


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:	Stuart E. Turney	Office/Division/Program of Contract Administrator:	PFR/Bureau of Insurance
Est. Contract Amount:	\$25,000	Contract or RQS Number:	20190508 3316
Proposed Start Date:	7/1/2019	Proposed End Date:	06/30/2021
Vendor/Provider Name, City, State:	Lewis & Ellis, Inc. 11225 College Blvd. Suite 320 Overland Park, KS 66210		
Short Description of Good or Service:	Alternative Risk Actuarial Support 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>To be completed by the Division of Procurement Services</p> <p>Posting dates on Division of Procurement Services website: From: <u>5/17/2019</u> To: <u>5/23/2019</u></p>		
Notice of Intent to Waive Competitive Bidding Number:	NOI# 0520190656		
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.			
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;		
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;		
X	<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>	
	Anne L. Head	05/13 /2019	

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	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;
	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.

The Maine Bureau of Insurance ("MBOI") is charged with the financial oversight of workers' compensation self-insurers pursuant to 39-A 24-A M.R.S.A. As a result of certain developments, the MBOI needs to engage an actuary with specific skills related workers compensation reserve estimation and workers' compensation rate setting.

Active self-insured employers comprise approximately \$7.2Bn in payroll. Terminated self-insured employers support approximately \$104M in reserves. As such, it is imperative that ME has accurate liability information in order to effectively mitigate the risk of default.

This contract will support Maine's reserve determination process.

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

a. Sufficient staffing and expertise is not available within the Department. MBOI staff does not have the resources to analyze the actuarial reviews related to the proposed contract.

b. Other governmental resources (local, state, or federal agencies) external to the department are not available to perform the service more efficiently or more cost effectively than the requested sole source. There are no other known workers' compensation actuarial review capabilities within state government or any known federal government resources that are available to the MBOI.

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**.

Previous contracts for actuarial services range from \$200 per hour to \$611 per hour. Lewis & Ellis will provide comparable services at an \$360.00 per hour.

5. Future Competition

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

The MBOI does not employ a Fellow of the Casualty Actuarial Society. As such, these services will be required until such an employee is hired by the MBOI.

The MBOI views this as a special case necessitated by the financial magnitude of self-insured workers' compensation reserves.

The RFP process was followed on two occasions in which Lewis and Ellis was selected. In each RFP the consensus scoring process resulted in contract awards to Lewis and Ellis. Please see RFP 201706123 and RFP 201507127. Usually the RFP process is followed; however, in this case there is an immediate need for actuarial support and Lewis & Ellis has proven to be a valuable MBOI resources.

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.

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Lewis & Ellis is not unique. Lewis & Ellis; however, does have a specific, sought after P&C insurance skill sets. The Lewis & Ellis team has provided actuarial consulting services to the MBOI and to insurance regulators on similar projects.

To sum, Lewis & Ellis provides effective, timely, and dependable service.

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.

Immediate. Significant revisions to existing workers' compensation laws are presently being debated in the Maine legislature. It is imperative that the MBOI get ahead of potential security shortfalls.

**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.*

Anne L. Head

Printed Name:

Anne L. Head

Date:

05/13/2019