

**EXECUTIVE SUMMARY – AWARD RECOMMENDATION**



October 11, 2018

To: NASPO ValuePoint Management Board

From: Ted Fosket for WIC Formula

RE: Evaluation/Award Summary and Recommendation for NASPO ValuePoint ITB DASPS-2205-18

This award recommendation was prepared by NASPO ValuePoint staff for use by the Management Board. The official award documents are maintained by the Lead State in accordance with its procurement laws.

**Background:** The NASPO ValuePoint Management Board authorized the State of Oregon to conduct a solicitation to establish a multistate contract for WIC Infant Formula. The Invitation to Bid (ITB) and review are completed. The sourcing team has one award recommendation that is being brought to the Management Board for approval. The resulting contract portfolio will be established for the Master Agreement initial term of three (3) years. The Master Agreements may be extended up to three additional years in either 1-year, 2-year or 3-year increments. The total Master Agreement period with extensions will not exceed six (6) years.

**Sourcing Team:** The ITB was led by the State of Oregon and included a subject matter expert from the State of Washington, and the NASPO ValuePoint staff provided project oversight. We also received counsluting support from the USDA Food and Nutrition Services.

**ITB Information:** The ITB was issued on May 24, 2018. It was amended nine (9) times and closed on October 2, 2018.

**Bid Information:** We received bids from three (3) suppliers. The Sourcing Team met via conference calls to complete the review of each bidder and to verify that all required documents were submitted.

**Bid Opening:** All the bids were responsive and received on time in accordance to ITB Section 1.2. The bids were opened at the DAS PS, General Service Building in the Neahkahnne Conference Room on the First Floor of, 1225 Ferry Street SE, Salem, Oregon. The pertinent information read at the bid opening included the: *Offeror’s Name; Product Name Being Bid; Physical Form; Unit Size; Manufacturer’s Lowest Wholesale Full Truckload Price; Rebate Bid Per Unit; Net Cost Per Unit; and Total Net Cost Per Month.*

**Award Summary:** The Intent to Award is shown in the following summary:

Milk-Based	Physical Form	Formula Name	Total Net Cost per Physical Form
Abbott	Powder	Similac Advance	-\$3,122,744.570
	Liquid Concentrate	Similac Advance	-\$24,578.400
	Ready-to-Feed	Similac Advance	-\$75,944.960
	Total Net Cost Per Month		<b>-\$3,071,378.010</b>

Mead Johnson	Powder	Enfamil Infant	-\$1,619,159.729
	Liquid Concentrate	Enfamil Infant	-\$11,085.360
	Ready-to-Feed	Enfamil Infant	-\$22,491.392
	Total Net Cost Per Month		<b>-\$1,652,736.481</b>

Gerber	Powder	Gerber Good Start Gentle	\$2,747,197.726
	Liquid Concentrate	Gerber Good Start Gentle	\$2,963.950

	Ready-to-Feed	Gerber Good Start Gentle	\$2,523.391
	Total Net Cost Per Month		<b>\$2,752,685.067</b>

Notes: Bidder with the lowest total net cost per month for milk-based is highlighted in green.

Soy-Based	Physical Form	Formula Name	Total Net Cost per Physical Form
Abbott	Powder	Similac Soy Isomil	\$102,159.000
	Liquid Concentrate	Similac Soy Isomil	\$261,900
	Ready-to-Feed	Similac Soy Isomil	\$2,667.040
	Total Net Cost Per Month		<b>\$105,087.940</b>

Gerber	Powder	Gerber Good Start Soy	\$105,503.508
	Liquid Concentrate	Gerber Good Start Soy	\$2,349.690
	Ready-to-Feed	Gerber Good Start Soy	\$578.476
	Total Net Cost Per Month		<b>\$108,431.674</b>

Mead Johnson	Powder	Enfamil ProSobee	\$152,645.244
	Liquid Concentrate	Enfamil ProSobee	\$2,470.590
	Ready-to-Feed	Enfamil ProSobee	\$909.808
	Total Net Cost Per Month		<b>\$156,025.642</b>

Notes: Bidder with the lowest total net cost per month for milk-based is highlighted in green.

**Key benefits available in this award:**

1. This award provides a vehicle for State and Local WIC administrators to continue using rebate programs established by the USDA, Food and Nutrition Services (FNS) Agency. Access to the contracts is limited to agencies that currently participate in the NASPO ValuePoint Infant Formula Rebate Alliance.
2. Under the new contract, the discount for the Milk-Based Formula is approximately 21% higher than the current contract, and the discount for Soy-Based Formula is approximately 36% higher than the current contract.

**Conclusion:** The State of Oregon, Department of Administrative Services, Procurement Services, and Department of Justice have reviewed and approved these award recommendations. I applaud the excellent work and analysis of the sourcing team and recommend your approval of the proposed awards and ask that we permit the State of Oregon to move ahead with establishing a Master Agreement.