

State of Maine Waiver of Competitive Bidding Request Form

Form Instructions: Please provide the requested information in the white boxes below. This form is to precede all contract requests that are not the direct result of a competitive bid process.

Requesting Department's Contract Administrator:	Kurt Caswell Executive Director -Office of Employee Health & Benefits (OEH&B)	Office/Division/Program of Contract Administrator:	DAFS – Office of Employee Health & Benefits
Est. Contract Amount:	\$328,936.00	Contract or RQS Number:	18S20140610*4553
Proposed Start Date:	01/01/2020	Proposed End Date:	12/31/2020
Vendor/Provider Name, City, State:	Healthcare Purchaser Alliance of Maine (formerly Maine Health Management Coalition) 11 Bowdoin Mill Island, Suite 260 Topsham, ME 04086		
Short Description of Good or Service:	State of Maine's membership and proportional share of the quality improvement and health care data analytics services.		
Please note, for transparency purposes, Waivers of Competitive Bidding will be publicly posted. Public postings are placed on the Division of Procurement Services website for a period of seven consecutive calendar days.	<p style="text-align: center;">To be completed by the Division of Procurement Services</p> <p>Posting dates on Division of <i>Procurement Services</i> website: From: <u>01/03/2020</u> To: <u>01/09/2020</u></p>		
Notice of Intent to Waive Competitive Bidding Number:	NOI# 0120200003		
1. Statutory Justification			
State of Maine statute (5 M.R.S. §1825-B(2)) allows waivers of competitive bidding only for the specific reasons listed below. Please mark the appropriate box (X) next to the justification which applies to this specific request.			
<input type="checkbox"/>	A. The procurement of goods or services by the State for county commissioners pursuant to Title 30-A, section 124, involves the expenditure of \$2,500 or less, and the interests of the State would best be served;		
<input type="checkbox"/>	B. The Director of the Bureau of General Services is authorized by the Governor, or the Governor's designee, to make purchases without competitive bidding because, in the opinion of the Governor or the Governor's designee, an emergency exists that requires the immediate procurement of goods or services;		
<input checked="" type="checkbox"/>	C. After reasonable investigation by the Director of the Bureau of General Services, it appears that any required unit or item of supply, or brand of that unit or item, is procurable by the State from only one source;		
<p><i>If citing the above justification for this Waiver of Competitive Bidding request, please have the requesting Department's Commissioner or Chief Executive (as the Governor's "designee") sign and date on the right.</i></p>		<p><i>By signing below, I signify as the Governor's designee there is an emergency that necessitates this non-competitive procurement.</i></p> <p>Signature:</p> <hr/> <p>Printed Name: _____ Date: _____</p>	

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	D. It appears to be in the best interest of the State to negotiate for the procurement of petroleum products;
	E. The purchase is part of a cooperative project between the State and the University of Maine System, the Maine Community College System, the Maine Maritime Academy, or a private, nonprofit, regionally accredited institution of higher education with a main campus in this State involving: (1) An activity assisting a state agency and enhancing the ability of the university system, community college system, Maine Maritime Academy, or a private, nonprofit, regionally accredited institution of higher education with a main campus in this State to fulfill its mission of teaching, research, and public service; (2) A sharing of project responsibilities and, when appropriate, costs;
	<i>If citing the above justification for this sole source request, please note that the specific approval of the Governor's Office is required, in accordance with Executive Order 26 FY 11/12, "An Order to Enhance Competitive Bidding". The approval must be documented on DAFS/BGS/Division of Procurement Services "GOVCOOP" form, found here: http://www.maine.gov/purchases/info/forms/govcoop.doc.</i>
	F. The procurement of goods or services involves expenditures of \$10,000 or less, in which case the Director of the Bureau of General Services may accept oral proposals or bids;
	G. The procurement of goods or services involves expenditures of \$10,000 or less, and procurement from a single source is the most economical, effective and appropriate means of fulfilling a demonstrated need.
	If a different authorization specifically allows for this non-competitive procurement, please provide that reference here:

Please note that the following four points below (#2 through 5) all require a response.

2. Description of Specific Need

Please identify, and fully describe, the specific problem, requirement, or need the resulting non-competitive contract would address and which makes the goods or services necessary. Explain how the requesting Department determined that the goods or services are critical and/or essential to agency responsibilities or operations.

Contract term amended an additional twelve (12) months, January 1 – December 31, 2020. HPA has a key and unique role in the strategic consulting and administration of the State of Maine health plan. HPA assists with the development of underlying criteria used within the state's health plan benefit design, and screens potential value-based healthcare programs (i.e. Carrum Health bundled payment services) that provide potential quality improvement and decreases in health care spend. The expertise and products of the HPA enable the State Employee Health Commission (SEHC) to make informed health plan design decisions. No other organization is a reliable source of this unique information and health plan consultative services related to Maine provider performance. Membership in the HPA provides the HPA with additional leverage in its negotiations with value-based healthcare produce vendors and in its negotiations on behalf of its members with health care providers. The State of Maine was instrumental in the formation of the Alliance and holds a seat on the Board of Directors.

3. Availability of other Public Resources

Please explain how the requesting Department concluded that sufficient staffing, resources, or expertise is not available within the State of Maine's government, or other governmental entities (local, other state, or federal agencies) external to the requesting Department, which would be able to

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address the identified need more efficiently and effectively than the identified vendor.

HPA brings purchasers and healthcare provider communities together in a partnership to measure and report on the value of health care services. They play a leading role in health care quality measurement in Maine and nationally, and have acted as a catalyst for healthcare quality improvement. The State uses the performance information to make decisions about its health plan design to leverage its position within the healthcare payer community and to incent payment and quality reform. The HPA works collaboratively with Maine-based employer and governmental entities to achieve these results. Internally developing the infrastructure and employer/provider relationships that have taken decades to develop and foster to achieve the required results today would not be feasible.

4. Cost

Since a waiver of competitive bidding is being requested for this procurement, please explain how the requesting Department concluded the negotiated costs, fees, or rates are **fair and reasonable**.

Fees are a pro-rata share of membership dues for a non-profit organization. Board of Directors includes representatives from membership groups including the State of Maine.

Summary of fees:

- (1) Based on health plan subscriber census at 10/15/2019:
 - a. 2020 Annual Basic membership dues (flat fee based on 12,500+ subscribers): \$141,625.00
 - b. 2020 Annual Data membership dues Tier 3, total subscribers x \$8.75 : \$129,885.00
 - c. 2020 Proportionate share of designated data analysis services: 0.4 FTE \$ 57,426.00

5. Future Competition

Please describe potential opportunities which may be available to foster competition for these goods or services in the future.

Until an alternative, Maine-based system is developed to capture and assess health care data and process that data into metrically based quality and provider performance ratings, this critical service is not available through any another service provider. Upon indication that a service provider has developed these unique services and multi-stakeholder relationships, an RFP will be developed, and a competitive bidding process will be undertaken

Please note that only one of the two points below (“Uniqueness” or “Timeframe”) requires a response. Requesting Departments are not required to respond to both points.

6. Uniqueness

Please explain if the goods or services required are unique to a specific vendor. Describe the unique qualifications, abilities, and/or expertise of the vendor and how those particular unique factors address the specific need identified above. If the vendor has unique equipment, facilities, or proprietary data, also explain the necessity of these particular unique assets.

Per response to question #3 above, the services are unique to this specific vendor.

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7. Timeframe (Complete only if B. is the Statutory Justification marked on Page 1)

Please explain if time is of the essence and an emergency exists which requires the immediate procurement of goods or services. Describe the nature of this emergency, provide the date by which the goods or services must be delivered, and explain how that date was determined and its significance (i.e. impact if delayed beyond this date). Also, provide information as to how it was determined this vendor is the best option to address this time-sensitive procurement.

Continuing membership within the HPA enables the State to access a critical pathway to healthcare reform programs which enable us improve healthcare quality and lower cost. Removing our membership and seat on the Board would decrease the leverage of the HPA in contracting favorable pricing for value-based programs and reduce the leverage of the HPA with Maine healthcare systems.

**Signature of requesting Department's
Commissioner or Chief Executive
(or designee within the
Commissioner's Office):**

*By signing below, I signify that my Department requests,
and I approve of, this Waiver of Competitive Bidding.*



Printed Name:

Heather Perreault

Date:

10/25/2019