

March 9, 2006

Mr. Kenneth B. Weckstein
Ms. Tammy Hopkins
Epstein, Becker & Green, P.C.
1227 25th Street, NW, Suite 700
Washington, DC 20037-1175

RE: Supplier Disagreement Resolution Case No. OM06SR-06
Solicitation No.: 2BSFAC-05-A-3003

Dear Mr. Weckstein and Ms. Hopkins:

Your client, Catalyst Rx (Catalyst), lodged a disagreement on January 31 with regard to the Postal Service's award of a contract for the Postal Service's first national Pharmacy Benefits Management Program for Workers' Compensation. The solicitation is intended to select a pharmacy benefits manager contractor for that work. You are requesting that I overturn the contracting officer's contract award decision to First Script (1st Script) because the source selection process and decision were improper.

According to your disagreement, you assert that it appears that the Contracting Officer ignored the evaluation criteria, ignored the REDACTED cost savings offered by Catalyst, ignored the fact that the Postal Service had prequalified Catalyst, amended the solicitation to provide for oral discussions without advising offerors, and

REDACTED

In support of your disagreement, you also contended that the Postal Service:

- Failed to evaluate offerors consistently with the Solicitation;
- Ignored the : REDACTED in prescription drug cost and dispensing fee cost savings offered by Catalyst;
- Miscalculated Catalyst's and 1st Script's technical proposals;
- Treated Catalyst unfairly and unequally as compared to other offerors; and
- Performed an arbitrary best value analysis in selecting the awardee.

You also state in your disagreement that according to the solicitation, provision 4-2 outlined the evaluation factors on which each of the offerors were to be evaluated and it provided in part, 'The Postal Service will award a contract resulting from this solicitation to the offeror whose offer conforming to the solicitation is deemed to offer the Postal Service the best value, price and other factors as specified will be considered. The Postal Service may award a contract to a supplier who offers a technical advantage at a higher cost, however, the Postal Service will not award to a supplier who offers only a slight technical advantage at a higher cost'

I have examined the disagreement lodged with me as well as the information you provided. I have also examined the contracting officer's administrative file, and have interviewed evaluators who took part in the evaluation process. Based on my examination of the facts presented to me, your disagreement is denied.

Background

According to the Contracting Officer, in an effort to market the solicitation to the most qualified suppliers in the field of pharmacy benefits management, the Postal Service sent thirty-five suppliers prequalification packages. In response to the prequalification packages, fifteen suppliers responded. The evaluation/purchase team reviewed and ranked the packages received by the fifteen suppliers. After the review and rating of the evaluation/purchase team, seven suppliers were selected as prequalified. Subsequently, the purchasing team finalized and approved six evaluation factors and their relative level of importance in the solicitation. Solicitation packages were then sent to the seven prequalified suppliers. Seven suppliers responded. Each member on the evaluation team independently evaluated the seven proposals for compliance to requirements and each proposal was given a risk ranking of high, medium, or low. At this point, all seven suppliers moved forward in the selection process. The evaluation/purchase team then met independently on each supplier's proposal and evaluated the supplier's response against the six evaluation factors.

The evaluation/purchase team decided that the cutoff for continuing to evaluate a supplier in the process would be for suppliers

REDACTED

Concurrent with the solicitation process, another team conducted a reverse auction for pricing with the seven suppliers who were prequalified.

The evaluation/purchase team reviewed the auction information and decided to move forward with the four suppliers. The four suppliers were requested to answer a series of questions before the evaluation/purchase team to help further clarify and evaluate which candidate would best meet the needs of the Postal Service and its partner the Office of Workers Compensation. Based on the oral presentations, which focused on the six evaluation factors, two suppliers were selected to move forward and be considered further, with 1st Script being one of the two. Based on the reference checks, negotiations, site visits and scoring of the evaluation factors, 1st Script was awarded the contract.

Analysis

It is my opinion that the seven competing suppliers were evaluated consistent with best value consideration in the solicitation. The technical evaluation took place first (as is customary) and then was followed with consideration of cost that resulted from the reverse auction. According to the solicitation, cost was to be less important than the six factors and was to be defined at time of the auction using the supplier's fee schedule. The evaluation team did a technical assessment that was not changed following the consideration of cost

REDACTED

The remaining four competing suppliers were all invited to do oral presentations and engage in discussions of their proposals

The evaluation of the oral presentations and discussions resulted in the elimination of two suppliers. Site visits were made to the remaining two suppliers. Evaluation of the site visits resulted in and a best value award was made to 1st Script.

The six evaluation factors, with price as a consideration, were consistently used by the evaluation/purchase team as attested to by both the Contracting Officer and a client from the evaluation team, and there was no evidence to the contrary. Additionally, the use of oral presentations and site visits were to further clarify technical evaluation factors.

I find no evidence that the source selection process and decision were improper as alleged by Catalyst. First, as outlined in the regulations, the ombudsman addresses whether the Postal Service received best value in a disagreement and not process-related issues. The source selection process is considered a process-related issue. Second, in my opinion, evaluations were made consistent with the solicitation. The use of oral presentations and site visits does not compromise that; they were a means to an end. Furthermore, I see no evidence that

REDACTED

Accordingly, there does not appear to be anything arbitrary in the best value decision made by the Contracting Officer.

I conclude that the award to 1st Script was properly made by the Contracting Officer and it represented the best value to the Postal Service; therefore, your disagreement is denied and the award of solicitation no. 2BSFAC-05-A-3003 stands.

This is the Postal Service's final decision on this disagreement regarding solicitation no. 2BSFAC-05-A-3003 under 39 CFR 601.108(h).

Sincerely,

A handwritten signature in black ink that reads "Juanda J. Barclay". The signature is written in a cursive, flowing style.

Juanda J. Barclay, C.P.M., A.P.P.
USPS Supplier Ombudsman

cc: David P. McIntosh