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## Notice of Intent to Certify Sole Source

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**To:** Interested Parties  
**From:** Craig P. Orgeron, Ph.D.  
**CC:** ITS Project Number 45806  
**Date:** April 14, 2020  
**Re:** Sole Source Certification Number 4297 to provide TranSight Modeling System software maintenance for the Mississippi Department of Transportation (MDOT)  
**Contact Name:** Alec Shedd  
**Contact Phone Number:** 601-432-8162  
**Contact E-mail Address:** Alec.Shedd@its.ms.gov

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### Sole Source Certification Award Details

Regarding Information Technology Services (ITS) Sole Source Certification Number 4297 for the Mississippi Department of Transportation (MDOT), please be advised that ITS intends to award Regional Economic Models, Inc. (REMI), as the sole source provider of TranSight Modeling System software maintenance through May 31, 2023, in an amount not to exceed \$163,680.00. Please be advised that ITS will determine if additional enhancements, upgrades, support, or equipment are within scope during the certification period and may increase the spending authority accordingly. Should REMI 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 REMI TranSight Modeling System (TranSight) integrates travel demand model output with a comprehensive economic model. Delivering a fully integrated economic theory to provide year-by-year dynamic simulation forecasts, TranSight allows the user to quantify the effect of transportation improvements on a region. TranSight is the only economic model that provides the macroeconomic effects of safety, fuel demand, and emissions by type. 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:

**TranSight is used by MDOT to evaluate the economic effects of transportation improvements. It also provides the ability to determine secondary and cumulative effects of a transportation project, which is a growing concern from an environmental perspective. It was recently utilized by MDOT transportation planners to analyze the economic impact of investments in highways and other transportation infrastructure for the long-range transportation plan. 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:

**TranSight is the only economic model that provides macroeconomic effects of safety, fuel demand, and emissions by type. It is available only from REMI. The Vendor's sole source certification letter is included as Attachment B.**

### 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

The TranSight software and maintenance services were originally purchased in May 2006 using then approved sole source procurement procedures with MDOT continuing the maintenance and support. In February 2017, ITS issued Notice of Intent to Certify Sole Source No. 3980 for the renewal of REMI maintenance through May 31, 2020 and received no objections. MDOT has made a business decision to continue using TranSight at a cost of \$163,680,000 for maintenance through May 31, 2023. The approximate total spent to date is \$1,082,650.00.

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

Interested parties who have reason to believe that the Transight Modeling System software maintenance 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 REMI.

- 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, April 28, 2020, at 3:00 p.m. (Central Time) to Alec Shedd at [Alec.Shedd@its.ms.gov](mailto: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 style="text-align: center;"><b>SUBMITTED IN RESPONSE TO</b> <b>Sole Source Certification No. 4297-45806</b> <b>Accepted until April 29, 2020 @ 3:00 p.m.,</b> <b>ATTENTION: Alec Shedd</b></p>
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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](mailto:Alec.Shedd@its.ms.gov).

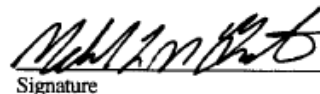
- Attachment A: Customer Sole Source Certification Request
- Attachment B: Vendor Correspondence
- Attachment C: Sole Source Procurement Overview

## Sole Source Certification Request

<b>Project Title:</b> REMI 3 year Renewal		<b>Stimulus (ARRA) Funds? Yes No <u>X</u></b>	
<b>Customer Contact Information</b>			
Agency/Public University: MS Department of Transportation Address: 401 North West Street, Jackson, MS 39201		Contact Person: Bo Dickerson Phone: 601-359-7483 Email Address: bdickerson@mdot.ms.gov	
MAGIC Customer Number (only required from state agencies): 70000000251		Division/Dept.: Handmail: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
<b>Project Summary</b> <i>Narrative Description of Project</i> (include details of original acquisition if applicable): REMI software used to evaluate the economic effects of transportation improvements on the competitive advantage of a region.			
ITS Acquisition Approval (CP-1) should be effective through this date (Please allow time for all vendor invoices to be paid): 5/30/2023			
<b>Cost Estimates</b> <i>Fiscal Year</i>	<i>Initial Costs</i>	<i>Ongoing Costs</i>	<b>Time Constraints</b> Item Needed by: 4/30/20 Funds Expire:  <b>Anticipated Lifecycle of Products/System</b> (i.e. estimated years of effective use): 3 years
FY20		\$54,560.00	<b>Discuss Funding</b> (e.g. how much of needed funding is definite; total project budget; any matching or other non state funds). 100% special funds
FY21		\$54,560.00	
FY22		\$54,560.00	
<b>Total</b>		<b>\$163,680.00</b>	
<b>Acquisition Details</b>			
<b>Items Requested</b>	<b>Quantity</b>	<b>Description</b>	<b>Building Location(s)</b>
Support Fees		Software maintenance fees	
<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: Software			
<b>Progress to Date:</b> What has been done related to this project, including any communication with ITS staff (data/voice/procurement/other)? Submitted project to ITS.			
<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> TranSight is used by MDOT to evaluate the economic effects of transportation improvements. It also provides the ability to determine secondary and cumulative effects of a transportation project which is a growing concern from an environmental perspective. It was recently utilized for an economic impact analysis for the long range transportation plan.			
<b>Explain why these products or services are the only ones that can meet your needs</b> (include unique features/special functionality): The REMI TranSight Modeling System (TranSight) integrates travel demand model output with a comprehensive economic model. Delivering a fully integrated economic theory to provide year-by-year dynamic simulation forecasts, TranSight allows the user to quantify the effect of transportation improvements on a region. TranSight is the only economic model that provides the macroeconomic effects of safety, fuel demand, and emissions by type.			
<b>Explain why the source is the only entity that can provide the products or services</b> (Include other products/vendors researched or evaluated): TranSight is the only economic model that provides the macroeconomic effects of safety, fuel demand, and emissions by type. It is available only from REMI.			
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	
<b>MAGIC Vendor Code(s) Vendor must be in MAGIC before a CP-1 can be issued.</b>			
Place Order To Vendor Name: Regional Economic Models Inc Vendor Address: 433 West Street, Amherst, MA 01002		Remit To Vendor Name: Regional Economic Models Inc Vendor Address: 433 West Street, Amherst, MA 01002	

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.

Melinda McGrath, Executive Director  
Name (Agency Head or Public University CIO)/Title

  
Signature

April 09, 2020  
Date



Regional  
Economic  
Models,  
Inc.

February 21, 2020

Mr. Sammy Holcomb  
Planning Analysis Manager  
Mississippi Department of Transportation, Planning Division  
PO Box 1850, 7<sup>th</sup> Floor  
Jackson, MS 39215-1850

Dear Mr. Holcomb,

We are very pleased to offer the REMI TranSight model system for license and associated maintenance for economic analysis of transportation policies and planning in the state of Mississippi. Please see the following description of the model that provides documentation for a "sole source" contract.

**REMI TranSight® Modeling System Sole-Source Documentation**

REMI TranSight is the only widely available software that links a travel demand model output with a comprehensive economic model that fully integrates economic theory to provide year-by-year (dynamic) simulation forecasts, allowing the user to quantify the effect of transportation improvements on the competitive advantage of a region. TranSight is also the only economic model that provides the macroeconomic effects of safety, fuel demand, and emissions by type. It is available only from REMI.

The REMI model is well known and respected in the economics community:

- The REMI model has seen over 25 years of use in evaluating the economic effects of transportation.
- Studies using REMI have been published in peer-reviewed scholarly journals such as the *American Economic Review*, the *Journal of Regional Science*, the *Review of Economics and Statistics*, and the *Journal of Transportation and Statistics*; and other publications such as the National Cooperative Highway Research Program Project.
- An independent evaluation from the Massachusetts Institute of Technology observed that

"REMI TranSight [a program incorporating REMI Policy Insight] has the following seven features often unavailable in many other microcomputer-based regional forecasting models:

433 West Street  
Amherst, MA  
01002  
413-549-1169

1717 K Street NW  
Suite 900  
Washington, DC  
20006  
202-469-7861

info@remi.com  
www.remi.com

1. It is calibrated to local conditions using a relatively large amount of local data, which is likely to improve its performance, especially under conditions of structural economic change.
2. It has an exceptionally strong theoretical foundation.
3. It actually combines several different kinds of analytic tools (including economic-base, input-output, and econometric models), allowing it to take advantage of each specific method's strengths and compensate for its weaknesses.
4. It allows users to manipulate an unusually large number of input variables and gives forecasts for an unusually large number of output variables.
5. It allows the user to generate forecasts for any combination of future years, allowing the user special flexibility in analyzing the timing of economic impacts.
6. It accounts for business cycles.
7. It has been used by a large number of users under diverse conditions and has proven to perform acceptably.

In addition, the vendor provides good customer support and incorporates many of the clients' requests into annual revisions of the model."<sup>1</sup>

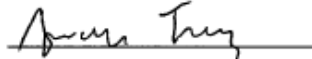
TranSight combines these unique economic features with a model customized to the analytical and interface needs of every client, implemented through a point-and-click Windows software program which can generate custom reports (including tables and graphs) in Microsoft Word format. REMI offers unlimited telephone and e-mail support for both the software application and the proper economic use of the model.

The vast majority of US states have used REMI models, as have a variety of Metropolitan Planning Organizations, Regional Planning Councils, federal agencies, consulting firms, universities, and other organizations. Connecticut, Pennsylvania, New Mexico, Louisiana, Texas, North Dakota, and the city of Los Angeles all currently use the TranSight model, and the REMI model has been used over the years for hundreds of highway corridor studies and other studies of the economic effects of transportation.

Please do not hesitate to contact me for further information; we look forward to working with you in the future.

Yours Truly,

Frederick Treyz, PhD  
Chief Executive Officer



<sup>1</sup> Karen R. Polenske, Kelly Robinson, Xu Hong Hong, Xiannuan Lin, Judith Moore, and Bruce Stedman, "Evaluation of the South Coast Air Quality Management District's Methods for Assessing Socioeconomic Impacts of District Rules and Regulations," Massachusetts Institute of Technology, Volume 1: Summary of Findings dated May, 1992, p. 19.

## 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](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.

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.