


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:	Vanessa J. Leon	Office/Division/Program of Contract Administrator:	DPFR/Bureau of Insurance
Est. Contract Amount:	\$100,000.00	Contract or RQS Number:	20190520 3492
Proposed Start Date:	July 1, 2019	Proposed End Date:	June 30, 2021
Vendor/Provider Name, City, State	Rector & Associates, Inc. 172 State Street, Ste. 305 Columbus, OH 43215		
Short Description of Good or Service:	Financial Analysis Professional Services		
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.		To be completed by the Division of Purchases Posting dates on Division of Purchases' website: From: <u>5/29/2019</u> To: <u>6/4/2019</u>	
Notice of Intent to Waive Competitive Bidding Number:		NOI# 0520190775	
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.			
X	<p>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;</p> <p>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;</p> <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> <p>Printed Name: Anne L. Head</p> <p>Date: May 22, 2019</p>		
	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;		
	<p>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:</p> <p>(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;</p> <p>(2) A sharing of project responsibilities and, when appropriate, costs;</p> <p><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: http://www.maine.gov/purchases/info/forms/govcoop.doc.</i></p>		
	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.		

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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.

Pursuant to 24-A M.R.S.A., the Maine Bureau of Insurance (“MBOI”) is charged with the financial oversight of domestic insurance companies. Due to the complexity of a certain Maine domiciled insurance companies, the MBOI has an immediate need to secure financial analysis support. The MBOI needs to procure financial analysis services in order to meet regulatory requirements set forth by the National Association of Insurance Commissioners (“NAIC”). Specifically, the MBOI needs to engage a highly specialized financial analysis firm with specific skills related to insurance holding company oversight, and the NAIC’s Own Risk Solvency Assessment (“ORSA”) initiative.

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 slowly becoming available within the Department. As such, the hours associated with this contract are expected to be less than contract 20161018 1369. MBOI staff continues to develop the skills necessary to analyze and regulate complex insurance companies pursuant to NAIC prescribed holding company guidelines.

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 insurance holding company/ORSA analysts 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 examination services ranged from \$130.00 to \$140.00 per hour. As such, a \$10 per hour differential, several years later, for a more sophisticated skill set is acceptable.

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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 foresee the need for future competition planning. However, it is anticipated that the MBOI will be relying on training provided by the Provider. As such, this contract shall support MBOI financial analysis work as well as analyst training initiatives. The services related to this engagement will be on an as needed basis only, not continuous, over the contracts duration.

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.

The Provider has certain aspects of uniqueness from other insurance regulatory contract firms. The Provider is often engaged on high profile NAIC projects. These projects include principle based reserving, ORSA and accreditation. The analyst who will be assigned to perform the reviews is extremely vers3ed with a certain Maine domiciled insurance company through previous assignments and prior work with the NAIC where he was heavily involved in implementing the ORSA initiative. The MBOI does not know of a competing firm with the Provider's relevant skill set, knowledge, and experience.

To sum, the Provider employs skilled staff with significant germane experience and knowledge.

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. Certain analyses and examination projects are ongoing.

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:

Anne L. Head

Date:

May 22, 2019