

State of Maine Procurement Justification Form

This form must accompany all contract requests and sole source requisitions (RQS) over \$5,000 submitted to the Division of Procurement Services.

INSTRUCTIONS: Please provide the requested information in the white spaces below. All responses (except signatures) must be typed; no hand-written forms will be accepted. See the guidance document posted with this form on the Division of Procurement Services website (Forms page) for additional instructions.

PART I: OVERVIEW			
Department Office/Division/Program:	Labor		
Department Contract Administrator or Grant Coordinator:	Kimberly Smith		
(If applicable) Department Reference #:			
Amount: (Contract/Amendment/Grant)	\$ 1,704,000 Amendment	Advantage CT / RQS #:	CT 12A 20200612*3895
CONTRACT	Proposed Start Date:		Proposed End Date:
AMENDMENT	Original Start Date:	6/15/2020	Effective Date:
	Previous End Date:	12/31/2020	New End Date:
GRANT	Project Start Date:		Grant Start Date:
	Project End Date:		Grant End Date:
Vendor/Provider/Grantee Name, City, State:	McKinsey & Company Washington, D.C.		
Brief Description of Goods/Services/Grant:	Support the Department of Labor with analysis and recommendations on the Unemployment Insurance program operations and reemployment service delivery.		

PART II: JUSTIFICATION FOR VENDOR SELECTION			
Mark an "X" before the justification(s) that applies to this request. (Check all that apply.)			
	A. Competitive Process		G. Grant
X	B. Amendment		H. State Statute/Agency Directed
	C. Single Source/Unique Vendor		I. Federal Agency Directed
	D. Proprietary/Copyright/Patents		J. Willing and Qualified
	E. Emergency		K. Client Choice
	F. University Cooperative Project		L. Other Authorization

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PART III: SUPPLEMENTAL INFORMATION

Please respond to ALL of the following:

1. Provide a more detailed description and explain the need for the goods, services or grant to supplement the response in Part I.

The Department's unemployment program experienced unprecedented claims volume due to COVID-19. Even though the number of people filing claims remains high, the Department is better suited to handling the workflow because of increased staffing and the processes established with support from McKinsey.

The Department is in the process of designing and implementing improvements to the user interface of the ReEmployME system. While the first stages will be complete by December, the user experience analysis and system modifications will continue into early 2021.

In addition, the focus of the Department is shifting from unemployment to reemployment. Just as historically high numbers of people have filed for unemployment, the Department is beginning to see the same volume of people reaching out for assistance with getting back to work. In addition, USDOL has set a deadline of March 31, 2021 as the date for states to implement the ReEmployment Services and Eligibility Assessment (RESEA) program. Maine has not operated a RESEA program in three years. The window of time to reinstate the program is shorter than the Department can manage with existing resources.

2. Provide a brief justification for the selected vendor to supplement the response in Part II.

McKinsey's core team members can draw upon expert support, proprietary knowledge, and other resources to provide meaningful analysis of Maine's unemployment operations. The extension of the McKinsey contract will allow for the same resources to continue the work on the unemployment user experience and reemployment services.

3. Explain how the negotiated costs or rates are fair and reasonable; or how the funding was allocated to grantee.

McKinsey works exclusively on a firm-fixed-price (FFP) basis, using weekly team bundle rates. The fixed price is calculated using a weekly price for a complete team for each specific project, multiplied by the estimated number of weeks. The weekly team bundle rates reflect the specific mix of skills, roles, and experience required for engagements and are inclusive of full-time engagement staff; leadership, experts; and research and administrative support. Because the focus of the upcoming work is more narrowly focused than the prior work, cost was reduced.

4. Describe the plan for future competition for the goods or services.

The Department commits to competitive bids beyond March 31, 2021.

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PART IV: APPROVALS			
Signature of requesting Department's Commissioner (or designee):	<i>By signing below, I signify that I approve of this procurement request.</i>		
			
Printed Name:	Kimberly A Smith	Date:	12/17/2020
Signature of DAFS Procurement Official:	<small>DocuSigned by:</small> 		
Printed Name:	Jaime Schorr	Date:	1/22/2021