



STATE OF INDIANA
Eric Holcomb, Governor

Department of Administration
Procurement Division
Indiana Government Center South
402 W. Washington Street, Room W468
Indianapolis, Indiana 46204

Award Recommendation Letter (Corrected Version)

Date: July 29, 2022

To: L. Erin Kellam, Deputy Commissioner of Procurement
Indiana Department of Administration

From: Arthur L. Sample IV, Procurement Specialist
Indiana Department of Administration

Subject: Recommendation for Award for RFP 22-70053
Pharmacy Benefit Management Services

Based on the State's evaluation of responses to RFP 22-70053, it is the evaluation team's recommendation that **Caremark PCS Health, LLC** be selected to begin contract negotiations to provide Pharmacy Benefit Management Services.

*The Caremark PCS Health, LLC has committed to subcontract 11% of the contract value to **Sepire, LLC** (a certified Woman-Owned Business (WBE)), 8% to **Angel Flight Marketing Services, Inc.** (a certified Minority-Owned Business (MBE)), and 3% to **Professional Management Enterprises, Inc.** (a certified Indiana Veteran Owned Small Business Subcontractor (IVOSB)).**

The terms of this recommendation are included in this letter.

Estimated Contract Value: \$3,308,000.00

The evaluation team received proposals from four (4) Respondents:

- Anthem Insurance Companies, Inc.
- Caremark PCS Health, LLC
- Express Scripts, Inc.
- OptumRx, Inc.

The proposals were evaluated by the State Personnel Department (SPD) and the Indiana Department of Administration (IDOA) according to the following criteria established in the RFP:

Criteria	Points
1. Adherence to Mandatory Requirements	Pass/Fail
2. Management Assessment/Quality (Business and Technical Proposal)	40 points
3. Financial Proposal	40 points
4. Buy Indiana	5 points

5. Minority Business Enterprise Subcontractor Commitment	5 (1 bonus point available)
6. Women Business Enterprise Subcontractor Commitment	5 (1 bonus point available)
7. Indiana Veteran Owned Small Business Subcontractor Commitment	5 (1 bonus point available)
Total: 100 (103 if bonus awarded)	

The proposals were evaluated according to the process outlined in Section 3.2 ("Evaluation Criteria") of the RFP. Scoring was completed as follows:

A. Adherence to Requirements

Each proposal was reviewed for responsiveness and adherence to mandatory requirements. All Respondents adhered to the mandatory requirements and were moved to the next step in the evaluation process.

B. Management Assessment/Quality (40 points)

The Respondents proposals were evaluated based on their respective Business Proposal and Technical Proposal.

Business Proposal

For the Business Proposal evaluation, the evaluation team considered the Respondents organizational structure and financial stability as defined in Section 2.3 of the RFP. The evaluation teams scores were based on a review of the Respondents Business Proposal, Attachment E.

Technical Proposal

For the Technical Proposal evaluation, the evaluation team considered the Respondents ability to effectively perform the scope of work in Section 2.4 of the RFP. The evaluation teams scores were based on a review of the Respondents Technical Proposal, Attachment F.

The evaluation team's initial (Round 1) scores were based on a review of the Respondents proposed approach to each section of the Business Proposal and Technical Proposal. The initial results of the Management Assessment/Quality Evaluation are shown below:

Table 1: Round 1 – Management Assessment/Quality Scores (MAQ)

Respondent	MAQ Score
Anthem Insurance Companies, Inc.	15.25
Caremark PCS Health, LLC	29.58
Express Scripts, Inc.	27.17
OptumRx, Inc	20.25

C. 3. Financial Proposal (40 points)

The cost scoring as a result of the Respondent's Financial proposal is as follows:

Table 2: Round 2 – Financial Scores

Respondent	Cost Score
Caremark PCS Health, LLC	40.00
Express Scripts, Inc.	37.67
OptumRx, Inc	35.01

D. Initial (Round 2) Total Scores

The initial Management Assessment and Quality (MAQ) Score in Table 1 were combined with the initial Financial Score in Table 2 to generate the combined initial scores in Table 3. The combined initial MAQ and Financial Scores from the initial evaluations are listed below.

Table 3: Round 2 – Total Scores

Respondent	Total Score 80 pts.
Caremark PCS Health, LLC	69.58
Express Scripts, Inc.	64.84
OptumRx, Inc	55.26

The evaluation team elected to issue Clarification Questions and Best and Final Offer (BAFO) requests to both Respondents.

E. Third Round Scores - BAFO Responses and Clarification Responses

The Respondents Financial scores were reviewed and re-evaluated based on the Clarification Responses. Respondents were also given the opportunity to update their Financial Proposal during the Best and Final Offer (BAFO) round.

The scores for the Respondents after these updates are as follows:

Table 4: Round 3 (Post BAFOs and Clarification Responses) – Evaluation Score

Respondent	MAQ Score (40)	Financial Score (40)	Total Score (80)
Caremark PCS Health, LLC	29.58	40	69.58
Express Scripts, Inc	27.17	39.78	66.95
OptumRx, Inc	20.25	38.44	58.69

F. IDOA Scoring

IDOA scored the Respondents in the following areas: Minority Business Enterprises (MBE) Subcontractor Commitment (5 points + 1 available bonus point), Women Business Enterprises (WBE) Subcontractor Commitment (5 points + 1 available bonus point), Indiana Veteran Owned Small Business Subcontractor Commitment (5 points + 1 available bonus point) using the criteria outlined in the RFP and Buy Indiana (5 points). The total scores out of 100 possible points were tabulated and are as follows:

Table 5: Final Overall Evaluation Scores

Respondent	MAQ Score	Cost Score	Buy IN	IVOSB	MBE	WBE	Total Score
Points Possible	40	40	5	5 (+1 bonus pt.)	5 (+1 bonus pt.)	5 (+1 bonus pt.)	100 (+3 bonus pts.)
Caremark PCS Health, LLC	29.58	40	5	5	5	5	89.58
Express Scripts, Inc	27.17	39.78	5	5	5	6	87.95
OptumRx, Inc	20.25	38.44		6	6	5	75.69

Award Summary

During the course of evaluation, the State scrutinized all proposals to determine the viability of the proposed solutions to meet the goals of the program and the needs of the State. The team evaluated proposals based on the stipulated criteria outlined in the RFP document.

The term of the contract shall be for a period of four (4) years from the date of contract execution. There may be four (4) one-year renewals for a total of eight (8) years at the State's option.

Arthur L. Sample IV

Arthur L. Sample IV, BS
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INDIANA DEPARTMENT OF ADMINISTRATION

(Corrected version posted 8/13/2022 no changes to the Award Recommendation were made.)