

**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:	Karynlee Harrington, Executive Director	Office/Division/Program of Contract Administrator:	Maine Health Data Organization
Est. Contract Amount:	\$ 14,129.31	Contract or RQS Number:	20180518*3681
Proposed Start Date:	5/1/2018	Proposed End Date:	11/30/22
Vendor/Provider Name, City, State:		Human Services Research Institute (HSRI) Cambridge, MA	
Short Description of Good or Service:		Health Data Warehouse Developer	
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 style="text-align: center;">To be completed by the Division of Procurement Services</p> Posting dates on Division of Procurement Services website: From: <u>10/14/2019</u> To: <u>10/21/2019</u>	
Notice of Intent to Waive Competitive Bidding Number:		NOI# 1020191715	
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.			
<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> Signature:	
<input type="checkbox"/>		Printed Name:	Date:
<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;		

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	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: <ul style="list-style-type: none"> (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; <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 Procurement Services "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.
	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) <u>all</u> 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.	
For over ten years MHDO has accessed two episode grouping software tools from 3M to calculate a diagnosis related group (DRG) for each hospital inpatient encounter that we then release to authorized MHDO data users with each quarterly release of our hospital inpatient data. A DRG is a system to classify hospital encounters into one of 999 groups. DRGs are assigned by a "grouper" program based on International Classification of Diseases diagnoses, procedures, age, sex, discharge status, and the presence of complications or comorbidities. The software that the MHDO accesses is the APR-DRG and the MS-DRG; both have been available for years at no cost. There is now a cost associated with accessing both DRG tools. After discussing the change with the MHDO Data User community, they have agreed and advise that the DRG the MHDO calculates using the MS-DRG is the calculation that must be maintained in future inpatient hospital data releases for continuity; and for specifically longitudinal analysis. Fortunately, the MS-DRG is the least expensive of the two DRG's. It is critical that the MHDO continue to access the MS-DRG and use it to calculate the DRG's for our authorized data users which include research organizations like the Maine CDC, MaineHealth, MaineGeneral the University of Southern Maine and others.	

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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.

The MS-DRG is the most widely used DRG software in the country as it was built on the Medicare population. As stated above a DRG is a system to classify hospital encounters into one of 999 groups. Even if the MHDO or the State had the expertise to develop this type of software, it would not make sense to do so because of the accepted use and understanding of the MS-DRG nationally; that is why the MHDO has been accessing and using this software for over 10 years.

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 MHDO is requesting a waiver of competitive bidding to provide continuity in our quarterly hospital inpatient data releases for our authorized external data users. MHDO's experience to date and our data vendor has confirmed that the cost 3M has quoted for access to the MS-DRG is lower than access to other grouping software tools. Not accessing the MS-DRG creates a risk to our external data users which outweighs the cost associated with accessing the software from 3M. Especially when our data users pay MHDO an annual fee to access our data.

5. Future Competition

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

The MHDO is requesting a waiver of competitive bidding to provide continuity in our quarterly hospital inpatient data releases for our authorized external data users. MHDO is planning on releasing an RFP during SFY-2020. MHDO's experience to date and our data vendor has confirmed that the cost 3M has quoted for access to the MS-DRG is lower than access to other grouping software tools.

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.

MHDO's data vendor has been working with the MS-DRG software for over 6 years and as such has the environment and expertise to use this complex software to produce the calculations for each inpatient encounter. MHDO's data vendor releases on behalf of MHDO quarterly inpatient hospital data files to MHDO authorized users which include the DRG calculations. The MHDO data would not be as valuable to the data user community without the MS-DRG calculation.

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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.

**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:

Karynlee Harrington

Date:

10/7/2019