



2017 OCT 11 PM 11:05
OFFICE OF THE
CHIEF FINANCIAL OFFICER

MURIEL BOWSER
MAYOR

OCT 11 2017

The Honorable Phil Mendelson
Chairman
Council of the District of Columbia
John A. Wilson Building
1350 Pennsylvania Avenue, N.W., Suite 504
Washington, D.C. 20004

Dear Chairman Mendelson:

Enclosed for consideration and approval by the Council of the District of Columbia is proposed emergency legislation, "Modifications to Contract No. CW26966 with Conduent State Healthcare, LLC Approval and Payment Authorization Emergency Act of 2017", to approve Modification Nos. 0028 and 0029 to Contract No. CW26966 ("Contract") and approve payment for goods and services received and to be received for enhancing and implementing a federally-owned and certifiable Medicaid Management Information System.

Council action is necessary to approve the Contract in the amount of \$19,893,141.40 for the period from October 1, 2017 through September 30, 2018.

The Chief Financial Officer has certified that funding has been requested for FY 2018.

As always, I am available to discuss any questions you may have regarding this contract. In order to facilitate a response to any questions, please have your staff contact Lauren Stephens, Public Information Officer, at 724-4982.

I urge you to take prompt and favorable action regarding the enclosed legislation.

Sincerely,

A handwritten signature in cursive script, appearing to read "Muriel Bowser".

Muriel Bowser

Enclosures


Chairman Phil Mendelson
at the request of the Mayor

1
2
3
4
5
6
7 A BILL
8
9
10
11

12 IN THE COUNCIL OF THE DISTRICT OF COLUMBIA
13
14

15
16 To approve, on an emergency basis, Modification Nos. 0028 and 0029 to Contract No.
17 CW26966 with Conduent State Healthcare, LLC to enhance and implement a
18 federally-owned and certifiable Medicaid Management Information System and to
19 authorize payment for the goods and services received and to be received under
20 the contract.
21

22
23 BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA,

24 That this act may be cited as the “Modifications to Contract No. CW26966 with
25 Conduent State Healthcare, LLC Approval and Payment Authorization Emergency Act of
26 2017”.

27 Sec. 2. Pursuant to section 451 of the District of Columbia Home Rule Act,
28 approved December 24, 1973 (87 Stat. 803; D.C. Official Code § 1–204.51), and
29 notwithstanding the requirements of section 202 of the Procurement Practices Reform
30 Act of 2010, effective April 8, 2011 (D.C. Law 18–371; D.C. Official Code § 2–352.02),
31 the Council approves Modification Nos. 0028 and 0029 to Contract No. CW26966 with
32 Conduent State Healthcare, LLC to enhance and implement a federally-owned and
33 certifiable Medicaid Management Information System, and authorizes payment in the

1 amount of \$19,893,141.40 for the goods and services received and to be received under
2 Modification Nos. 0028 and 0029.

3 Sec. 3. The Council adopts the fiscal impact statement of the Chief Financial
4 Officer as the fiscal impact statement required by section 4a of the General Legislative
5 Procedures Act of 1975, approved October 16, 2006 (120 Stat. 2038; D.C. Official Code
6 § 1-301.47a).

7 Sec. 4. This act shall take effect following approval by the Mayor (or in the
8 event of veto by the Mayor, action by the Council to override the veto), and shall remain
9 in effect for no longer than 90 days, as provided for emergency acts of the Council of the
10 District of Columbia in section 412(a) of the District of Columbia Home Rule Act,
11 approved December 24, 1973 (87 Stat. 788; D.C. Official Code § 1-204.12(a)).

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of Contracting and Procurement



Pursuant to section 202(c) of the Procurement Practices Reform Act of 2010, as amended, D.C. Official Code § 2-352.02(c), the following contract summary is provided:

COUNCIL CONTRACT SUMMARY

(A) Contract Number: CW26966
Modification Number M0028
Modification Number M0029

Proposed Contractor: Conduent State Healthcare LLC (Conduent)

Contract Amount: Partial Option Period Two - October 1, 2017 to October 18, 2017, in the amount of \$981,031.63. Remainder of Option Period Two - \$18,912,109.77 for a total contract amount of \$19,893,141.40.

Unit and Method of Compensation: Firm Fixed Unit Price with Cost Reimbursable Component

Term of Contract: October 1, 2017 – September 30, 2018 (Option Period Two)

Type of Contract: Firm Fixed Price with Cost Reimbursable Component

Source Selection Method: Sole Source

(B) For a contract containing option periods, the contract amount for the base period and for each option period. If the contract amount for one or more of the option periods differs from the amount for the base period, provide an explanation of the reason for the difference:

Base Period Amount: \$111,255,534
(September 10, 2007 through September 9, 2014)
(Council Approval Resolution No. 17-313)

Contract Extension Amount: \$37,297,137
(September 10, 2014 through September 30, 2016)
(Council Approval Resolution No. 20-585)

Explanation of difference from base period (if applicable): Contract extension for two additional years.

Option Period 1 Amount: \$19,194,158.40

(October 1, 2016 through September 30, 2017)

(Council Approval CA21-514)

Explanation of difference from base period (if applicable): Continuation of enhancement and implementation of MMIS.

Option Period 2 Amount: \$19,893,141.40

(October 1, 2017 through September 30, 2018)

Explanation of difference from base period (if applicable): Continuation of enhancement and implementation of MMIS.

(C) The goods or services to be provided, the methods of delivering goods or services, and any significant program changes reflected in the proposed contract:

The purpose of option period two is to enhance and implement a federally owned and certifiable Medicaid Management Information System (MMIS). The contractor shall enhance the MMIS by using current information technology to enable the efficient and responsive operation of the District's Medicaid Program, and to provide additional services which are federally mandated updates to the District's MMIS and the Medicaid Statistical Information System (MSIS) in order to maintain compliance with the US Department of Health Human Services Center for the Medicaid and Medicare Service (CMS).

(D) The selection process, including the number of Offeror's, the evaluation criteria, and the evaluation results, including price, technical or quality, and past performance components:

The Office of Contracting and Procurement issued a Request for Proposals (RFP), solicitation No. POTO-2006-R-0077 on June 30, 2006 in the open market to solicit proposals for services to provide, enhance and implement a federally owned and certified or certifiable Medicaid Management Information System (MMIS). The District received one proposal from ACS State Healthcare, LLC (ACS). The proposal was evaluated in accordance with the technical and price evaluation factors as described in the RFP, and OCP awarded a multiyear contract for the period of performance from September 10, 2007 through September 9, 2014. During that contract term, ACS changed its name to Xerox State Healthcare, LLC (Xerox).

In September 2014, OCP issued a sole source extension of the contract for the period of September 9, 2014 through September 30, 2016 in the amount of \$37,297,137. This extension was for a period of two years and 21 days, and allowed for two additional one-year options. OCP exercised the first option year for the period of October 1, 2016 through September 30, 2017, in the amount of \$19,303,820. In June 2017, Xerox changed its name to Conduent State Healthcare, LLC. Additionally, OCP exercised a partial exercise of option year two in the amount of \$981,031.63 for the period of October 1st through 18th, 2017. OCP now proposes to exercise the remainder of option year two for the period of October 19, 2017 through September 30, 2018. The total amount for option year two is \$19,893,141.40.

(E) A description of any bid protest related to the award of the contract, including whether the protest was resolved through litigation, withdrawal of the protest by the protestor, or voluntary corrective action by the District. Include the identity of the protestor, the grounds alleged in the protest, and any deficiencies identified by the District as a result of the protest:

None

(F) The background and qualifications of the proposed contractor, including its organization, financial stability, personnel, and performance on past or current government or private sector contracts with requirements similar to those of the proposed contract:

Conduent State Healthcare, LLC currently provides MMIS systems to a number of states and the District of Columbia and has demonstrated through its performance under the contract that the Contractor maintains the organization, financial stability, and personnel to perform the required services.

Conduent State Healthcare, LLC has adequate financial resources to perform the contract or the ability to obtain those resources, based on its Bidder/Offeror Certification Form, and Dun and Bradstreet report.

Conduent State Healthcare, LLC has, or has the ability to obtain, the necessary organization, experience, accounting, operational control, and technical skills, based on the contractor currently providing the required services, and on the positive performance evaluations;

Conduent State Healthcare, LLC has held a number of contracts with the District over the past ten (10) years including serving as the District's enrollment broker for the DC Healthy Families Program (POHC-2004-R-9390), providing HIPAA Security implementation for the District's MMIS System (POHC-2006-C-0022). The program office provided past performance evaluation that were satisfactory.

The Contractor has been determined responsible based on the District's standard of responsibility as described in D.C. Official Code §2-353.01.

(G) The period of performance associated with the proposed change, including date as of which the proposed change is to be made effective:

A partial modification (Modification No. 0028) to Option Period Two was issued for the period October 1, 2017 through October 18, 2017 in the amount of \$981,031.63. The remainder of Option Period Two (Modification No. 0029) is for the period of October 19, 2017 to September 30, 2018.

(H) The value of any work or services performed pursuant to a proposed change for which the Council has not provided approval, disaggregated by each proposed change if more than one proposed change has been aggregated for Council review:

Modification No. 0028 was issued in the amount of \$981,031.63.
Proposed Modification No. 0029 is in the amount of \$18,912,109.77.

(I) The aggregate dollar value of the proposed changes as compared with the amount of the contract as awarded:

The total amount of option period two is \$19,893,141.40.

(J) The date on which the contracting officer was notified of the proposed change:

September 29, 2017.

(K) The reason why the proposed change was sent to Council for approval after it is intended to take effect:

The Medicaid claims processing services were critical services that needed to be continued without disruption.

(L) The reason for the proposed change:

The District exercised the partial option period two to continue critical Medicaid claims processing services.

(M) The legal, regulatory, or contractual authority for the proposed change:

27 DCMR 3601.2

(N) A summary of the subcontracting plan required under section 2346 of the Small, Local, and Disadvantaged Business Enterprise Development and Assistance Act of 2005, as amended, D.C. Official Code § 2-218.01 *et seq.* (“Act”), including a certification that the subcontracting plan meets the minimum requirements of the Act and the dollar volume of the portion of the contract to be subcontracted, expressed both in total dollars and as a percentage of the total contract amount:

The contractor provided a Subcontracting Plan with a Set Aside of 13.5 % with a total dollar amount of \$2,685,574.09. The Contracting Officer has determined that the plan meets the DSLBD requirements.

(O) Performance standards and the expected outcome of the proposed contract:

The purpose of this modification is to obtain required MMIS updates and enhancements to ensure the District’s continued compliance with CMS requirements.

The District requires Conduent to continue operating its federally certified MMIS. This system supports the traditional fee-for-services delivery model for the District’s Medicaid enrollees and is essential to ensure timely payment to health care providers treating a wide portfolio of medical needs. The contractor will perform in accordance with the performance standards set forth in the contract.

(P) The amount and date of any expenditure of funds by the District pursuant to the contract prior to its submission to the Council for approval:

Modification No. 0028 was issued in the amount of \$981,031.63.

(Q) A certification that the proposed contract is within the appropriated budget authority for the agency for the fiscal year and is consistent with the financial plan and budget adopted in accordance with D.C. Official Code §§ 47-392.01 and 47-392.02:

By Memorandum, dated August 8, 2017 the Agency Fiscal Officer certified that funds in the amount of \$19,893,141.40 are available in FY18.

(R) A certification that the contract is legally sufficient, including whether the proposed contractor has any pending legal claims against the District:

The proposed contract has been reviewed by the Office of the Attorney General and found to be legally sufficient. There are no pending legal claims against the District.

(S) A certification that Citywide Clean Hands database indicates that the proposed contractor is current with its District taxes. If the Citywide Clean Hands Database indicates that the proposed contractor is not current with its District taxes, either: (1) a certification that the contractor has worked out and is current with a payment schedule approved by the District; or (2) a certification that the contractor will be current with its District taxes after the District recovers any outstanding debt as provided under D.C. Official Code § 2-353.01(b):

On October 3, 2017, the Citywide Clean Hands database certified that the Contractor is current with its District taxes.

(T) A certification from the proposed contractor that it is current with its federal taxes, or has worked out and is current with a payment schedule approved by the federal government:

The Contractor has certified that it is current with its federal taxes.

(U) The status of the proposed contractor as a certified local, small, or disadvantaged business enterprise as defined in the Small, Local, and Disadvantaged Business Enterprise Development and Assistance Act of 2005, as amended; D.C. Official Code § 2-218.01 *et seq.*:

Conduent State Healthcare, LLC is not a certified local, small, or disadvantaged business enterprise.

(V) Other aspects of the proposed contract that the Chief Procurement Officer considers significant:

None

(W) A statement indicating whether the proposed contractor is currently debarred from providing services or goods to the District or federal government, the dates of the debarment, and the reasons for debarment:

As of October 3, 2017, 2017, the Contractor does not appear on the Federal Excluded Parties List or the District's list of Debarred and Suspended Contractors.

(X) Any determination and findings issues relating to the contract's formation, including any determination and findings made under D.C. Official Code § 2-352.05 (privatization contracts):

Determination and Findings for Contractor's Responsibility

Determination and Findings for Price Reasonableness

(Y) Where the contract, and any amendments or modifications, if executed, will be made available online:

<http://ocp.dc.gov>

(Z) Where the original solicitation, and any amendments or modifications, will be made available online:

<http://ocp.dc.gov>



Government of the District of Columbia

CERTIFICATE OF CLEAN HANDS

CONDUENT STATE HEALTHCARE, LLC
2828 N HASKELL AVE
DALLAS, TX 75204-2909

EIN : *****9287

As reported in the Citywide Clean Hands system, the above referenced individual or entity has no outstanding liability with the District of Columbia. As of the date herein, you have complied with the following official DC code and therefore are issued this Certificate of Clean Hands.

TITLE 47. TAXATION, LICENSING, PERMITS, ASSESSMENTS AND FEES
CHAPTER 28. GENERAL LICENSE LAW
SUBCHAPTER II. CLEAN HANDS BEFORE RECEIVING A LICENSE OR PERMIT
D.C. Code § 47-2862 (2006)
§ 47-2862. Prohibition against issuance of license or permit.

A handwritten signature in black ink, appearing to be 'Doris Faulkner', written over a horizontal line.

Authorized By Doris Faulkner
Acting Chief of Collections

Date: Tuesday this 3rd day of October 2017 02:46 PM

Tracking#: 725719

This document is a certified, complete and true copy.

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Department of Health Care Finance



Office of the Chief Financial Officer

MEMORANDUM

TO: George A. Schutter
Chief Procurement Officer
Office of Contracting and Procurement

THRU: Delicia Moore *Delicia Moore*
Associate Chief Financial Officer
Human Support Services Cluster

FROM: Darrin Shaffer *Darrin A. Shaffer*
Agency Fiscal Officer
Department of Health Care Finance

DATE: AUG 8 2017

SUBJECT: FY 2018 Certification of Funding for Conduent (Xerox) State Healthcare LLC MMIS Contract Option Period 2 (Contract # CW26966)

The Office of the Chief Financial Officer hereby certifies that the sum of \$19,893,141.40 is included in the District's Local Budget and Financial Plan submitted to Congress by the Chairman of the Council to the Speaker of the House of Representatives for Fiscal Year 2018 to fund the costs associated with the Conduent (Xerox) State Healthcare LLC's MMIS Contract Option Period 2. (Note: This certification replaces certification issued earlier dated July 18, 2017 on the subject)

Fiscal Year 2018 Funding:

Agency	Fund	Program	PCA	Index	CSG	Grant	Amount
HT0	0100	6000	O3100	LO310	409		\$4,883,814.00
HT0	8250	6000	O3100	O31A8	409	81MMAD/18	\$14,651,442.00
HT0	0100	3000	P2000	LP200	409		\$66,346.35
HT0	8250	3000	P2000	P00A8	409	81MMAD/18	\$199,039.05
HT0	0100	1000	M2610	LM261	409		\$23,125.00
HT0	8250	1000	M2610	M61A8	409	81MMAD/18	\$69,375.00

Total : \$19,893,141.40

Upon approval by Congress of the District's Local Budget and Financial Plan, funds will be sufficient to pay for fees and costs associated with the contract. There is no fiscal impact associated with the contract.

Should you have any questions, please contact me at (202) 442-9079.

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Attorney General



Procurement Section

MEMORANDUM

TO: Alana Intrieri
Director
Office of Legislative Support

FROM: Robert Schildkraut
Chief, Procurement Section
Commercial Division

DATE: October 6, 2017

SUBJECT: Retroactive Exercise of Option Year Two
Medicaid Management Information System
Contract No.: CW26966
Contractor: Conduent State Healthcare, LLC
Not-to-Exceed Contract Amount of Option Year Two: \$19,893,141.40

This is to Certify that this Office has reviewed the above-referenced Contract and that we have found it to be legally sufficient. If you have any questions in this regard, please do not hesitate to call me at 724-4018.

A handwritten signature in blue ink, appearing to read "Robert Schildkraut", written over a horizontal line.

Robert Schildkraut

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE ATTORNEY GENERAL



ATTORNEY GENERAL
KARL A. RACINE

Legal Counsel Division

MEMORANDUM

TO: Alana Intrieri
Executive Director
Office of Policy and Legislative Support

FROM: Janet M. Robins
Deputy Attorney General
Legal Counsel Division

DATE: June 12, 2017

SUBJECT: Legal Sufficiency Review of the ““Modifications to Contract No. CW26966 with Conduent State Healthcare, LLC Approval and Payment Authorization Emergency Act of 2017” and the “Modifications to Contract No. CW26966 with Conduent State Healthcare, LLC Approval and Payment Authorization Emergency Declaration Resolution of 2017”
(AE-17-)

This is to Certify that this Office has reviewed the above-referenced legislation and that we have found it to be legally sufficient.

If you have any questions in this regard, please do not hesitate to call me at 724-5524.

A handwritten signature in blue ink, appearing to read 'JMR/CR', written over a horizontal line.

Janet M. Robins

AMENDMENT OF SOLICITATION/MODIFICATION OF CONTRACT			1. Contract Number CW26966	Page of Pages 1 2	
2. Amendment/Modification Number CW26966-M0029		3. Effective Date See Block 16C		4. Requisition/Purchase Request No.	
5. Solicitation Caption MMIS		6. Issued By: Office of Contracting and Procurement (OCP) 441 4th Street, N.W., 700 South Washington, DC 20001			
7. Administered By (If other than line 6)		Code			
8. Name and Address of Contractor (No. Street, city, country, state and ZIP Code) Conduent State Healthcare, LLC 2828 N. Haskell Ave Dallas, TX 75204-2909			9A. Amendment of Solicitation No.		
			9B. Dated (See Item 11)		
			10A. Modification of Contract/Order No. CW26966		
			10B. Dated (See Item 13) 5/2/2016		
Code			Facility		
11. THIS ITEM ONLY APPLIES TO AMENDMENTS OF SOLICITATIONS					
<p>The above numbered solicitation is amended as set forth in Item 14. The hour and date specified for receipt of Offers <input type="checkbox"/> is extended, <input type="checkbox"/> is not extended. Offers must acknowledge receipt of this amendment prior to the hour and date specified in the solicitation or as amended, by one of the following methods: (a) By completing Items 8 and 15, and returning _____ copies of the amendment; (b) By acknowledging receipt of this amendment on each copy of the offer submitted; or (c) By separate letter or fax which includes a reference to the solicitation and amendment number. FAILURE OF YOUR ACKNOWLEDGEMENT TO BE RECEIVED AT THE PLACE DESIGNATED FOR THE RECEIPT OF OFFERS PRIOR TO THE HOUR AND DATE SPECIFIED MAY RESULT IN REJECTION OF YOUR OFFER. If by virtue of this amendment you desire to change an offer already submitted, such change may be made by letter or fax, provided each letter or telegram makes reference to the solicitation and this amendment, and is received prior to the opening hour and date specified.</p>					
12. Accounting and Appropriation Data (If Required)					
13. THIS ITEM APPLIES ONLY TO MODIFICATIONS OF CONTRACTS/ORDERS, IT MODIFIES THE CONTRACT/ORDER NO. AS DESCRIBED IN ITEM 14					
A. This change order is issued pursuant to: (Specify Authority)					
The changes set forth in Item 14 are made in the contract/order no. in item 10A.					
B. The above numbered contract/order is modified to reflect the administrative changes (such as changes in paying office, appropriation date, etc.) set forth in item 14, pursuant to the authority of 27 DCMR, Chapter 36, Section 3601.2.					
x C. This supplemental agreement is entered into pursuant to authority of: 27 DCMR 3601.2					
D. Other (Specify type of modification and authority)					
E. IMPORTANT: -Contractor <input type="checkbox"/> is not, <input checked="" type="checkbox"/> is required to sign this document and return <u>1</u> copies to the issuing office.					
14. Description of amendment/modification:					
1. This modification is to extend the period of performance under the Contract from October 19, 2017 through September 30, 2018 in a not-to-exceed amount of \$18,912,109.77.					
2. Add Clin 2004, for the Payment Method Development hours (500) in the amount of \$92,500.00 for Option Period Two (2.)					
3. Revised Schedule B - Attached					
4. The CBE sub-contracting plan amount for the period of performance under Contract from October 1, 2017 - September 30, 2018 is 13.5%.					
All other terms and conditions remain unchanged.					
Except as provided herein, all terms and conditions of the document referenced in Item (9A or 10A) remain unchanged and in full force and effect					
15A. Name and Title of Signer (Type or print) Dan Dwyer			16A. Name of Contracting Officer Monica Hariri (Cobbs)		
15B. Name of Contractor Wen Wang <small>(Signature of person authorized to sign)</small>		15C. Date Signed 10/4/2017	16B. District of Columbia		16C. Date Signed
			<small>(Signature of Contracting Officer)</small>		