

# SOURCE JUSTIFICATION FORM

## Bureau of Procurement

The objective of this form is to capture all relevant documentation an Agency may have to assist the Department of General Services ("DGS"), Bureau of Procurement, in expediting the source justification review process. This form must be completed electronically, signed, and submitted with all relevant documentation to DGS. If a question is neither mandatory nor applicable, please indicate "N/A". Please use standard terminology and define acronyms.

## SECTION A

<b>1. Agency Name:</b>	Insurance Department		
<b>2. Procurement Description:</b> This description will appear on the eMarketplace website for public viewing	PWC Sole Source Amendment to extend current contract		
<b>Materials Description:</b>			
<b>Services Description:</b>	Continue actuarial services per original contract and assist with Medical Care Availability and Reduction of Error Fund (Mcare) Settlement per Governor Corbett Announcement 10/16/2014.		
<b>3. Materials Shopping Cart # or Services SPR#</b>	Paper SPR attached	<b>Estimated Cost:</b>	\$100,001 - \$250K
		<b>Initial Contract Term:</b>	1
		<b>Renewals:</b>	0
<b>4. Supplier - Name:</b>	PRICEWATERHOUSECOOPERS LLC DBA PWC		
Full Address:	4221 W. Boy Scout Blvd, Tampa FL 33607		
Contact Name:	Timothy Landick		
Telephone:	267-330-6608	FAX:	813-375-4138
E-mail:	timothy.j.landick@us.pwc.com		
SRM Supplier #:	103157		
<b>5. Delivery or service location:</b>	1010 N. Seventh Street, Suite 201, Harrisburg, PA		

## SECTION B

<input type="checkbox"/>	<b>1. Sole Source:</b> Only known source - Not available from another supplier.
<input type="checkbox"/>	<b>2. Material/Repair/Maintenance:</b> Material or service MUST be compatible with existing equipment. Documentation must be provided from the manufacturer.
<input type="checkbox"/>	<b>3. Used Equipment:</b> Value set by 2 independent 3rd party appraisals.
<input type="checkbox"/>	<b>4. Professional Expert:</b> Describe in detail in Section C.
<input type="checkbox"/>	<b>5. Exempt (Law):</b> A federal or state statute or regulation exempts the procurement from the competitive procedure. Any applicable information precluding the procurement from competitive procedures must be attached.
<input checked="" type="checkbox"/>	<b>6. Feasibility:</b> Clearly not feasible to award the contract on a competitive basis.

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## SECTION C

**1. Describe the unique features of this procurement that prohibit a competitive environment. If applicable, attach a Statement of Work ("SOW").**

This contractor has been providing actuarial services for 10 years having twice been the successful bidder. Mcare needs a one year extension of the agreement to ensure that it has the necessary contracted actuarial expertise to implement a settlement with the Health Care Providers that pay an Mcare assessment that totally funds Mcare's operations. Mcare has no internal actuaries. Mcare also needs this continuity to ensure that the annual unfunded liability report appropriately reflects any modifications due to the settlement as well as any possible implications to the annual hospital experience modification calculations.

**2. Document and attach the research that has been conducted to date to verify the supplier is the only known source.**

N/A

**3. Does the supplier utilize distributors, dealers, resellers, etc.? If "Yes," please identify.**

N/A

**4. Are there compatibility requirements or compliance requirements with a warranty or service agreement? If "Yes," please explain.**

N/A

**5. How has the material or service been procured in the past? Please provide previous source justifications, contracts, & PO's for this material or service.**

Contract 4400007403, PO 4300418041

**6. If procured through the IT ITQ process, please provide original \$ amount and contract period of order. Is this the final phase of the project?**

N/A

**7. If this is an upgrade, addition, alteration, etc., to an earlier procurement, please describe in detail.**

This contractor has been providing actuarial services for 10 years having twice been the successful bidder. Mcare needs a one year extension of the agreement to ensure that it has the necessary contracted actuarial expertise to implement a settlement with the Health Care Providers that pay an Mcare assessment that totally funds Mcare's operations. Mcare has no internal actuaries. Mcare also needs this continuity to ensure that the annual unfunded liability report appropriately reflects any modifications due to the settlement as well as any possible implications to the annual hospital experience modification calculations.

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**8. What are the consequences of not approving this procurement?**

Mcare risks not appropriately implementing the settlement which would cause additional work if multiple assessment collection processes were needed disrupting the health care provider community as well as the medical malpractice insurance carrier community that actually bills, collects and send the assessment to Mcare. In addition, if the hospital experience modification calculation was not completed accurately, individual hospitals would pay too much or too little thus causing disruption and possible political consequences where hospitals that were overcharged would seek recourse through their legislators or the Governor's office. Finally, the annual unfunded liability report needs to be completed accurately so policy makers can have accurate information regarding the cost to phase out Mcare.

**9. If timing is a factor, what is the time factor and why?**

Timing is a factor to the extent that Mcare needs continuous access to contracted actuarial services. While the timing of the ongoing reports (assessment, hospital experience modification and unfunded liability) is known, Mcare periodically gets ad hoc requests for actuarial analysis that need to be performed in a timely manner.

**10. List any other information relevant to the acquisition of this procurement here or as an attachment.**

See attached deviation from standard terms and conditions that is sought by the vendor and approved by the Insurance Department. Mcare Settlement News Release from the Office of the Governor. Department plans to issue competitive solicitation from the ITQ for these services following this extension to be effective 7/1/2016.

**11. For requests > \$100,000, has the supplier signed cost or pricing data certification and is the pricing breakdown attached?**

Yes, data certification attached.

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## SECTION D

**IMPORTANT\*: The printed names on this form shall constitute the signatures of these individuals.** Agencies must insure that these individuals review the completed form and give their consent to apply their printed name on this form. No handwritten signatures shall be required in order for the form to be considered "signed" by those individuals whose names appear in the signature section of the form.

**Shopping Cart Contact Person (Person whom DGS will contact regarding the Shopping Cart):**

<b>Name:</b>	Debra Spertzel	<b>P-Group:</b>	HW2	<b>Date:</b>	03-26-15
<b>Title:</b>	Administrative Officer	<b>Telephone:</b>		<b>Fax:</b>	

**Agency Contact Person:** Person in your agency that DGS can contact for additional information, etc.

<b>Name:</b>	Lori Trout	<b>Title:</b>	Administrative Officer	<b>Date:</b>	03-26-15
<b>Telephone:</b>		<b>Fax:</b>		<b>Email:</b>	ltrout@pa.gov

**Approving Authority (Agency Head or Deputy reviewing and approving this request):** Approving Authority connotes approval of the source justification and the cost or pricing data certification.

<b>Name:</b>	Theodore G. Otto, III	<b>Title:</b>	Executive Director Bureau of Mca	<b>Date:</b>	03-26-15
<b>Telephone:</b>		<b>Fax:</b>			

**Additional Approvals (if required by Agency):**

<b>Name:</b>		<b>Title:</b>		<b>Date:</b>	
<b>Telephone:</b>		<b>Fax:</b>		<b>Email:</b>	
<b>Name:</b>		<b>Title:</b>		<b>Date:</b>	
<b>Telephone:</b>		<b>Fax:</b>		<b>Email:</b>	
<b>Name:</b>		<b>Title:</b>		<b>Date:</b>	
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<b>Name:</b>		<b>Title:</b>		<b>Date:</b>	
<b>Telephone:</b>		<b>Fax:</b>		<b>Email:</b>	