

# State of Maine Waiver of Competitive Bidding Request Form

Kurt Caswell- Director, Benefits Administration **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.

<b>Requesting Department's Contract Administrator:</b>	Kurt Caswell- Exec. Director, Employee Health & Benefits	<b>Office/Division/Program of Contract Administrator:</b>	DAFS/ Employee Health & Benefits
<b>Est. Contract Amount:</b>	Total Contract @ 6/30/19: \$176,958.43 FY20 Total 1 Yr Value \$ 42,325.36 Total Contract @6/30/19 \$219,283.79	<b>Contract or RQS Number:</b>	CT18S20140721*256
<b>Proposed Start Date:</b>	<b>07/01/2018</b>	<b>Proposed End Date:</b>	06/30/2020
<b>Vendor/Provider Name, City, State</b>	csONE Benefit Solutions Two Delta Drive, Suite 301 Concord, NH 03301		
<b>Short Description of Good or Service:</b>	COBRA Administrative Services and invoicing for medical, dental and vision premiums.		
<b>Please note, for transparency purposes, Waivers of Competitive Bidding will be publicly posted. Public postings are placed on the Division of Purchases' website for a period of seven consecutive calendar days.</b>	<b>To be completed by the Division of Purchases</b> Posting dates on Division of Purchases' website: From: <u>5/23/2019</u> To: <u>5/29/2019</u>		
<b>Notice of Intent to Waive Competitive Bidding Number:</b>	NOI# 0520190721		
<b>1. Statutory Justification</b>			
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 type="checkbox"/>	<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>	<i>By signing below, I signify as the Governor's designee there is an emergency that necessitates this non-competitive procurement.</i> <b>Signature:</b>  <b>Printed Name:</b> _____ <b>Date:</b> _____	
<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;		
<input type="checkbox"/>	D. It appears to be in the best interest of the State to negotiate for the procurement of petroleum products;		
<input type="checkbox"/>	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 Purchases "GOVCOOP" form, found here:</i> <a href="http://www.maine.gov/purchases/info/forms/govcoop.doc">http://www.maine.gov/purchases/info/forms/govcoop.doc</a>			

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	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.

csONE currently provides federally-required benefits invoicing services (COBRA) for terminating health, dental and vision plan subscribers and their dependents, invoicing for plan members going on non-subsidized leave of absences, and secondary billing services for delinquent benefit premiums due. The change to Workday implementation necessitated a compressed integration build schedule. By going out to bid and potentially changing vendors for these processes in mid-implementation we would add significant risk to project implementation timeline by switching over to a new vendor with different data integration specifications. To prevent the interruption of Workday's benefits platform implementation and potential go-live date we are requesting that this vendor not be changed during the middle of the Workday implementation process and enable the benefits program interface development goals to be reached.

**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.

The volume of benefits invoicing and associated recordkeeping exceeds the capacity of the Employee Health & Benefits office to effectively manage this process. EH&B explored through the utilization of InforME the possibility of handling some of these services internally; however, the time, resources and dollars necessary for partial services to be set-up exceeds the cost of utilizing an outside vendor to perform these services. Engaging in a competitive bidding process while attempting to implement SOMER's benefit module and related interface programming would be very difficult as the COBRA and LOA invoicing interface build process would have to being anew with a new vendor.

**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**.

The original contract for these services was obtained through the competitive bidding process with unit costs associated with these services being less than all other competitive bidders. A 3.5% adjustment on the annual cost of these services is being requested with this one-year extension to accommodate for vendor COLA increases and the expanded transaction volume over the course of the year. Adding an additional year to the contract and expanding transactional volume for one additional year is projected to cost less than the cost associated with transitioning to new vendor.

**5. Future Competition**

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

Prior to Workday going fully operational these services will go out to competitive bidding. An RFP for these services is nearly complete and will be scheduled to be advertised in June 2019. The selection process of a potential new vendor at a later date will allow for the new integration specs to be developed and new Workday COBRA processing to be worked through by 7/1/20.

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**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.

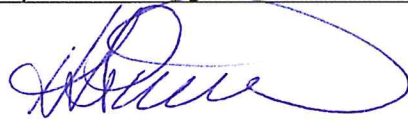
**7. Timeframe (Complete only if B. is the Statutory Justification marked on Page 1)**

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.

In preparation for the new Workday HRMS system to become operational the work associated with executing a new COBRA and invoicing vendor would hinder the Workday implementation project plan, causing missed deadlines and cost repercussions. In addition, there can be no interruption of these services to ensure the proper benefit program compliance and funding.

**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 L. Perreault, Deputy Commissioner of Finance

**Date:**

4/12/19