



**Minnesota Multistate Contracting Alliance for Pharmacy
(MMCAP)**

**State of Minnesota
Department of Administration
Office of State Procurement**

**REQUEST FOR PROPOSAL
FOR
PHARMACEUTICAL WHOLESALER
DISTRIBUTION SERVICES**

**For all questions about this RFP contact:
Debra López-Burandt, WDS Contracts Manager
MMCAP.RFP@state.mn.us**

**DUE DATE:
December 31, 2018
12 p.m. (Noon) Central Time**

Important Events and Dates:

RFP Release Date	Tuesday, November 13, 2018
Cutoff Date for Questions	November 26, 2018 4 p.m. Central Time
Answers to Questions Posted	December 3, 2018
Proposal Due Date	December 31, 2018, 12 p.m. (Noon), Central Time
Contract Effective Date	November 1, 2019

I. Project Overview

The Minnesota Multistate Contracting Alliance for Pharmacy (MMCAP or “State”) is a voluntary group purchasing organization for states and local government facilities nationwide and managed by the Office of State Procurement of the State of Minnesota’s Department of Administration. It primarily contracts directly with pharmaceutical manufacturers/suppliers for their products and uses pharmaceutical wholesalers to deliver the products to its member facilities.

MMCAP Participating Facilities are located across the nation and in calendar year 2017, MMCAP Members purchased nearly \$1.4 billion in product from MMCAP’s contracted pharmaceutical wholesalers, referred to as Authorized Wholesalers. Participation in MMCAP is available to government facilities (state, county, city), and in some states, non-profits, with authority to contract with the State of Minnesota. MMCAP Participating Facilities are state agencies and political subdivisions that primarily fall under the following classes of trade: correctional facilities, psychiatric treatment facilities, student health services, public health services, veterans’ nursing homes, public hospitals, and veterinary clinics/hospitals. For more information on MMCAP and its membership, visit www.mmcap.org.

Upon contract award, each member state will select an MMCAP approved/awarded Authorized Wholesaler from which each MMCAP Participating Facility in that state will obtain distribution services. MMCAP does not guarantee that an awarded Authorized Wholesaler will have a member state select them to provide services.

Goal

The State of Minnesota, Department of Administration on behalf of MMCAP is issuing this Request for Proposal (RFP) to establish multiple contracts with qualified pharmaceutical wholesalers that will provide full-service pharmaceutical wholesaler distribution services (WDS) to MMCAP Participating Facilities/MMCAP Members. Specifically, the selected wholesaler(s) will distribute all pharmaceutical, OTC, nutritional, vaccine (other than influenza vaccines), diabetic supplies, and other drug products. In addition, this RFP is to expand offerings to members within the MMCAP program. This RFP cannot be used as a procurement vehicle by which the vendor and member enter in to their own stand-alone agreement.

How MMCAP Operates and Member-specific Requirements

Membership is available to government-operated facilities, and in states where non-profits are eligible to use state contracts. The extent to which any member participates in the program is voluntary. MMCAP contracts are publicly solicited according to State of Minnesota procurement laws, rules, and policies and contracts are negotiated accordingly. Should this contract be awarded, it must be understood that on occasion, a member (state, city, and county) determines that in order to access the MMCAP contract, it requires either additional jurisdiction-specific contract language or a member-specific procurement fee. Any member-specific additional language must be initiated through and processed by the MMCAP Office; contracted vendors must present all requests to the MMCAP Office. Contracted vendors are not required to agree to any additional terms; however, by not agreeing vendors may preclude themselves from doing business in the applicable jurisdiction. In the event a member-specific procurement fee is requested, that fee must be added on top of the MMCAP-contracted price, as vendors are not permitted to absorb the fee. This ensures fairness of the MMCAP program pricing for all members.

Sample Tasks

The Statement of Work (SOW) for this RFP will be developed using the responses to the Technical Proposal Questionnaire. The following is a brief list of many of the expected tasks:

1. Customer service, including account management;
2. Inventory management, including stocking MMCAP Contract Products, management of stock outages, manufacturer backorders, shift demands, and service levels;
3. Management of MMCAP Contract Products, including price-loading, price accuracy, product additions and deletions, convenience contracts, bid roll, 340B drug program and product expiration dating;
4. Ordering Systems, including device package rentals for annual inventory, training, back-up services, and labeling;
5. Order placement, including ordering system, auto-substitution, order confirmation, ordering of controlled substances, and special orders.
6. Delivery, including routine delivery, drop-shipments, special products, bulky items, and emergency orders;
7. Drug Supply Chain Security Act (DSCSA) compliance;
8. Contract compliance, including on-contract purchasing;
9. Invoicing, including credits and rebills, chargebacks, product returns, reverse distribution, and recalls;
10. Payment terms/payment modalities;
11. Other value-added services;
12. Implementation and transition;
13. Business interruption planning;
14. Shareback credits;
15. Fees; and
16. Reporting.

In addition to the tasks or activities set forth above, Responders are encouraged to propose additional tasks or activities if they will substantially improve the delivery of services. These items should be separated from the required items on the Cost Proposal.

The term of the awarded contracts is anticipated to run from November 1, 2019 to October 31, 2021, with the option to extend an additional 3 years in increments determined by the State, upon formal amendment, for a total term not to exceed 5 years.

Rights Reserved

Notwithstanding anything to the contrary, MMCAP reserves the right to:

1. Reject any and all responses received;
2. Award to multiple Responders
3. Waive or modify any informalities, irregularities, or inconsistencies in the responses received;
4. Negotiate any aspect of the proposal with any Responder and negotiate with more than one Responder;
5. Request a best and final offer, if MMCAP deems it necessary and desirable;
6. Terminate negotiations and select the next response providing the best value for MMCAP, prepare and release a new RFP, or take such other action as MMCAP deems appropriate if negotiations fail to result in a successful contract;
7. Cancel this RFP if it is considered to be in MMCAP's best interest.

RFP Data and Cost Proposal Worksheet

The following will be available as supporting data for this RFP:

- MMCAP pharmaceutical purchases by state and month for state fiscal year 2018 (7/1/17 – 6/30/18)
- MMCAP pharmaceutical purchases by facility and month for state fiscal year 2018 (7/1/17 – 6/30/18)
- MMCAP pharmaceutical sales by GCN_SEQ number for state fiscal year 2018 (7/1/17 – 6/30/18)
- MMCAP pharmaceutical units sold by generic name for state fiscal year 2018 (7/1/17 – 6/30/18)
- MMCAP pharmaceutical sales by generic name for state fiscal year 2018 (7/1/17 – 6/30/18)
- MMCAP membership listing dated 11/1/2018
- MMCAP contract portfolio as of 11/1/2018
- MMCAP Reporting: Report Layout Files

Upon Responder's request for this RFP data, MMCAP will also provide the Cost Proposal worksheet.

To request access to supporting data and Cost Proposal worksheet, submit an email to Debra López-Burandt, WDS Contracts Manager. When requesting access to supporting data and Cost Proposal worksheet, also provide an attestation that the Responder meets the mandatory criteria 2, 3, 4, and 5, scored as "Pass/Fail". Those Responders not providing the attestation or not in a "pass" status for the mandatory criteria 2, 3, 4 and 5, will not be eligible to receive the supporting data and Cost Proposal worksheet.

Email: MMCAP.RFP@state.mn.us

Email Subject: Pharmaceutical Wholesaler RFP Usage Data

If you do not receive the information within one business day, please resend your request.

Questions?

Questions regarding this RFP must be submitted and received via e-mail to MMCAP.RFP@state.mn.us no later than 4:00 PM Central Time on November 26, 2018.

Please note it is the responder's responsibility to ensure that all questions have been received by deadline date and time.
Electronic read receipts are recommended.

Answers are anticipated to be provided by December 3, 2018, no later than 4:30 p.m., Central Time on the Office of State Procurement (OSP) website <http://www.mmd.admin.state.mn.us/process/admin/postings.asp>. Questions and answers will not identify the requesting Responder. Repetitive questions may be batched, summarized, and responded to with a single answer. MMCAP staff will be unable to respond to any substantive questions after the question submission deadline date. MMCAP Members must not be contacted about this RFP. MMCAP reserves the right to decline to provide an answer to a submitted question.

Other personnel are **NOT authorized** to discuss this RFP with Responders before the proposal submission deadline. Contact regarding this RFP with any personnel other than those specifically listed could result in disqualification.

Addenda and Oral Communication.

MMCAP may modify this RFP any time prior to the proposal due date by issuing written addenda. Any such addenda will be posted on the OSP website at <http://www.mmd.admin.state.mn.us/process/admin/postings.asp>. The OSP website sends automated notifications of addenda, however it is the Responder's responsibility to check the MMCAP website for changes.

Any oral communication concerning this RFP will not be binding, nor cause for protesting any language of this procurement, nor in any way excuse the Responder from its obligations.

II. Proposal Information

A. Documents Making Up the Complete Proposal

The following items make up a complete proposal, including the format in which they should be submitted:

- ☐ [Vendor Response Form](#) (submitted in PDF)
- ☐ [Technical Proposal Questionnaire](#) (Exhibit A-1, submitted in Microsoft Word .docx file, unlocked)
- ☐ Cost Proposal (Exhibit, A-2, in a separate document from the service proposal, submitted in Microsoft Excel)
- ☐ [MMCAP Standard Contract Sample](#) (redlined, and submitted in Microsoft Word .docx file, unlocked)
- ☐ [Workforce Certificate](#) (submitted in PDF)
- ☐ [Veteran-Owned Preference Form](#), **if applicable** (submitted in PDF)
- ☐ [Minnesota Resident Vendor Preference Form](#), **if applicable** (submitted in PDF)
- ☐ [Immigration Status Certificate Form](#) (submitted in PDF)

Technical Proposal Questionnaire (Exhibit A-1) to include:

- a. Attachment A – Transmittal Certification
- b. Attachment B – Exceptions to MMCAP Standard Contract (Sample, Terms and Conditions)
- c. Attachment C – Top Customer Sheet
- d. Attachment D – Customer Termination Sheet
- e. Attachment E – Reference Sheet; provide three
- f. Attachment F – Proposed Distribution Centers
- g. Attachment G – MMCAP Contracted Suppliers
- h. Attachment H – Ordering System Data Fields
- i. Attachment I – Invoice Detail and Sample Invoice

Submission Instructions

Responses to the RFP must be completed in the format provided, as attached, and must strictly follow numbering order of the RFP. Enter responses in the Word version of the Technical Proposal Questionnaire. DO NOT submit a proposal that deviates from, recreates, or otherwise alters the questionnaires or attachments. Deviation from this requirement may result in the rejection of your proposal.

NOTE: All requested information must be included in the proposal. Do not direct or refer evaluators to the company website for information.

Proposals are to be sealed in mailing envelopes or packages with the Responder's name and address written on the outside. All proposals must be sent to:

Attn: Debra López-Burandt
MMCAP WDS Contracts Manager
MMCAP Pharmaceutical Wholesaler Distribution Services RFP
State of Minnesota, Department of Administration
50 Sherburne Avenue, Suite 112
St. Paul, MN 55155

Proposals must be received no later than 12 Noon, Central Time, December 31, 2018, as indicated by time stamp at the front desk of 50 Sherburne Avenue, Suite 112, St. Paul, MN 55155.

Late proposals will not be considered.

All costs incurred in responding to this RFP will be borne by the Responder.

Fax submissions will not be accepted or considered; email responses without printed copy submission will not be accepted or considered. An electronic copy can be provided via email or flash drive included in package with printed copy submission.

1. Submit one original, ten printed copies, and one electronic copy (in an unlocked Microsoft Word format) of the RFP response, including Technical Proposal Questionnaire, attachments, and forms. The original proposal must be signed in ink by an authorized representative of the company.
2. Provide one printed copy and one electronic copy (in an unlocked Microsoft Excel format) of the Cost Proposal in a separately sealed envelope clearly marked on the outside "Cost Proposal" along with the Responder's name.

Proposal Evaluation

All complete responses received by the deadline and meeting the mandatory requirements will be evaluated by representatives of MMCAP, MMCAP State Contacts, and/or MMCAP Members. Responses that fail to meet the mandatory requirements will not advance to the next phase of the evaluation. MMCAP reserves the right, based on the scores of the proposals, to create a short-listing of Responders who have received the highest scores, and conduct further interviews, demonstrations, and presentations. MMCAP reserves the right to seek best and final offers from one or more Responders. A 1000-point scale will be used for scoring.

Mandatory Requirements (Scored as Pass/Fail)

The following will be considered on a pass/fail basis, as demonstrated on the Transmittal Certification (Attachment A):

1. Proposals must be received on or before the due date and time specified in this solicitation.
2. Responder must demonstrate 5 years of experience as a wholesaler of prescription pharmaceutical products.
3. Responder must have \$750 million or more in annual revenue from pharmaceutical distribution services.
4. Responder must have achieved accreditation as a Verified-Accredited Wholesale Distributor (VAWD).
5. Responder must be able to serve and meet state regulatory requirements for at least five whole (not partial) MMCAP Member States.

Evaluation Factors (Scored based on percentage or points as indicated)

The factors and weighting on which proposals will be evaluated are:

1. Technical Proposal Questionnaire - Exhibit A-1	60%
2. Cost Proposal – Exhibit A-2 (includes fees, performance guarantees service fee discounts, etc.)	40%

Evaluation, contract negotiations, and contract executions are anticipated to be completed *late first quarter/early second quarter 2019*.

General Requirements

MMCAP Standard Contract Sample

The MMCAP Standard Contract Sample is available as a download. Much of the language reflected in the contract is required by statute. Exceptions to any of the terms, conditions, or language in the contract must be indicated in your response to the RFP; certain exceptions may result in your proposal being disqualified from further review and evaluation. Only those exceptions indicated in your response to the RFP will be available for discussion or negotiation.

Conflicts of Interest

Responder must provide a list of all entities with which it has relationships that create, or appear to create, a conflict of interest with the work that is contemplated in this RFP. The list should indicate the name of the entity, the relationship, and a discussion of the conflict.

Proposal Contents

By submitting a proposal, Responder warrants that the information provided is true, correct, and reliable for purposes of evaluation for potential contract award. The submission of inaccurate or misleading information may be grounds for disqualification from the award as well as subject the Responder to suspension or debarment proceedings as well as other remedies available by law.

Disposition of Responses

All materials submitted in response to this RFP will become property of the State and will become public record in accordance with Minnesota Statutes, § 13.591, after the evaluation process is completed. Pursuant to the statute, completion of the evaluation process occurs when the government entity has completed negotiating the contract with the selected vendor. If the Responder submits information in response to this RFP that it believes to be trade secret materials, as defined by the Minnesota Government Data Practices Act, Minnesota Statute § 13.37, the Responder must:

1. Clearly mark all trade secret materials in its response at the time the response is submitted,
2. Include a statement with its response justifying the trade secret designation for each item, and
3. Defend any action seeking release of the materials it believes to be trade secret, and indemnify and hold harmless the State, its agents and employees, from any judgments or damages awarded against the State in favor of the party requesting the materials, and any and all costs connected with that defense. This indemnification survives the State's award of a contract. In submitting a response to this RFP, the Responder agrees that this indemnification survives as long as the trade secret materials are in possession of the State.

MMCAP will not consider the prices submitted by the Responder to be proprietary or trade secret materials.

Contingency Fees Prohibited

Pursuant to Minnesota Statutes § 10A.06, no person may act as or employ a lobbyist for compensation that is dependent upon the result or outcome of any legislation or administrative action.

Organizational Conflicts of Interest

The Responder warrants that, to the best of its knowledge and belief, and except as otherwise disclosed, there are no relevant facts or circumstances, which could give rise to organizational conflicts of interest. An organizational conflict of interest exists when, because of existing or planned activities or because of relationships with other persons, a vendor is unable or potentially unable to render impartial assistance or advice to the State, or the vendor's objectivity in performing the contract work is or might be otherwise impaired, or the vendor has an unfair competitive advantage. The Responder agrees that, if after award, an organizational conflict of interest is discovered, an immediate and full disclosure in writing must be made to the Assistant Director of the Department of Administration's Office of State Procurement ("OSP") which must include a description of the action, which the contractor has taken or proposes to take to avoid or mitigate such conflicts. If an organization conflict of interest is determined to exist, the State may, at its discretion, cancel the contract. In the event the responder was aware of an organizational conflict of interest prior to the award of the contract and did not disclose the conflict to OSP, the State may terminate the contract for default. The provisions of this clause must be included in all subcontracts for work to be performed similar to the service provided by the prime contractor, and the terms "contract," "contractor," and "contracting officer" modified appropriately to preserve the State's rights.

Preference to Targeted Group and Economically Disadvantaged Business and Individuals

In accordance with Minnesota Rules, part 1230.1810, subpart B and Minnesota Rules, part 1230.1830, certified Targeted Group Businesses and individuals submitting proposals as prime contractors will receive a six percent preference in the evaluation of their proposal, and certified Economically Disadvantaged Businesses and individuals submitting proposals as prime contractors will receive a six percent preference in the evaluation of their proposal.

Eligible TG businesses must be currently certified by the Office of Equity in Procurement (OEP) prior to the solicitation opening date and time. For information regarding certification, contact the OEP Helpline at 651.296.2600, or you may reach the Helpline by email at mmdhelp.line@state.mn.us. For TTY/TDD

communications, contact the Helpline through the Minnesota Relay Services at 1.800.627.3529.

Veteran-Owned Preference

In accordance with Minn. Stat. § 16C.16, subd. 6a, (a) Except when mandated by the federal government as a condition of receiving federal funds, the commissioner shall award up to a six percent preference on state procurement to **certified small businesses** that are **majority-owned and operated by**:

- (1) recently separated veterans who have served in active military service, at any time on or after September 11, 2001, and who have been discharged under honorable conditions from active service, as indicated by the person's United States Department of Defense form DD-214 or by the commissioner of veterans affairs;
- (2) veterans with service-connected disabilities, as determined at any time by the United States Department of Veterans Affairs; or
- (3) any other veteran-owned small businesses certified under § 16C.19, paragraph (d).

In accordance with Minn. Stat. § 16C.19 (d), a veteran-owned small business, the principal place of business of which is in Minnesota, is certified if it has been verified by the United States Department of Veterans Affairs as being either a veteran-owned small business or a service disabled veteran-owned small business, in accordance with Public Law 109-461 and Code of Federal Regulations, title 38, part 74.

To receive a preference the veteran-owned small business must meet the statutory requirements above by the solicitation opening date and time.

If you are claiming the veteran-owned preference, **attach documentation, sign and return the Veteran-Owned Preference Form with your response to the solicitation.** Only eligible veteran-owned small businesses that meet the statutory requirements and provide adequate documentation will be given the preference.

Human Rights Requirements

Responders are to complete the Workforce Certificate, a requirement in Minnesota Statute §363A.36.

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion -- Lower Tier Covered Transactions

Instructions for Certification

1. By signing and submitting this proposal, the prospective lower tier participant is providing the certification set out below.
2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the Federal Government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.
3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or had become erroneous by reason of changed circumstances.
4. The terms *covered transaction*, *debarred*, *suspended*, *ineligible*, *lower tier covered transaction*, *participant*, *person*, *primary covered transaction*, *principal*, *proposal*, and *voluntarily excluded*, as used in this clause, have the meaning set out in the Definitions and Coverages sections of rules implementing Executive Order 12549. You may contact the person to which this proposal is submitted for assistance in obtaining a copy of those regulations.
5. The prospective lower tier participant agrees by submitting this response that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
6. The prospective lower tier participant further agrees by submitting this proposal that it will include this clause titled "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion--Lower Tier

Covered Transaction,” without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions.

7. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 CFR part 9, subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from covered transactions, unless it knows that the certification is erroneous. A participant may decide the method and frequency by which it determines the eligibility of its principals. Each participant may, but is not required to, check the List of Parties Excluded from Federal Procurement and Nonprocurement Programs
8. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.
9. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 C.F.R. 9, subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the federal government, the department or agency with which this transaction originated may pursue available remedies, including suspension and/or debarment.

Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion - Lower Tier Covered Transactions

1. The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any Federal department or agency.
2. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

E-Verify Certification (In accordance with Minn. Stat. §16C.075)

By submission of a proposal for services in excess of \$50,000, Contractor certifies that as of the date of services performed on behalf of the State, Contractor and all its subcontractors will have implemented or be in the process of implementing the federal E-Verify program for all newly hired employees in the United States who will perform work on behalf of the State. In the event of contract award, Contractor shall be responsible for collecting all subcontractor certifications and may do so utilizing the E-Verify Subcontractor Certification Form available at <http://www.mmd.admin.state.mn.us/doc/EVerifySubCertForm.doc>. All subcontractor certifications must be kept on file with Contractor and made available to the State upon request.