

**DETERMINATION AND FINDINGS
FOR
SOLE SOURCE PROCUREMENT**

Agency: Department of Human Resources (DCHR)
Solicitation Number:
Caption: Commuter Benefits Program
Contractor: Automatic Data Processing, Inc.

FINDINGS

1. Authorization:

27 DCMR 1304, 1700, 1701 and DC Official Code §2-2-354.05 (a) (1)

2. Minimum Need:

The Government of the District of Columbia, herein referred to as “the District”, Office of Contracting and Procurement, on behalf of the District of Columbia’s Department of Human Resources (DCHR), seeks to engage the services of a contractor, Automatic Data Processing, Inc., to administer a commuter benefit program for approximately 27,000 District employees, in accordance with IRS regulation Section 132(f).

The contractor must have experience in delivering a commuter benefit program to a local government with a total population of 30,000 employees. The Contractor must also have knowledge of the District’s current integration with benefits carriers from the flat file interface upload.

3. Estimated Reasonable Cost:

The approximate contract value is \$56,000.00

4. Facts Which Justify a Sole Source Contract:

Currently, Automatic Data Processing, Inc., services 3,883 District employees. However, the number may increase up to 27,000 employees whom are eligible during the District’s open enrollment period, as well as, those who are hired on an on-going basis throughout the year. The current system integration for the processing of eligibility files and electronic fund transfers (EFT) was uniquely designed to facilitate the needs of the Districts’ current HRIS system which is currently undergoing a complete overhaul as the partner systems are being upgraded and transitioned.

Several District agencies, including the Office of Pay and Retirement Services (OPRS) and the Office of the Chief Technology Officer (OCTO) are in the middle of the process of several projects which preclude the District from integrating with new contractors at this time. The District is currently in the process of finishing numerous HRIS processes such as the newly implemented Applicant Tracking System, Compensation and Classification reform and an update to the current HRIS system-- Peoplesoft. All the systems mentioned above rely on each other for intake, payroll, tracking and maintenance of several other human resource related tasks.

The District requires the continuity of services from Automatic Data Processing, Inc. throughout the upgrades and transitioning processes in order to ensure that District employee benefits are paid timely and to ensure that as open season begins in early November there will not be any problems with the structural and functional framework required to successfully enroll new participants and maintain existing participants without interruption of these crucial services.

If the District were to award a new contractor at this time there would be an interruption in the benefits paid to enrolled District employees due to the lack of resources required to bring in a new contractor during the integration of our current flat line interface upload process. The employees of the District of Columbia would be without services throughout open season and into 2016 without the services of ADP, Inc., if the current services are interrupted.

By late FY15, DCHR and the OCTO will work to upgrade the HRIS system to include web service base integration that will enable request/response operations. This will enable the District to seamlessly integrate new benefits vendors into the HRIS system. Until that time, the potential of a new contractor for the commuter benefits will not be a feasible option due to the constraints of the current HRIS, the Office of the Chief Technology Officer and the Office of Pay and Retirement Services integration, upgrades, and overhaul.

A sole source award to ADP, Inc., will also ensure that the District government remains in compliance with IRS regulations which require the District to carry out a pre-tax program throughout the entire year. Interruption in services will adversely affect an individual's W-2 forms and the amount of federal and District taxes a District employee may have had taken out and may owe.

Based on the information presented above, it is in the best interest of the District to award a sole source contract to ADP, Inc., to ensure that District employees continue to receive the benefits that they rely on to get to work on a daily basis and are entitled to receive without interruption.

5. Certification by the Agency Director

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

Karla Kirby
Interim Director
Department of Human Resources

Date

6. Certification by 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. I certify that the notice of intent to award a sole source contract was published in accordance with 27 DCMR 1304 and that. I recommend that the Chief Procurement Officer approve the use of the sole source procurement method for this proposed contract.

Dorothy Hale
Contracting Officer
Office of Contracting and Procurement

Date

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 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 or 2-354.03). Accordingly, I determine that the District is justified in using the sole source method of procurement.

George Schutter
Acting Chief Procurement Officer
Office of Contracting and Procurement

Date