

Date..... June 26, 2017

AFFIRMING HEARING OFFICER'S REPORT OVERRULING APPEAL OF INTERMEDIX RE RFP EVALUATION AND SELECTION COMMITTEE RECOMMENDATION FOR AWARD OF CONTRACT FOR THE PROVISION OF AMBULANCE BILLING SERVICES TO DIGITECH COMPUTER, INC., ACCEPTING DIGITECH PROPOSAL AND APPROVING AWARD OF CONTRACT TO DIGITECH AND AUTHORIZING THE CITY MANAGER TO NEGOTIATE AND EXECUTE A CONTRACT FOR THE PROVISION OF SAME

WHEREAS, on March 1, 2017, the Finance Department Procurement Division issued an RFP to solicit proposals for Ambulance Billing Services (No. 17-052) ("the RFP") and received five proposals; and

WHEREAS, an Evaluation and Selection Committee reviewed the proposals and recommended the selection of Digitech Computer, Inc., 480 Bedford Road, Building 600, 2nd Floor, Chappaqua, New York 10514 ("Digitech"), as the highest scorer based on the weighting criteria described in the RFP; and

WHEREAS, an appeal of the Evaluation and Selection Committee's recommendation was filed by a proposer whose proposal was not recommended by the Committee, Intermedix, 6451 N. Federal Highway, Suite 1000, Fort Lauderdale, FL 33308 ("Intermedix"); and

WHEREAS, the Hearing Officer appointed by the City Manager reviewed such appeal and all objections therein and a report has been made overruling the objections of Intermedix, pursuant to the RFP appeal process under Sec. 2-756 of the Procurement Ordinance and the RFP provisions.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Des Moines, Iowa, that, the Council hereby affirms the report of the Hearing Officer overruling the objections of Intermedix stated in its appeal.

BE IT FURTHER RESOLVED that the proposal submitted by Digitech Computer, Inc. for Ambulance Billing Services is hereby accepted and approved and the City Manager is authorized to negotiate an agreement with Digitech to provide such services for a period of three years with up to three one year renewals at the discretion of the City, subject to the review and approval as to form by the Legal Department, and the City Manager is authorized and directed to execute said agreement for and on behalf of the City, and the Clerk is authorized to attest to his signature.



Roll Call Number

Agenda Item Number

52 A

June 26, 2017

Date

(Council Communication No. 17-493)

Moved by _____ to adopt.

Approved as to Form:

Ann DiDonato

Ann DiDonato
Assistant City Attorney

| COUNCIL ACTION | YEAS | NAYS | PASS | ABSENT |
|----------------|------|------|----------|--------|
| COWNIE | | | | |
| COLEMAN | | | | |
| GATTO | | | | |
| GRAY | | | | |
| HENSLEY | | | | |
| MOORE | | | | |
| WESTERGAARD | | | | |
| TOTAL | | | | |
| MOTION CARRIED | | | APPROVED | |

CERTIFICATE

I, DIANE RAUH, City Clerk of said City hereby certify that at a meeting of the City Council of said City of Des Moines, held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my seal the day and year first above written.

Mayor

City Clerk

June 13, 2017

to City Council and Intermedix Re: Review by Hearing Officer on Appeal of Intermedix Concerning Evaluation and Selection of Committee's Recommendation as to Selection of Digitech Computer Inc. as Best Proposal for Ambulance Billing Services (RFP No. V17-052)

Intermedix, 6451 N. Federal Highway, Suite 1000, Fort Lauderdale, FL 33308, filed a written appeal timely received by the Procurement Officer on May 12, 2017, to the Notice of Intent to Award issued by the Procurement Administrator informing the proposers of the Evaluation and Selection Committee's recommendation to be made to the City Council to award the Ambulance Billing Services contract to Digitech Computer Inc. ("Intermedix Appeal")

In Response to this appeal, a notice of pending appeal was sent to all proposers. I, Robert L. Fagen, Finance Director, was appointed by the City Manager to act as the Hearing Officer.

I have completed an evaluation of the Committee's evaluation and selection recommendation process based on the record as it relates to the objections raised in the Intermedix Appeal.

The Intermedix Appeal consists of the assertion that the utilization of a formula for the Ability to Maximize Collections criteria was inappropriate. Intermedix specific arguments in support of this objection are set forth below and my findings (in italics) immediately follow:

1. "The proposers receiving the maximum points for Ability to Maximize Collections received the lowest points for Experience and Capability of Proposer. There is a direct correlation between these two criteria that does not appear to be reflected in the scoring."

Finding – *The City has a rational basis for evaluating proposals by independently considering these 2 scoring criteria. The RFP clearly identified these categories of Ability to Maximize Collections and Experience and Capability as separate. There is nothing in the record to indicate that the collective judgement of the Committee to score these two criteria independently was not reasonable or was inconsistent with the terms of the RFP.*

The objection is overruled.

2. “There were no efforts to validate the credibility of the revenue per transport figures proposers provided in Attachment 4 through the interview options outlined in the RFP Evaluation Procedures or other means. Entries were inappropriately taken at face value.”

Finding – *The Committee has full discretion to determine if additional information was needed, including an interview, to fully evaluate a proposal or all proposals. Section 33 of the RFP sets out that the Evaluation and Selection Committee shall perform any additional investigation, as it considers necessary to obtain full information. Based on Digitech having the second highest rating under the “Experience and Capability of the Proposer” section, as scored by the Committee, the Committee would be justified in seeing no reason to question Digitech’s numbers. In addition, the fact that Digitech’s number for the revenue per transport figure was not the highest would also support the Committee’s lack of need to question the credibility of the Digitech number.*

The objection is overruled.

3. “Three of the five proposers have very close formula scores, meaning that they submitted similar revenue per transport expectations that are likely to reflect reality. Two of the proposers are outliers with one being the awarded vendor, and the other who received the maximum points being an extreme outlier. The extreme outlier’s unrealistic revenue per transport provided in Attachment 4 was inappropriately utilized as a baseline in the

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The objection is overruled.

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In addition, the fact that Digitech’s number for the revenue per transport figure was not the highest would also support the Committee’s lack of need to question the credibility of the Digitech number.

The objection is overruled.

3. “Three of the five proposers have very close formula scores, meaning that they submitted similar revenue per transport expectations that are likely to reflect reality. Two of the proposers are outliers with one being the awarded vendor, and the other who received the maximum points being an extreme outlier. The extreme outlier’s unrealistic revenue per transport provided in Attachment 4 was inappropriately utilized as a baseline in the

formula for allocating the Ability to Maximum Collections point to other proposers.”

Finding- As stated on the RFP, “Requests for clarification regarding this RFP, must be made to the Procurement Administrator at mlvalen@dmgov.org no later than 3:00 p.m., on March 16, 2017.” I have found no record of such request in the file. This objection should have been raised through the request for clarification process so that all proposers would have received information about a change to the scoring methodology for this criteria prior to the submittal of proposals. In order to protect the integrity of the scoring process I do not deem it appropriate to change the scoring methodology after proposals have been submitted. In addition, it is not apparent to me that another scoring methodology would be an improvement and would not result in a different outcome in this case. To illustrate this point, while not needed for purposes of this appeal, I recalculated the scoring by removing the proposer who received the highest maximum points from being the baseline. Based on the new base line, the original awarded vendor would remain unchanged.

The objection is overruled.

4. “Proposers are driven to overstate their expected collections to win the award. One example understood by receiving information through the freedom of information action shows that the awarded proposer achieved almost 4.1 M (15%) below what they stated they would receive the first year.”

Finding- The information stated in this objection has no relevance to the Committee’s decision, as it is information outside of their purview. In addition, per Attachment 4 of the RFP, the City has the right to terminate the contract awarded in under this RFP for performance issues, including if the selected proposer fails to meet the agreed revenue per transport rate.

The objection is overruled

Following my review of the assertions and findings listed above, I find the appeal is denied and would recommend that the City Council, based on the Committee's recommendation, move forward on its intent to award Ambulance Billing Service (RFP V-17-052) to Digitech Computer Inc.

This determination and the Committee's recommendation will be forwarded to the City Council at its June 26, 2017 meeting. The City Council may affirm or overrule the findings and determination of this report

Respectively submitted,

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

Robert L. Fagen

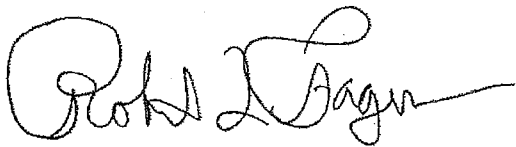
Finance Director and Hearing Officer

Cc: Scott E. Sanders, City Manager
Carl M. Metzger, Deputy City Manager
Ann DiDonato, Assistant Attorney
Intermedix
Life Quest
McKesson
Digitech Computer Inc.
Fire Recovery

Following my review of the assertions and findings listed above, I find the appeal is denied and would recommend that the City Council, based on the Committee's recommendation, move forward on its intent to award Ambulance Billing Service (RFP V-17-052) to Digitech Computer Inc.

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