

**CENTRAL CONTRACTS AND LEGAL SERVICES**

		<b>TO:</b> Choose or Type a Name.
		<b>CONTRACT # 2422-54389</b>
		<b>TODAY'S DATE: 3/15/2024</b>
		<b>SELECT CONTRACT SERVICE DESCRIPTION/SUB-OBJECT CODE:</b> Choose an item.
<b>CONTRACTOR'S LEGAL NAME:</b>		<b>TAX IDENTIFICATION (TIN) OR UNIFORM BUSINESS IDENTIFICATION (UBI) NUMBER:</b>
Accenture LLP		
<b>ADDRESS:</b>	161 N Clark St. Chicago, IL 60601	
<b>CONTRACT PURPOSE:</b>		
The purpose of this contract is for DSHS to maintain the technology infrastructure, data transfer, application capability, call center services, and pre-built system integration to provide delivery of \$120 per child in federal Summer Electronic Benefits Transfer (EBT) benefits to approximately 550,000 eligible children in summer 2024 and 2025.		
<b>CONTRACT FUNDING:</b>		
FEDERAL FUNDING \$9,675,000	STATE FUNDING \$9,675,000	
<b>CONTRACT TOTAL \$19,350,000</b>		
<b>CONTRACT DATES – *START DATE MUST BE MORE THAN 10 BUSINESS DAYS FROM DATE OF REQUEST TO CCLS</b>		
*START DATE: 4/1/2024	END DATE: 3/31/2026	
<b>SOLE SOURCE CONTRACT DEFINITION AND CRITERIA</b>		
<u>What is a sole source contract?</u>		
<i>“Sole source” means a contractor providing goods or services of such a unique nature or sole availability at the location required that the contractor is clearly and justifiably the only practicable source to provide the goods or services, as per RCW 39.26.010.</i>		
<i>Unique qualifications or services are those which are highly specialized or one-of-a-kind. Other factors which may be considered include past performance, cost-effectiveness (learning curve), and/or follow-up nature of the required goods and/or services. Past performance alone does not provide adequate justification however will not be on its own a sufficient justification.</i>		
<u>Why is a sole source justification required?</u>		
<i>The State of Washington, by law and policy, believes competition is the best strategy to obtain the best value for the goods and services it purchases, and to ensure that all interested vendors have a fair and transparent opportunity to sell goods and services to the state.</i>		

**CENTRAL CONTRACTS AND LEGAL SERVICES**

*A sole source contract does not benefit from competition. Thus the state, through RCW 39.26.010, has determined it is important to evaluate whether the conditions, costs and risks related to the proposal of a sole source contract truly outweigh the benefits of a competitive contract.*

**TO EXPEDITE CCLS' AND DES' REVIEW AND APPROVAL OF THIS SOLE SOURCE CONTRACT, PLEASE PROVIDE CLEAR AND COMPELLING ANSWERS TO THE FOLLOWING JUSTIFICATION QUESTIONS:**

**1. What is the business need or problem that requires this contract?**

Summer EBT is a new permanent program authorized under the [Consolidated Appropriations Act, 2023](#), that provides food benefits to eligible school-aged children in the summer months following an academic school year.

Summer EBT has significantly short turnaround times for program implementation, and DSHS cannot implement internally until the summer of 2026. In order to successfully administer the program in accordance with [7 CFR 292](#) DSHS must:

- Issue Summer EBT benefits to eligible children no later than 15 days prior to the start of the summer period, as soon as May 2024.
- Establish eligibility retroactively back to the summer of 2023.
- Validate eligibility for federally means tested programs (SNAP, TANF, FDPIR, and other programs).
- Make an application process available for those not directly certified (in 2024 flexibilities allow for use of an existing Family Income Survey).
- Issue Summer EBT benefits within 15 days of application to eligible families.
- Develop and maintain a data upload portal for school partners and other applicable agencies to upload information on eligible school children. Develop and manage a dedicated benefit delivery system, separate from SNAP, with ability to expunge unused benefits after 122 days (SNAP regulations require expungement after 274 days).
- Develop and manage a comprehensive customer service plan, including points of contact, program information, eligibility notices, appeals information, and other program disclosures as required by USDA.
- Replace lost or stolen EBT cards for benefit use within two business days after a card is lost.
- Submit a state plan for Summer EBT 2025 no later than August 15, 2024 that, in addition to Summer EBT 2024 requirements, includes:
  - A new statewide application specific to Summer EBT available that meets supported language and access requirements, and includes necessary disclosure agreements. (This application will be available to households that cannot be enrolled through individual-level school lunch eligibility or participation in means-tested assistance programs). Establish and maintain a statewide database of all children enrolled in an NSLP or SBP participating schools within the state. This database will also house child level data, including name, data of birth, etc.
  - Verification procedures to validate reported household information that is questionable and that equals at least 3% of the total household applications chosen randomly by April 1 of each school year.
  - A document management system to house all information reported by households.

Summer EBT is based partially on, and very similar to, the Pandemic EBT (P-EBT) program, which the DSHS implemented through a contract with Accenture LLP. Services provided by Accenture to administer P-EBT include a database, call center services, and associated programming to collect

student data from school districts necessary to determine eligibility for benefits and to issue benefits and notices to eligible children. Continuing to contract with Accenture will leverage existing process, procedures, and system advancements to provide timely implementation of the Summer EBT program for the summer of 2024 and 2025 while DSHS completes automation updates necessary to administer the program internally for subsequent years.

There is an immediate need to secure Accenture LLP in order to implement Summer EBT for the summer of 2024 and 2025 while we pursue development and programming internally in 2026. Due to the August deadline for the interim state plan

(<https://www.federalregister.gov/documents/2023/12/29/2023-28488/establishing-the-summer-ebt-program-and-rural-non-congregate-option-in-the-summer-meal-programs>), planning for Summer EBT 2025 will need to take place simultaneously with 2024 issuances. This intersection would not leave adequate time for a competitive procurement process and onboarding a new vendor. Additionally, if a new vendor is selected, they would not be able to assist with households who received benefits under Accenture's system. A separate process will need to be developed for the new vendor, which would create confusion amongst families who may have hearings through November 2024.

2. Describe the unique features, qualifications, abilities or expertise of the contractor proposed for this sole source contract.

DSHS and the Office of Superintendent of Public Instruction (OSPI) have worked closely with Accenture LLP since February 2021 to implement the P-EBT program for school years 2020-2021 through 2022-2023. The experience of establishing eligibility for food benefit programs based on eligibility for benefits under the National School Lunch Act and direct certification for certain public assistance programs gives Accenture a level of expertise directly applicable to Summer EBT that other potential providers lack. Accenture has a unique understanding of DSHS internal processes and IT requirements. Specific elements and functions that have been developed, reviewed and enhanced among DSHS, OSPI, and Accenture include, but are not limited to:

- **Call Center Services** –DSHS has assisted with developing and implementing consistent training for Accenture call center staff to review eligibility, and properly escalate cases and track issues. Additionally, DSHS has created extensive public awareness campaigns for the unique call center number, and information on how families can complete an address change through the call center and get replacement cards. Accenture also provided configuration of numerous telephony services including an automated interactive voice response (IVR) menu and routing.
- **Data upload** – Accenture developed active log-in capabilities for School Nutrition Offices, working with school districts and DSHS to ensure the correct information is uploaded via secure portal. They also have an email box schools are accustomed to using for problem-solving of issues or questions.
- **Eligibility** – Accenture has the ability to develop, implement and maintain active and agile rules engine to run regular batch jobs for client determined financial and non-financial rules of eligibility. This also includes ability to assess, document and issue under/overpayments based on DSHS fiscal rules.
- **Issuances** – Accenture has ability to provide the EBT card vendor with information for card creation and regular issuance batch job. This also includes development, implementation and maintenance of letter generation criteria for the issuance of legal and official program notices and Limited English Proficiency (LEP) translations.
- **Reporting** – The vendor also has reporting capabilities required for various Division, Administration, Agency, Governor and Federal level reporting requirements and compliance.
- **Administrative Hearing processes** – The DSHS administrative hearing process is integrated within the Accenture system.

Given the above, Accenture is the only provider with the current business capacity and industry knowledge to continue facilitating the rapid delivery of Summer EBT benefits to Washington state residents without the costs and risks presented under question #4 of this justification.

3. **What kind of market research did the agency conduct to conclude that alternative sources were inappropriate or unavailable?**

DSHS intends to operate Summer EBT internally once we complete automation changes, for which planning is already underway. Because Summer EBT is a new program with different eligibility criteria, DSHS Technology and Innovation Administration (TIA) must build necessary functionality into its Automated Client Eligibility System (ACES) to administer Summer EBT internally. TIA estimates functionality to administer Summer EBT in ACES no earlier than June 2025. Therefore, DSHS cannot operate Summer EBT in the summer of 2024 or 2025 internally.

Though FNS issued some program guidance in 2023, it did not adopt the interim federal rules governing the new program until December 29, 2023. A State Plan of Operations and Management (POM) for Summer EBT was due to FNS no later than February 15, 2024 (submitted February 14, 2024) with first benefit issuance required as early as mid-May 2024 and no later than mid-June 2024. This provides little time for formal market research into other contractors, particularly given the known limited ramp up period. See also the description of market research conducted for P-EBT in response to question 9 below. Accenture already has infrastructure in place from P-EBT to quickly and seamlessly operate the Summer EBT program in 2024 and 2025.

4. **Provide a detailed and compelling description of the costs and risks mitigated by contracting with this contractor (i.e. learning curve, follow-up nature).**

The comparison of the costs and risks attributed to entering into a new contract with a new contractor, relative to the costs and benefits for the continued use of the current software solution, strongly favors a new sole source contract with Accenture.

Costs: DSHS has invested the following costs to implement and maintain the solutions listed below that would need to be *re-invested* in the program if another contractor were selected through a Request for Proposals (RFP) process:

- **\$16.76 million** in Managed Services and Solution implementation including:
  - Technology including cloud tenancy procurement, environment setup, and development of software lifecycle infrastructure.
  - Document Upload Portal to include:
    - Account creation and support for over 300 school nutrition program sponsors
    - Ability to receive, parse and cleanse data uploaded
    - Validation reporting and workflows to reduce overpayments
  - Case Management System
    - Account creation and support for customer service and administrative hearing staff
    - Batch job scheduler to automate file clearing and case creation
    - Eligibility rules engine configuration and management
    - Fiscal rules implementation to identify under/overpayments
    - Benefit issuance management
    - Notice of Action (NOA) letter generation with multiple language support

- Formal reporting required for various Division, Administration, Agency, Governor and Federal level reporting requirements and compliance
    - Ability to log and track administrative hearing requests
  - Customer Service
    - Establishment of business and IT requirements associated with development, implementation and maintenance of Contact Center Services, including both voice and SMS text message support
    - Creation and implementation of program outreach assets to promote program and encourage opt-in
- **\$81,860** in testing and development fees with FIS, the EBT card vendor:
  - Extensive business and IT requirements, user testing and development fees were associated with establishing the approvable secure data exchange from Accenture to FIS for benefit issuance. Acquisition of a new vendor would require new IT requirements and adjustments on FIS development fees supporting new file transfer protocol.
- **\$366,000** in DSHS staff hours:
  - Extensive staff hours have been spent on business and IT requirements development, implementation and ongoing maintenance efforts associated with the P-EBT program. This includes DSHS staff participation in all areas of policy and operational development and implementation.
  - This cost also includes staff hours for establishing an administrative hearing process through the ABMS system, which would need to be re-established with a new vendor. DSHS IT systems do not have the current capability to support Summer EBT hearings. Reconfiguration or a new hearing system places significant risk to the department for non-compliance and potential negative impacts to public trust.

Given the complicated program and IT requirements, DSHS anticipates there will also be additional costs related to a new vendor potentially being unable to support all established systems, eligibility, and call center requirements to maintain a program with limited list. Reinvesting money already spent to establish this program with a new vendor(s) will result in substantial additional costs for very little benefit, and goes against DSHS’s mission of being a good steward of taxpayer resources. By entering into this new sole source contract, DSHS will mitigate duplicating the costs itemized above.

Risk: Issuing Summer EBT benefits requires technology to support the systems in place that provided the benefits, cards, and notices to households in a quick and efficient manner without duplicating benefit issuance. Since the state is liable for duplicated or incorrect benefit issuance, and must reimburse FNS for all improper issuances, DSHS seeks to mitigate this risk by continuing to utilize the current successful solution. Establishing an entirely new system will result in a steep learning curve for a new contractor, which DSHS anticipates could potentially risk the state’s financial liability to the federal government.

5. **Is the agency proposing this sole source contract because of special circumstances such as confidential investigations, copyright restrictions, etc.? If so, please describe.**

NOT APPLICABLE

6. **Is the agency proposing this sole source contract because of unavoidable, critical time delays or issues that prevented the agency from completing this acquisition using a competitive process? If so, please describe. For example, if time constraints are applicable, identify when the agency was on notice of the need for the goods and/or service, the entity that imposed the constraints, explain the authority of that entity to impose them, and provide the timelines which work must be accomplished.**

NOT APPLICABLE

Although the Consolidated Appropriations Act, 2023 authorizing the new Summer EBT program passed December 29, 2022, initial guidance on the program was issued periodically throughout 2023 and the Interim Final Rule was not released until December 29, 2023. DSHS submitted a Notice of Intent to participate in Summer EBT January 1, 2024 and a Plan for Operations and Management (POM) to FNS as required on February 14, 2024. Initial Summer EBT benefit issuances are required 15 days in advance of the summer period following the 2023-24 school year, or mid-May 2024. The initial POM to operate Summer EBT for the summer following the 2024-25 school year is required no later than August 15, 2024 and must include programmatic and budget requests. A contract must be in place with Accenture to ensure no delays in program planning and benefit issuance for both program years.

Currently, the cost to administer Summer EBT via a vendor for both 2024 and 2025 summer periods are included in the House and Senate budgets. The budget is based on costs negotiated with Accenture. Because of infrastructure developed during the P-EBT contract, described above, we believe any other contractor would have higher costs.

7. **Is the agency proposing this sole source contract because of a geographic limitation? If the proposed contractor is the only source available in the geographical area, state the basis for this conclusion and the rationale for limiting the size of the geographical area selected.**

NOT APPLICABLE

8. **What are the consequences of not having this sole source filing approved? Describe in detail the impact to the agency and to services it provides if this sole source filing is *not* approved.**

If a Sole Source filing is not approved, Washington will not be able to administer the Summer EBT program, denying access to \$120 per child in food benefits to an estimated 550,000 children in 2024 and likely in 2025. This is because neither administering through internal systems nor competitive procurement is feasible within the available timeline. While it might be technically possible to complete a competitive procurement and potentially on-board a new vendor for 2025, the additional costs and risks related to doing described above would still apply, and would make our ability to administer Summer EBT in 2025 highly uncertain. DSHS will need to notify advocates, partner agencies and stakeholders from both the offices of the Secretary of DSHS and the Governor.



Implementation of the current software involved extensive efforts between the organizations to integrate Accenture's software with DSHS's own processes and systems. If a new procurement resulted in DSHS being forced to select a new contractor, this will lead to redundant work that would be time-consuming, costly, and error-prone. This representing an undue burden for the state and, by extension, the taxpayer.

9. **What considerations were given to providing opportunities in this contract for small business, including but not limited to unbundling the goods and/or services acquired.**

Before executing the original contract with Accenture, DSHS searched extensively for a viable competitor, regardless of size, to consider as an alternative to Accenture's Software Solution. Any small business capable of providing the services needed received the same consideration as that given to any other company during DSHS's initial search for a new vendor. Other than Accenture, DSHS was unable to locate a company of any size that could facilitate benefit issuance with the speed and efficiency necessary to carry out the program. This product is proprietary software and customization of the software by the owner is required. It is not susceptible to unbundling.

10. **Since competition was not used as the means for procurement, how did the agency conclude that the costs, fees, or rates negotiated are fair and reasonable. Please make comparison with comparable contracts, use the results or a market survey, or employ other appropriate means calculated to make such a determination.**

The fees quoted by Accenture are reasonable based on 1) DSHS' experience during the time we worked with the company on PEBT, 2) comparable contracts with other software solutions, 3) the extent to which DSHS intends to use this system, and the quality and features of the product. We have and will continue to discuss contractor costs with other states that administered PEBT and are planning to administer Summer EBT. Assuming a sole source contract is approved, we will also continue to negotiate costs and service levels with Accenture. The Governor's budget office and legislature are encouraging this and we also see it as our stewardship duty.

Confirm Program and Contractor agree that the drafted Contract document is in final form.

Drafted Sole Source Notice is attached separately to this request (in Word Format - for posting to vendors in WEBS, and for public inspection on DSHS' website).

If filing is considered late, obtain your Division Director and Fiscal Approvals.

***If the Contract filing is "late" (where the Contract start date is less than 10 business days from date sent to CCLS for approval, posting and submission to DES), you must also complete and attach the Late Filing Justification Form with this request.***