



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

Date: October 20, 2023

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

From: Stephanie Nelson, Procurement Consultant
Indiana Department of Administration

Subject: Recommendation of Selection for RFS 24-76533: Hospital Price Benchmarking

Based on its evaluation of responses to RFS 24-76533, it is the evaluation team's recommendation that **Milliman, Inc.** be selected to begin contract negotiations to provide Hospital Price Benchmarking Services for the Indiana Department of Insurance.

Milliman, Inc. has not committed to subcontract any portion of the contract value to other vendors.

The terms of this recommendation are included in this letter.

Estimated two (2) years and two (2) months Contract Value: \$3,837,070.00

The evaluation team received two (2) proposals from:

1. J. Taylor and Associates, LLC
2. Milliman, Inc.

The proposals were evaluated by IDOI and IDOA according to the following criteria established in the RFS:

Criteria	Points
1. Adherence to Mandatory Requirements	Pass/Fail
2. Management Assessment/Quality (Business and Technical Proposal)	80
3. Cost (Cost Proposal)	20

Total: 100

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

A. Adherence to Requirements

Each proposal was reviewed for responsiveness and adherence to mandatory requirements. All of the Respondents were deemed responsive, as they met the mandatory requirements listed in the RFS.

B. Management Assessment/Quality: Initial Scoring (80 Points)

The two (2) responsive Respondents' proposals were each evaluated based on their respective Technical Proposals.

These areas were reviewed to assess the Respondent's ability to serve the State:

- Company Information and Experience
- Data Collection and Analysis Process
- Stakeholder Engagement
- Project Delivery Approach
- Reporting Requirements
- Quality Management
- End of Contract
- Challenges, Barriers and Risks, and Business Continuity and Disaster Recovery
- Security
- Overall Ability to Meet State's Needs

The evaluation team's Round 1 scoring is based on a review of the Respondent's proposed approach to each section of the Technical Proposal. The evaluation team issued clarification questions to the two (2) Respondents and considered their responses in their evaluation. The initial results of the Management Assessment/Quality Evaluation are shown below:

Table 1: Management Assessment/Quality Scores

Respondent	MAQ Score 80 pts.
J. Taylor and Associates, LLC	11.00
Milliman, Inc.	46.00

C. Cost Proposal (20 Points)

Price points were awarded on the Respondents' Costs as follows:

$$\text{Score} = \left\{ \begin{array}{l} \text{If Respondent's Cost amount is lowest among all} \\ \text{Respondents, then score is 20.} \\ \\ \text{If Respondent's Cost amount is NOT lowest among all} \\ \text{Respondents, then score is:} \\ \\ 20 * \frac{(\text{Lowest Respondent's Cost Amount})}{(\text{Respondent's Cost Amount})} \end{array} \right.$$

The cost scoring as a result of the Respondents' cost proposals is as follows:

Table 2: Cost Scores

Respondent	Cost Score 20 pts.
J. Taylor and Associates, LLC	20.00
Milliman, Inc.	3.74

D. First Round Total Scores

The combined Round 1 MAQ and Cost scores from the initial evaluations are listed below.

Table 3: Total Scores

Respondent	Total Score 100 pts.
J. Taylor and Associates, LLC	31.00
Milliman, Inc.	49.74

With IDOA approval, the evaluation team elected to move to the next evaluation stage with both Respondents based on Round 1 Total Scores. The evaluation team issued a request for Best and Final Offers (BAFOs) to the two (2) Respondents.

E. Final Evaluations

The Respondents' cost scores were updated based on their BAFOs¹. The Respondents' MAQ scores were reviewed and remained unchanged. . The final scores for the Respondents were as follows:

Table 4: Final Evaluation Scores

Respondent	MAQ Score (80)	Cost Score (20)	Total Score (100)
J. Taylor and Associates, LLC	11.00	20.00	31.00
Milliman, Inc.	46.00	3.74	49.74

Award Summary

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

The term of the contract shall be for a period of two (2) years and two (2) months. There may be two (2) one-year renewals for a total of four (4) years and two (2) months at the State's option.

¹ The recalculated Cost Score resulted in a change of .003 points, and after rounding to two decimal places remains unchanged at 3.74.