
Notice of Intent to Certify Sole Source

To: Interested Parties

From: Craig P. Orgeron, Ph.D. *CR*

CC: ITS Project Number 42833

Date: May 24, 2016

Re: Sole Source Certification Number 3922 for IBM Subscription and Support (S&S) Renewal for the Mississippi Department of Information Technology Services (ITS)

Contact Name: Jill Chastant

Contact Phone Number: 601-432-8214

Contact E-mail Address: Jill.Chastant@its.ms.gov

Sole Source Certification Award Details

Regarding Information Technology Services (ITS) Sole Source Certification Number 3922 for IBM Subscription and Support (S&S) Renewal for the Mississippi Department of Information Technology Services (ITS), please be advised that ITS intends to award the purchase of IBM Subscription and Support (S&S) Renewal to IBM Corporation through March 31, 2019, as the sole source provider of IBM Subscription and Support (S&S) Renewal in an amount not to exceed \$45,810.40. For an explanation regarding Mississippi state law, policy and procedures for sole source procurements, refer to Attachment C: Sole Source Procurement Overview.

Sole Source Criteria

1. The product or services being purchased must perform a function for which no other product or source of services exist:

z/VM is a mature software offering that integrates support functions needed for the ITS environment. When running z/VM in a mixed z/OS and z/Linux environment, a number of integration options are available. z/VM volumes can be backed up from z/OS allowing common disaster recovery procedures. z/VM I/O definitions can be completed and loaded from z/OS. z/VM supports hipersockets, which is an important performance feature in the ITS environment. z/VM also provides tools for performance management, operations and maintenance superior to any other type of implementation. The customer's sole source certification request is included as Attachment A.

2. The purchaser must be able to show specific business objectives that can be met only through the unique product or services:

The IBM zSeries server can operate not only the z/OS operation system, but also the z/Linux operating system. These operating systems can run on a logical partition in the zSeries server or they can operate under a hypervisor. The most mature hypervisor for zSeries services is z/VM. z/VM allows multiple z/Linux guests to run under the z/VM hypervisor in a single logical partition (LPAR). ITS has elected to run z/VM with multiple z/Linux guests and other LPARs with z/OS to ensure the best usage of resources. Without a hypervisor, each z/Linux guest would run in individual LPARs, which would not be optimal for resource utilization nor operational efficiency. The customer's sole source certification request is included as Attachment A.

3. The product or services must be available only from the manufacturer and not through resellers who could submit competitive pricing for the product or services:

IBM owns and developed the z/VM Operating System and is the sole provider of this product on the IBM System zMainframe. The Vendor's sole source certification letter is included as Attachment B.

Schedule

Task	Date
First Advertisement Date	05/24/16
Second Advertisement Date	05/31/16
Response Deadline From Objectors	06/08/16, at 3:00 P.M. Central Time
Notice of Award/No Award Posted	Not before 06/09/16

Project Details

ITS issued Letter of Configuration (LOC) Number 39517 in March 2012, for the acquisition of equipment and software necessary to upgrade existing IBM mainframe servers. The software is used to support operations in the State Data Center. ITS Data Services would like to renew the subscription and support for four IBM Mainframe Software items.

Submission Instructions and Format of Response from Objecting Parties

Interested parties who have reason to believe that the for IBM Subscription and Support (S&S) Renewal should not be certified as a sole source should provide information in the following format for the state to use in determining whether or not to proceed with awarding the Sole Source contract to IBM Corporation.

- 1.1 Interested Party Information
 - 1.1.1 Contact Name, Phone Number and email address
 - 1.1.2 Company Website URL, if applicable
- 1.2 Objection to Sole Source Certification
 - 1.2.1 Interested parties must present specific objections to the Sole Source certification using the criteria listed above.

1.2.2 A statement regarding the Interested Party's capabilities as related to this Sole Source Certification Request.

1.3 Comments will be accepted at any time prior to Wednesday, June 8, 2016, at 3:00 p.m. (Central Time) to Jill Chastant at Jill.Chastant@its.ms.gov or at the Mississippi Department of Information Technology Services, 3771 Eastwood Drive, Jackson, Mississippi 39211. Responses may be delivered by hand, via regular mail, overnight delivery, e-mail or by fax. Fax number is (601) 713-6380. ITS WILL NOT BE RESPONSIBLE FOR DELAYS IN THE DELIVERY OF RESPONSES. It is solely the responsibility of the Interested Parties that responses reach ITS on time. Interested Parties may contact Jill Chastant to verify the receipt of their Responses. Responses received after the deadline will be rejected.

1.4 Interested Party responses should include the following information:

**SUBMITTED IN RESPONSE TO
Sole Source Certification No. 3922-42833
Accepted until June 8, 2016 @ 3:00 p.m.,
ATTENTION: Jill Chastant**

If you have any questions concerning the information above or if we can be of further assistance, please contact Jill Chastant at 601-432-8214 or via email at Jill.Chastant@its.ms.gov.

Attachment A: Customer Sole Source Certification Request
Attachment B: Vendor Correspondence
Attachment C: Sole Source Procurement Overview



3771 Eastwood Drive
Jackson, Mississippi 39211
Phone 601-432-8000 Fax 601-713-6380

Sole Source Certification Request

Project Title: IBM Subscription & Support (S&S) Renewal Stimulus (ARRA) Funds? Yes No <input checked="" type="checkbox"/>			
Customer Contact Information			
Agency/Institution: MS ITS Address: 3771 Eastwood Drive, Jackson MS 39211		Contact Person: Lynn Templeton Phone: 601-432-8054 Fax: 601-713-6380 Email Address: lynn.templeton@its.ms.gov	
MAGIC Customer Number (only required from state agencies): 7000000174		Division/Dept: ITS Data Services Handmail: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Project Summary Narrative Description of Project (include details of original acquisition if applicable): ITS Data Services needs to renew the subscription and support for four IBM Mainframe Software items. These are currently used in the State Data Center to help support operations.			
ITS Acquisition Approval (CP-1) should be effective through this date (Please allow time for all vendor invoices to be paid): March 31, 2017			
Cost Estimates Fiscal Year	Costs	Time Constraints Item Needed by: 06/30/16 Funds Expire: 03/31/17	Anticipated Lifecycle of Products/System (i.e. estimated years of effective use): 3 years
FY2016	\$13,840.00	Discuss Funding (e.g. how much of needed funding is definite; total project budget; any matching or other non-state funds) All funding is definite and will be paid from ITS Data Services Funds.	
FY2017	\$15,224.00		
FY2018	\$16,746.40		
Total	\$45,810.40		
Acquisition Details			
Items Requested	Quantity	S&S Product ID	Location(s)
Directory Maintenance S&S	20	5741SNS	Eastwood Data Center
Performance Toolkit	20	5741SNS	Eastwood Data Center
RACF S&S	20	5741SNS	Eastwood Data Center
z/VM Subscription and Support	20	5741SNS	Eastwood Data Center
Describe platform & infrastructure (connectivity; software/hardware platforms; utilization of State Data Center resources: mainframe, eGovernment portal, payment engine, document management, hosting). This is run in the State Data Center at the Eastwood location. This runs on IBM 2818-R03 S#0F3E7 using 705 MIPS.			
Progress to Date: What has been done related to this project, including any communication with ITS staff (data/voice/procurement/other)? Make sure the products are still needed and being used.			
Sole Source Certification Note: Certification must be renewed for each revision or continuation of previous Sole Source Approvals.			
Specific business requirements to be met by the requested products or services: The IBM zSeries server can operate not only the z/OS operation system, but also the z/Linux operating system. These operating systems can run on a logical partition in the zSeries server or they can operate under a hypervisor. The most mature hypervisor for zSeries services is z/VM. z/VM allows multiple z/Linux guests to run under the z/VM hypervisor in a single LPAR. ITS has elected to run z/VM with multiple z/Linux guests and other LPARs with z/OS to ensure the best usage of resources. Without a hypervisor, each z/Linux guest would run in individual LPARs, which would not be optimal for resource utilization nor operational efficiency.			
Explain why these products or services are the only ones that can meet your needs (include unique features/special functionality): z/VM is a mature offering that integrates support functions needed for the ITS environment. When running z/VM in a mixed z/OS and z/Linux environment, a number of integration options are available. z/VM volumes can be backed up from z/OS allowing common disaster recovery procedures. z/VM I/O definitions can be completed and loaded from z/OS. z/VM supports hipsockets, which is an important performance feature in the ITS environment. z/VM also provides tools for performance management, operations and maintenance superior to another type of implementation.			
Explain why the source is the only entity that can provide the products or services (Include other products/vendors researched or evaluated): IBM owns and develops the z/VM Operating System and is the sole provider of this product on the IBM System z Mainframe.			
Explain why the amount to be expended for the services is reasonable: N/A			
Explain what your agency did to obtain the best possible price for the services:			

N/A

Vendor's Certification of Sole Source attached: Yes No

Vendor's proposal submitted: Yes No

MAGIC Vendor Code(s) Vendor must be in MAGIC before a CP-1 can be issued.

Place Order To

Vendor Name: IBM CORP - ATLANTA

Vendor Address: P O Box 105063

Atlanta, GA 30348-5063

Remit To

Vendor Name: IBM CORP - DALLAS

Vendor Address: P O Box 676673

Dallas, TX 75267-6673

By my signature, I certify that, to the best of my professional knowledge: the requested product or services are a sole source as outlined in the ITS Procurement Handbook, Rule 207.2:013-030 Procurement Types: Sole Source, and as outlined in Mississippi Code annotated Section 31-7-13. In addition, I acknowledge that there is a charge for ITS procurement services associated with this request which will be billed to the requestor by ITS and that my agency/public university is responsible for these charges/costs.

CRAIG P. ORGERON, EXEC. DIR.

Name (Agency Head or Public University CIO)/Title

[Handwritten Signature]

Signature

5/17/16

Date



*International Business Machines
Corporation
4137 Carmichael Road, Suite 300
Montgomery, AL 36106*

April 18, 2016

Ms. Lynn Templeton
State of MS, Department of ITS
Business Relationship Analyst
3771 Eastwood Drive
Jackson, MS 39211-6381

Dear Lynn,

Per your request, I am enclosing the Annual Subscription & Support (S&S) Renewal Quote for the z/VM Operating System for the period 4/1/2016 to 3/31/2017 at St of MS ITS.

This letter will serve as written confirmation that International Business Machines Corporation (IBM) is the sole source provider to the State of MS for this z/VM Operating System S&S renewal. IBM owns and develops the "z/VM" Operating System and is the sole provider of this product on the IBM System z Mainframe.

If you require additional assistance or information, please contact me at the number listed below. Thank you for doing business with IBM.

Sincerely,

Dawn W. Reynolds

Dawn W. Reynolds
IBM System z MLC Software Client Leader
334-750-3986
dshannon@us.ibm.com

cc: Ms. Laura Penlecost

Attachment C: Sole Source Procurement Overview

The acquisition of information technology for all state agencies and institutions of higher learning (IHLs) is within the scope of the ITS law, found in Mississippi Code Section 25-53-1, et seq., and the policies and procedures established in accordance with this statute, found in the ITS Procurement Handbook posted on the ITS website (www.its.ms.gov).

ITS enabling legislation requires that information technology hardware, software and services be acquired in a manner that insures the maximum of competition among all manufacturers and suppliers of such equipment and services. Accordingly, ITS promotes full and open competition through the issuance of open specifications and the objective evaluation of Interested Party proposals to determine the lowest and best offering to meet an agency's or public university's business requirements. True competition protects the integrity and credibility of purchasing in the public sector and is essential in providing best value and adequate contractual protection for the purchasing entity. In certain limited situations, information technology acquisitions may be sole-sourced.

ITS utilizes the provisions of Public Purchasing Law for Sole Source and Emergency procurements of information technology. Mississippi Public Purchasing Law (Mississippi Code Section 31-7-13) specifies that noncompetitive items available from one source only be exempted from bid requirements (sole-sourced). ITS statute, in Section 25-53-5 (p), permits ITS to utilize provisions in Public Purchasing Law or regulations, when applicable.

Per Public Purchasing law, acquisitions must meet the following criteria to be authorized as sole source:

1. The product or services being purchased must perform a function for which no other product or source of services exists,
2. The purchaser must be able to show specific business objectives that can be met only through the unique product or services, AND
3. The product or services must be available only from the manufacturer and NOT through resellers who could submit competitive pricing for the product or services. The vendor's correspondence regarding this criterion for this project is included as Attachment B.

By policy as documented in the ITS Procurement Handbook, acquisitions of IT services must include the following information to be authorized as sole source:

1. An explanation about why the amount to be expended is reasonable, and
2. An explanation regarding the efforts by the purchaser to obtain the best possible price.

For state agencies, approval of all technology purchases with a lifecycle cost of \$5,000 or less, including sole source purchases, has been delegated to the agency. The ITS Procurement Limits Policies for Agencies (a section in the ITS Procurement Handbook) require a minimum of two competitive written bids or proposals for technology purchases with a lifecycle cost over \$5,000 but not over \$50,000 (not over \$25,000 for projects funded by the American Recovery and Reinvestment Act). Since, for single source items, the procuring agency will be unable to obtain two written bids, ITS must certify all sole source acquisitions of information technology with a lifecycle cost greater than \$5,000.

Institutions of Higher Learning (IHLs) or public universities have been delegated the authority to certify sole source procurements up to \$250,000 lifecycle cost under the ITS Procurement Limits Policies for IHLs (a section in the ITS Procurement Handbook). For the certification of sole source procurements delegated to the CIOs at public universities, the public university must follow ITS' Sole Source Procedure, including advertisement of the intent to award as sole source. Institutions certifying a sole source purchase must ensure the criteria listed above are met and documented in writing by the institution and the Interested Party prior to certifying a product or service as sole source. Sole source documentation must be reviewed and approved by the IHL's CIO for any sole-source

Attachment C: Sole Source Procurement Overview

certification above \$5,000. All sole source documentation should be retained in the public university's procurement file. Sole source requests above \$250,000 lifecycle cost require ITS approval.

Other than the delegations outlined above, all sole source technology procurements must be certified by ITS. The customer's Sole Source Certification Request for this project is included as Attachment A.

ITS thoroughly reviews Sole Source Certification Requests, determining if competing products and/or services exist. If so, ITS conducts a competitive procurement. If ITS' review confirms the sole source, then a Sole Source advertisement is issued, giving other Interested Parties an opportunity to identify competing products and/or services. Based upon the results of the Sole Source advertisement, ITS will either certify the request as a sole source or conduct a competitive procurement.