

**DETERMINATION AND FINDINGS**  
**FOR AN EXTENSION OF A**  
**SOLE SOURCE PROCUREMENT**

**Contract No:** DCHT-2014-C-0021  
**Caption:** Actuarial Consulting Services  
**Proposed Contractor:** Mercer Health & Benefits, LLC (Mercer)  
**Program Agency:** Department of Health Care Finance

**FINDINGS**

**1. Authorization:**

D.C. Official Code §2-354.04, 27 DCMR 1304, 1700, 1701, and 2005.6(b)

**2. Minimum Need:**

The Department of Health Care Finance (DHCF) has a minimum need to continue Actuarial Consulting Services for the District to ensure that capitation rates which are fixed payments made by the District on a periodic basis to each Managed Care Organization (MCO) for the provision of medical services under the District's Medicaid or Alliance programs are actuarially sound. In accordance with federal requirements, the capitation rates paid to the health plans must be actuarially sound & certified as having been prepared through/by actuarial guiding principles of the American Academy of Actuaries. The services are a requirement of DHCF's contract with Center for Medicaid and Medicare Services (CMS) and the program cannot function without provision of actuarially sound rates to reimburse providers for services rendered and MCOs to ensure delivery of services as outlined within the scope of Medicaid managed care contract.

**3. Estimated Reasonable Cost:**

The estimated fair and reasonable price to provide the required services during the extension of the contract is \$290,000.00. The estimated price has been determined fair and reasonable based on the fact that the unit prices for the contract are the same as those paid by the District under previous contracts. The contract term is May 16, 2015 through September 30, 2015.

**4. Facts Which Justify Sole Source Procurement:**

- A. To avoid disruption of this essential service the District has determined it is in the best interest to extend the Sole Source Contract with Mercer to continue providing actuarial services and to ensure compliance with federal mandates while the District completes award of a competitive procurement.
- B. Mercer is the only vendor at this time that can provide immediate service in order to ensure MCOs delivery of services as outlined within the

scope of Medicaid managed care contracts, and that providers reimbursement rates for services rendered are actuarially sound.

- C. Public Notice of OCP's intent to award a sole source contract was posted to our website for ten (10) calendar days pursuant to the requirements of OCP Policy 3000. The posting was submitted to OCP's website on April 6, 2015.
- D. Mercer has performed the required services satisfactorily since it was awarded the contract.

**5. Certification by Agency Head:**

I hereby certify that the above findings are correct and complete.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Wayne Turnage  
Director

**6. Certification by the Contracting Officer**

I have reviewed the above findings and certify that they are sufficient to justify the use of the sole source method of procurement under the cited authority. The notice on intent to award a sole source contract was posted on OCP website and no responses were received. I recommend that the Interim Chief Procurement Officer approve the use of the sole source procurement method for this proposed contract.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Kenneth Evans  
Contracting Officer

**DETERMINATION**

Based on the above findings and in accordance with the cited authority, I hereby determine that it is not feasible or practical to invoke the competitive solicitation process under D.C. Official Code § 2-354.04 Sec (a)(b)(c), DCMR 1700 and D.C. Law 18-371. Accordingly, I determine that the District is justified in using the Sole Source Method of Procurement. In addition it is determined that this method is in the best interest of the District.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Nancy Hapeman  
Interim Chief Procurement Officer