Mississippi Department of
Information Technology Services

3771 Eastwood Drive
Jackson, MS 39211-6381
Phone: 601-432-8000
Fax: 601-713-6380
www.its.ms.gov

Craig P. Orgeron, Ph.D., Executive Director

Notice of Intent to Certify Sole Source

To: Interested Parties

From: Craig P. Orgeron, Ph.D. CPO

CC: ITS Project Number 44171

Date: April 24, 2018

Re: Sole Source Certification Number 4090 for Financial Institution Data Matching services for the Mississippi Department of Revenue (DOR)

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 4090 for Financial Institution Data Matching services for the Mississippi Department of Revenue (DOR), please be advised that ITS intends to award the Financial Institution Data Matching (FIDM) services to Informatix, Inc. as the sole source provider through June 30, 2021, in an amount not to exceed $116,940.00. For an explanation regarding Mississippi state law, policy and procedures for sole source procurements, refer to Attachment B: 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:

   During the 2017 Regular Session of the Mississippi Legislature, Senate Bill No. 2445 (SB2445) was passed and took effect July 1, 2017. SB2445 requires DOR to develop and operate an automated data matching system for the purpose of identifying and seizing the assets held by financial institutions' obligors. It further authorizes that if a financial institution has a current data match system in place for the child support data match system, that the financial institution may use that system to comply with the provisions of this act and not require the institution to change the file format established with the Mississippi Department of Human Services (MDHS). A data matching process utilizing Informatix is already in place with the MDHS for obligors who owe unpaid child support. This procurement will allow financial institutions to use the same system as required by SB2445. The customer's sole source certification request is included as Attachment A.

Board Members - Rodney Pearson, Chairman • J. Keith Van Camp, Vice-Chairman • Alan Lange • June Songy • Thomas A. Wicker
Legislative Advisors - Senator Sampson Jackson, II • Representative Gary V. Staples

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

   The services offered by Informatix will allow DOR to meet the requirements of SB2445, utilizing the existing system in place at MDHS. DOR will provide to Informatix on an agreed upon schedule, a Debtor File containing information related to debtors who owe unpaid debts to DOR, in accordance with agreed upon file formats and transmission mediums. Informatix will create an Inquiry File to send to financial institutions to request a match. If matches are found, a Response File will be created and sent back to DOR for processing. 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:

   In lieu of the 'only manufacturer' and 'no resellers' criteria typically used to determine a sole source, this sole source certification is based on Mississippi law. During the 2017 Regular Session of the Mississippi Legislature, Senate Bill No. 2445 (SB2445) was passed and took effect July 1, 2017. SB2445 requires DOR to develop and operate an automated data matching system for the purpose of identifying and seizing the assets held by financial institutions' obligors. It further authorizes that if a financial institution has a current data match system in place for the child support data match system, that the financial institution may use that system to comply with the provisions of this act and not require the institution to change the file format established with the Mississippi Department of Human Services (MDHS).

   Senate Bill No. 2445, Section 3. (1) reads, "If a financial institution has a current data match system used in compliance with the child support data match system provided for in Section 43-19-48, the financial institution may use that system to comply with the provisions of this act. The department shall not require a financial institution to change the file format established with the Department of Human Services in order to comply with this act."

   Click on the link to read SB2445 in its entirety:
   http://billstatus.ls.state.ms.us/documents/2017/pdf/sb/2400-2499/sb2445sg.pdf

   A data matching process utilizing Informatix is already in place with the MDHS for obligors who owe unpaid child support. This procurement will allow Financial Institutions to use the same system as required by SB2445.

4. Explain why the amount to be expended for the services is reasonable:

   Based on DOR calculations, implementing this system will result in bringing in $12 to $15 million annually. During the 2016 Regular Session, SB 2344 was an attempt by the banking institutions to severely limit DOR's ability to garnish bank accounts. The problem was due to the high volume of manual research required of the banks that ended up costing them large amounts of money. DOM's response to this problem was to implement an automated process such as FIDM. Because of the support of the banks to automate this process, DOR was able to get SB 2445 of the 2017 Legislative Session passed that allowed for the implementation of FIDM. The amount to be expended for these services is reasonable when compared to DOR

losing the ability to do any type of bank garnishment all together if an automated process was not implemented.

5. Explain what your agency did to obtain the best possible price for the services:

   DOR requested a price reduction from Informatix. Although the price was not reduced, Informatix did honor the same rate given to other customers.

Schedule

Task	Date
First Advertisement Date	04/24/18
Second Advertisement Date	05/01/18
Response Deadline From Objectors	05/09/18, at 3:00 P.M. Central Time
Notice of Award/No Award Posted	Not before 05/10/18

Project Details

During the 2017 Regular Session of the Mississippi Legislature, Senate Bill No. 2445 (SB2445) was passed and took effect July 1, 2017. SB2445 requires DOR to develop and operate an automated data matching system for the purpose of identifying and seizing the assets held by financial institutions of obligors. It further authorizes that if a financial institution has a current data match system in place for the child support data match system, that the financial institution may use that system to comply with the provisions of this act and not require the institution to change the file format established with the MDHS. As a result, DOR requests to implement the Financial Institution Data Matching (FIDM) system currently in place with the MDHS using Informatix, Inc.

Submission Instructions and Format of Response from Objecting Parties

Interested parties who have reason to believe that the Financial Institution Data Matching services 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 Informatix, Inc.

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, May 9, 2018, 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. 4090-44171
Accepted until May 9, 2018 @ 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: Sole Source Procurement Overview

Attachment A

ITS
mississippi department of
Information Technology Services

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

Sole Source Certification Request

Project Title: FIDM **Stimulus (ARRA) Funds? Yes__ No X**

Customer Contact Information

Agency/Public University: MS Department of Revenue **Address**: 500 Clinton Center Drive, Clinton, MS 39056	**Contact Person:** Jennifer Morgan **Phone:** 601-923-7466 **Fax:** 601-923-7500 **Email Address:** Jennifer.morgan@dor.ms.gov
MAGIC Customer Number (only required from state agencies): 7000000082	**Division/Dept:** **Handmail: X Yes ☐ No**

Project Summary ***Narrative Description of Project*** (include details of original acquisition if applicable):
During the 2017 Mississippi Legislative Session, Senate Bill No. 2445 (SB2445) was passed and took effect July 1, 2017. SB2445 requires DOR to develop and operate an automated data match system for the purpose of identifying and seizing the assets held by financial institutions of persons against whom a judgement for a finally determined tax liability has been enrolled. It further authorizes that if a financial institution has a current data match system in place for the child support data match system, that the financial institution may use that system to comply with the provisions of this act and not require the institution to change the file format established with the MDHS. As a result, DOR requests to implement the Financial Institution Data Match (FIDM) system currently in place with the MDHS using Informatix.

ITS Acquisition Approval (CP-1) should be effective through this date (Please allow time for all vendor invoices to be paid): 06/30/2021

Cost Estimates ***Fiscal Year***	***Initial Costs***	***Ongoing Costs***	**Time Constraints** Item Needed by: 07/01/18 Funds Expire: 06/30/21	**Anticipated Lifecycle of Products/System** (i.e. estimated years of effective use): 3 years
Implementation One time	**$12,000.00**		**Discuss Funding** (e.g. how much of needed funding is definite; total project budget; any matching or other non-state funds)	
Quarterly Match – 165 FIs X $53.00 X 12 quarters		**$104,940.00**		
Total		**$116,940.00**		

Acquisition Details

Items Requested	**Description**	**Building Location(s)**
FIDM system	Financial Institution Data Match	DOR

Describe platform & infrastructure (connectivity; software/hardware platforms; utilization of State Data Center resources: mainframe, eGovernment portal, payment engine, document management, hosting). This project will be hosted outside of the State Data Center utilizing a file transfer process with the vendor, Informatix.

Progress to Date: What has been done related to this project, including any communication with ITS staff (data/voice/procurement/other)? A procurement project has been entered with ITS after communication with DHS and Informatix.

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 services offered by Informatix will allow DOR to meet the requirements of SB2445, utilizing the existing system in place at MDHS. DOR will provide to Informatix on an agreed upon schedule, a Debtor File containing information related to debtors who owe unpaid debts to DOR, in accordance with agreed upon file formats and transmission mediums. Informatix will create an Inquiry File to send to financial institutions to request a match. If matches are found, a Response File will be created and sent back to DOR for processing.

Explain why these products or services are the only ones that can meet your needs (include unique features/special functionality):
During the 2017 Regular Session of the Mississippi Legislature, Senate Bill No. 2445 (SB2445) was passed and took effect July 1, 2017. SB2445 requires DOR to develop and operate an automated data matching system for the purpose of identifying and seizing the assets held by financial institutions' obligors. It further authorizes that if a financial institution has a current data match system in place for the child support data match system, that the financial institution may use that system to comply with the provisions of this act and not require the institution to change the file format established with the Mississippi Department of Human Services (MDHS). A data matching

process utilizing Informatix is already in place with the MDHS for obligors who owe unpaid child support. This procurement will allow financial institutions to use the same system as required by SB2445.

Explain why the source is the only entity that can provide the products or services (Include other products/vendors researched or evaluated): In lieu of the 'only manufacturer' and 'no resellers' criteria typically used to determine a sole source, this sole source certification is based on Mississippi law.
During the 2017 Regular Session of the Mississippi Legislature, Senate Bill No. 2445 (SB2445) was passed and took effect July 1, 2017. SB2445 requires DOR to develop and operate an automated data matching system for the purpose of identifying and seizing the assets held by financial institutions' obligors. It further authorizes that if a financial institution has a current data match system in place for the child support data match system, that the financial institution may use that system to comply with the provisions of this act and not require the institution to change the file format established with the Mississippi Department of Human Services (MDHS).

Senate Bill No. 2445, Section 3. (1) reads, "If a financial institution has a current data match system used in compliance with the child support data match system provided for in Section 43-19-48, the financial institution may use that system to comply with the provisions of this act. The department shall not require a financial institution to change the file format established with the Department of Human Services in order to comply with this act."

Click on the link to read SB2445 in its entirety:
http://billstatus.ls.state.ms.us/documents/2017/pdf/sb/2400-2499/sb2445sg.pdf

A data matching process utilizing Informatix is already in place with the MDHS for obligors who owe unpaid child support. This procurement will allow Financial Institutions to use the same system as required by SB2445.

Explain why the amount to be expended for the services is reasonable:
Based on DOR calculations, implementing this system will result in bringing in $12 to $15 million annually. During the 2016 Regular Session, SB 2344 was an attempt by the banking institutions to severely limit DOR's ability to garnish bank accounts. The problem was due to the high volume of manual research required of the banks that ended up costing them large amounts of money. DOM's response to this problem was to implement an automated process such as FIDM. Because of the support of the banks to automate this process, DOR was able to get SB 2445 of the 2017 Legislative Session passed that allowed for the implementation of FIDM. The amount to be expended for these services is reasonable when compared to DOR losing the ability to do any type of bank garnishment all together if an automated process was not implemented.

Explain what your agency did to obtain the best possible price for the services:
DOR requested a price reduction from Informatix. Although the price was not reduced, Informatix did honor the same rate given to other customers.

Vendor's Certification of Sole Source attached: ☐ **Yes** X **No** **Vendor's proposal submitted:** X **Yes** ☐ **No**

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

Place Order To	**Remit To**
Vendor Name: Informatix, Inc.	**Vendor Name: Informatix, Inc.**
Vendor Address: 2485 Natomas Park Dr, Suite 430	**Vendor Address: 2485 Natomas Park Dr, Suite 430**
Sacramento, CA 95833	**Sacramento, CA 95833**

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.

HERB FRIERSON
Name (Agency Head or Public University CIO)/Title

Herb Frierson 4-17-18
Signature Date

Attachment B: 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 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.