
Notice of Intent to Certify Sole Source

To: Interested Parties
From: David C. Johnson
CC: ITS Project Number 47415
Date: December 6, 2022
Re: Sole Source Certification Number 4509 to provide auditing paperwork management software maintenance and support for the Mississippi Office of the State Auditor (OSA).
Contact Name: Jasmine Grice
Contact Phone Number: 601-432-8198
Contact E-mail Address: jasmine.grice@its.ms.gov

Sole Source Certification Award Details

Regarding Information Technology Services (ITS) Sole Source Certification Number 4509 for the Mississippi Office of the State Auditor (OSA), please be advised that ITS intends to award CCH® ProSystem fx® Engagement, as the sole source provider of auditing paperwork management software maintenance and support through January 31, 2024, in an amount not to exceed \$67,086.70. If OSA opts to renew software licenses, support, and maintenance, this sole source certification shall be valid through January 31, 2026. Please be advised that ITS will determine if additional licenses, enhancements, and support are within scope during the certification period and may increase the spending authority accordingly. Should CCH® ProSystem fx® Engagement 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 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:

CCH® ProSystem fx® Engagement is an auditing workpaper management software that obtains instant access to paperless audit and tax client binders and promptly prepares financial statements and trial balance reports. CCH Incorporated, a Wolters Kluwer business, provides software and maintenance support for the CCH® ProSystem fx® Engagement System. The maintenance and support can only be provided by the vendor and provides access to helpdesk support, which includes remote servicing for end users and access to software patches and updates to provide security and stability for the system.

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

The State, County, Electronic Data Processing, and Contract Audit Divisions of OSA use Engagement Software Support and Maintenance Helpdesk to troubleshoot issues that may arise with the CCH® ProSystem fx® Engagement System. The software support and maintenance provide OSA with remote servicing at the end user’s workstations along with software patches and updates that are necessary for the system.

- 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:

Wolters Kluwer is the owner and has full right and title to license the software package, CCH® ProSystem fx® Engagement. In addition, Wolters Kluwer is the Sole Source for maintenance on CCH® ProSystem fx® Engagement products. In the United States, Wolters Kluwer is the sole entity permitted to license CCH® ProSystem fx® Engagement. The Vendor’s sole source certification letter is included as Attachment A.

Schedule

Task	Date
First Advertisement Date	12/06/22
Second Advertisement Date	12/13/22
Response Deadline From Objectors	12/20/22 at 3:00 P.M. Central Time
Notice of Award/No Award Posted	Not before 12/21/22

Project Details

OSA originally purchased the CCH® ProSystem fx® Engagement System and Software Support and Maintenance for the purpose of audit work paper management in September 2011, as a sole source procurement for five years. In May 2013, OSA purchased additional licenses and support for three years.

In October 2016, ITS issued Notice of Intent to Certify Sole Source Number 3940 for CCH® ProSystem fx® Engagement Software Support and Maintenance from November 1, 2016 through October 31, 2019, in an amount not to exceed \$95,063.00. No objections were received. In March 2017, ITS issued Notice of Intent to Certify Sole Source Number 3982 to extend the date of the existing CCH® ProSystem fx® Engagement Software Support and Maintenance through January 31, 2020, in an amount not to exceed \$7,429.69. In February 2018, ITS issued Notice of Intent to Certify Sole Source Number 4079 for additional software licenses and support through January 31, 2020. In November 2019, ITS issued Notice of Intent to Certify Sole Source Number 4265 to renew and purchase licenses and support through January 31, 2023. No objections were received.

OSA is seeking to renew CCH® ProSystem fx® Engagement Software maintenance through January 31, 2024. The total expenditure to date, including this project, is \$616,018.56.

Submission Instructions and Format of Response from Objecting Parties

Interested parties who have reason to believe that the auditing paperwork management software maintenance 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 CCH® ProSystem fx® Engagement.

- 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, December 20, 2022, at 3:00 p.m. (Central Time) to Jasmine Grice at jasmine.grice@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 Jasmine Grice 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. 4509-47415
Accepted until December 20, 2022 @ 3:00 p.m.,
ATTENTION: Jasmine Grice**

If you have any questions concerning the information above or if we can be of further assistance, please contact Jasmine Grice at 601-432-8198 or via email at jasmine.grice@its.ms.gov.

- Attachment A: Vendor Correspondence
- Attachment B: Sole Source Procurement Overview



November 1, 2022

Jimmie D. Moore
Chief Information Officer
MS Office of the State Auditor
501 North West Street
Suite 801 Woolfolk Bldg
Jackson MS 39201
601-576-2694

Dear Mr. Moore,

CCH ProSystem fx Engagement is our premier solution to support workpaper management and trial balance workflow. I'm writing to confirm that Engagement is sold and maintained exclusively by Wolters Kluwer. Our products are not available for purchase through resellers or other third-party providers.

Sincerely,

A handwritten signature in black ink that reads "X Colleen Knuff". The signature is written in a cursive style and is positioned above a horizontal line.

Colleen Knuff
VP, Audit Product Management
Wolters Kluwer, Tax & Accounting
US

Attachment B

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 A.

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.

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.