



STATE OF INDIANA

ERIC J. HOLCOMB, GOVERNOR

DEPARTMENT OF ADMINISTRATION
Commissioner's Office

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Award Recommendation Letter

Date: March 17, 2022

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

From: Arthur Sample, Procurement Specialist
Indiana Department of Administration

Subject: Selection Recommendation for Request for Proposal 22-68421
Medical Supplies, Equipment, and Related Services

Estimated Two (2) Year Contract Amount: \$2,331,002.00

Based on the evaluation of responses to Request for Proposal (“RFP”) 22-68421, it is the evaluation team’s recommendation that **McKesson Medical-Surgical Government Solutions LLC** and **J&B Medical Supply Company** be selected to begin contract negotiations to serve as the State’s suppliers for medical supplies, equipment, and all related services.

Terms of this recommendation are included in this letter.

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

- J&B Medical Supply Company
- McKesson Medical-Surgical Government Solutions LLC
- Medline Industries LP
- MedZon Health

According to the following criteria, which were published in Section 3, Proposal Evaluation, of the RFP, proposals were evaluated by the Indiana Department of Administration (“IDOA”) and scored by the evaluation team:

- Adherence to Requirements (Pass/Fail)
- Management Assessment/Quality (40 points)
- Cost (40 points)
- Buy Indiana/Indiana Company (5 points)

The proposals were evaluated according to the published process outlined in Section 3.2, “Evaluation Criteria,” of the RFP. Scoring was completed as follows:

A. Adherence to Requirements

The proposals were reviewed for adherence to mandatory requirements. All four Respondents met these requirements and were then evaluated based on the business proposal, technical proposal, and cost proposal.

B. Management Assessment/Quality (“MAQ”)

Business Proposal

For the business proposal evaluation, IDOA and the evaluation team considered the respondent's ability to serve the State regarding the following sections of the business proposal: Respondent information and financial stability, references and experience serving similar clients, and all other remaining sections of the Business Proposal.

Technical Proposal

For the technical proposal evaluation, the team considered the respondent's ability to serve the State regarding the following sections of the technical proposal: catalog and online capabilities, data management and integrity, customer service and account management, shipping and delivery, supplier relationships, reporting, and implementation and transition.

The evaluation team's scores were based on a review of the respondent's proposed approach to each section of the technical proposal and subsequent clarifications.

Results of the management assessment/quality evaluation are shown below:

Table 1: Initial MAQ Scores

Respondent	MAQ Score (40 Max)
J&B Medical Supply Company	30.25
McKesson Medical-Surgical Government Solutions LLC	35.25
Medline Industries LP	31.00
MedZon Health	10.25

C. Cost Proposal

Cost scores were normalized, based on the lowest cost proposal evaluated. The lowest cost proposal received a total of 40 points. Other proposals received scores based on the following normalization formula where the total cost of the proposal remains the respondent's total cost:

$$\text{Respondent's Cost Score} = (\text{Lowest Cost Proposal} / \text{Total Cost of Proposal}) \times 40 \text{ points}$$

The initial cost scoring is as follows:

Table 2: Initial Cost Scores

Respondent	MAQ Score (40 Max)
J&B Medical Supply Company	35.15
McKesson Medical-Surgical Government Solutions LLC	40.00
Medline Industries LP	7.12
MedZon Health	10.50

D. Initial Round Total Scores

The Initial Cost Score was then combined with the Initial Management Assessment and Quality Score to generate the total score for this step of the evaluation process as described in the RFP. The combined scores out of a maximum possible 80 points are tabulated in Table 3 below.

Table 3: Initial MAQ + Cost Scores

Respondent	MAQ Score (40 Max)	Cost Score (40 Max)	Total Score¹ (80 max)
J&B Medical Supply Company	30.25	35.15	65.40
McKesson Medical-Surgical Government Solutions LLC	35.25	40.00	75.25
Medline Industries LP	31.00	7.12	38.12
MedZon Health	10.25	10.50	20.75

In accordance with Section 3.2 of the RFP, the State had the option to “short-list.” The State shortlisted the top three scoring Respondents: **J&B Medical Supply Company**, **McKesson Medical-Surgical Government Solutions LLC**, and **Medline Industries LP**.

E. Oral Presentation

The three, shortlisted Respondents were invited to deliver an oral presentation to the State’s evaluation team. No MAQ scores were altered following the oral presentations and subsequent clarifications. Following this second round of MAQ scoring, MAQ scores were finalized and remained unchanged for the duration of the evaluation.

The MAQ scores for the short-listed respondents after these updates are as follows:

Table 4: Post Oral Presentation MAQ Scores

Respondent	MAQ Score (40 Max)
J&B Medical Supply Company	30.25
McKesson Medical-Surgical Government Solutions LLC	35.25
Medline Industries LP	31.00

F. Best and Final Offer Round

IDOA then requested Best-and-Final Offers (BAFOs) from all shortlisted Respondents. During this BAFO round, Respondents were allowed to adjust their offered market basket pricing and non-market basket discounts. Of the shortlisted vendors, McKesson Medical-Surgical Government Solutions submitted a BAFO. J&B Medical and Medline Industries did not submit BAFOs. The Respondents’ cost scores were updated as follows:

Table 5: Final Cost Scores

Respondent	Cost Score (40 Max)
J&B Medical Supply Company	34.64
McKesson Medical-Surgical Government Solutions LLC	40.00
Medline Industries LP	7.01

G. IDOA Scoring

IDOA scored the three, shortlisted respondents in Buy Indiana (5 points) using criteria published in the RFP. None of the Respondents claimed Buy Indiana status. MBE, WBE, and IVOSB subcontractor commitments were not included in the scoring criteria as stipulated in the RFP.

Table 6: Final Overall Evaluation Scores

Respondent	MAQ Score (40 Max)	Cost Score (40 Max)	Buy Indiana (5 Max)	Total Score² (85 Max)
<i>McKesson Medical-Surgical Government Solutions LLC</i>	<i>35.25</i>	<i>40.00</i>	<i>0.00</i>	<i>75.25</i>
<i>J&B Medical Supply Company</i>	<i>30.25</i>	<i>34.64</i>	<i>0.00</i>	<i>64.89</i>
Medline Industries LP	31.00	7.01	0.00	38.01

Award Summary

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

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