

Notice of Intent to Certify Sole Source

To: Interested Parties

From: Craig P. Orgeron, Ph.D. *eno*

CC: ITS Project Number 42205

Date: October 27, 2015

Re: Sole Source Certification Number 3828 for maintenance and support of Capsule's SmartLinx system for the University of Mississippi Medical Center (UMMC)

Contact Name: Jill Chastant

Contact Phone Number: 601-432-8214

Contact E-mail Address: Jill.Chastant@its.ms.gov

Sole Source Certification Award Details

Regarding Information Technology Services (ITS) Sole Source Certification Number 3828 for Capsule's SmartLinx system maintenance and support for the University of Mississippi Medical Center (UMMC), please be advised that ITS intends to award the maintenance and support of Capsule's SmartLinx system for the University of Mississippi Medical Center (UMMC) to CapsuleTech, Inc., as the sole source provider of maintenance and support through June 30, 2019. The total not-to-exceed four-year lifecycle cost of the project is \$529,566.20. 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:

CapsuleTech, Inc. allows continued use and support of the existing Capsule DataCaptor medical device integration software. The software is used to interface medical device data into UMMC's current Electronic Health Records software, Epic. The service being requested is support for the SmartLinx software licenses from Capsule. There is no other way to obtain support for SmartLinx than from Capsule. 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:

Software support includes assistance from CapsuleTech for telephone or email support requests, correction of errors in SmartLinx Software and access to software

updates and DDIs (interfaces for various medical devices) owned and licensed by Capsule. 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:

Support for the SmartLinx Software is only available from Capsule. There is no other source for support for the SmartLinx software licensed from Capsule. The vendor's sole source certification letter is included as Attachment B.

Schedule

Task	Date
First Advertisement Date	10/27/15
Second Advertisement Date	11/03/15
Response Deadline From Objectors	11/10/15, at 3:00 P.M. Central Time
Notice of Award/No Award Posted	Not before 11/11/15

Project Details

Capsule's SmartLinx Medical Device Information System, the industry's first medical device information system, sets the new industry standard for applying medical device integration technology to help improve the delivery of patient care. It is a powerful, vendor-neutral data management solution that ties together the medical devices into a unified system that not only captures and distributes patient clinical data, but also makes available operational data about the devices themselves.

UMMC issued a Request for Proposals for the acquisition of ancillary systems, technology and/or services pertaining to Indirect Patient Care. Capsule and UMMC entered into a DataCaptor Solution License Agreement dated September 14, 2009, for the predecessor product to the SmartLinx Software, known as the DataCaptor Solution. Although the licenses granted under the prior Agreement are perpetual, UMMC has made a business decision to enter into a new Agreement to purchase licenses and hardware for new facilities not covered under the prior Agreement and to receive support from Capsule of the licenses purchased under the prior Agreement. The amount paid to Capsule to date is \$1,261,355.00.

The Capsule DataCaptor medical device integration software is used to interface medical device data into Epic. The service being requested is support for the SmartLinx software licenses from Capsule. There is no other way to obtain support for SmartLinx than from Capsule. The support includes assistance with Capsule issues and questions, correction of errors in SmartLinx, and access to software updates that are owned by Capsule.

Submission Instructions and Format of Response from Objecting Parties

Interested parties who have reason to believe that the software and license 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 CapsuleTech, 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, November 10, 2015, at 3:00 p.m. (Central Time) to Jill Chastant at Jill.Chastant@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 Jill Chastant 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. 3828-42205
Accepted until November 10, 2015 @ 3:00 p.m.,
ATTENTION: Jill Chastant**

If you have any questions concerning the information above or if we can be of further assistance, please contact Jill Chastant at 601-432-8214 or via email at Jill.Chastant@its.ms.gov.

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



3771 Eastwood Drive
Jackson, Mississippi 39211
Phone 601-432-8000 Fax 601-713-6380

Sole Source Certification Request

Project Title: <u>Capsule</u>		Stimulus (ARRA) Funds? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Customer Contact Information			
Agency/Institution: UMMC Address: 2500 North State Street, Jackson, MS 39216		Contact Person: Cindy Freeman Phone: 601-815-6574 Fax: Email Address: cgfreeman@umc.edu	
MAGIC Customer Number (only required from state agencies): 5000000052 (UMC-Information Systems-12006)		Division/Dept: Handmail: X Yes <input type="checkbox"/> No	
Project Summary			
Narrative Description of Project CapsuleTech, Inc. allows continued use and support of the existing Capsule DataCaptor medical device integration software. The software is used to interface medical device data into Epic. The service being requested is support for the SmartLinx software licenses from Capsule. There is no other way to obtain support for SmartLinx other than to obtain support from Capsule. The support includes assistance with Capsule issues and questions, correction of errors in SmartLinx, and access to software updates that are owned by Capsule.			
ITS Acquisition Approval (CP-1) should be effective through this date: (Please allow time for all vendor invoices to be paid)			
Cost Estimates		Time Constraints	
<i>Fiscal Year</i>	<i>Initial Costs</i>	<i>Ongoing Costs</i>	Item Needed by:
2016		\$132,391.55	Funds Expire:
2017		\$132,391.55	
2018		\$132,391.55	
2019		\$132,391.55	
Total		\$529,566.20	
Discuss Funding (e.g. how much of needed funding is definite; total project budget; any matching or other non-state funds) Budgeted funds.			
Anticipated Lifecycle of Products/System (i.e. estimate years effective use) 4 years			
Acquisition Details			
Items Requested:			
Original PO#	Quantity	License Type	Building Location(s)
900892-0001	722	LICENT1	UMMC
900872-0001	9	LICSC	UMMC
P0210527	74	LISCS	UMMC
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:			
Progress to Date: What has been done related to this project, including any communication with ITS staff (data/voice/procurement/other)? Received quote from vendor and sole source letter.			
Sole Source Certification Note: Certification must be renewed for revisions to previous Sole Source Approvals.			
Specific business requirements to be met by the requested products or services: This software support is for an existing product which no other vendor provides. It provides assistance from Capsule for telephone or email support requests, correction of errors in SmartLinx Software and access to software updates and DDIs (interfaces for various medical devices) owned and licensed by Capsule.			

Explain why these products or services are the only ones that can meet your needs (include unique features/special functionality): CapsuleTech, Inc. allows continued use and support of the existing Capsule DataCaptor medical device integration software. The software is used to interface medical device data into Epic. The service being requested is support for the SmartLinx software licenses from Capsule. There is no other way to obtain support for SmartLinx other than to obtain support from Capsule.	
Explain why the source is the only entity that can provide the products or services (Include other products/vendors researched or evaluated): Support for the SmartLinx Software is only available from Capsule. There is no other source for support for the SmartLinx software licensed from Capsule.	
Explain why the amount to be expended for the services is reasonable: N/A	
Explain what your agency did to obtain the best possible price for the services: N/A	
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 Vendor Name: CapsuleTech, Inc. Vendor Address: 300 Brickstone Square, Ste 203 Andover, MA 01810	Remit To Vendor Name: CapsuleTech, Inc. Vendor Address: 300 Brickstone Square, Ste 203 Andover, MA 01810

By my signature, I certify that, to the best of my professional knowledge: (1) the requested product or services perform a significant function or provide a service for which no other product or source of services exists; (2) my agency/institution has a business need for these unique functions of services; and (3) there are no other parties who could provide the product or services. 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/institution is responsible for these charges/costs.

Ellen Swoger / Assoc. CIO.
Name (Agency Head or Institution CIO) Title

Ellen Swoger 10/21/15
Signature Date



October 20, 2015

University of Mississippi Medical Center
2500 North State Street
Jackson, MS 39216-4500

RE: Sole Source Criteria and Required Documentation Vendor Letter

The University of Mississippi Medical Center ("Licensee") has licensed certain software (the "SmartLinx Software") from CapsuleTech, Inc. ("Capsule"). With respect to the support and maintenance services ("Support") for the SmartLinx Software, Capsule makes the following statement:

The services being purchased are Support for the SmartLinx Software licensed from Capsule. There is no way to achieve the objectives of Support for the SmartLinx Software licensed from Capsule other than to obtain Support from Capsule.

The specific business objectives that can be met only through the Support from Capsule is for Licensee to receive response to Licensee's telephone or email support requests, correction of Errors reported by Licensee and provision of Updates to Licensee, as well as access to the complete library of DDIs (Interfaces to various medical devices) owned by Capsule.

Support for the SmartLinx Software licensed from Capsule is only available from Capsule; there is no other source for Support for the SmartLinx Software licensed from Capsule.

Please feel free to contact Coy Neal at cneal@capsuletech.com if you have any questions or comments.

CAPSULETECH, INC.

A handwritten signature in black ink, appearing to read "Mark Rapoport".

Mark Rapoport, VP Finance

Attachment C: Sole Source Procurement Overview

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.

Attachment C: Sole Source Procurement Overview

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.