

Notice of Intent to Certify Sole Source

To: Interested Parties

From: David C. Johnson 

CC: ITS Project Number 47938

Date: April 4, 2024

Re: Sole Source Certification Number 4606 to provide Broadridge Software Support and Business Continuation Services for the Mississippi Office of the State Treasurer (OST)

Contact Name: Debbie Parker

Contact Phone Number: 601-432-8159

Contact E-mail Address: Debbie.Parker@its.ms.gov

Sole Source Certification Award Details

Regarding Information Technology Services (ITS) Sole Source Certification Number 4606 for the Mississippi Office of the State Treasurer (OST), please be advised that ITS intends to award QED Financial Systems, Inc. as the sole source provider of Broadridge Software Support and Business Continuation Services through June 30, 2027, in an amount not to exceed \$1,013,286.33. Please be advised that ITS will determine if additional maintenance and support is within scope during the certification period and may increase the spending authority accordingly. Should QED Financial Systems, Inc. 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:

QED is the sole provider of maintenance and support for the Broadridge Investment Accounting Software (BIA Software), a customized, cash-based accounting system used by the State Treasurer's Office to fulfill the Office of the State Treasurer's duties defined in the Mississippi Code 7-9-1 through 7-9-53. No other vendor exists that can provide the four specific modules (Treasury Management System, General Ledger System, Investment Management System, and the Collateral Tracking System) to meet OST's business requirements.

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

The Office of the State Treasurer has invested in the BIA/QED system for more than a decade and have a strategically sound history of operation with consistent performance. The State has invested heavily in time, money, and resources to customize the system modules to work within the financial framework of Mississippi. The system has been modified to interface daily with MAGIC, and no other vendor can provide maintenance and support for the system modules that the Treasurer's office utilizes: Treasury Management System (handles the tracking of all state warrants), General Ledger System (handles the balances of all state funds), Investment Management System (handles the balances of all state investments), and the Collateral Tracking System (tracks all collateral received for bonds). All four modules perform various workflows, reconciliation processes, and reporting. At present, OST is unaware of any system that contains the individual modules provided by the current solution. This effort and process would be similar to the multi-year effort as the transition to MAGIC.

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:

QED Financial Systems, Inc., a wholly owned subsidiary of Broadridge Financial Solutions, Inc. (Broadridge Investment Accounting), holds the intellectual property rights and owns the computer source code comprising the Q2 Portfolio Management and Investment Accounting Software ("BIA Software"). Broadridge Investment Accounting does not release, or make available to any third party, the computer source code comprising the BIA Software. BIA software, and the architecture and configuration of BIA Software, are confidential, proprietary trade secrets and intellectual property that belongs only to Broadridge Investment Accounting. The Vendor's sole source certification letter is included as Attachment A.

Schedule

Task	Date
First Advertisement Date	04/04/2024
Second Advertisement Date	04/11/2024
Response Deadline From Objectors	04/18/2024 at 3:00 P.M. Central Time
Notice of Award/No Award Posted	Not before 04/19/2024

Project Details

In 1995, ITS, on behalf of the Mississippi Department of Treasury, advertised RFP Number 2707 for the acquisition of hardware, software, and services required for the turnkey implementation of an investment portfolio management system. The awarded vendor was QED Information Systems, Inc. and a Maintenance Agreement was executed on July 13, 1995. Amendments to the Maintenance Agreement extended the contract through the years.

Beginning July 2000, the Broadridge Investment Accounting financial software renewals have been certified by ITS as a sole source using then approved sole source procedures. In 2005, a Software Support and Business Continuation Agreement was executed for manufacturer maintenance. Since 2018, ITS has issued multiple Notice of Intent to Certify Sole Source for maintenance and support, receiving no objections. OST's current maintenance and support expires June 30, 2024. The total spend to date is \$6,267,935.99.

Submission Instructions and Format of Response from Objecting Parties

Interested parties who have reason to believe that the Broadridge Software Support and Business Continuation 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 QED Financial Systems, 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 Tuesday, April 18, 2024, at 3:00 p.m. (Central Time) to Debbie Parker at Debbie.Parker@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 Debbie Parker 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. 4606-47938
Accepted until April 18, 2024 @ 3:00 p.m.,
ATTENTION: Debbie Parker**

If you have any questions concerning the information above or if we can be of further assistance, please contact Debbie Parker at 601-432-8159 or via email at Debbie.Parker@its.ms.gov.

Attachment A: Vendor Correspondence

Attachment B: Sole Source Procurement Overview



February 28, 2024

Mr. Kurt Turner
Chief Information Officer
Office of State Treasurer David McRae
State of Mississippi
501 North West Street
Woolfolk Building Suite 1101
Jackson, MS 39201

Re: Sole-Source Provider Attestation for Q2 Portfolio Management and Investment Accounting Software

Mr. Turner,

The undersigned affirms, attests, and certifies by signature on this letter, that QED Financial Systems, Inc., a wholly owned subsidiary of Broadridge Financial Solutions, Inc., ("Broadridge Investment Accounting") holds the intellectual property rights and owns the computer source code comprising the Q2 Portfolio Management and Investment Accounting Software ("BIA Software"). BIA Software is unavailable from any other source, whether commercial or private. Broadridge Investment Accounting is, therefore, the singular and sole provider of BIA Software.

BIA Software is developed and copyrighted by Broadridge Investment Accounting and licensed to the State of Mississippi Office of the State Treasurer for use in the administration, recordkeeping, accounting, and management of the State's investments, cash, collateral, and other such assets that may be entrusted to the stewardship of the Office of the State Treasurer.

Broadridge Investment Accounting does not release, or make available to any third party, the computer source code comprising the BIA Software. The compiled BIA Software, any and all enhancements thereto, any updates to the computer source code, and any database objects contained in the BIA Software that comprise, collectively the BIA Software are proprietary to, and available only from, Broadridge Investment Accounting.

BIA Software is provided solely by Broadridge Investment Accounting and only under the terms of an Agreement between Broadridge Investment Accounting and its direct clients. Broadridge Investment Accounting does not authorize the sale or resale of BIA Software, in any manner, through any third-party source. BIA Software, and the architecture and configuration of BIA Software, are confidential, proprietary trade secrets and intellectual property that belongs only to Broadridge Investment Accounting. Further, considerations including, but not limited to,

Broadridge Financial Solutions, Inc.
Broadridge Investment Accounting
110 West Park Drive
Mount Laurel, New Jersey 08054

broadridge.com



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protection of intellectual property, confidentiality, risk mitigation, and information security, Broadridge Investment Accounting does not engage, or utilize services of, any third party contractor or sub-contractor for the fulfillment of hardware, operating system, or BIA Software configuration or support services.

On behalf of the entire Broadridge Investment Accounting team, please allow me to express our continued deep appreciation for the mutual business relationship between our organizations.

Sincerely,

Brian Crowley

Brian Crowley

Chief Operating Officer,

Broadridge Asset Management Solutions, Inc.

cc: Brian Wilson, Deputy Treasurer, State of Mississippi Office of the State Treasurer
Joseph Cole, Vice President, Account Management, Broadridge Investment Accounting

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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 \$75,000 (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.