

**DETERMINATION AND FINDINGS  
FOR  
SOLE SOURCE PROCUREMENT**

<b>CONTRACT NO: WS82250</b>
<b>CAPTION:</b> Medicaid Management Information System (MMIS)
<b>PROPOSED CONTRACTOR:</b> Xerox State Healthcare , LLC
<b>PROGRAM AGENCY:</b> Department of Healthcare Finance (DHCF)
<b>AUTHORIZATION:</b> D.C. Official Code §2-354.04, 27 DCMR 1304 and 1700, 1701 and 2005.6(b)

**1. MINIMUM NEED:**

The District of Columbia Department of Healthcare Finance (DHCF) has a need for a Contractor to provide, enhance and implement a federally owned and certified or certifiable Medicaid Management Information System (MMIS) to support the traditional fee-for-service delivery model. The Contractor shall be required to implement for to the District a system used in a fully operational manner in order to maintain compliance with the US Department of Health and Human Services Center for Medicaid Services (CMS) which is certified or certifiable MMIS, as well as, implement certain system enhancements and improvements prior to assuming operational responsibilities. The contractor must be able to perform services starting on September 10, 2014.

**2. ESTIMATED REASONABLE PRICE:**

The estimated fair and reasonable costs to provide the required services have a total Contract value amount of \$37,124,237. The estimated fair and reasonable cost allows the Period of Performance (POP) under this Contract's start date to be from September 10, 2014 through September 30, 2016.

**3. FACTS WHICH JUSTIFY SOLE SOURCE PROCUREMENT:**

The District of Columbia has a need for services under its Medicaid Management Information System (MMIS). The award of this Sole Source Procurement is required to ensure and avoid interruption of these vital services until a long term competitively awarded contract can be put in place. The interruption of these services would pose as a major threat to the District and jeopardize the health, welfare, and safety of approximately 140,000 clients and 7,000 service providers who utilize the Medicaid program for DC residents in the District and to maintain compliance with the US Department of Health and Human Services Center for Medicaid and Medicare Services (CMS).

The current contract expires on September 9, 2014, and the award for these services is September 10, 2014 through September 30, 2016. Xerox State Healthcare, LLC (Xerox), is the only company that is fully and completely capable of providing the related services required under this contract for the following reasons:

1. The District must ensure that there is a continuation of service with the expertise, infrastructure, and capacity that is presently being provided by the Contractor;
2. The Medicaid Management Information System (MMIS) is a complex Information Technology (IT) system with numerous Federal and District Government specifications which requires approximately a two (2) year implementation phase prior to the ability for it to be fully operational and usable for the intended purposes.
3. The Contractor has a satisfactory performance record on the previous contract and services cannot be interrupted in order to provide continuity for this vital service. In addition, an interruption in service may put the District in jeopardy of lawsuits pending from medical claims issues;
4. The Contractor has a satisfactory performance record on the previous contract and has not exhibited a pattern of overcharging the District;
5. The Contractor has adequate financial resources to perform the requirements within the contract or the ability to obtain those resources;
6. Technical risks, which may be associated with the services, are not excessive. Therefore, a Sole Source Contract will serve the best interest of the District Government in the short and long-term in providing Medicaid and Medicare services to approximately 140,000 clients and DC residents.
7. In a Sole Source procurement, savings are captured by eliminating annual nonrecurring startup costs, including proposal preparation, negotiations and planning. The contract resulting from this solicitation will have a Two (2) Year Base Period and Two (2) Option Years.
8. The estimated requirements cover the period of the contract and are reasonably firm and continuing. The above analysis is the basis for concluding that this Sole Source Contract serves the District's best interest.

4. **CERTIFICATION BY AGENCY DIRECTOR**

I hereby certify that the above findings are true, correct and complete to the best of my knowledge and belief.

\_\_\_\_\_  
Date

\_\_\_\_\_  
Wayne Turnage, Director  
Department of Healthcare Finance

**5. CERTIFICATION FINDINGS AND DETERMINATION BY THE CONTRACTING OFFICER**

Based on the findings, I hereby determine Xerox State Healthcare, LLC shall be responsible and capable of satisfactorily completing the Medicaid Management Information System under the Proposed Sole Source Contract. It is further determined that the approval shall be in the best interest of the District and that the cost is fair and reasonable. I recommend that the Office of Contracting and Procurement (OCP) Chief Procurement Officer approves the use of the Sole Source Procurement method for this Proposed Sole Source Contract. 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. I certify that the notice of intent to award a Sole Source Contract was published in accordance with Section 404(c) of the District of Columbia Procurement Practices Reform Act (PPRA) of 2010 (D.C. Official Code §2-354.04) and that no response was received. I recommend that the Chief Procurement Officer approve the use of the Sole Source Procurement method for this proposed Contract.

\_\_\_\_\_  
Date

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Callie Byrd-Williams  
Contracting Officer  
Office of Contracting and Procurement

**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 either Section 303, 402 or 403 of the District of Columbia Procurement Practices Reform Act of 2010 (D.C. Law 18-371; D.C. Official Code § 2-354.02, 2-354.03 or 2-354.04 Sec 404 (a)(b)(c) DCMR 1701.01, D.C. Law 18-371; ). Accordingly, I determine that the District is justified in Contracting with using the Sole Source Method of Procurement.

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Date

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James D. Staton, Jr.  
Chief Procurement Officer  
Office of Contracting and Procurement