

**MASTER INFORMATION TECHNOLOGY SERVICES
INVITATION TO QUALIFY CONTRACT**

RECOMMENDATION FOR BEST VALUE SELECTION

Date: March 9, 2017

To: John C. MacMillan
Chief Information Officer
Office for Information Technology

From: Michael Gress
Issuing Officer

RE: Evaluation of Proposals Submitted in Response to
Medical Marijuana RFQ
RFQ # 6100040415

PART I.

The Issuing Office designated to conduct the Medical Marijuana best value selection for this project has completed its evaluation in accordance with Commonwealth policies and procedures. As further described below, **MJ Freeway, LLC.** is recommended as the best value contractor for this project? This memorandum documents that all necessary steps were taken in conducting the best value selection in accordance with the provisions of the Information Technology Invitation to Qualify (IT-ITQ) Contract Solicitation Requirements and Evaluation Process.

PART II.

A. METHOD OF SELECTING BEST VALUE CONTRACTOR:

1. In order to implement Act 16 of 2016, the Pennsylvania Department of Health is seeking to procure a hosted, Software as a Service(SaaS) Medical Marijuana seed to sale tracking system, which will be used to monitor, control and report on activities of authorized growers, processors, dispensaries, Laboratories and research institutions. This procurement also supports the implementation of a hosted, SaaS registry for providers, patients, and caregivers.
2. Consistent with the Commonwealth's strategic procurement objectives and the Governor's policies to evaluate contractor technical capabilities, small diverse business participation, along with cost in making best value selections from multiple award contracts, the Office of Administration (OA) issued a Request for Quotations (RFQ) to make a best value selection from the IT-ITQ Contract as authorized by Section 517(f) of the Commonwealth Procurement Code.

- B. PUBLIC NOTICE: Public notice of the RFQ was posted on the DGS website on **Thursday, December 15, 2016** and sent via an e-alert email to all of the Contractors qualified in the applicable service categories. Contractors were afforded approximately **forty-one (41) days** to respond to the RFQ.
- A. EVALUATION COMMITTEE: An evaluation committee was established consisting of agency representatives from the **Pennsylvania Department of Health and the Department of Revenue**.
- B. PRE-PROPOSAL CONFERENCE: A Pre-Proposal Conference was held on **Friday, January 6, 2017**.
- C. ADDENDA TO THE RFQ: Potential contractors were given the opportunity in accordance with Part I-6 of the RFQ to submit questions concerning the RFQ to the Issuing Office. The official responses to the questions were incorporated into the RFQ by addenda per Part I-7 of the RFQ.

PART III.

- A. EVALUATION CRITERIA: The Issuing Office established the relative importance of the major evaluation criteria prior to opening the proposals, consisting of technical **50 %**, cost **30 %** and small diverse business participation **20 %**.
- B. PROPOSAL OPENING:
 - 1. **Seven (7)** proposals were received in total on or before the due date of **Friday, January 27, 2017**. **One (1)** company responded by stating that they would not be submitting a proposal. No proposals were submitted late and disqualified as untimely.
 - 2. The Issuing Office opened the proposals in a manner to avoid disclosure of their contents to competing contractors and reviewed them for responsiveness. **Two (2)** proposals were disqualified as non-responsive. The technical submittals were then distributed to the evaluation committee, and the small diverse business (SDB) participation submittals were forwarded to the Bureau of Diversity, Inclusion and Small Business Opportunities (BDISBO) for its review and scoring. The Issuing Office retained the cost submittals until the evaluation committee completed its technical evaluation.
- C. CLARIFICATIONS/ORAL PRESENTATIONS: In accordance with Part I-21 of the RFQ, written clarifications and oral presentations were requested from the Contractors based on the initial technical evaluation to assure full understanding of the proposals and their responsiveness to the RFQ requirements.
- D. NON-RESPONSIBLE PROPOSALS: It was determined that **three (3)** contractors did not possess the capability to fully perform the contract requirements as set forth in the RFQ in all respects and did not demonstrate the integrity and reliability to assure good faith performance, and its[their] proposal[s] was[were] therefore rejected as not responsible.]

E. RESULTS OF EVALUATION:

1. TECHNICAL SUBMITTAL EVALUATION: The evaluation committee reported the results of its technical evaluation to the Issuing Office.
2. 70% TECHNICAL THRESHOLD: As indicated in the Overall Scoring, **Three (3)** Contractors' technical submittals (**Keystone Validation Group Inc., Franwell Inc. and KindManage, LLC.**) failed to score at least 70% of the available technical points and were not considered for selection for Best and Final Offers or final selection as the best value contractor.
3. SDB SUBMITTAL EVALUATION: BDISBO opened and scored the SDB participation submittals of those Contractors which passed the 70% technical threshold and reported the scores to the Issuing Office.
4. COST SUBMITTAL EVALUATION: The Issuing Office opened and scored the cost submittals of those Contractors which passed the 70% technical threshold.
5. DOMESTIC WORKFORCE UTILIZATION EVALUATION: The Issuing Office scored commitments to Domestic Workforce Utilization made by those Contractors which passed the 70% technical threshold.
6. COMBINED SCORES: The Issuing Office combined the technical scores, cost scores, SDB scores, and Domestic Workforce Utilization scores of those Contractors which passed the 70% technical threshold.
7. OVERALL SCORING: The overall scoring for this RFQ concluded as follows:

<i>Contractor</i>	<i>Technical Score</i>	<i>Cost Score</i>	<i>SDB Score</i>	<i>DW Bonus</i>	<i>Overall Score</i>
MJ Freeway, LLC.	452.04	300.00	200.00	30.00	982.04
BioTrackTHC	500.00	.00	188.37	30.00	718.37
<i>Suppliers not meeting the 70% threshold:</i>					
Franwell Inc.	343.85	n/a	n/a	n/a	n/a
KindManage, LLC.	329.80	n/a	n/a	n/a	n/a
Keystone Validation Group	297.00	n/a	n/a	n/a	n/a

8. HIGHEST OVERALL SCORES: After combining the final technical scores, final cost scores, final Small Diverse Business scores, and final Domestic Workforce Utilization scores in accordance with the relative weights assigned to these areas and fixed prior to the opening of the proposals, the proposal submitted by **MJ Freeway, LLC.** received the highest overall score.

SMALL DIVERSE BUSINESS COMMITMENTS: As part of its proposal, **MJ Freeway, LLC.** has committed to subcontracting with **two (2)** small diverse businesses for products and project services over the entire project timeframe. **MJ Freeway, LLC.** is committing **31%** of the total value of its offering to **TreCom Systems Group, LLC** and **2.556%** of the total value of its offering to **Premier Personal Healthcare, LLC.** Therefore, the DGS Bureau of Diversity, Inclusion and Small Business Opportunities (BDISBO) will be notified and will be invited to participate in discussions with the selected Contractor with the purpose of increasing contractor commitments to small diverse businesses in the purchase order issued for this project.

- 9. **DOMESTIC WORKFORCE:** As part of its proposal, **MJ Freeway, LLC.** has certified that **100 %** of the work for this project will be performed in the United States or member WTO countries.

- 10. **CONTRACTOR RESPONSIBILITY:** **MJ Freeway, LLC.** and subcontractors required to be disclosed or approved by the Commonwealth have been verified as responsible contractors in accordance with management directives, the Procurement Handbook and the Procurement Code, as applicable.

PART IV.

RECOMMENDATION: As the Issuing Officer, I recommend that **MJ Freeway, LLC.** be selected as offering the best value to the Commonwealth. This recommended selection is based upon the results of the evaluation and review of the proposals as summarized above. Based on the cost submittal of this Contractor, the value of the purchase order is estimated to be **\$10,379,460.66.** **The term of the purchase order will be five (5) years with three (3) additional renewals.**

PART V.

CONTRACTING OFFICER AUTHORIZATION:

I approve the recommendation.

[Redacted Signature]

John C. MacMillan
Chief Information Officer
Office for Information Technology

3/7/2017
Date