

Sole Source CONTRACT Filing Justification Template

Use the following justification template for preparing to file sole source contracts in the [Sole Source Contracts Database](#) (SSCD). Once completed, copy and paste the answers into the corresponding SSCD question and answer fields. You will also need to include a copy of this completed form in the documents you post to your agency website and in [WEBS](#).

What is a sole source contract?

"Sole source" means a contractor providing goods or services of such a unique nature or sole availability at the location required that the contractor is clearly and justifiably the only practicable source to provide the goods or services. (RCW 39.26.010)

Unique qualifications or services are those which are highly specialized or one-of-a-kind.

Other factors which may be considered include past performance, cost-effectiveness (learning curve), and/or follow-up nature of the required goods and/or services. Past performance alone does not provide adequate justification for a sole source contract. Time constraints may be considered as a contributing factor in a sole source justification however will not be on its own a sufficient justification.

Why is a sole source justification required?

The State of Washington, by policy and law, believes competition is the best strategy to obtain the best value for the goods and services it purchases, and to ensure that all interested vendors have a fair and transparent opportunity to sell goods and services to the state.

A sole source contract does not benefit from competition. Thus the state, through RCW 39.26.010, has determined it is important to evaluate whether the conditions, costs and risks related to the proposal of a sole source contract truly outweigh forgoing the benefits of a competitive contract.

Providing compelling answers to the following questions will facilitate the evaluation.

Specific Problem or Need

- What is the business need or problem that requires this contract?

Response. The T.R. v Strange, Birch Settlement requires that HCA's Department of Behavioral Health and Recovery (DBHR) use the Child and Adolescent Needs and Strengths (CANS) tool to determine if Wraparound with Intensive Services (WISe) is medically necessary and to use CANS for assessment, care planning, and evaluation of outcomes. The exit criteria specifically names BHAS and requires the state to use CANS to:

- i. assess individual and family strengths and needs;
- ii. support clinical decision-making and practice; and
- iii. measure and communicate the outcomes of the WISE program.

The settlement and its implementation calls for a CANS data system to accomplish the requirements listed above. The implementation plan specifies that DBHR will “Develop an online data system to store and report out on CANS related data. The Behavioral Health Assessment System is to be completed and online by July 2014”

The Behavioral Health Assessment Solution (BHAS) is now used to meet this requirement and is a proprietary tool of RCR Technologies, the company currently providing this tool. BHAS provides important data collection and on-demand reporting functionality that facilitates provision of medically necessary, intensive behavioral health services to vulnerable youth and families.

Sole Source Criteria

- Describe the unique features, qualifications, abilities or expertise of the contractor proposed for this sole source contract.

Response. RCR has acted as the vendor for BHAS since 2014 at the beginning of our WISE program. In that time, we have developed specific interventions to meet the needs of the program based on the unique characteristics of Washington State as we have moved from having Regional Support Networks, to Behavioral Health Organizations, and then to regionalized Managed Care Organizations that contract with the provider agencies doing WISE work. These complicated technical requirements to provide the appropriate and needed access to data entry and reporting are now incorporated into the current BHAS and cannot be easily replicated by other online electronic health record systems.

Until this year, DBHR had contracted with the Praed Foundation, which is the CANS proprietor to subcontract with RCR to operate and manage the BHAS system. In addition, RCR is a minority owned business.

- What kind of market research did the agency conduct to conclude that alternative sources were inappropriate or unavailable? Provide a narrative description of the agency’s due diligence in determining the basis for the sole source contract, including methods used by the agency to conduct a review of available sources such as researching trade publications, industry newsletters and the internet; contacting similar service providers; and reviewing statewide pricing trends and/or agreements. Include a list of businesses contacted (if you state that no other businesses were contacted, explain why not), date of contact, method of contact (telephone, mail, e-mail, other), and documentation demonstrating an explanation of why those businesses could not or would not, under any circumstances, perform the contract; or an explanation of why the agency has determined that no businesses other than the prospective contractor can perform the contract.

Response. In February of 2017, the Praed Foundation conducted a competitive process to determine if the state would be better served by changing BHAS vendors. After providing information on the system requirements and allowed budget, RCR and another company responded to the proposal. After written and oral presentations, a group of providers initially indicated a preference for a different provider. However, in further discussions with the competing vendor, it became clear that the complexity of setting up permissions for the Washington model of transition from RSN, to BHO, to MCO was beyond the scope of what that vendor could provide given the restricted budget, specific needs of the WISe program, and structure of Medicaid delivery and payors in Washington State.

Praed Foundation continues to work with a number of states and is familiar with vendors providing similar online platforms to house CANS data.

During HCA's weekly consultation call with Dr. John Lyons (John.Lyons@uky.edu) from Praed determined that there are no existing vendors with lower costs for hosting and that the specific requirements for Washington's platform would require substantial time and effort for a new vendor to meet. It was also determined that such a change in platform would be disruptive to existing users.

- What considerations were given to providing opportunities in this contract for small business, including but not limited to unbundling the goods and/or services acquired.

Response. RCR is a minority owned business and compared to competing vendors is smaller than other outfits providing similar services.

- Provide a detailed and compelling description that includes quantification of the costs and risks mitigated by contracting with this contractor (i.e. learning curve, follow-up nature).

Response. The state is exited the T.R. settlement by making specific commitments including the ongoing use of CANS and associated reports in current state. A critical component of this exit is tied to the current online CANS system being operational. The consequence of having systemic setbacks from changing vendors would jeopardize the state's ability to remain in compliance with the exit agreement and open the state to further litigation. In addition, lack of an operational CANS data system poses a risk of compromising access to and effective delivery of medically necessary, intensive behavioral health services to vulnerable youth and families currently served by the WISe program.

- Is the agency proposing this sole source contract because of special circumstances such as confidential investigations, copyright restrictions, etc.? If so, please describe.

Response. There are proprietary components of the current BHAS that would make using a new vendor unworkable. While the state has the rights to the data coming from BHAS, the specific code used by the system is not available to the state.

- Is the agency proposing this sole source contract because of unavoidable, critical time delays or issues that prevented the agency from completing this acquisition using a competitive process? If so, please describe. For example, if time constraints are applicable, identify when the agency was on notice of the need for the goods and/or service, the entity that imposed the constraints, explain the authority of that entity to impose them, and provide the timelines within which work must be accomplished.

Response. Yes. Based on our previous competitive procurement experience, it is apparent that switching vendors would take a long period of time where the state would need to be contracted with the current vendor to continue operating the current CANS data while the new vendor overcame obstacles of determining how to use their own system to meet the business needs presented by the settlement and the needs of the WISe program.

- Is the agency proposing this sole source contract because of a geographic limitation? If the proposed contractor is the only source available in the geographical area, state the basis for this conclusion and the rationale for limiting the size of the geographical area selected.

Response. No.

- What are the consequences of not having this sole source filing approved? Describe in detail the impact to the agency and to services it provides if this sole source filing is not approved.

Response. If BHAS does not work, this would result in the state be in conflict with TR exit agreement conditions and would open the state to further litigation. Additionally, this would fundamentally damage the WISe program and the State's ability to ensure that vulnerable youth receive medically necessary services.

Sole Source Posting

- Provide the date in which the sole source posting, the draft contract, and a copy of the Sole Source Contract Justification Template were published in WEBS.
 - If exempt from posting in WEBS, please provide which exemption.
 - If failed to post, please explain why.
- Were responses received to the sole source posting in WEBS?

- If one or more responses are received, list name of entities responding and explain how the agency concluded the contract is appropriate for sole source award.

Reasonableness of Cost

Since competition was not used as the means for procurement, how did the agency conclude that the costs, fees, or rates negotiated are fair and reasonable? Please make a comparison with comparable contracts, use the results of a market survey, or employ some other appropriate means calculated to make such a determination.

Response. When DBHR and Praed Foundation looked for competing bids in 2017, we learned that most similar solutions had a cost about 4 times the price we were currently paying. The current security requirements to maintain HIPAA compliance will result in costs being similar to those other vendors but going with a different vendor would put the agency at risk of losing our service that is required for compliance with the settlement. It is also likely that selecting a different vendor would require carrying the existing contract with R.C.R. while a new solution is stood up resulting in dramatically higher costs for the coming fiscal year.