

3

Contracting for Quitline Services

Overview

The process of selecting a contractor to provide a quitline service can be lengthy and complex. Careful attention is needed to ensure that state contracting rules and regulations are followed throughout the procurement process. It is prudent to allow at least 6 months from the beginning of the competitive process until a signed contract is in place.

The structure of the request for proposals (RFP) determines the types of information the state will have available for decision making. The statement of work should describe the specific contract deliverables and clearly outline performance expectations and contract deadlines. If these specifications are well defined, it will be much easier to compare proposals.

After the state identifies a successful proposal, the final statement of work and detailed list of deliverables, as well as payment schedules, can be worked out. Contract monitoring begins as soon as the contract is executed and continues throughout the contract period.

This chapter discusses the types of information that should be included in the RFP and briefly describes the proposal review and contract monitoring processes. The case study presented on page 30 details how Washington State procured a vendor for its quitline and how it monitors this contract.

The Request for Proposals

The process for hiring a contractor to operate a statewide quitline is usually guided by the state health department's policies and procedures. Most states require a competitive process, in which the health department issues an RFP and prospective contractors compete with each other to secure the contract. Some states are able to use a non-competitive selection process to choose a contractor directly, which

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may save them time. However, these states run the risk of making an uninformed choice, losing power to negotiate terms favorable to the state, or appearing to award contracts for political reasons.

States that elect to use a competitive process must develop an RFP. There are several important considerations for doing so. Most RFPs include a statement of terms and conditions to be imposed on the bidder who wins the contract. These terms and conditions may include standard language from the health department, as well as language restricting the acceptance of tobacco industry funds by the contractor.

The RFP should specify which aspects of the quitline operation are “works for hire” and identify which proprietary products will belong to the contractor. The contracting agency should be aware that the Health Information Portability and Accountability Act (HIPAA) of 1996 may limit its access to data about specific program participants (see Appendix G). Because there is the possibility that the quitline contract may be transferred to another contractor in the future, it is important to determine up front the data management and reporting responsibilities, as well as ownership of all written policies, procedures, and client materials.

In most competitive processes, bidders are asked to prepare at least three specific sections in response to the RFP:

- ◆ A technical proposal that outlines the services to be provided.
- ◆ A management proposal describing the bidder’s experience and qualifications to provide quitline services.
- ◆ A budget that may be based on costs, deliverables, or a combination of both.

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Questions in the RFP should be framed in an open-ended manner to allow real differences between bidders to emerge. At the same time, the RFP should specify a page limit for each section so that the proposals are concise and easy to compare. Many states request samples of certain deliverables, such as self-help packets, to be mailed to callers and monthly reports to be submitted to the state. Letters of reference may be requested as well.

Once the RFP is written, several steps may be required before its release. The state office of financial management may need to review and approve the document, which can take 10 or more business days. The state may also require that the RFP be announced in a state or local publication.

Many states that have already contracted for quitline services are willing to share the names of organizations that responded to their RFP, and Appendix B lists vendors currently providing such services. Bidders should be allowed at least a month to respond to the RFP. However, if the RFP bundles the operation of the quitline with other activities, such as promotion, bidders will need more time to identify suitable partners.

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The Technical Proposal

The technical proposal consists of the statement of work, which spells out the services that the state wants the contractor to provide, and the performance expectations for the contract. The bidder responds by describing how it will provide the requested services. Key items to be addressed in this part of the RFP are outlined in Table 3.1.

Management Proposal

In the management proposal, the bidder describes its experience and capacity to perform the functions outlined in the technical proposal. If requested, letters of reference from other agencies for whom the bidder has provided similar services would be included in this section. Work samples, such as self-help packets and monthly reports, are also requested under this section. Table 3.2 (page 28) lists key items to be addressed.

Budget

The state can ask the bidder to submit a budget that is based on cost-reimbursement, deliverables, or a combination of both. Regulations that govern the use of state or federal funds may specify the type of budget required. It is easier to track expenses in a cost-reimbursement contract, but more difficult to control the total amount spent. In a budget based on deliverables, the bidder sets a price for services that the state pays as the services are delivered. State quitline contracts are frequently a hybrid of the two types of budgets.

It is difficult for vendors to set a unit cost for quitline services because the intensity of service delivery varies greatly between callers, and because the contractor has fixed monthly costs that do not vary as quitline volume varies. It is counterproductive to make bidders guess how much the state is willing to spend on the quitline. Moreover, it might be difficult to compare the resulting proposals. To avoid this situation, the state should disclose budgetary parameters in the RFP. For example, if the state indicates that it plans to spend

To generate proposals that can be compared with each other, the state should disclose any known budgetary parameters in the RFP.

Table 3.1 Contract Specifications

<p>Services to be provided</p>	<p>Telephone counseling (reactive and/or proactive; average length, average number, timing, and content of sessions; triage system based on readiness to quit and willingness to receive counseling; protocols for special populations) Referral to local programs (including creation and maintenance of resource database) Mailed self-help materials Pharmacotherapy Interactive Web-based programs Information for proxy callers (e.g., wife calling for husband) Technical assistance to health care providers</p>
<p>Hours of operation</p>	<p>Total hours per week Daily and weekly schedule Holidays during which the quitline will be closed Provision for handling calls after hours (e.g., voice mail, answering service)</p>
<p>Target populations</p>	<p>Adults (specify age range) Diverse populations Medicaid and uninsured Youth (specify ages) Pregnant smokers Chewing tobacco users Insured Medicare</p>
<p>Telecommunications standards</p>	<p>Percentage of calls answered live during operating hours Average length of time to live answer Capability to handle multiple simultaneous calls and fluctuations in call volume Voice mail capacity (basic or menu-driven)</p>
<p>Data collection and reporting</p>	<p>Data elements to be collected Backup and recovery of data Security provisions and confidentiality of data Report format, content, and frequency Compliance with HIPAA</p>
<p>Evaluation/quality assurance</p>	<p>Quality improvement plan Staff performance monitoring Quit rate surveys using intent-to-treat analysis and accepted measures Evaluation of reach and effectiveness Satisfaction surveys</p>

Table 3.1 Contract Specifications (continued)

Technology	Strong, scalable communications server Automatic call distribution functionality Systems that allow real-time monitoring of overall activity as well as individual calls Systems to collect, analyze, and report data Telephony integration allowing information exchange between voice and data systems
Disaster management	Plans to manage emergencies such as flood, fire, or electrical disruption
Coordination with state health department	Regular meetings with state Timely delivery of reports
Quitline marketing (normally the responsibility of the state through its marketing contractor)	Participation in joint planning meetings with marketing contractor Advance notice by state for special promotions Weekly volume reports to marketing contractor

\$500,000 per year on the quitline, bidders can then describe what they would accomplish with that amount of money. This approach also facilitates comparison of the proposals. It is not recommended that states automatically select the lowest bidder, which may represent lower value per dollar spent.

Another issue is how to manage costs to cover inflation over the length of the contract. States often have a fixed amount of funding available each year for quitline services. However, over the life of a multiyear contract, the contracting agency may need to increase its charges based on changes in the local cost of living and other costs. If the state cannot increase the budget in later years, it may be necessary for the contractor to either cut back its level of service or realize cost savings somewhere else in the contract.

It also is important to remember that the contractor does not control monthly call volume. To make the most cost-efficient use of the contract staff, the quitline needs consistent promotion. It is usually the responsibility of the state, not the quitline provider, to market the quitline. Most states assign this responsibility to the media contractor who oversees all anti-tobacco advertising for the state. The state must be sure to budget adequate funds for quitline marketing and to insist on regular communication among all parties. The communication channels between the state, the media agency, and the quitline should be spelled out in the contract.

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Table 3.2 Management Proposal Specifications

Experience	Description of experience providing proposed or similar services
Scientific capacity	Familiarity with the science base for quitlines Knowledge of cessation services currently being provided Clinical director on staff Access to scientific advisory board
Management structure, staffing pattern, and qualifications of staff	Organizational charts for parent organization and quitline operator Job descriptions for all positions Resumes of key personnel Sample of monthly staffing schedule
Financial viability	Copy of most recent financial audit
Physical plant	Description of call center workstations and office space Description of network and allocation of servers Description of telephone system, including any software used
System capability and capacity to provide proposed services	Current service delivery levels Additional unused capacity Written policies and procedures for all aspects of operation
Ability to meet contracted time frames	Detailed time line for project planning and implementation, addressing who does what, by when
References	Up to three letters from agencies to which the bidder has provided similar services
Work samples	Samples of products listed as deliverables

Reviewing the Proposals

A panel of three to seven reviewers should be formed, ideally with expertise in several areas.

Another aspect of the competitive process is preparing to review the proposals once they are received. A panel of three to seven reviewers should be formed. Ideally, each reviewer would have expertise in several areas. Good candidates for the review panel include quitline managers from other states, CDC cessation experts, state staff with expertise in analyzing budgets or experience in implementing similar services (such as drug and alcohol helplines), and agency managers. It is essential to have at least one panel member with a thorough knowledge of the science base for quitlines.

The state must give the review panel clear guidelines on evaluating the proposals. For example, detailed score sheets can be used to ensure a standardized approach (see Appendix E for a sample). Once the proposals have been received and reviewed by the contracts office for completeness, and any nonresponsive proposals eliminated, the remainder should be sent to the reviewers in advance of the

scheduled review panel, along with instructions on how to score the proposals using the provided tools. The panel then meets to discuss the proposals and to choose one to recommend for the contract.

Monitoring the Contract

As soon as a contract with the winning bidder is executed, the monitoring process begins. The contract manager is responsible for tracking all deliverables and the contract budget, as well as monitoring the quality of the contractor's performance. Test calls can help the contract manager assess wait time and customer service. Monthly data reports, accompanied by a narrative describing other activities, are essential for contract monitoring. Reports indicating who is calling and at what times calls are being received can be used to modify operations and promotion. In addition, the state should conduct regularly scheduled conference calls and meetings with the contractor. During the first year of operation, such contact may be needed as often as twice a month.

Careful monitoring of service utilization is also critical, because this information is needed to determine any necessary contract modifications. For example, during the first year, utilization of proactive follow-up counseling services and nicotine replacement therapy, if provided, may be substantially higher than what was originally budgeted. Consequently, the state must make decisions about whether to change the budget, the eligibility criteria, or the promotional plan for those services when planning for future years. These decisions have important effects on the future direction and cost of a state's quitline service.

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Case Study

Contracting Efforts Yield Benefits in Washington State

The process of procuring and working with a contractor can present challenges, but it can also produce favorable results, as it did in Washington State. As this State's story illustrates, it simply takes some time and effort.

In January 2000, 6 months before the start of its funding period, the Washington Department of Health began writing an RFP for a statewide quitline, in consultation with the Centers for Disease Control and Prevention, Office on Smoking and Health (CDC/OSH) and other states that already had quitlines. The RFP was issued in June, with proposals due by mid-July. Several bidders submitted proposals and a review panel was assembled. The panel comprised the Medical Director of Washington State's Uniform Medical Plan, the Quitline Contract Manager from the Oregon Department of Health, a program manager and fiscal officer from the Washington State Department of Health, and a representative of CDC/OSH. The panel recommended the Center for Health Promotion, Inc. (CHP), and this recommendation was quickly approved by the state's Department of Health. CHP was notified of approval at the end of July, and contract negotiations were completed in September. The state negotiated a 3-year contract because it appeared that funding would be stable over that period, and the state wanted to achieve a certain consistency over time in the services provided.

The challenges for Washington State in establishing a quitline have included achieving a contract that meets the needs of both the state and the contractor, negotiating data management issues and production of special reports, and meeting unexpectedly large demand for services, which effectively doubled the contract budget. The quitline was initially planned to provide proactive follow-up to 2,000 clients per year, with fewer than 600 of them receiving nicotine replacement therapy (NRT). However, in its third year of service, the quitline provided proactive follow-up to 3,480 registrants, with 2,822 receiving NRT.

Despite these challenges, the state reports that overall the experience has been positive. Caller satisfaction surveys in the first year indicate that 80% of callers were satisfied with services received and that 70% found the quitline to be helpful in their quitting process. Serious quit attempts were made by 75% of survey respondents, and 12.7% of them were tobacco-free 6 months after they first called.

Note: A link to the RFP and contract developed by Washington State can be found with the online version of this document at <http://www.cdc.gov/tobacco>.

Recommendations

- ◆ Decide ahead of time which services the contractor will be required to provide, as well as the target populations, evaluation requirements, and available funding. Disclose this information in the RFP.
- ◆ Allow sufficient time for the competitive procurement process—at least 6 months from issuance of the RFP to execution of a contract. Allow bidders at least 1 month to submit their proposals, and more if they must identify partners.
- ◆ Ask bidders to submit (1) a technical proposal describing how they will perform the required functions, (2) a management proposal demonstrating their qualifications, and (3) a detailed budget.
- ◆ Assemble a panel of three to seven proposal reviewers with a range of relevant expertise, including at least one person who has a thorough knowledge of the science base for quitlines. Provide the panel with clear guidelines on how the proposals are to be evaluated.
- ◆ Do not automatically select the lowest bidder. A low-budget proposal may represent lower value per dollar spent.
- ◆ Begin contract management as soon as the contract is signed to ensure optimal performance and to be prepared for any contract modifications that may be needed.

