SUPPLEMENT B DEPARTMENT OF BUDGET AND MANAGEMENT **ACTION AGENDA**

SERVICES CONTRACT MODIFICATION

ITEM: 9-S-MOD **Agency Contact:** Anne Timmons

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DEPARTMENT/PROGRAM: Budget and Management (DBM)

Office of Personnel Services and Benefits

(OPSB)

Employee Benefits Division (EBD)

CONTRACT ID: F10R6200071:

Prescription Drug Benefits Plan for

Maryland State Employees and Retirees and

related Management Services

ADPICS No. COD62558 (Admin. Fees)

COD62557 (Claims)

CONTRACT APPROVED: 4/4/2007 DBM/BPW Agenda Item 4-S

CONTRACTOR: Catalyst Rx, Inc.

Rockville. MD

CONTRACT DESCRIPTION: Contract to provide pharmacy benefit management and administration services for the Prescription Drug Benefits Plan for Maryland State Employees and Retirees.

MODIFICATION DESCRIPTION: Approval request to extend the contract term by twelve months in order to allow time to resolve the protests against the award of a new contract for these services.

TERM OF ORIGINAL CONTRACT: 4/4/2007 – 6/30/2011 (4 Years; 3 Months)

TERM OF MODIFICATION: 7/1/2011 - 6/30/2012 (1 Year)

AMOUNT OF ORIGINAL CONTRACT: \$1,117,508,802 Est. Total

AMOUNT OF MODIFICATION: \$422,000,000 Est. Total

PRIOR MODIFICATIONS/OPTIONS: \$258,076,031 Est. Total (See Attachment)

SUPPLEMENTAL 35B BPW 4/6/2011

SUPPLEMENT B DEPARTMENT OF BUDGET AND MANAGEMENT ACTION AGENDA

ITEM: 9-S-MOD (Cont.)

REVISED TOTAL CONTRACT AMOUNT: \$1,797,584,833 Est. Grand Total

PERCENT +/- (THIS MODIFICATION): +37.80%

OVERALL PERCENT +/-: +60.90%

ORIGINAL PROCUREMENT METHOD: Competitive Sealed Proposals

MBE PARTICIPATION: 0.11%

(9.15% of Administrative Fees)

REQUESTING AGENCY REMARKS: Request for approval of a modification to extend the contract term by twelve months to allow time to resolve protests against the award of a new contract for these services. However, if there is an earlier resolution of the protest, the Department has the right to terminate this extension earlier, without liability to Catalyst Rx, Inc. ("Catalyst") for any costs associated with the termination.

Moreover, for the duration of this extension, Catalyst will provide pricing and performance guarantees as it proposed for the procurement that is being protested.

FUND SOURCE: 100% Reimbursable

APPROP. CODE: F10A0245

RESIDENT BUSINESS: Yes

MD TAX CLEARANCE: 11-0760-0001

Board of Public Works Action - The above referenced Item was:

APPROVED DISAPPROVED DEFERRED WITHDRAWN

WITH DISCUSSION WITHOUT DISCUSSION