



## JUSTIFICATION FOR SPECIAL PROCUREMENT

Department No. & Name: 9914 - Department of Transformation and Shared Services

Date: 02/03/2023

Request for Special Procurement Authority:

To Whom It May Concern:

The following request sets forth for your review and consideration the facts that constitute the unique or unusual circumstances that justify Special Procurement pursuant to Ark. Code Ann. § 19-11-263, as well as the reason for the selection of the contractor identified:

a) Unusual or unique situation that justifies special procurement:

The Department of Transformation and Shared Services - Employee Benefits Division (EBD) needs to procure a vendor to support the operation of ARBenefits (via three separate portals). ARBenefits is EBD's secure portal that allows members and administration to manage the EBD plan. In addition, Mainstream provides the technology that handles all eligibility processing, transmits 834 files to vendors, and supports all accounting functions for EBD. ARBenefits is critical for the day-to-day function of the plan. Mainstream is the current vendor and its contract with EBD expires on June 30, 2023 with no further extensions available.

b) Why, under the situation presented, competitive procurement is contrary to the public interest:

EBD just finished implementing a Medicare Advantage Prescription Drug (MAPD) plan and will soon begin implementing a pharmacy benefit manager. Both implementations will require highly technical modifications and coding to the ARBenefits system. A procurement for a new vendor to sustain the ARBenefits during this process would impair EBD's ability to successfully implement these programs and ability to conduct day-to-day functions.

c) How long the unusual situation that justifies special procurement as an alternative to competitive procurement is expected to last:

The special procurement would be needed until approximately July 1, 2024.

d) Duration of the contract and, if it exceeds the anticipated duration of the unusual or unique situation, what rationale justifies making the duration of the contract exceed the anticipated duration of the unusual or unique situation:

From July 1, 2023 until June 30, 2024.

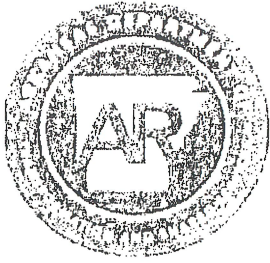
e) Particular contractor selected and the reasons for the selection:

Mainstream is the selected vendor. Mainstream currently holds the contract and has the requisite knowledge and skills to support the ongoing maintenance and modification of the ARBenefits system.

Please let me know if you determine that a Special Procurement is warranted.

Approved by OSP Director: \_\_\_\_\_ Date \_\_\_\_\_

From July 1, 2023 until June 30, 2024.



**Department of Transformation and Shared Services**

Governor Sarah Huckabee Sanders

Secretary Joseph Wood

**February 10, 2023**

**Ms. Laura Thompson  
Chief Operating Officer  
Department of Transformation and Shared Services  
Division of Employee Benefits  
501 Woodlane Street, Suite 201  
Little Rock, Arkansas 72201**

**Re: Request for Special Procurement—Mainstream Technologies, Inc.**

**Dear Ms. Thompson:**

Thank you for your correspondence on behalf of the Arkansas Department of Transformation and Shared Services Division of Employee Benefits (EBD) dated February 3, 2023, received on February 6, 2023, and supplemented on February 7, 2023. The request is to obtain authorization for the special procurement of continued operations support of ARBenefits by Mainstream Technologies, Inc. (Mainstream) for the term of July 1, 2023, to June 30, 2024, with a total projected cost of \$2,520,000.

The legal standard for granting special procurement authority is codified at Arkansas Code Annotated § 19-11-263, which provides that the State Procurement Director may initiate a special procurement when he “determines that an unusual or unique situation exists that makes the application of all requirements of competitive bidding, competitive sealed bidding, or competitive sealed proposals contrary to the public interest.”

**In support of its request, EBD states:**

The Department of Transformation and Shared Services - Employee Benefits Division (EBD) needs to procure a vendor to support the operation of ARBenefits (via three separate portals). ARBenefits is EBD's secure portal that allows members and administration to manage the EBD plan. In addition, Mainstream provides the technology that handles all eligibility processing, transmits 834 files to vendors, and supports all accounting functions for EBD. ARBenefits is critical for the day-to-day function of the plan. Mainstream is the current vendor and its contract with EBD expires on June 30, 2023, with no further extensions available.

**EBD also affirmed that:**

EBD just finished implementing a Medicare Advantage Prescription Drug (MAPD) plan and will soon begin implementing a pharmacy benefit manager. Both implementations will require highly technical modifications and coding to the ARBenefits system. A [concurrent] procurement for a new vendor to sustain the ARBenefits during this process

would impair EBD's ability to successfully implement these programs and ability to conduct day-to-day functions.

Applying the standard bidding requirements would not be an efficient use of the state's resources in these circumstances. The competitive bid processes were previously utilized. Mainstream was the selected vendor that could meet the state's needs and has apparently done so efficiently and effectively. I find that this set of circumstances meets the standard for special procurement as set forth in Arkansas Code Annotated § 19-11-263. The special procurement of continued operations support of ARBenefits by Mainstream for a total projected cost of \$2,520,000 for the term July 1, 2023, to June 30, 2024, is hereby authorized.

Respectfully,

A handwritten signature in black ink, appearing to read "M R", with a long horizontal flourish extending to the right.

Mitch Rouse  
Director