



Purchasing Use Only:	
Approval#:	190901

SOLICITATION WAIVER JUSTIFICATION AND REQUEST FORM

ALL FIELDS ARE REQUIRED – INCOMPLETE REQUESTS WILL BE RETURNED TO THE AGENCY

1a	Agency Contact Information - Note: Approved copy will be sent to only the contact(s) listed below:			
	State Agency:	Department of Health and Human Services, Division of Welfare and Supportive Services		
		Contact Name and Title	Phone Number	Email Address
		Shannon Jones, MA III-CCM	775-684-0676	sjones@dwss.nv.gov

Vendor Information:		
1b	Identify Vendor:	TALX Corporation
	Contact Name:	Tommy Jayne, Account Executive
	Address:	11432 Lackland Road
	Telephone Number:	St. Louis, MO 63146
	Email Address:	Thomas.jayne@equifax.com

1c	Type of Waiver Requested – Check the appropriate type:	
	Sole or Single Source:	<input checked="" type="checkbox"/>
	Professional Service Exemption:	<input type="checkbox"/>

Contract Information:					
1d	Is this a new Contract?	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
	Amendment:	<input type="checkbox"/>			
	CETS:	<input type="checkbox"/>			

1e	Term:			
	One (1) Time Purchase:	<input type="checkbox"/>		
	Contract:	Start Date:	October 9, 2019	End Date:

1f	Funding:	
	State Appropriated:	30%
	Federal Funds:	70%
	Grant Funds:	
	Other (Explain):	

1g	Total Estimated Value of this Service Contract, Amendment or Purchase:
	\$ 415,000

2	<p>Provide a description of work/services to be performed or commodity/good to be purchased:</p>
	<p>This contract provides employment verification service to determine eligibility for the Federal public assistance programs administered by the Division of Welfare & Supportive Services: SNAP (Supplemental Nutrition Assistance Program/ aka Food Stamps), TANF (Temporary Assistance for Needy Families), EAP (Energy Assistance Program), Child Care Subsidy, and Medicaid. The data received enables the Division to determine the correct eligibility benefits for participants in these Federal public assistance programs. The division underwent a business process re-engineering (BPR). Utilizing the BPR's recommendations of streamlining, use of collateral contacts and third-party data banks (TALX), the division can now process cases real-time, which is the key component of this contract. Customers are seen the same day in district offices and outreach sites. TALX plays an integral part in our ability to provide an immediate decision to the client 75%-80% of the time.</p> <p>In January of 2019 Nevada's waiver that allows ABAWDS (Able Bodies Adults – Aged 18 to 50 – Without Dependents) who are not or have not worked 80 hours per month to continue receiving SNAP benefits without time limits expired. In January 2019 2,700 SNAP recipients were impacted by this change with approximately another 24,500 Nevadans to be impacted when the current waiver expires. The case managers will be required to verify the number of hours these SNAP recipients are working or have worked, as often as monthly, while previous requirements allowed Nevada to approve benefits for as long as six months without reverifying work hours or income. Without the TALX system, the case manager will be required to verify this data manually, delaying benefits to these needy Nevadans.</p> <p>This service is also utilized by Welfare's investigators to determine if there is any unreported income related to a case for fraud, benefit recovery and/or over-payments. Access to this service improves processing timeframes for completing investigations, claims and collections.</p>

3	<p>What are the unique features/qualifications required for this service or good that are not available from any other vendor:</p>
	<p>TALX is the only third-party data bank to provide information in real time.</p>

4	<p>Explain why this service or good cannot be competitively bid and why this purchase is economically only available from a single source:</p>
	<p>Since our RFP in 2012, Equifax has attained TALX/The Work Number along with other employment verification companies and has now become the largest government agency applicant validation service.</p> <p>Another example is large profile employers, such as Walmart, only use Equifax and they refuse to provide employment verification even when a subpoena is served.</p> <p>Equifax/TALX offers income verification for over 50,000 employers. The second largest provider of employment verification only offers income verification to 30,000 employers, with NONE of these employers being based in Nevada. TALX/The Work Number is the only source of real time income verification for Nevada employers.</p>

5	<p>Were alternative services or commodities evaluated? Check One. Yes: <input type="checkbox"/> No: <input checked="" type="checkbox"/></p>
	<p>a. <i>If yes, what were they and why were they unacceptable? Please be specific with regard to features, characteristics, requirements, capabilities and compatibility.</i></p>
	<p>b. <i>If not, why were alternatives not evaluated?</i></p>

The agency is currently performing the function manually.

The previous contract for this service was the result of an RFP which rendered only two proposals, one of which was the awarded vendor (The Work Number/TALX) and the other vendor stated they used The Work Number/TALX to obtain employment verifications. Based on this, the Work Number/TALX was selected. It would not have been viable to contract with a different vendor as this RFP showed that the other vendor relied upon The Work Number/TALX to obtain the requested data.

Has the agency purchased this service or commodity in the past? Check One. Note: If your previous purchase(s) was made via solicitation waiver(s), a copy or copies of ALL previous waivers MUST accompany this request.				Yes:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>
a. <i>If yes, starting with the most recent contract and working backward, for the entire relationship with this vendor, or any other vendor for this service or commodity, please provide the following information:</i>							
6	<i>Term Start and End Dates</i>		<i>Value</i>	<i>Short Description</i>		<i>Type of Procurement (RFP#, RFQ#, Waiver #)</i>	
	11/15/13	4/30/18	\$1,860,919	Income Verification		RFP 1994	
			\$				
			\$				
			\$				

What are the potential consequences to the State if the waiver request is denied and the service or good is competitively bid?

Without the income verifications TALX provides, the Division would have to continue to send the client away with a list of verifications required to process their case, therefore not receiving a decision for approximately 45-52 days. Additionally, the manual process lends itself to overdue and error prone case processing as casework builds up waiting for information. Inaccurate and untimely case processing results in federal sanctions. In FFY18, the national active error rate for FFY18 is 6.13%, while TALX was being utilized, the state reported the active error rate at 5.76%, .37% below the national reported rate. Currently, the state's average active error rate is at 6.44% as of April per Quality Control outcomes. The increase in the error rate per month is approximately .68% which if this were to continue would put the division at 9.84% by the end of the Federal Fiscal Year. At this rate of increase in active errors, the state could be in jeopardy of sanctions which would decrease SNAP funding and require the division to complete a corrective action plan (7 CFR 275.23). Additionally, the TANF Employment Training staff are unable to verify hours worked. This has resulted in processing delays which could impact the division's Work Participation Rate and increase current sanctions totaling \$19 million. Not having TALX as a resource would be detrimental to the progress the division has made with regard to timely processing and adversely affect the needy Nevadans we serve.

The Division of Welfare and Supportive Services processes up to 68,000 applications monthly. The contract for TALX expired in 2018 causing the need for staff to shift to verifying all sources of income manually or via collateral contacts. In the area of SNAP case processing a comparison of October 2017 (using the TALX system) and October 2018 (manually requesting verification of income verification) saw a reduction of 3% in completion rates in the SNAP Non-Lobby (customer applying electronically or by mail/drop off) applications. This caused the cases to be reworked with at least one additional touch point of an additional case manager which resulted in delays in services, a duplication of efforts

of case managers, and reduced the number of work hours available to process cases. This resulted in a loss of productivity and an increase of man hours/salary.

Due to lengthy contract negotiations, the Division was unable to enter into a contract (in FY19) prior to the expiration of the previously submitted solicitation waiver. The Division stakeholders met to identify requirements/deadlines for development of the scope of work for the RFP. Stakeholders are currently researching contracts in other states to determine how to develop the RFP to ensure all necessary items are incorporated. The division anticipates a new contract being procured by the end of the fiscal year.

8 **What efforts were made or conducted to substantiate there is no competition for the service or good and to ensure the price for this purchase is fair and reasonable?**

The prior contract for this service was the result of an RFP which rendered only two proposals, one of which was the awarded vendor (The Work Number/TALX) and the other vendor stated they used The Work Number/TALX to obtain employment verifications. Based on this, the Work Number/TALX was selected. It would not have been viable to contract with a different vendor as this RFP showed that the other vendor relied upon The Work Number/TALX to obtain the requested data. DWSS researched other States contracts for this same service to see if their contract(s) contained the necessary language to pursue a joinder contract. New Mexico's contract was through a third party vendor (En Pointe) from Arizona's NASPO/Value Point agreement and through a call to purchasing's IT purchasing officer, we discovered we would not be able to pursue this avenue as Nevada's participating addendum was recently terminated. We also reached out to Illinois to discover they contracted with Equifax as a sole source. Had either agreement contained the necessary language for joining their agreement, we would have elevated discussions to both Purchasing and the Deputy Attorney General.

The division has communicated with its Purchasing Officer Ronda Miller regarding preparation of the RFP Development form being completed for procurement of a contract and indicated a contract would need to be fully executed by the April BOE.

9	Will this purchase obligate the State to this vendor for future purchases? <i>Before selecting your answer, please review information included on Page 2, Section 9 of the instructions.</i>	Yes:	No:	✓
	<p>a. <i>If yes, please provide details regarding future obligations or needs.</i></p> <p>Equifax is the source that meets the needs of Welfare and Statewide employers.</p>			

By signing below, I know and understand the contents of this Solicitation Waiver Request and Justification and attest that all statements are true and correct.

B. Berry FOR BRENDA BERRY
Agency Representative Initiating Request

Brenda Berry
Print Name of Agency Representative Initiating Request
9/3/19
Date

Steve H. Fisher
Signature of Agency Head Authorizing Request

~~Nova Murray~~ for Steve H. Fisher
Print Name of Agency Head Authorizing Request
9/3/19
Date

PLEASE NOTE: In an effort to avoid possible conflict with any equipment, system or process already installed or in place by the State of Nevada or to assist in our due diligence, State Purchasing may solicit a review of your request from another agency or entity. The signature below indicates another agency or entity has reviewed the information you provided. **This signature does not exempt your agency from any other processes that may be required.**

Name of agency or entity who provided information or review:

Representative Providing Review

Print Name of Representative Providing Review

Date

Please consider this memo as my approval of your request. This exemption is granted pursuant to NAC 333.150(2)(a)(b)(c), NRS 333.400. This exemption may be rescinded in the event reliable information becomes available upon which the Purchasing Administrator determines that the service or good sought may in fact be contracted for in a more effective manner. Pursuant to NRS 284.173(6), contracts for services do not become effective without the prior approval of the State Board of Examiners (BOE).

If you have any questions or concerns please contact the Purchasing Division at 775-684-0170.

Signed:

Kevin D. Doty
Administrator, Purchasing Division or Designee
9/3/19
Date