

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:		Agriculture, Conservation and Forestry/Maine Conservation Corps			
Department Contract Administrator or Grant Coordinator:		Sara Knowles			
(If applicable) Department Reference #:		N/A			
Amount: (Contract/Amendment/Grant)	\$79,692.60	Advantage CT / RQS #:	20210803000000000257		
CONTRACT	Proposed Start Date:	9/1/2021	Proposed End Date:	8/31/2022	
AMENDMENT	Original Start Date:		Effective Date:		
	Previous End Date:		New End Date:		
GRANT	Project Start Date:		Grant Start Date:		
	Project End Date:		Grant End Date:		
Vendor/Provider/Grantee Name, City, State:		Special Markets Insurance Consultants, Inc., 1055 Maine Street, Suite 101, Stevens Point, WI 54481			
Brief Description of Goods/Services/Grant:		Required health care coverage for Maine Conservation Corps participants.			

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
	B. Amendment		H. State Statute/Agency Directed
x	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

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.

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PART III: SUPPLEMENTAL INFORMATION

The Maine Conservation Corps (MCC) is a State AmeriCorps program and recipient of federal funds via the Corporation for National and Community Service (CNCS). The CNCS requires grantees to provide healthcare coverage to members of AmeriCorps programs.

The typically MCC hosts approximately 100 corps members each year and offers health insurance to those serving in a full time capacity who are not covered under a pre-existing policy. If MCC does not offer insurance, the program would be noncompliant with CNCS and face the loss of federal funds.

Corps members, as per Maine Statute, are not considered state employees and are not eligible for state health benefits. Therefore, the MCC must seek an outside carrier to fulfill the federal regulation. The MCC member healthcare is the product of a multi-agency effort aimed at providing coverage at a reasonable rate that meets the requirements of CNCS. The agencies MCC partners with for this coverage period are: The Corps Network, Willis Tower Watson, Special Markets Insurance Consultants, INC and Cigna.

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

The collaboration of multiple organizations offers a unique blend of expertise. The Corps Network is a national membership organization that provides various services to its member corps, including sponsorship of The Corps Network Healthcare Insurance Plan. The Corps Network ensures that insurance coverage maintains compliance with CNCS. Willis provides ongoing management of the insurance program, including monitoring federal healthcare initiatives and negotiating rates. Special Markets Insurance Consultants handles the administrative elements of the insurance coverage, is an approved vendor, and the agency responsible for billing.

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

To establish a rate for each program year Willis, the broker, negotiates with insurers for an appropriate figure that would cover expected claims, administrative costs, reserves, and risk margin. They developed a proprietary methodology of underwriting that they use to bolster their argument with insurers. It has traditionally resulted in a lower expected claims figure built into the rate (lower than carrier underwriting models calculate).

Willis also requests bids from alternative carriers when appropriate, to assure the claims and administrative costs are competitive with the market and available data.

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

Each year MCC reviews the process with The Corps Network. Because of the intensive research done by the broker, with other carriers to compare rates and benefits, we agree that The Corps Network's choice of using Special Markets Insurance Consultants is the best option nationwide.

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>		
	<small>DocuSigned by:</small>		
	<i>Amanda E. Beal</i>		
Printed Name:	Amanda E. Beal, DACF Commissioner	Date:	8/10/2021
Signature of DAFS Procurement Official:			
Printed Name:		Date:	