

## Notice of Intent to Certify Sole Source

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To: Interested Parties

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

CC: ITS Project Number 42968

Date: September 13, 2016

Re: Sole Source Certification Number 3941 to provide software maintenance and support of the eCareManager Program for the University of Mississippi Medical Center (UMMC)

Contact Name: Michelle Smith

Contact Phone Number: 601-432-8057

Contact E-mail Address: michelle.smith@its.ms.gov

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### Sole Source Certification Award Details

Regarding Information Technology Services (ITS) Sole Source Certification Number 3941 for software maintenance and support of the eCareManager Program for the University of Mississippi Medical Center (UMMC), please be advised that ITS intends to award Philips Healthcare, a division of Philips Electronics North America Corporation, as the sole source provider of software maintenance and support of the eCareManager through October 31, 2019, in an amount not to exceed \$1,047,864.00. 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:

**eCareManager is the software component of the eICU Program that enables remote monitoring of ICU patients by nursing staff. It utilizes analytics to evaluate the patient, and is an added monitoring system in addition to the bedside care from a hospital nurse. The software has been in use at UMMC since 2008, and maintenance and support is required to continue use of the software. 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 eICU program runs eCareManager and allows UMMC and its partnering sites to save money by decreasing a patient's length of stay in the hospital and improving their outcomes and care. If the software maintenance and support are discontinued then UMMC will no longer be able to use eCareManager. This could expose UMMC to a higher**

risk for an adverse event. 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:

The eICU Program is comprised of proprietary software and support services to support the delivery of UMMC's tele-ICU program. This service is only available from Philips and no other vendor is authorized to license or support it. The Vendor's sole source certification letter is included as Attachment B.

#### Schedule

Task	Date
First Advertisement Date	09/13/16
Second Advertisement Date	09/20/16
Response Deadline From Objectors	09/27/16 at 3:00 P.M. Central Time
Notice of Award/No Award Posted	Not before 09/28/16

#### Project Details

On August 21, 2008, UMMC received ITS Board approval for the sole source acquisition of an electronic intensive care unit (ICU) from VISICU, Inc. Since the original approval, VISICU has been acquired by Philips Healthcare, a division of Philips Electronics North American Corporation. The company's patented clinical IT system, called the eICU Program, provides real time, 24x7 patient monitoring in ICUs.

In order to continue the use of the eICU program, UMMC received ITS Board approval in October 2013, to upgrade EPIC and to expand its monitoring to 62 beds. UMMC has made a business decision to continue use of the eICU program, and is seeking ongoing support and maintenance for eCareManager software for the eICU until October 31, 2019. UMMC's total cost of this renewal is \$1,047,864.00 with an estimated total lifecycle cost of \$6,601,181.82.

#### Submission Instructions and Format of Response from Objecting Parties

Interested parties who have reason to believe that the maintenance and support of the eCareManager software 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 Philips Healthcare, a division of Philips Electronics North American 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 Tuesday, September 27, 2016, at 3:00 p.m. (Central Time) to Michelle Smith at [michelle.smith@its.ms.gov](mailto:michelle.smith@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 Michelle Smith 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. 3941-42968  
Accepted until September 27, 2016 @ 3:00 p.m.,  
ATTENTION: Michelle Smith**

If you have any questions concerning the information above or if we can be of further assistance, please contact Michelle Smith at 601-432-8057 or via email at [michelle.smith@its.ms.gov](mailto:michelle.smith@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

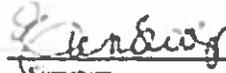
<b>Project Title: Philips eCareManager Support Renewal</b>			<b>Stimulus (ARRA) Funds? Yes No <u>X</u></b>	
<b>Customer Contact Information</b>				
Agency/Public University: University of Mississippi Medical Center Address: 2500 North State Street, Jackson, MS 39216			Contact Person: Michael Adcock Phone: 601-815-2053 Fax: 601-815-2098 Email Address: madcock@umc.edu	
MAGIC Customer Number (only required from state agencies):			Division/Dept.: Handmail: <input type="checkbox"/> Yes <input type="checkbox"/> No	
<b>Project Summary Narrative Description of Project</b> (include details of original acquisition if applicable): Support and maintenance for the eCareManager software at the University of Mississippi Medical Center. This program that enables critical care medical staff to actively monitor patients in hospital ICUs from remote location. The eICU program provides real time, 24x7 patient monitoring in ICUs by centrally networking critical care physicians and nurses to ICU beds using voice and audio. VISICU is developer of eCareManager but Philips Healthcare, a division of Philips Electronics North American Corporation, is now the sole-source provider and owner of this software. The annual maintenance term is November 1 through October 31.				
ITS Acquisition Approval (CP-1) should be effective through this date (Please allow time for all vendor invoices to be paid):				
<b>Cost Estimates</b> <i>Fiscal Year</i>	<i>Initial Costs</i>	<i>Ongoing Costs</i>	<b>Time Constraints</b> Item Needed by: November 1 Funds Expire: October 31	<b>Anticipated Lifecycle of Products/System</b> (i.e. estimated years of effective use):
FY17		\$254,692.00	Discuss Funding (e.g. how much of needed funding is definite; total project budget; any matching or other non state funds). This project is funded by the Center for Telehealth's budget at UMMC. All funding needed is definite and this amount encompasses all of the budget needed for this project.	
FY18		\$349,288.00		
FY19		\$443,884.00		
<b>Total</b>		<b>\$1,047,864.00</b>		
<b>Acquisition Details</b>				
<b>Items Requested</b>	<b>Quantity</b>	<b>Description</b>	<b>Building Location(s)</b>	
Support Fees		Fees associated with Philips' support		
NDDF Fees		Fees associated with the First Databank Pharmacy Database		
Apache Fees		Fees associated with using the Apache database.		
<b>Describe platform &amp; infrastructure</b> (connectivity; software/hardware platforms; utilization of State Data Center resources: mainframe, eGovernment portal, payment engine, document management, hosting). For equipment or hosting outside the State Data Center, attach justification: The eCareManager server platform is hosted on virtual servers located within the UMMC server farm located at the State Data Center. The in-room A/V equipment is located in the ICU rooms at both the University of Mississippi Medical Center- Jackson campus and the University of Mississippi Medical Center- Grenada campus.				
<b>Progress to Date:</b> What has been done related to this project, including any communication with ITS staff (data/voice/procurement/other)? No previous contact with ITS staff has occurred.				
<b>Sole Source Certification</b> Note: Certification must be renewed for each revision or continuation of previous Sole Source Approvals.				
<b>Specific business requirements to be met by the requested products or services:</b> eCareManager is the software component of the eICU Program that enables remote monitoring of ICU patients by nursing staff. It utilizes analytics to evaluate the patient, and is an added monitoring system in addition to the bedside care from a hospital nurse. The software has been in use at UMMC since 2008, and maintenance and support is required to continue use of the software.				
<b>Explain why these products or services are the only ones that can meet your needs</b> (include unique features/special functionality): The eICU program runs eCareManager and allows UMMC and its partnering sites to save money by decreasing a patient's length of stay in the hospital and improving their outcomes and care. If the software maintenance and support are discontinued then UMMC will no longer be able to use eCareManager. This could expose UMMC to a higher risk for an adverse event.				
<b>Explain why the source is the only entity that can provide the products or services</b> (Include other products/vendors researched or evaluated): The eICU Program is comprised of proprietary software and support services to support the delivery of UMMC's tele-ICU program. This service is only available from Philips and no other vendor is authorized to license or support it.				
<b>Explain why the amount to be expended for the services is reasonable:</b> N/A				
<b>Explain what your agency did to obtain the best possible price for the services:</b> N/A				
Vendor's Certification of Sole Source attached: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No      Vendor's proposal submitted: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
MAGIC Vendor Code(s) Vendor must be in MAGIC before a CP-1 can be issued.				

Attachment A

<b>Place Order To</b> Vendor Name: Philips Healthcare Vendor Address: 217 East Redwood St, Suite 1900, Baltimore, MD 21202	<b>Remit To</b> Vendor Name: Philips Healthcare Vendor Address: 3000 Minuteman Drive, Andover, MA 01810-1032
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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.

Ellen Swager, Assoc. CIO  
Name (Agency Head or Institution CIO) Title

  
Signature

9/8/16  
Date



Michael Adcock  
Telehealth Center Administrator  
University of Mississippi Medical Center  
2500 N. State Street  
Jackson, MS 39216

217 E. Redwood Street  
Baltimore, MD 21202

Hospital to Home

June 20, 2016

RE: Vendor's Certification of Sole Source

Dear Mr. Adcock:

Per your request, this letter shall serve as Philips Healthcare, a division of Philips Electronics North America Corporation ("Philips") Certification of Sole Source.

The Philips eICU® Program is currently being operated by the University of Mississippi Medical Center under a license agreement with Philips originally dated August 13, 2008. The eICU Program is comprised of proprietary software and support services to support the delivery of UMMC's tele-ICU program. The Philips eICU Program is the only tele-ICU program capable of providing an enterprise-scale tele-ICU capability to both UMMC and non-UMMC critical care units within and beyond Mississippi, including the delivery of quarterly and longitudinal severity-adjusted performance metrics.

Licenses to expand the eICU Program, and the services necessary to support it, are available only from Philips. No other vendor is authorized to license or support the Philips eICU Program.

Regards,

A handwritten signature in blue ink that reads "Joel S. Gochberg".

Joel S. Gochberg  
National Channel Director  
Hospital to Home

217 E. Redwood Street  
Baltimore, MD 21202  
Tel: 866-564-4778  
<http://hospitaltohome.philips.com>

## 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](http://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 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.

## **Attachment C: Sole Source Procurement Overview**

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.