
Notice of Intent to Certify Sole Source

To: Interested Parties

From: Craig P. Orgeron, CPM, Ph.D. *CHO*

CC: ITS Project Number 48830

Date: April 8, 2025

Re: Sole Source Certification Number 4679 to provide medical device information system hardware, support, and maintenance for the University of Mississippi Medical Center (UMMC)

Contact Name: Denetta Durr

Contact Phone Number: 601-432-8022

Contact E-mail Address: denetta.durr@its.ms.gov

Sole Source Certification Award Details

Regarding Information Technology Services (ITS) Sole Source Certification Number 4679 for the University of Mississippi Medical Center (UMMC), please be advised that ITS intends to award Philips North America, LLC (formerly Capsule Tech, Inc.), as the sole source provider of medical device information system hardware, support, and maintenance through June 30, 2026, in an amount not to exceed \$76,391.52. If UMMC opts to renew its medical device information system hardware, support, and maintenance, this sole source certification shall be valid through June 30, 2028. Please be advised that ITS will determine if additional upgrades, support, or equipment are within scope during the certification period and may increase the spending authority accordingly. Should Philips North America, LLC, 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:

The medical device integration software's unique functionality is that it interfaces medical device data into UMMC's current Electronic Health Records software, EPIC, with no manual data entry. The Smartlinx devices are the only ones that work with Capsule DataCaptor medical device integration software. These devices also allow for the maximization of data through analytics, as well as all-in-one vital signs monitoring,

documentation, and connectivity with EPIC. Philips North America, LLC, provides over 1,000 drivers for medical device integration.

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

The Capsule products convert data from the patient monitoring and ventilator equipment into a readable format for use in the EPIC system for patient care. This conversion avoids manual data entry, minimizing errors, and allowing clinicians more time for other patient care tasks.

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:

Philips North America is a sole source owner and manufacturer of the Capsule software and hardware products. No other agents or dealers are authorized to develop or manufacture Capsule products or provide Support services for any Capsule product. The Vendor's sole source certification letter is included as Attachment A.

Schedule

Task	Date
First Advertisement Date	04/08/2025
Second Advertisement Date	04/15/2025
Response Deadline From Objectors	04/22/2025 at 3:00 P.M. Central Time
Notice of Award/No Award Posted	Not before 04/23/2025

Project Details

In September 2009, Capsule and UMMC entered into a DataCaptor Solution License Agreement for the predecessor product to the SmartLinx Software, known as the DataCaptor Solution. In July 2011, UMMC switched to an enterprise license arrangement, which led to a costs savings. The Agreement allowed UMMC to continue with license and support of the Capsule SmartLinx device integration software at the Jackson and Grenada facilities. It also allowed UMMC to purchase Capsule SmartLinx device integration software, hardware, support, maintenance, and professional services. In August 2017, ITS began issuing Notice of Intents to Certify Sole Source certifying Capsule Tech, Inc. as the sole source provider of the medical device information system and has not received any objections. The current Agreement expires June 30, 2025. In 2024, Capsule Tech Inc. was acquired by Philips Holding USA, Inc. dba Philips North America LLC. The amount paid to Capsule Tech, Inc. to date is \$2,354,598.03.

Submission Instructions and Format of Response from Objecting Parties

Interested parties who have reason to believe that the medical device information system hardware, support, and 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 Philips North America, LLC.

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 22, 2025, at 3:00 p.m. (Central Time) to Denetta Durr at denetta.durr@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 Denetta Durr 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. 4679
Accepted until April 22, 2025 @ 3:00 p.m.,
ATTENTION: Denetta Durr**

If you have any questions concerning the information above or if we can be of further assistance, please contact Denetta Durr at 601-432-8233 or via email at denetta.durr@its.ms.gov.

Attachment A: Vendor Correspondence

Attachment B: Sole Source Procurement Overview



February 27, 2025

University of Mississippi Medical Center
Division of Information Services
2500 N. State
Jackson, MS 39216

This letter is to confirm that Philips North America is a sole source owner and manufacturer of the Capsule software and hardware products. No other agents or dealers are authorized to develop or manufacture Capsule products or provide Support services for any Capsule product.

Best regards,

A handwritten signature in black ink that reads "Carrie Jones".

Carrie Jones
CI&I Contract Manager

CapsuleTech, Inc
Global Headquarters and North America Region Sales, 222 Jacobs Street, 3rd Floor,
Cambridge, MA 02141, USA,
Tel: +1 978-482-2300, capsuletech.com.

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.