

**DEPARTMENT OF GENERAL SERVICES
OFFICE OF STATE PROCUREMENT
ACTION AGENDA
December 4, 2019**



Supplemental

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**42-S. SERVICES CONTRACT
*Department of Public Safety and Correctional Services
Office of Inmate Health and Clinical Services***

Contract ID: Pharmacy Services; Q0016025
ADPICS No.: Q00B0600071

Contract Description: Provide pharmacy services, including pharmaceuticals and supplies, packaging, delivery, staff, and equipment, to the inmate facilities within the Department of Public Safety and Correctional Services.

Award: Correct Rx Pharmacy Services, Inc. Correct Rx ; Linthicum, MD

Contract Term: 01/01/2020 – 12/31/2024 w/one 2-year renewal option

Amount: \$250,000,000 NTE Base, 5-years
\$100,000,000 NTE Renewal Option, 2-years
\$350,000,000 NTE Total 7 Years

Procurement Method: Competitive Sealed Proposals

Proposals: Single Acceptable Proposal Received

MBE/VSBE Participation: 7% / N/A on Annual Management Fee Portion

Performance Security: None

Incumbents: Same

Requesting Agency Remarks: A notice of availability of the Request for Proposals RFP was advertised on eMaryland Marketplace. Copies of the RFP were also directly sent to 361 prospective vendors, one of which is a Maryland firm and 78 are MBEs. Even though only three firms are known nationwide to provide inmate pharmacy services, the additional outreach was done to encourage competition and networking for possible subcontracting opportunities with minority businesses. It was determined through this outreach that other firms do not have the capacity to provide the services required for this contract. Specifically, the volume of drugs, the administrative processes, and the packaging of drugs for distribution to the inmates.

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42-S. SERVICES CONTRACT *cont'd*

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During the course of the procurement prior to the receipt of proposals, multiple “No Bid Proposal” response forms were received which provided the following reasons why other potential offerors did not intend to submit a proposal in response to the RFP: 1 concerns about the ability to adhere to the medication delivery timeframes requirement within 4 hours medications deemed Urgent by the Other Healthcare Contractors , 12 hours from receipt of an order and 24 hours for all other medications respectively; 2 the medication delivery timeframe is an uncompetitive requirement for out-of-state offerors; and 3 not involved in the centralized mail order pharmacy business.

Two proposals were received in response to the RFP; one proposal was determined to be not reasonably susceptible of being selected for award due to non-compliance with MBE requirements in the solicitation and was removed from further consideration. As the offeror with the one acceptable proposal received, Correct Rx Pharmacy Services, Inc. was determined to be responsible; the financial offer was considered fair and reasonable based upon the 13% savings on the average annual management fee compared to the current contract, and it was determined that other potential offerors had a reasonable opportunity to respond to the solicitation. Therefore, award is recommended to Correct Rx Pharmacy Services, Inc.

The purpose of this contract is to provide pharmacy services for inmates in the custody of the Department of Public Safety and Correctional Services. These services include: pharmaceuticals and supplies, packaging, delivery, staff, and equipment, to the inmate facilities within the Department of Public Safety and Correctional Services.

A 7% MBE participation goal and a 0% VSBE participation goal were established on the total value of the Annual Management Fee portion of the contract based upon the limited subcontracting opportunities and the pharmaceuticals being a pass-through cost.

On April 11, 2018, prior to the receipt of proposals, the other offeror filed a protest to various specification requirements within the RFP. The Procurement Officer denied the protest on June 25, 2018. An appeal was filed with the Maryland State Board of Contract Appeals MSBCA on July 5, 2018. The MSBCA’s decision to deny the appeal was issued on January 30, 2019.

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After the receipt of proposals, on July 11, 2019, the other offeror filed another protest against the Procurement Officer's decision on June 17, 2019 to determine the offeror to be not reasonably susceptible of being selected for award and eliminate it from further consideration. The Procurement Officer issued the final decision denying this protest on October 24, 2019. The other offeror did not file an appeal of the Procurement Officer's decision, and the deadline for doing so has passed. Accordingly, the Department is moving forward with its recommendation of award to Correct Rx Pharmacy Services, Inc.

As the incumbent, Correct Rx has provided these services for the State for over 13 years. Correct Rx has performed well and partnered with the Department to provide pharmacy services within the inmate facilities to ensure all pharmaceuticals and supplies, packaging, delivery, staff, and equipment are provided as required.

Fund Source: 100% General

Approp. Code: Various

Resident Business: Yes

MD Tax Clearance: 19-3061-1111

BOARD OF PUBLIC WORKS ACTION

THIS ITEM WAS:

APPROVED

DISAPPROVED

DEFERRED

WITHDRAWN

WITH DISCUSSION

WITHOUT DISCUSSION