shall be based on the flat fee noted below. Fee is to be billed on a monthly basis for the contract period.

Consulting fee for Description of Services: \$ \_\_\_\_\_

(To be completed by proposer)

\_\_\_\_\_  
Signature of person submitting proposal

Printed Name \_\_\_\_\_

Title \_\_\_\_\_

Company \_\_\_\_\_

Address \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Phone \_\_\_\_\_

E-Mail \_\_\_\_\_

Date \_\_\_\_\_

## **FEE PROPOSAL continued**

## **DISCLOSURE OF CONTRACT RENEWAL**

This contract may be renewed for a second year and third year at the sole discretion of the City of Worcester, the option of which will be determined at the end of the first contract year.

In no event will increase exceed \_\_\_\_\_ % for the second contract year (TO BE COMPLETED BY PROPOSER)

In no event will increase exceed \_\_\_\_\_ % for the third contract year (TO BE COMPLETED BY PROPOSER)

Name \_\_\_\_\_ Date \_\_\_\_\_

## Title

IF VENDOR DOES NOT WISH TO BE CONSIDERED FOR A SECOND YEAR OPTION,  
PLEASE INDICATE BY CHECKING THIS BOX. [ ]

IF VENDOR DOES NOT WISH TO BE CONSIDERED FOR A THIRD YEAR OPTION,  
PLEASE INDICATE BY CHECKING THIS BOX. [ ]

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**IMPORTANT**

It is understood and agreed, that a failure by the bidder to complete the above increase statement indicated the bidders intent to accept a second and third year option at zero (0) percent increase.

All other terms and conditions to remain the same.

### CERTIFICATION BY THE PROPOSER

On behalf of the proposing company and personally, I hereby certify and represent to the City the following:

I understand that the City is seeking an independent, unbiased consultant that is knowledgeable and has expertise about potential proposers and the prescription drug and pharmacy benefit management industry.

Neither I nor my company have any agency relationship or contractual relationship of any kind or nature with any prescription drug company, pharmaceutical manufacturer, wholesaler, distributor, re-packager or similar company (collectively referred to as “prescription drug provider”).

If I (or my company) am the successful proposer and enter into a contract with the City, on behalf of myself and my company, neither I nor my company will enter into any agency or contractual relationship with any prescription drug provider during the term of the contract with the City; except only a contract with a prescription drug provider for the sole purpose of providing pharmacy benefits to my employees.

Further neither I nor my company will accept any compensation, directly or indirectly, bundled or separately, from a prescription drug provider that is a potential proposer or a potential proposer that is affiliated with a prescription drug provider.

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Date

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Signature

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Printed Name

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Title

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Company Name