

JUSTIFICATION FOR NON-COMPETITIVE PROCUREMENT

COMPLETE THIS SECTION IF NEW CONTRACT

For contract(s) in this request, answer applicable questions in each of the 4 major subject areas below in accordance with the Instructions for Preparation of Non-Competitive Procurement Form on the reverse side.

Request that negotiations be conducted only with Deloitte Consulting UP for the product and/or services described herein.  
(Name of Person or Firm)

This is a request for \_\_\_\_\_ (One-Time Contractor Requisition # \_\_\_\_\_, copy attached) or 21393 Term Agreement or  
\_\_\_\_ Delegate Agency (Check one). If Delegate Agency, this request is for "blanket approval" of all contracts within the  
\_\_\_\_ (Attach List) Pre-Assigned Specification No. \_\_\_\_\_  
(Program Name) Pre-Assigned Contract No. \_\_\_\_\_

COMPLETE THIS SECTION IF AMENDMENT OR MODIFICATION TO CONTRACT

Describe in detail the change in terms of dollars, time period, scope of services, etc., its relationship to the original contract and the specific reasons for the change. Indicate both the original and the adjusted contract amount and/or expiration date with this change, as applicable. Attach copy of all supporting documents. Request approval for a contract amendment or modification to the following:

Contract #: \_\_\_\_\_ Company or Agency Name: \_\_\_\_\_  
Specification #: \_\_\_\_\_ Contract or Program Description: \_\_\_\_\_  
Mod. #: \_\_\_\_\_ (Attach List, if multiple)

PAUL SPIELES 747-8841 [Signature] CDPH Health 06-06-2005  
Originator Name Telephone Signature Department Date

Indicate SEE ATTACHED in each box below if additional space needed:

<input checked="" type="checkbox"/> PROCUREMENT HISTORY <p style="text-align: center;">See Attached</p>
<input checked="" type="checkbox"/> ESTIMATED COST
<input checked="" type="checkbox"/> SCHEDULE REQUIREMENTS
<input checked="" type="checkbox"/> EXCLUSIVE OR UNIQUE CAPABILITY
<input checked="" type="checkbox"/> OTHER

APPROVED BY: [Signature] 6-6-2005  
DEPARTMENT HEAD OR DESIGNEE DATE BOARD CHAIRPERSON DATE

## Justification for Non-Competitive Procurement

### Chicago Department of Public Health

**Project: Chicago Health Event Surveillance System (CHESS)**

**Consultant: Deloitte Consulting LLP**

#### Procurement History:

The Chicago Department of Public Health (CDPH) has been building a Bioterrorism response capability since 1998. The CDPH has received grants from the *Centers for Disease Control and Prevention/Bioterrorism Preparedness and Response Program* for multiple areas including Surveillance & Epidemiology - Core Capacity & Special Projects

On June 7, 2002, the Secretary of the Department of Health and Human Services traveled to Chicago to announce that Chicago Department of Public Health (CDPH) was one of only three cities nationwide to directly receive bioterrorism preparedness funding from both the Centers for Disease Control and Prevention (CDC) and the Health Resources and Services Administration (HRSA). Because of prior bioterrorism preparedness work and the quality of its grant proposals, CDPH received funding without any restrictions – only 29 of the 54 city/state grantees received federal funding without restrictions. Specifically, CDPH received supplemental funding from the CDC to enhance its Bioterrorism Preparedness and Response Program and new funding from HRSA to create a Bioterrorism Hospital Response Program. Both programs have significantly contributed to the city's emergency response plans.

The CHESS project evolved from CDC driven priorities for Surveillance and Epidemiology infrastructure and the critical need to:

- Rapidly detect a terrorist event with an effective disease surveillance system;
- Enhance training in surveillance and epidemiology;
- Ensure epidemiologic staffing capacity to manage reportable disease system in order to conduct a population-based survey; and
- Establish "real time" death registry analysis.

On April 1, 2002 the City of Chicago, acting through its Department of Public Health awarded a contract to the Chicago Center for Health Systems Development, Inc. ("Center") pursuant to which the Center would assist with the implementation of the City's bioterrorism preparedness plans by providing administrative and management support services to the Chicago Department of Public Health. The services to be provided by the Center included the drafting and execution of contracts for services necessary for the City to meet its Bioterrorism preparedness obligations under the Notice of Cooperative Agreement Award issued to CDPH on February 15, 2002. (A copy of the referenced Notice of Cooperative Agreement Award is attached as an Exhibit to the Center contract.)

Under the direction of CDPH, the Center solicited proposals to develop and implement the City of Chicago's strategy to comply with the CDC's program for integrating and standardizing disease surveillance and reporting on a nation-wide basis. The national program of which the Chicago Health Event Surveillance System (CHESS) is an integral part is named NEDSS (National Electronic Disease Surveillance System).

The Center published an RFP for the development of Chicago's participation in NEDSS on December 19, 2003. (A copy of the 12/19/2004 RFP is attached.) Eight prospective consultants (Atlas, Dunn, CSC, Deloitte, Glocoms, ISS, Northrup and STC) responded with proposals and qualifications on February 9, 2004. The selection of Deloitte Consulting as the best-qualified firm for this effort was made by CDPH in consultation with the City of Chicago Department of Business Information Systems (BIS). Deloitte's experience managing complex public sector projects and its knowledge of CDPH and the Illinois Department of Public Health were strong factors favoring their proposal. Deloitte's specific experience with the development on implementation of Pennsylvania NEDSS was the key factor in the selection.

The contract awarded to Deloitte Consulting LLP by the Center on August 31, 2004 contemplated a multiphase program broken down into five Milestones. The general scope of services for all Milestones was included as an attachment to the contract but scheduled, detailed deliverables and a fixed price (\$2,800,000) were included only for Milestone 1.

A description of Milestone 1 is attached along with a description of the expected subsequent Milestone Phases for CHESS. These documents, developed collaboratively by CDPH and Deloitte are substantially more refined than the scope documents attached to the Center-Deloitte contract. The current documents reflect refinements of the project plan including a re-characterization of the initial five Milestones phasing into three Milestones (Milestones 1, 2 and 3 with Milestone 1, in turn, subdivided in 1A and 1B).

**Estimated Cost:**

The \$2,800,000 cost to complete Milestone 1 was negotiated as a lump sum to deliver a defined scope to be paid in accordance with scheduled deliverables.

CDPH and Deloitte have agreed to defer and eliminate several items from the Milestone 1 scope at a present savings of \$250,000. At the same time CDPH and Deloitte have agreed to expedite the start of Milestone 1B (especially because of the imperative to expeditiously integrate the CHESS system with the Illinois Department of Public Health program (I-NEDSS or Illinois National Electronic Disease Surveillance System) and CDPH intends to direct the Center to award Deloitte an agreement to complete the Requirements Definition phase of Milestone 1B at a lump sum cost of \$250,000.

Therefore, at the conclusion of its current contract with the Center, Deloitte will have completed Milestone 1A and the Requirements Definition phase of Milestone 1B at a cost of \$2,800,000. CDPH currently estimates that the cost to complete CHESS (defined

as the Design/Build phase of Milestone 1B, Requirements Definition and Design/Build of Milestone 2 and Requirements Definition and Design/Build of Milestone 3 as those phases are described in attached *CHES Milestones Scope Overview*) is \$6,200,000.

At the conclusion of the Requirements Definition phase of Milestone 1B, the CDPH expects to have sufficiently detailed and specific scope and deliverables to support the negotiation of a Lump Sum agreement to Design and Build that Milestone. Prior to completion and deployment of Milestone 1B the CDPH anticipates negotiating a Time and Materials based Task Order with Deloitte to complete the Requirements Definition phase of Milestone 2, to be followed by a Lump Sum Task Order for Design/Build. The same sequence would follow thereafter for Milestone 3.

**Schedule Requirements:**

The schedule for CHES is determined by priorities established by the CDC on an on-going basis and through the annual Cooperative Agreement funding process. The discussion above concerning the CHES/I-NEDSS integration (the creation of Milestone 1B as a vehicle for expediting the integration) is indicative of the processes and activities that drive and impact the schedule. CDPH anticipates that it will continue to receive direction and guidance from CDC that seeks ways to advance the over-all delivery of CHES and, occasionally, re-prioritize CHES's Milestone phase deliverables.

CDPH anticipates that Milestone 1B will require less than one calendar year to complete and the Milestones 2 and 3 will require approximately one calendar year each to complete.

**Exclusive or Unique Capability:**

Deloitte Consulting LLP was selected for this assignment pursuant to an RFP. Its selection was based on the experience and qualifications of the firm and its key management and technical staff. Deloitte's specific experience developing and implementing NEDSS for the State of Pennsylvania's Department of Public Health was a key element in its selection. Through the process of completing Milestone 1 Deloitte will have created an invaluable reservoir of knowledge and understanding of the CDC's NEDSS requirements as well as the particular requirements of CDPH and the Illinois Department of Public Health. That knowledge base can not be easily replaced and it cannot be duplicated in time to be responsive to the CDC's requirements which are, in turn, based on the priority given to NEDSS and CHES as implements that help ensure that the City of Chicago is prepared to respond to Bioterrorism.

**Other:**

**MBE/WBE Opportunities.** Deloitte Consulting LLP will submit a Minority Business Enterprise and Women Business Enterprise participation plan that commits to meet or exceed its goal of achieving MBE participation of at least 20% of the total dollars to be expended under the proposed contract (20% of \$6,200,000 equals \$1,200,000 of MBE

participation) with City of Chicago certified MBEs and at least 5% (5% of \$6,200,000 equals \$310,000 of WBE participation) with City of Chicago certified WBEs.

Attachments:

1. Professional Services Agreement between the City of Chicago (Department of Public Health) and Chicago Center for Health Systems Development, Inc. Specification No. B29187820.
2. Request for Proposals (RFP). National Electronic Disease Surveillance System. Issued by: The Chicago Center for Health Systems Development December 19, 2003.
3. Services and Development Agreement between The Chicago Center for Health Systems Development and Deloitte Consulting LLP. August 31, 2004.
4. CHESS Milestone 1 Scope. Draft Document – Undated.
5. CHESS Milestones Scope Overview. Draft Document – Undated.
6. Centers for Disease Control and Prevention – Public Health Emergency Preparedness. Guidance for Cooperative Agreement Applications for Program Year 2005 (September 1, 2005 – August 31, 2006)