
Notice of Intent to Certify Sole Source

To: Interested Parties
From: Craig P. Orgeron, Ph.D.
CC: ITS Project Number 45446
Date: April 14, 2020
Re: Sole Source Certification Number 4270 to provide mail insertion system upgrades and support for the Mississippi Department of Revenue (DOR)
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 4270 for the Mississippi Department of Revenue (DOR), please be advised that ITS intends to award DMT Solutions Global Corporation d/b/a BlueCrest as the sole source provider of mail insertion system upgrades and support through April 14, 2023 in an amount not to exceed \$214,432.08. Please be advised that ITS will determine if additional enhancements, upgrades, support, and equipment are within scope during the certification period and may increase the spending authority accordingly. Should DMT Solutions Global Corporation d/b/a BlueCrest change their name during this certification period, then ITS will determine if a recertification is necessary. 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 Mississippi Department of Revenue (DOR) has been using the Direct Connect (DC) proprietary operating system to process mail insertion of constituent communications on 8 Series and Rival Series mail insertion systems since 2014. The Pitney Bowes (PB) 8 Series and Rival Series systems have each been retrofitted with a high integrity upgrade, a 2D camera, and DC Verify-Filebase software. The high integrity upgrade allows DOR to add 2D barcodes to documents which can be read by the 2D cameras. DC Verify functionality on the inserters require the creation of a Mail Run Data File (MRDF) with a specific mail piece record and unique Intelligent Mail Bar Code (IMb) to enable a process to track critical constituent mail

from creation to ingestion into the US Postal Service (USPS) network. To provide an electronic audit trail, each “touch point” from print file and MRDF creation, to US Postal Service scanning of the IMb will be facilitated using software to tie each specific constituent mail piece back to the creation and entry into the US Postal Service network and delivery. The current Rival Inserter and Insight Workstations are running on Windows 7 and need to be updated to Windows 10 in order to continue receiving security updates and software patches. The current DC Server is out of compliance and needs to be upgraded from Server 2008 to Server 2016. 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:

DOR must be able to track the USPS mail dates on assessments and Review Board letters as required by House Bill (HB) 799 from the 2014 Legislative Session. By purchasing the necessary upgrades to the mail insertion systems, DOR is able to continue compliance with HB 799 and keep the systems up to date on security patches and updates. 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:

BlueCrest is the only company in North America that is authorized to license, service, and/or provide professional services for the Rival Inserter, BlueCrest Work Station, and BlueCrest Server and the only party authorized to access the source code of any of these products. Further, the warranty on these products is voided if any party other than BlueCrest provides maintenance service. The Vendor’s sole source certification letter is included as Attachment B.

4. Explanation of why the amount to be expended for the services is reasonable.

The pricing is in line with other procurements, and the cost of modifying is cheaper than purchasing new systems. The cost of installation services also includes testing and training.

5. Explanation of what the agency did to obtain the best possible price for these services.

The price was set to a flat fee, not an hourly rate.

Schedule

Task	Date
First Advertisement Date	04/14/20
Second Advertisement Date	04/21/20
Response Deadline From Objectors	04/29/20 at 3:00 P.M. Central Time
Notice of Award/No Award Posted	Not before 04/30/20

Project Details

In December 2013, DOR issued Invitation for Bid (IFB) Number 2014-01 through the Mississippi Department of Finance and Administration (DFA) for mail processing equipment and the award was made to Pitney Bowes, Inc. During the 2014 Legislative Session, HB 799 was passed that required DOR to track the USPS mail dates on assessments and Review Board letters. In March 2015, DOR request from ITS and received a sole source certification using the then current sole source

procurement process to purchase the Pitney Bowes hardware and software needed to meet compliance with HB 799.

In May 2018, ITS issued Notice of Intent to Certify Sole Source Number 4092 for the purchase of software licenses, software subscriptions, and software and hardware maintenance for three years from Pitney Bowes Inc. and Pitney Bowes Software Inc. to be able to continue tracking the USPS mail dates as required, and in June 2018, executed Amendment #1 for the contract renewal through April 14, 2021.

In July 2018, Pitney Bowes completed its sale of Document Messaging Technologies (DMT) production mail and support software business and DMT is now doing business as BlueCrest. DOR's mail insertion system requires upgrades and support in order to continue receiving security patches and updates through April 14, 2023.

Submission Instructions and Format of Response from Objecting Parties

Interested parties who have reason to believe that the mail insertion system upgrades and support 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 DMT Solutions Global Corporation d/b/a BlueCrest.

- 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, April 29, 2020, 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:

<p>SUBMITTED IN RESPONSE TO Sole Source Certification No. 4270-45446 Accepted until April 29, 2020 @ 3:00 p.m., ATTENTION: Alec Shedd</p>

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



Sole Source Certification Request

Project Title: BlueCrest Sole Source		Stimulus (ARRA) Funds? Yes No <u>X</u>	
Customer Contact Information			
Agency/Public University: MS Department of Revenue Address: 500 Clinton Center Drive, Clinton, MS 39056		Contact Person: Mickey Yates Phone: 601-923-7493 Email Address: Mickey.Yates@dor.ms.gov	
MAGIC Customer Number (only required from state agencies): 700000082		Division/Dept.: Handmail: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Project Summary Narrative Description of Project (include details of original acquisition if applicable): HB 799 of the 2014 Legislative Session required DOR to track a mail date on assessments and review board letters. To comply with this law change, DOR had to be able to receive and store the mail date by 1/1/2015. DOR purchased hardware to attach to the inserter of existing equipment in the DOR print shop and software that confirms the mail is prepared for delivery. The system also creates and sends a mail data file to the USPS and provides for receipt of a file back from USPS to allow for confirmation of the mail date. DOR was able to achieve this compliance with the legislative mandate using Pitney Bowes Direct Connect (DC) proprietary operating system to process mail insertion of constituent communications on Pitney Bowes (PB) 8 Series and Rival Series mail insertion systems. The operating system that this software is installed on will be obsolete effective January 2020, so the DOR will need to have these systems upgraded. DOR will need to have these systems upgraded in order to continue to install security patches and maintain the proper level of security set forth by the State's Enterprise Security Policy. BlueCrest at some point during the agreement purchased this product from Pitney Bowes and is now the sole source company that supports the product.			
ITS Acquisition Approval (CP-1) should be effective through this date (Please allow time for all vendor invoices to be paid):			
Cost Estimates <i>Fiscal Year</i>	Initial Costs	Ongoing Costs	Time Constraints Item Needed by: April 14, 2020 Funds Expire:
FY20	\$113,212.13		Anticipated Lifecycle of Products/System (i.e. estimated years of effective use): 3 years Discuss Funding (e.g. how much of needed funding is definite; total project budget; any matching or other non state funds). This project is using General funds.
FY21		\$49,877.17	
FY22		\$51,342.78	
Total	\$113,212.13	\$101,219.95	
Acquisition Details			
Items Requested	Quantity	Description	Building Location(s)
Upgrades	2		
Maintenance & Support	1		
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: The physical equipment and software will be located at DOR.			
Progress to Date: What has been done related to this project, including any communication with ITS staff (data/voice/procurement/other)? A procurement placeholder project # has been generated. Project #45446. DOR has spoken with BlueCrest and Pitney Bowes to determine which items fall under BlueCrest and Pitney Bowes.			
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: DOR must be able to track the USPS mail dates on assessments and Review Board letters as required by House Bill (HB) 799 from the 2014 Legislative Session. By purchasing the necessary upgrades to the mail insertion systems, DOR is able to continue compliance with HB 799 and keep the systems up to date on security patches and updates.			
Explain why these products or services are the only ones that can meet your needs (include unique features/special functionality): The Mississippi Department of Revenue (DOR) has been using the Direct Connect (DC) proprietary operating system to process mail insertion of constituent communications on 8 Series and Rival Series mail insertion systems since 2014. The PB 8 Series and Rival Series systems have each been retrofitted with a high integrity upgrade, a 2D camera, and DCVerify-Filebase software. The high integrity upgrade allows DOR to add 2D barcodes to documents which can be read by the 2D cameras. DC Verify functionality on the inserters require the creation of a Mail Run Data File (MRDF) with a specific mail piece record and unique Intelligent Mail Bar Code (IMb) to enable a process to track critical constituent mail from creation to ingestion in to the US Postal Service (USPS) network. To provide an electronic audit trail, each "touch point" from print file and MRDF creation, to US Postal Service scanning of the IMb will be facilitated using software to tie each specific constituent mail piece back to the creation and entry in to the US Postal Service network and delivery. The current Rival Inserter and Insight Workstations are running on Windows 7 and need to be updated to Windows 10 in order to continue receiving security updates and software patches. The current DC Server is out of compliance and needs to be upgraded from Server 2008 to Server 2016.			
Explain why the source is the only entity that can provide the products or services (Include other products/vendors researched or evaluated): BlueCrest is the only company in North America that is authorized to license, service, and/or provide professional services for the Sole Source Products and the only party authorized to access the source code of any Sole Source Product. Further, the warranty on a Sole Source Product is voided if any party other than BlueCrest provides maintenance service on such Sole Source product.			

Explain why the amount to be expended for the services is reasonable: The pricing is in line with other procurements, and the cost of modifying is cheaper than purchasing new systems. The cost of installation services also includes testing and training.	
Explain what your agency did to obtain the best possible price for the services: The price was set to a flat fee, not an hourly rate.	
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.	
Place Order To	Remit To
Vendor Name: DMT Solutions Global Corporation d/b/a BlueCrest	Vendor Name: DMT Solutions Global Corporation d/b/a BlueCrest
Vendor Address: 37 Executive Drive, Danbury, Connecticut 06810	Vendor Address: 37 Executive Drive, Danbury, Connecticut 06810

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

Herb Frierson
Signature

4/8/2020
Date



March 23, 2020

State of Mississippi
500 Clinton Center Drive
Clinton, MS 39056
Attn: Herb Frierson, Commissioner

Re: Sole Source Service – BlueCrest Rival, Work Station, and Server

Dear State of Mississippi:

DMT Solutions Global Corporation, a Delaware corporation doing business as BlueCrest (“BlueCrest”), would first like to thank you for the opportunity and privilege of allowing us to continue serving and supporting the State of Mississippi.

The purpose of this letter is to confirm that your Rival Inserter ZXOV-0147022, BlueCrest Work Station and your BlueCrest Server RD3M-0130120 with embedded software(s) are BlueCrest sole source products (each a “Sole Source Product”, and collectively, the “Sole Source Products”).

BlueCrest is the only company in North America that is authorized to license, service, and/or provide professional services for the Sole Source Products and the only party authorized to access the source code of any Sole Source Product. Further, the warranty on a Sole Source Product is voided if any party other than BlueCrest provides maintenance service on such Sole Source Product.

Should you have any questions regarding the content of this letter please contact Tim Rodriguez at any time

Sincerely,

A handwritten signature in black ink that reads "Tim Rodriguez". The signature is written in a cursive style with a horizontal line above the first name.

Tim Rodriguez
Sr. Vice President
Global Services BlueCrest

Attachment C

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.