

November 23, 2005

**Pharmacy Benefits Purchasing Pool Management and Pharmacy  
Benefits Plan Administration Services**

**RFP # F10R6200071**

**Questions Set #5**

106. I have the document that you sent that shows that the overall MBE goal has been increased to 5% but what are, if any, the sub goal percentages we need to me for MBE/African American Owned Businesses & form MBE/Women Owned Businesses. (Note: On the SOM website - Department of General Services it states the following "Our mission is to achieve a minimum goal of 25 percent of the designated unit's total dollar value of procurement contracts is made directly or indirectly to certified MBE's. Of the 25% a minimum of 7% is to be awarded to certified African American-owned MBEs and a minimum of 10% is to be awarded to certified Women-owned MBEs" - The original bid document states that the overall MBE goal is 2% of the total contract dollar amount with sub-goals of 0% for certified African American-owned MBEs and 0% for certified Women-owned MBEs - The addendum #1 that we received states that the overall MBE goal is 5% of the administration fees to the contractor but does not indicated what the sub-goals are or that there are none.)

**Answer:** Establishment of sub-goals was considered during the goal-setting process. However, it was determined that sub-goal requirements for this procurement would not be appropriate. Therefore, the 5% participation can come from any Maryland certified MBE firm.

107. As for the certification of the MBE's, what agency or agencies will the SOM accept a certification from for a MBE supplier?

**Answer:** The only certification the State will accept is the MDOT certification. See Section 1.24 of the RFP.

108. Can the MBE goal be met by using MBE suppliers both directly and indirectly related to the contract? If indirect spend is allowed what is the SOM's policy on how the dollars spent with the supplier can be counted towards the goal.

**Answer:** In the event that the contractor utilizes an MBE to perform work that is not directly attributable to the State of Maryland Contract (e.g., IT purchases, building maintenance, etc.), the MBE dollars will be credited on a prorated basis. The specific proration formula will be established at the time of contract award. Offerors are encouraged to first maximize the opportunities for direct participation that will result

in 100% credit towards meeting the 5% goal. When preparing the MBE Participation Plan (Attachment D-2), offerors should account for prorating of any MBEs' participation where indirect services are indicated.

109. What is the total amount that you see the Administration fees being?

**Answer:** The administrative fees that will form the basis for MBE calculations are the total of what your firm submits on Attachment K-2B1, line 15.

110. What are the penalties if we do not meet the MBE goals?

**Answer:** Over the course of the contract, the State's expectation is that the contractor will meet or exceed their contractual MBE commitment. Although the law makes provision for specific remedies that the State may invoke in the event a contractor fails to meet the MBE participation goal (see COMAR 21.11.03.13C), it is usually the case that when a contractor is diligent and acts in good faith over the term of the contract to execute the MBE plan approved by the State, the MBE objectives are achieved.

111. Are the MBE goals to be met annually or over the life of the contract?

**Answer:** The MBE monthly payment reports are monitored on a regular basis, and contractors are notified by the State periodically (currently each quarter) as to their progress towards meeting the MBE goal. A contractor does not necessarily need to be at 5% participation at the end of each year. However, contractor's who are at less than 5% at year end may be asked to provide the State with a remedial action plan that supports full compliance over the remaining term of the contract.