

SOLE SOURCE/SOLE BRAND JUSTIFICATION

OVERVIEW:

On rare occasions there may be a need to purchase goods or services from one vendor/contractor without going to formal bid or requesting competitive quotations. This is known as “Sole Source” purchasing. This document does not replace an Agreement.

“Sole Source” purchasing is authorized by Monterey County Code 2.32.040, Emergency Purchases, and by Monterey County Code 2.32.070, Competitive Bidding Not Required.

“Sole Source” purchasing may be necessary under certain circumstances such as an emergency wherein the department head or other County Official who is authorized to sign requisitions may purchase items for the continuance of the department function, or that items purchased are necessary for the preservation of life or property, and that no authorized purchasing department personnel are immediately available to make the purchase.

A sole source may be designated when it is apparent that a needed product or service is uniquely available from the source, or for all practical purposes, it is justifiably in the best interest of the County. The designation of a “Sole Source” supplier must be authorized by the County Purchasing Agent or Deputy-Purchasing Agent before the requirement for competitive quotations is waived.

In an effort to expedite sole source/brand requisition requests through Contracts/Purchasing, we would encourage you to review the criteria for Sole Source/Brand form herein. If you feel your request meets such criteria, follow the instructions in filling out the form, along with a Department Head signature approving the request on behalf of their department. If sole source/brand justification is warranted and accepted by Purchasing, the request shall be signed by the Contracts/Purchasing Officer (CPO).

This is an internal review process. Departments are requested to use discretion in their discussion with vendors so as not to compromise any competitive advantage the Buyer may utilize, regardless of the acceptance or rejection of the sole source/brand justification.

Contracts/Purchasing will advise you when a particular competitive review process may both serve the County better and/or be required by governing law.

The **JUSTIFICATION OF SOLE SOURCE/SOLE BRAND REQUEST** is **NOT** an agreement.

PROCEDURE:

Sole source/brand purchasing is an exception to the normal procurement function and requires a detailed justification. In processing sole source/brand requests for supplies, services and/or equipment, Contracts/Purchasing adheres to and is governed by the principles set forth in both the Federal and State Laws governing public purchasing and the Public Contract Code, and by the adopted and approved County of Monterey Policies and Procedures.

If you are requesting a particular vendor, brand, or product, you must make this fact clear on your request. Such a request should not be made unless the request is reasonable and appropriately justified to meet legal requirements and can withstand a possible audit. The County requirements and the format for submitting such requests are contained herein.

The **JUSTIFICATION OF SOLE SOURCE/SOLE BRAND REQUEST** is **NOT** an agreement.

The following factors **DO NOT** apply to sole source/brand requests and should not be included in your sole source/brand justification. They will not be considered and only tend to confuse the evaluation process.

1. Personal preference for product or vendor
2. Cost, vendor performance, and local service (this may be considered an award factor in competitive bidding)
3. Features which exceed the minimum department requirements
4. Explanation for the actual need and basic use for the equipment, unless the information relates to a request for unique factors
5. A request for no substitution submitted without justification. This is a sole source/brand request requiring detailed justification including established sole source/brand criteria

Please make copies of the Criteria for Sole Source/Brand form for your future use.

County of Monterey
General Services- Contracts/Purchasing Division
JUSTIFICATION OF SOLE SOURCE/SOLE BRAND REQUEST

Date 04/03/2024

1. Please indicate the following:

Procurement: Goods
 Services

Description of Item: TPA Services for Self-Insured Dental Plan Claims

(Check One)

Sole Source: Item is available from one source only. Item is a one-of-a kind and is not sold through distributors. Manufacturer is the exclusive distributor.

Sole Brand: Various sources can supply the specified model and brand and competitive bids will be solicited for the requested brand only. Meets form, fit and function- nothing else will do.

Note: Sole Source/Sole Brand Requests are not maintained as a standing request. Each request is for a single one-time purchase only.

Sole Source/Sole Brand Request is not an Agreement.

2. Vendor Selection:

Preferred Vendor
 Sole Source

Vendor Name: Benefit & Risk Management Services, Inc.

Address: 80 Iron Point Circle, Ste 200 City: Folsom State: CA

Phone Number: (916) 467-1325 Fax: ()

Contact Person: Luke Schafer Title: Executive Vice President

Federal Employer #: 68-0306908

3. Provide a brief description of the goods/services to be purchased and why this purchase is being proposed under a sole source acquisition.

- a) Why were product and/or vendor chosen?

The current Third Party Administrator (TPA) handling our dental plan claims and COBRA administration will be closing its operations and will cease to provide services effective 7/1/2024. In response, the County collaborated with our dental and vision actuary consultant and PRISM to explore alternative solutions. Following a thorough assessment, BRMS has been identified and is equipped to offer the same level of services as our current vendor and can facilitate a seamless transition despite the tight implementation timeline.

- b) What are the unique performance features of the product/brand requested that are not available in any other product/brand? For Services: what unique qualifications, rights, and licenses does the vendor possess to qualify as a sole source/brand request?

Due to the extremely short implementation timeline. The County requires to contract with a new administrator who can successfully implement the transition and begin administering and paying dental claim effective 7/1/2024. The County has been a member of PRISM since 1992 which provides multiple services to include dental plan administration for pooled and self-insured plans. BRMS was recommended by both PRISM and the County's actuary consultant as fully capable of providing the needed services and working closely with the existing dental plan provider network as to minimize impact to employees. The County is contractually obligated to provide dental insurance plan for all permanent employees.

- c) Why are these specific features/qualifications required?

The County requires a TPA to review dental claims submitted against the County's self-funded plan, and determine payment eligibility, work with the current provider network, provide customer service to participants during regular business hours, provide comprehensive reporting tools to the County, and COBRA administration to include notifications and enrollment.

- d) What other products/services have been examined and/or rejected?

The County approached PRISM to review our current plan design, network, and rates to evaluate if PRISM could provide the necessary services, however, due to our plan design, network, and tight implementation timeline they are unable to provide services at this time.

- e) Why are other sources providing like goods or services unacceptable (please give a full meaningful explanation)?

The current services provided by our TPA will cease to be available to the county effective 7/1/2024 as they will stop operations. In order to ensure as smooth transition as possible with little to no impact to 4,500+ enrolled employees, the County must identify a qualified TPA who can administer the plan while working with the existing customized dental network TPA.

- f) What are the unique performance features REQUIRED (not merely preferred), and how would your requirement be inhibited without this particular item or service?

The County's dental plan is self-insured with a customized provider network owned by Pacific Health Alliance (PHA). The PHA will continue to provide network administrative services. The County must contract with a new TPA who can administer claims and within the customized network and must be able to deliver an implementation deadline of 7/1/2024. Additionally, the Human Resources' goal is to minimize confusion, frustration, and unsatisfactory experiences involved with any change to insurance providers by accepting a 3 year contract.

- g) Estimated Costs:

The County was able to secure a discounted claims administration rate by accepting a 3 year contract with an escalating rate structure.

Year 1 \$3.50 per employee per month

Year 2 \$3.75 per employee per month

Year 3 \$4.00 per employee per month

Total estimated cost: \$740,000 for a 3-yr contract from 7/1/2024-6/30/2027

4. Is there an unusual or compelling urgency associated with this project?

- No
- Yes (Please describe)

The current dental plan TPA will cease operations effective 7/1/2024. The County must contract with a new TPA immediately to administer and pay employee dental claims and avoid hardship to County employees and expose the County to litigation due to unpaid claims.

THE FOLLOWING TO BE COMPLETED BY THE REQUESTOR

I hereby certify that:

1. I am an approved department representative and am aware of the County’s requirements for competitive bidding, as well as the criteria for justification for sole source/brand purchasing.
2. I have gathered the required technical information and have made a concentrated effort to review comparable and/or equal equipment.
3. The information contained herein is complete and accurate.
4. There is justification for sole source/brand purchasing noted above as it meets the County’s criteria.
5. A sole source/brand purchase in this case would withstand a possible audit or a vendor’s protest.



Digitally signed by
Melissa Zamora

4/5/2024

Requestors Signature

Date

Andreas Pyper

Digitally signed by Andreas Pyper
Date: 2024.04.05 14:53:10 -07'00'

4/5/2024

Authorized Signature by Department Head

Date

DocuSigned by:



Approved by Contracts/Purchasing Officer

4/5/2024 | 4:56 PM PDT

Date