



Division of County Operations

P.O. Box 1437, Slot S-301 - Little Rock, AR 72203-1437
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MEMORANDUM

A handwritten signature in black ink, appearing to read "Camber Thompson".

TO: Camber Thompson, Director, Department of Finance & Administration, Office of State Procurement
FROM: *Mary Franklin for Delia Anderson*
Delia Anderson, Director, Department of Human Services, Division of County Operations
DATE: November 30, 2015
SUBJ: Request to Execute Sole Source Contract with eFunds Corporation

The Department of Human Services, Division of County Operations, is requesting approval to execute a sole source contract for the period of May 1, 2016 through April 30, 2017 with eFunds Corporation to provide Electronic Benefits Transfer (EBT) services to DHS.

eFunds Corporation has been under contract to provide EBT services to DHS from May 1, 2009 to the present as the result of a Request for Proposals issued in September 2008. The procurement period for the contract between DHS and eFunds Corporation ends April 30, 2016, and there is not sufficient time to issue a Request for Proposals and select a new contractor before April 30, 2016. A Request for Proposals is currently being produced by DHS in conjunction with the Office of State Procurement with the goal of selecting a long-term EBT contractor. Contracts by state agencies for EBT services must get prior approval of the United States Department of Agriculture Food and Nutrition Services, which lengthens the procurement process for DHS.

1. Why is this service or commodity needed? *It is critical that this sole source contract be executed so that Arkansas families continue to receive Supplemental Nutrition Assistance Program (SNAP) benefits until a new EBT contractor is selected.*
2. What method(s) were used to determine that a lack of responsible competition exists for this service or commodity? *It is not feasible to have a contractor other than eFunds Corporation provide EBT services during the contemplated 12 month contract term of May 1, 2016 through April 30, 2017.*
3. How was it determined that this service, provider or commodity has exclusive processes or properties? *As previously stated eFunds Corporation is currently providing EBT services to DHS and it would not be possible for another contractor develop another EBT system and provide services to DHS for May 1, 2016 through April 30, 2017.*
4. Can requirements be modified so that the services or commodity can be competitively bid? If not, why? *No. For the reasons previously stated.*

5. Are there patent, copyright or proprietary rights which make the required service or commodity unavailable from other sources? *No.*
6. What would the agency do if the service or commodity were no longer available? *States are required by the federal government to deliver SNAP benefits via an EBT system. It would not be possible for DHS to continue to deliver uninterrupted SNAP benefits without an EBT system.*
7. Detail any program considerations, which make the use of a "Sole Source" critical to the successful completion of the task(s). *It is necessary to execute a sole source contract with our current EBT contractor for May 1, 2016 through April 30, 2017.*


Attachments

cc: **Mary Franklin, Chief Financial Officer, Division of County Operations**
Larry Crutchfield, Assistant Director, Office of Program Planning & Development
Brenda Butler, Information Systems Manager, Division of County Operations
File

**Office of Director**

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TO: Camber Thompson, Administrator, Office of State Procurement
FROM: Mark White, Deputy Director 
DATE: December 4, 2015
RE: Request for Sole Source Procurement

The Department of Human Services (DHS) requests approval for a sole source professional service contract with Gartner Incorporated.

The purpose of this agreement is to procure a consultant to support DHS's efforts to competitively bid the design, development, and implementation (DDI) of the Eligibility and Enrollment Framework (EEF) to meet the business needs of the State's Integrated Eligibility and Benefit Management (IE/BM) operations for Supplemental Nutrition Assistance Program (SNAP) and Medicaid Eligibility Determination. In addition, this consultant will provide DHS with procurement support for a competitive bid to replace the Information Systems Support Services (ISS) for the DHS infrastructure and Systems Support Services. Approximately 80% of the project will be devoted to the EEF and 20% to the ISS replacement.

The seven questions for this proposed sole source contract between DHS and Gartner are addressed below.

1. Why is this service or commodity needed?

The purpose of this contract is to put the remainder of the EEF contract out for a competitive bid. The Governor has asked the legislature to approve a contract for Gartner to develop and manage this Request for Proposal (RFP) for DHS. Additionally, DHS's previous solicitation for its Information Systems Support Services (ISS) and Systems Support Services expired. As a result, DHS currently has a sole source contract for those services with its previous vendor. It would be advantageous for Gartner to develop and manage this Request for Proposal (RFP) for DHS to ensure all DHS IT services and systems, including EEF, work together seamlessly.

2. What method(s) were used to determine that a lack of responsible competition exists for this service or commodity?

Given the vital importance of this Eligibility and Enrollment Framework (EEF) system to DHS and its clients, the limited and brief timeline within which a new vendor must be selected and be on-boarded to the project, and the work and expenditures to-date, DHS determined that the chief criterion for selecting a vendor must be whether the vendor has past experience in assessing the EEF project and making recommendations for corrective actions.

3. How was it determined that this service or commodity can only be provided by one source.

DHS staff consulted with the Governor's Office and other state agency staff to identify possible vendors. Only one vendor, Gartner Inc., could be identified as the consulting partner that led the recent review of the EEF system.

4. Can requirements be modified so that the services or commodity may be competitively bid? If not, why?

No. Gartner's recent experience with conducting the review of DHS's EEF system over a period of five (5) months is critical to being able to successfully conduct competitive bid processes for the state's eligibility and benefits management platform. A vendor with no prior experience with the current Arkansas DHS EEF system would face tremendous obstacles in assessing the current system while ensuring that the state does not face the same or similar challenges that brought about this course of action.

5. Are there patent, copyright or proprietary rights which make the required service or commodity unavailable from other sources.

No.

6. What would the agency do if the service or commodity were no longer available?

In the absence of this contract, DHS or the Governor's Office would have to implement all of the recommendations from the recent review report, despite having inadequate experience or resources for the oversight and project management of a large and complex information technology procurement project such as this.

7. Detail any program considerations, which make the use of a "Sole Source" critical to the agency.

DHS is the largest agency in state government, with 7,500 employees and a budget exceeding \$8 billion. It is in the state's best interests, and critical to the agency's future, to competitively bid the remaining sub-projects necessary to the overall design, development, and implementation (DDI) of the Eligibility and Enrollment Framework (EEF). In addition, ensuring the best possible replacement vendor for the Information Systems Support Services (ISS) for the DHS infrastructure and Systems Support Services is critical.

SUMMARY SCHEDULE OF STATE AGENCY CONTRACTS
 FOR ARKANSAS LEGISLATIVE COUNCIL REVIEW
 AS REQUIRED BY ARKANSAS CODE 19-11-1006

15 b

In-State Contracts

1. Agency: U of A - Fayetteville

Contractor: Sources for Community Independent Living Services

Location: Fayetteville

State: AR

Total Authorized:

Org. Term: 04/19/2014 06/30/2015 **Procurement:** SSJ

Total After Review: \$3,232,776.00 **Funding:** Federal - 100% - [US DOE Award H418P]

Total Projected: \$550,000.00

Contract Number: RA1143886

<u>Org/Amt:</u>	<u>Amount</u>	<u>Paid To Date</u>	<u>Objective:</u>	<u>New Exp Date</u>
Amd. 3	1,582,776.00	387,165.49	Altering svcs provided by vendor and budget to remain compliant w/EDGAR cost principles and WIOA new directive for Pre-Employment Transition Services Amendment to comply with direction of federal project.	
History:				
Amd. 2	1,100,000.00	96,982.19	Additional funding for continuation of Work Incentives Planning & Assistance Grant project.	
Amd. 1	0.00	79,900.06	Extend contract term for continuation of the PROMISE Grant Project.	06/30/2017
Original:	550,000.00		Management of Work Incentives Planning & Assistance Grant for Arkansas: provide benefits planning for participants in model demonstration program to develop a customized plan for positive employment outcomes and self sufficiency.	



UNIVERSITY OF ARKANSAS

College of Education and Health Professions

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Wednesday, April 20, 2016

Linda K. Fast, Director of Procurement Services
University of Arkansas Business Office
321 Administration Building
Fayetteville, AR 72701

Director Fast:

This letter is intended to justify the University's sole-source professional services contract with Sources for Community Independent Living, Inc. (Sources).

The services provided by Sources are needed to fully implement the AR PROMISE Model Demonstration Project, housed in the College of Education and Health Professions. Sources has been providing and will continue to provide the following services to youth participants and their families: benefits counseling; peer support facilitation; adult mentoring; information on work incentives; assistance in reporting wages to Social Security Administration; stipend distribution, tracking, & reporting; and job coaching services. These services were listed as an integral part of our intervention in our response to the federal notice.

A lack of responsible completion exists for these services. Sources is the only organization identified in Arkansas's project design to provide these services. Arkansas was awarded federal grant funds based on our particular project design.

These services can only be provided by one source. This was determined because Sources is identified in our project design as the provider for these services. Funding is contingent on our timely and accurate implementation of our design.

Our federal award cannot be modified so that these services may be competitively bid because our original proposal has been approved and funded. To change such a large portion of the project's infrastructure and service delivery would harm the fidelity of the research project and risk a loss of funding.

Sources is the sole administrator of the Work Incentives Planning and Assistance grant for Arkansas. Sources has administered this program since its inception, and ranks as one of the top programs in the nation according to the Social Security Administration. The WIPA project works closely with Social Security Administration, the state vocational rehabilitation system, employment networks and other resources to provide persons with disabilities information to make an informed choice about returning to work. Sources experience and leadership with this project makes the organization uniquely qualified to deliver services for the population enrolled in AR PROMISE. As the distinct and sole entity with this qualification and its status as a certified vendor and provider of Vocational Rehabilitation Services, Sources remains the only identifiable contracting option as indicated in our proposal.

Furthermore, Sources has provided these services to AR PROMISE since 4/19/2014 and the relationships and partnerships Sources has established are critical to the development of PROMISE youth and the success of the demonstration project. With limited time to conduct our activities, it is critical to retain Sources in their current role as a partner in the project. Their consistent above-standard vendor performance reports reinforces their inclusion in the research infrastructure by the authors.

If the services Sources is contracted to provide were no longer available, the University would inform the federal Department of Education of this change in our project design and seek guidance on project continuance.

The use of a Sole Source contract is critical to the AR PROMSIE project and the University in order to comply with the terms of our federal award. Sources' services are important elements of our design intervention and to alter that design puts the success of the project at risk. AR PROMISE will provide meaningful education and career opportunities to thousands of Arkansans and lead to more efficient and effective delivery of state services. If successful, the project will provide a model for the nation to empower low-income Americans living with a disability to take control of their futures and reduce their long-term reliance on public benefits.

Thank you,



Philip Adams
Project Director
Arkansas PROMISE Model Demonstration Project
UA College of Education and Health Professions
322 Main Street, Suite 501
Little Rock, AR 72701

I approve this
Sole Source request
Linda West
4/21/2016

