



Mississippi Department of
Information Technology Services

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www.its.ms.gov

Craig P. Orgeron, Ph.D., Executive Director

Notice of Intent to Certify Sole Source

To: Interested Parties

From: Craig P. Orgeron, Ph.D. ^{cro}

CC: ITS Project Number 40481

Date: February 16, 2016

Re: Sole Source Certification Number 3834 for Xerox Hardware Maintenance for the Mississippi Department of Human Services (MDHS)

Contact Name: Teresa Washington

Contact Phone Number: 601-432-8049

Contact E-mail Address: teresa.washington@its.ms.gov

Sole Source Certification Award Details

Regarding Information Technology Services (ITS) Sole Source Certification Number 3834 for Xerox hardware maintenance for MDHS, please be advised that ITS intends to award hardware maintenance to Xerox Corporation as the sole source provider of this service through June 30, 2016, in an amount not to exceed \$115,365.48. 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:

MDHS requires maintenance service for their Xerox MICR Laser Printers that were procured in 2004 via ITS Request for Proposals (RFP) No. 3418. The agency uses the printers to process warrants and checks from all 82 counties statewide. This printing requirement is in direct support of MDHS' mission, which is to provide monetary benefits to families in need. Because MDHS prints time-sensitive warrants and checks 24X7, they require maintenance on the printers to ensure benefits are provided in a timely manner. 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:

MDHS has procured a Ricoh laser printing solution via ITS Letter of Configuration (LOC) No. 40481 to replace the current Xerox solution. MDHS has made the business

decision to continue maintenance of the Xerox printers while the replacement printing solution is being implemented.

The existing printers were developed and built by Xerox, as well as the parts and supplies that are unique to these printers and needed to keep them running. Xerox Diagnostic software on the CSE laptop is required to service Xerox equipment. Only Xerox CSEs who are registered as trained and "Certified by Xerox" have access to the software required to service this equipment. 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:

Xerox does not have authorized service dealers. The vendor's sole source certification letter is included as Attachment B.

Schedule

Task	Date
First Advertisement Date	2/16/16
Second Advertisement Date	2/23/16
Response Deadline From Objectors	3/1/16, at 3:00 P.M. Central Time
Notice of Award/No Award Posted	Not before 3/2/16

Project Details

In November 2004, ITS issued RFP Number 3418 on behalf of MDHS to acquire two high-powered MICR laser printers. The RFP was awarded to Xerox Corporation, and in December 2004, ITS executed a Purchase Agreement with Xerox. In October 2008, ITS executed a Maintenance Agreement with Xerox for three additional years of maintenance. Maintenance has been procured through ITS as a sole source since 2011. MDHS has expended a total of \$820,000.00 to date for maintenance. In January 2015, ITS issued LOC Number 40481 on behalf of MDHS for a laser printing solution to replace the current one. The LOC was awarded to Ricoh USA, Inc. MDHS has made the business decision to continue maintenance of the Xerox printers while the replacement printing solution is being implemented.

Submission Instructions and Format of Response from Objecting Parties

Interested parties who have reason to believe that the Xerox hardware 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 Xerox Corporation.

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, March 1, 2016, at 3:00 p.m. (Central Time) to Teresa Washington at teresa.washington@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 Teresa Washington 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. 3834-40481
Accepted until March 1, 2016 @ 3:00 p.m.,
ATTENTION: Teresa Washington**

If you have any questions concerning the information above or if we can be of further assistance, please contact Teresa Washington at 601-432-8049 or via email at teresa.washington@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: Xerox Maintenance			Stimulus (ARRA) Funds? Yes No X	
Customer Contact Information				
Agency/Public University: MS Department of Human Services Address: 750 North State Street Jackson, MS 39202			Contact Person: Valerin O'Neal Phone: 601-359-4640 Fax: 601-359-4565 Email Address: valerin.o'neal@mdhs.ms.gov	
MAGIC Customer Number (only required from state agencies): 3100034773			Division/Dept: Handmail: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Project Summary Narrative Description of Project (include details of original acquisition if applicable): MDHS is requesting maintenance for two Xerox DocuPrint Series 2000 Model 135 MICR Laser Printers that are utilized in the Operations Division. The printers and maintenance were originally procured in 2004 via an RFP.				
ITS Acquisition Approval (CP-1) should be effective through this date (Please allow time for all vendor invoices to be paid): 6/30/16				
Cost Estimates Fiscal Year	Initial Costs	Ongoing Costs	Time Constraints Item Needed by: 3/30/16 Funds Expire:	Anticipated Lifecycle of Products/System (i.e. estimated years of effective use): 6 months
2016	\$115,365.48		Discuss Funding (e.g. how much of needed funding is definite; total project budget; any matching or other non-state funds) State funding	
Total	\$115,365.48			
Acquisition Details				
Items Requested	Quantity	Description	Building Location(s)	
Xerox Maintenance	2 Printers	Base charge, monthly impressions	750 North State Street	
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: Xerox printers are in place; manufacturer maintenance requested				
Progress to Date: What has been done related to this project, including any communication with ITS staff (data/voice/procurement/other)? Quote for pricing and sole source information requested and received.				
Sole Source Certification Note: Certification must be renewed for each revision or continuation of previous Sole Source Approvals.				
Specific business requirements to be met by the requested products or services: MDHS requires maintenance service for their Xerox MICR Laser Printers that were procured in 2004 via ITS Request for Proposals (RFP) No. 3418. The agency uses the printers to process warrants and checks from all 82 counties statewide. This printing requirement is in direct support of MDHS' mission, which is to provide monetary benefits to families in need. Because MDHS prints time-sensitive warrants and checks 24X7, they require maintenance on the printers to ensure benefits are provided in a timely manner.				
Explain why these products or services are the only ones that can meet your needs (include unique features/special functionality): MDHS has procured a Ricoh laser printing solution via ITS Letter of Configuration (LOC) No. 40481 to replace the current Xerox solution. MDHS has made the business decision to continue maintenance of the Xerox printers while the replacement printing solution is being implemented. The existing printers were developed and built by Xerox, as well as the parts and supplies that are unique to these printers and needed to keep them running. Xerox Diagnostic software on the CSE laptop is required to service Xerox equipment. Only Xerox CSEs who are registered as trained and "Certified by Xerox" have access to the software required to service this equipment.				
Explain why the source is the only entity that can provide the products or services (Include other products/vendors researched or evaluated): Xerox does not have authorized service dealers.				
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				

Attachment A

MAGIC Vendor Code(s) Vendor must be in MAGIC before a CP-1 can be issued.

Place Order To

Vendor Name: Xerox Corp - Madison
Vendor Address: 384 Galleria Parkway
Madison, MS 39110

Remit To

Vendor Name: Xerox Corp - Dallas
Vendor Address: P.O. Box 660502
Dallas, TX 75266-0501

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.

John A. Black 2/16/16
For John Davis, MDHS Executive Director Date



Colleen E. Holloway

Xerox Corporation
Colleen.Holloway@xerox.com
tel 601.317.0567

October 2, 2015

Mississippi Department of Information Technology Services
3771 Eastwood Drive
Jackson, MS 39211
www.its.ms.gov
www.ms.gov

RE: Mississippi Department of Human Services MICR printers

Xerox Corporation provides Full Service Maintenance (FSM) for government owned Xerox Production MICR printers. Xerox will maintain the equipment in good working order. Xerox does not have "authorized service dealers".

Xerox Diagnostic software on the CSE laptop is required to service Xerox equipment. Only Xerox CSEs who are registered as trained and "Certified by Xerox" have access to the software required to service this equipment.

Xerox stands behind the performance of Xerox MICR laser printers and Xerox benchmark MICR toners. Xerox will assist customers in investigating and resolving bank reported MICR performance or reject rate problems. In the event Xerox is unable to resolve the issues, Xerox will reimburse the customer for fees required to pay to bank for excessive rejects of checks printed after Xerox was notified of the problem, and where it is verified by Xerox that Xerox MICR materials or printer-related check defects are the cause of the imposition of the fees.

The **Xerox Check Performance Guarantee** applies to the DocuPrint Series MX printers in the United States. These printers must be operated following Xerox-approved procedures, using Xerox approved supplies, and continuously maintained by Xerox under our manufacturer's warranty or a Xerox System Services Agreement. This guarantee is not applicable to printers damaged due to no fault of Xerox.

Sincerely,

A handwritten signature in cursive script that reads "Colleen E. Holloway".

Colleen Holloway

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.