



CENTRAL CONTRACTS AND LEGAL SERVICES (CCLS)

## Sole Source Contract Justification

TO:	
CONTRACT NUMBER <b>2432-56645</b>	TODAY'S DATE <b>06/27/2024</b>
SELECT CONTRACT SERVICE DESCRIPTION / SUB-OBJECT CODE <b>CZ - Other Pro Serv</b>	

Contractor Information		
CONTRACTOR'S LEGAL NAME <b>SEIU Healthcare NW Health Benefits Trust</b>		TAX IDENTIFICATION (TIN) OR UNIFORM BUSINESS IDENTIFICATION (UBI) NUMBER <b>20-1842198</b>
ADDRESS <b>215 Columbia Street, Suite 300 Seattle, WA 98104</b>		
Contract Purpose		
<p>The purpose of this Contract is to examine the health care needs specific to the nursing home workforce in the state, formulate a benefit plan that effectively addresses those needs, determine the financial requirements to offer such benefits, develop informational materials on health benefits for nursing home workers, and establish procedures and systems necessary for enrolling employees in the plan. (per a budget proviso called out in the appropriations bill 5950 - Section 204 (48)(e)).</p>		
Contract Funding		
FEDERAL FUNDING <b>\$</b>	STATE FUNDING <b>\$750,000</b>	CONTRACT TOTAL <b>\$750,000</b>
Contract Dates		
<b>* Start Date must be more than 10 business days from date of request to CCLS.</b>		
*START DATE <b>07/25/2024</b>	END DATE <b>06/30/2025</b>	
AMENDMENT OPTIONS <b>N/A</b>		

### Sole Source Definition and Guidelines

What is a sole source contract?

“Sole source” means a contractor providing goods or services of such a unique nature or sole availability at the location required that the contractor is clearly and justifiably the only practicable source to provide the goods or services. (RCW 39.26.0101)

Unique qualifications or services are those which are highly specialized or one-of-a-kind.

Other factors which may be considered include past performance, cost-effectiveness (learning curve), and/or follow-up nature of the required goods and/or services. Past performance alone does not provide adequate justification for a sole source contract. Time constraints may be considered as a contributing factor in a sole source justification however will not be on its own sufficient justification.

Why is a sole source justification required?

The State of Washington, by law and policy, believes competition is the best strategy to obtain the best value for the goods and services it purchases, and to ensure that all interested vendors have a fair and transparent opportunity to sell goods and services to the state.

A sole source contract does not benefit from competition. Thus, the state, through RCW 39.26.010, has determined it is important to evaluate whether the conditions, costs and risks related to the proposal of a sole source contract truly outweigh the benefits of a competitive contract.

## Sole Source Justification

To expedite CCLS and DES review of this sole source contract, please provide **clear and compelling** answers to the following justification questions.

1. What is the business need or problem that requires this contract?

**A budget proviso called out in the appropriations bill 5950 - Section 204 (48)(e) specifies that the DSHS needs to contract with an entity to examine the health care needs specific to the nursing home workforce in the state, formulate a benefit plan that effectively addresses those needs, determine the financial requirements to offer such benefits, develop informational materials on health benefits for nursing home workers, and establish procedures and systems necessary for enrolling employees in the plan.**

2. Describe the unique features, qualifications, abilities or expertise of the contractor proposed for this sole source contract.

**The contracting entity must be managed through a labor-management partnership. This entity must already be providing health care benefits to no fewer than 20,000 long-term care workers in the state of Washington and should have at least five years of experience in administering health care benefits to this workforce.**

**204 (48)**

**(e) A minimum of \$750,000 of the amounts provided in this subsection (48) must be contracted with an entity that is managed through a labor-management partnership. This entity must already be providing health care benefits to no fewer than 20,000 long-term care workers in the state of Washington and should have at least five years of experience in administering health care benefits to this workforce. Their joint efforts will focus on examining the health care needs specific to the nursing home workforce in the state, formulating a benefit plan that effectively addresses these needs, determining the financial requirement to offer such benefits developing informational materials on health benefits tailored for nursing home workers, and establishing procedures and systems necessary for enrolling employees in the plan, subject to legislative appropriation for implementation.**

**The proposed contractor meets these requirements.**

3. What kind of market research did the agency conduct to conclude that alternative sources were inappropriate or unavailable? Provide a narrative description of the agency's due diligence in determining the basis for the sole source contract, including methods used by the agency to conduct a review of available sources such as researching trade publications, industry newsletters and the internet; contacting similar service providers; and reviewing statewide pricing trends and/or agreements. Include a list of businesses contacted (if you state that no other businesses were contacted, explain why not), date of contact, method of contact (telephone, mail, e-mail, other), and documentation demonstrating an explanation of why those businesses could not or would not, under any circumstances, perform the contract; or an explanation of why the agency has determined that no businesses other than the prospective contractor can perform the contract.

**The Office of Rates Management has reached out to various Long Term Care provider associations, the Office of the Insurance Commissioner (OIC), and the Health Care Authority (HCA) to see if anyone could identify any other entities that would meet the requirement called out in the proviso language.**

**- LeadingAge Washington and Washington Health Care Association, the two industry associations for Nursing Facilities and Assisted Living Facilities could only identify the SEIU 775 Benefits Group. Although there are several larger nursing facility and assisted living facility chains, none of them provide health care benefits to 20,000+ long-term care workers in WA.**

**- The OIC and HCA could also only identify the SEIU 775 Benefits Group as an eligible entity.**

- Leadership with ALTSA could only identify the SEIU 775 Benefits Group as an eligible entity.

4. What considerations were given to providing opportunities in this contract for small business, including but not limited to, unbundling the goods and/or services acquired.

**The only limitation for this contract are the eligibility criteria.**

5. Provide a detailed and compelling description that includes qualification of the costs and risks mitigated by contracting with this contractor (i.e., learning curve, follow-up natures)..

**As the only entity within the state that meets the criteria set in the appropriations bill, all costs and risks are mitigated.**

6. Is the agency proposing this sole source contract because of special circumstances such as confidential investigations, copyright restrictions, etc.? If so, please describe.

**Not applicable.**

7. Is the agency proposing this sole source contract because of unavoidable, critical time delays or issues that prevented the agency from completing this acquisition using a competitive process? If so, please describe. For example, if time constraints are applicable, identify when the agency was on notice of the need for the goods and/or service, the entity that imposed the constraints, explain the authority of that entity to impose them, and provide the timelines which work must be accomplished.

**Not applicable.**

8. The agency proposing this sole source contract because of a geographic limitation? If the proposed contractor is the only source available in the geographical area, state the basis for this conclusion and the rationale for limiting the size of the geographical area selected.

**Not applicable.**

This is the only entity within Washington state that is eligible. Again, the eligibility requirements specify providing health care benefits to no less than 20,000 health care workers in Washington state and have at least five years of experience.

9. What are the consequences of not having this sole source filing approved? Describe in detail the impact to the agency and to services it provides if this sole source filing is **not** approved.

If this is not approved, the Aging and Long-Term Support Administration would go through the regular RFP process, which would extend the timelines and administrative burden associated with establishing this contract. The only potential proposal would be from the SEIU Benefits Group.

10. Since competition was not used as the means for procurement, how did the agency conclude that the costs, fees, or rates negotiated are fair and reasonable? Please make a comparison with comparable contracts, use the results of a market survey, or employ other appropriate means calculated to make such a determination.

The contract and expectations for this contract are established through the budget proviso language.

Confirm Program and Contractor agree that the drafted Contract Amendment document is in final form.

If filing is considered late, obtain your Division Director and Fiscal Approvals.

**If the filing is "late" (where the Amendment start date is less than 10 business days from date sent to CCLS for review, approval, and submission to DES), you must also complete and attach the Late Filing Justification form.**