

**DETERMINATION AND FINDINGS FOR A
SOLE SOURCE PROCUREMENT**

Contract No: DCHT-2013-C-0156
Caption: Pharmacy Benefit Manager
Proposed Contractor: Xerox State Healthcare, LLC (Xerox)
Program Agency: Department of Health Care Finance

FINDINGS

1. Authorization:

D.C. Official Code §2-354.04, 27 DCMR 1304 and 1700

2. Minimum Need:

The Department of Health Care Finance has a minimum need to provide pharmacy benefit services for the District's Medicaid eligible fee-for-service recipients through the pharmacy benefit manager which include a point of sale (POS) pharmacy system allowing eligible District Medicaid and Medicaid waiver beneficiaries' immediate access to needed pharmaceuticals, and timely and accurate payment of prescription claims to pharmacies through the "real time" verification of beneficiaries' eligibility, drug coverage, and reimbursement levels.

3. Estimated Reasonable Cost:

The estimated fair and reasonable price to provide the required services during the contract is \$3,043,303.93. 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 February 21, 2014 through February 20, 2015.

4. Facts Which Justify Single Available Source Procurement:

- A. As a result of a competitive procurement Xerox was awarded the contract to provide pharmacy benefit services for the District's Medicaid eligible fee-for-service recipients through the pharmacy benefit manager which include a point of sale (POS) pharmacy system allowing eligible District Medicaid and Medicaid waiver beneficiaries' immediate access to needed pharmaceuticals, and timely and accurate payment of prescription claims to pharmacies through the "real time" verification of beneficiaries' eligibility, drug coverage, and reimbursement levels.
- B. The pharmacy benefit services are necessary to ensure continuity and avoid any disruption of services for the District's Medicaid recipients

immediate access to needed pharmaceuticals, and timely and accurate payment of prescription claims to pharmacies through the “real time” verification of beneficiaries’ eligibility, drug coverage, and reimbursement levels, and minimize any serious disruption in agency operation, whereas, the contractor shall continue to operate with a valid contract.

- C. To avoid disruption of this essential service the District has determined it is in the best interest to enter into a Sole Source Contract with Xerox to continue providing pharmacy benefit services as defined under the original contractual agreement. All mandatory terms and conditions shall be enforced and remain the same.
- D. Due to time constraint it is not feasible to conduct a competitive procurement and award a contract prior to the expiration date. The sole source award ensures continuation of service while the District prepares a solicitation for competition and awards a base year and four option years contract upon Council approval.
- E. 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 December 30, 2013.
- F. Xerox 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 Chief Procurement Officer approve the use of the sole source procurement method for this proposed contract.

Date

O’Linda Fuller, MBA, CASA
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

James D. Staton Jr.
Chief Procurement Officer