Notice of Intent to Certify Sole Source

To: Interested Parties

From: Craig P. Orgeron, Ph.D.

CC: ITS Project Number 44664

Date: November 20, 2018

Re: Sole Source Certification Number 4148 for Levi, Ray & Shoup, Inc. (LRS) Software License and Maintenance Renewal for the Mississippi Department of Information Technology Services (ITS)

Contact Name: Alec Shedd

Contact Phone Number: 601-432-8162

Contact E-mail Address: Alec.Shedd@its.ms.gov

Sole Source Certification Award Details

Regarding Information Technology Services (ITS) Sole Source Certification Number 4148 for Levi, Ray & Shoup, Inc. (LRS) software license and maintenance renewal for ITS, please be advised that ITS intends to award Levi, Ray & Shoup, Inc. as the sole source provider of this software license and maintenance through January 31, 2022, in an amount not to exceed $390,962.00. 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:

   The LRS software was acquired in 1994 through RFP No. 2386. As VPS, VPS/TCPIP, Dynamic Report System (DRS) and DRA Monitor & Control Facility (DMCF) products were implemented, operational procedures for the State Data Center and its customers were built around the LRS products. Although other vendors' products can perform the same function, the conversion from the LRS products to another is challenging. When a Data Center implements a product that is integrated into the operational environment, converting to another competing product is time consuming, requires retraining, and is disruptive to the organization. There must be very clear financial or functional reasons to make a conversion. At this time, LRS supports their products well, the ITS systems programmers are well trained to operate the LRS products, and the ITS customers are well satisfied with the functionality and availability of the LRS products. 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:

Many state agencies use the State Data Center mainframe environment for access to various statewide applications including the payroll system, title network systems, human services systems, etc. All of these applications generate print documents that must be sent to remote printers throughout the whole state. There is not a standard printer nor are network connections uniform. The LRS software provides the mechanism to send print to all of the various printers. Actually, the LRS software is one of the most important systems applications running at the State Data Center. A continued maintenance contract will allow the State Data Center to continue to provide these services. 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:

Levi, Ray & Shoup, Inc. (LRS) owns the source code for and is the only company that furnishes maintenance for the following products: VPS, VPS/TCPIP, DRS, and DMCF. The Vendor's sole source certification letter is included as Attachment B.

Schedule

Task	Date
First Advertisement Date	11/20/18
Second Advertisement Date	11/27/18
Response Deadline From Objectors	12/07/18 at 3:00 P.M. Central Time
Notice of Award/No Award Posted	Not before 12/10/18

Project Details

ITS originally procured LRS software licenses and support through RFP No. 2386 in 1994. Software licenses and maintenance for the four products to be acquired via this procurement are VPS, VPS/TCPIP, DRS, and DMCF. The licenses and maintenance previously purchased by ITS expire January 31, 2019. ITS has made a business decision to renew the licenses and support of the four software products through this procurement.

On February 9, 2016, ITS issued Sole Source No. 3878 for these same services, and received no objections. ITS has spent to date approximately $1,587,169.00.

Submission Instructions and Format of Response from Objecting Parties

Interested parties who have reason to believe that the Levi, Ray & Shoup, Inc. (LRS) software license and maintenance 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 Levi, Ray & Shoup, 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 Friday, December 7, 2018, at 3:00 p.m. (Central Time) to Alec Shedd at Alec.Shedd@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 Alec Shedd 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. 4148-44664
Accepted until December 7, 2018 @ 3:00 p.m.,
ATTENTION: Alec Shedd

If you have any questions concerning the information above or if we can be of further assistance, please contact Alec Shedd at 601-432-8162 or via email at Alec.Shedd@its.ms.gov.

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

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: Levi Ray & Shoup Renewal	Stimulus (ARRA) Funds? Yes___ No X

Customer Contact Information

Agency/Public University: ITS Address: 3771 Eastwood Dr, Jackson MS 39211	Contact Person: Lynn Templeton Phone: 601-432-8054 Fax: Email Address: lynn.templeton@its.ms.gov
MAGIC Customer Number (only required from state agencies): 7000000174 (ITS – Data Services)	Division/Dept: Handmail: ☒ Yes ☐ No

Project Summary *Narrative Description of Project* (include details of original acquisition if applicable): ITS would like to renew the Software Maintenance on Levi Ray and Shoup products. This software is used by almost all State Agencies that use SPAHRS and heavy usage by DOH and DHS. These products are used to send print jobs to TCP/IP connected printers.

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

Cost Estimates *Fiscal Year*	*Initial Costs*	*Ongoing Costs*	Time Constraints Item Needed by:2/1/19 Funds Expire: 1/13/21	Anticipated Lifecycle of Products/System (i.e. estimated years of effective use):3
FY19		126,488.00	**Discuss Funding** (e.g. how much of needed funding is definite; total project budget; any matching or other non state funds)	
FY20		130,283.00	All funding is definite and will be ITS general funds.	
FY21		134,191.00		
Total		390,962.00		

Acquisition Details

Items Requested	Quantity	Description	Building Location(s)
DMCF, DRS, VPS, VPS/TCPIP	1 license for up to 1100 printers	Printer Software	Eastwood Data Center

Describe platform & infrastructure (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: This software runs in the State Data Center on the IBM Mainframe 2818-R03

Progress to Date: What has been done related to this project, including any communication with ITS staff (data/voice/procurement/other)?
Vendor has supplied all information, sole source letter and quote. Data Services confirms that these products are still used in the State Data Center.

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:
Many state agencies access the State Data Center mainframe environment for access to various statewide applications including payroll system, title network systems, human services systems, etc. All of these applications generate print documents that must be sent to remote printers throughout the state. There is not a standard printer nor are network connections uniform. The LRS software provides the mechanism to send print to all of the various printers. Actually, the LRS software is one of the most important systems applications running at the State Data Center. A continued maintenance contract will allow the State Data Center to continue to provide these services.

Explain why these products or services are the only ones that can meet your needs (include unique features/special functionality):
The LRS software was acquired in 1994 through RFP No. 2386. As VPS, VPS/TCPIP, Dynamic Report System (DRS) and DRS Monitor & Control Facility (DMCF) products were implemented, operational procedures for the State Data Center and customers were built around the LRS products. Although other vendors' products can perform the same function, the conversion from LRS products to another is challenging. When a Data Center implements a product that is integrated into the operational environment, converting to another competing product is time consuming, requires retraining, and is disruptive to the organization. There must be very clear financial or functional reasons to make a conversion. At this time, LRS supports their products well, the ITS systems programmers are well trained to operate the LRS products, and the ITS customers are well satisfied with the functionality and availability of the LRS products.

Explain why the source is the only entity that can provide the products or services (Include other products/vendors researched or evaluated):
Levi, Ray & Shoup, Inc. (LRS) owns the source code for and is the only company that furnishes maintenance for the following products: VPS, VPS/TCPIP, DRS, and DMCF.

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

Attachment 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	**Remit To**
Vendor Name: Levi Ray & Shoup Inc	Vendor Name: Levi Ray & Shoup Inc
Vendor Address:2401 W Monroe St , Springfield, IL 62704	Vendor Address: 2401 W Monroe St , Springfield, IL 62704

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, EXECUTIVE DIRECTOR
Name (Agency Head or Public University CIO)/Title

Signature   11/20/18

LRS™
LEVI, RAY & SHOUP, INC.

2401 W. Monroe St.   P 217.793.3800
Springfield, IL 62704   F 217.787.3286   LRS.com

October 17, 2018

Lynn Templeton
Mississippi Dept. of Information Technology Services
3771 Eastwood Drive
Jackson, MS 39211

RE: MS0003

Dear Ms. Templeton:

Levi, Ray & Shoup, Inc. (LRS) owns the source code for and is the only company that
furnishes maintenance for the following products: VPS®, VPS/TCPIP, DRS and DMCF.
LRS is the sole source for such products.

If you have any questions concerning the information contained herein, please contact
the undersigned at carol.callarman@lrs.com.

Sincerely,

Carol Callarman

Carol Callarman
Senior Contracts Paralegal

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 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.