

**DETERMINATION AND FINDINGS
FOR
SINGLE AVAILABLE SOURCE PROCUREMENT**

Agency: Department of Human Resources

Contract No.: DCBE-2006-D-0008

Caption: Group Life and Disability Insurance Plans

Contractor: Standard Insurance Company
1100 S. W. Sixth Avenue
Portland, OR 97204

FINDINGS

1. AUTHORIZATION:

D.C. Code § 2-354.04; DCMR § 1702.2 and 2005.6(b)

2. MINIMUM NEED:

The Department of Human Resources (DCHR) has a continuing need for a licensed insurance carrier to underwrite and administer the following insurance plans:

- a) Plan 1 – Group term life, accidental death and dismemberment (AD&D); and conversion
- b) life insurance which shall include portable term life insurance;
- c) Plan 2 – Short term disability (STD) insurance; and
- d) Plan 3 – Long term disability (LTD) insurance.

The period of performance will be November 1, 2012 through December 31, 2012.

3. ESTIMATED FAIR AND REASONABLE PRICE:

The estimated price to provide the required services for the period of performance is \$265,749.00 based on the estimated enrollment and premium rates from Option Year 2. The premium rates have been determined fair and reasonable after being reviewed by DCHR and the District's actuarial contractor and the fact that the premium rates have not increased since contract award in 2006.

4. FACTS THAT JUSTIFY A SINGLE AVAILABLE SOURCE PROCUREMENT:

Standard Insurance Company has been providing Group Life and Disability Insurance Plans to union and non-union employees of the District of Columbia since July 13, 2006 under the provisions of Contract No. DCBE-2006-D-0008. The contract was competitively awarded to Standard Insurance Company as the highest ranked offeror considering technical and price factors. The contract was awarded with a base period of three years and two one-year option periods. Subsequent to Council approval, the contract was extended beyond the last term for a one-year period to ensure continuation of services for Group Life and Disability Insurance Plans until a replacement contract can be awarded. The contract will expire on October 31, 2012. A replacement contract is anticipated to be awarded by November 1, 2012 with a base period of 2 months as a transition period at no cost. Option Year One of the new contract will actually start January 1, 2013, so a 2 month extension is necessary to continue the current sole source contract.

Standard Insurance Company is uniquely established, as the current underwriter and administer of the District's group life and disability insurance plans, to provide continuity of services to District employees until the replacement contract is awarded. As an extension of the contract, Standard Insurance Company shall continue to provide services as outlined by the District. Standard Insurance Company has successfully and satisfactorily provided services in compliance with the contract provisions and has the necessary qualifications and experience to continue services.

D.C. Code 1-622.03 mandates the District to provide group life insurance benefits to all employees of the District first employed after September 30, 1987, except those specifically excluded by law or by rule. D.C. Code 1-622.15 requires the Mayor to establish a disability income program to include short- and long-term disability insurance which shall provide coverage for non-job-related injuries and illnesses.

Failure to extend the contract will prevent the District from providing employees protection of their earnings in the event of an accidental death, dismemberment, or disability and would breach District law.

5. CERTIFICATION BY THE AGENCY HEAD:

I hereby certify that the findings set forth above are true, correct, and complete to the best of my knowledge and that the proposed sole source contract extension is in the best interest of the District of Columbia.

Shawn Stokes
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 sole source notice of Intent to Award a Single Available Source Contract and Single Available Source Procurement D&F was posted on the OCP website and no valid responses were received regarding the posting. I recommend that the Chief Procurement Officer approve the use of the single available source procurement method for this proposed contract.

Angela Turner
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 § 2-354.04. Accordingly, I determine that the District is justified in using the single available source method of procurement.

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

Date