



Notice of Intent to Certify Sole Source

To: Interested Parties

From: Craig P. Orgeron, Ph.D.

A handwritten signature in blue ink, appearing to read "CPO", is written over the "From:" field.

CC: ITS Project Number 42570

Date: March 22, 2016

Re: Sole Source Certification Number 3882 for SAS Software Licenses and Maintenance Renewal for the Mississippi Department of Information Technology Services (ITS)

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 3882 for SAS software licenses and maintenance renewal for ITS, please be advised that ITS intends to award software licenses and maintenance renewal to SAS Institute Inc. as the sole source provider of this product and service through April 14, 2019, in an amount not to exceed \$315,612.00. 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:

The SAS software was acquired in the late 1980s through a competitive procurement. After the SAS products were acquired, many agencies, including ITS, wrote programs and processes using the SAS language. Many of these programs remain in production today. ITS has made a business decision to continue to license and use these SAS products.

If access to SAS is removed, all programs would have to be rewritten, and a new language may have to be procured. Any re-engineering of production systems would be costly to both ITS and Data Center customers. 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:

In the late 1980s, ITS determined that an easy to use programming language, especially a product that would be helpful for statistical analysis, was needed. A procurement process resulted in the purchase of SAS Institute's SAS Base product and several companion products, such as SAS/ Connect and SAS/Access. Many agencies have written production programs using the SAS language. ITS' Data Services Division uses SAS extensively for billing and performance analysis. SAS continues to be the programming language choice for statistical analysis on the mainframe server. SAS/Connect allows client/server access to mainframe data. SAS/Access facilitates access to DB2 data on the mainframe. 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:

SAS Institute Inc. (SAS) is the manufacturer and publisher of SAS software. SAS is the sole source for the renewal of the software currently licensed by ITS. The maintenance of the software is performed only by SAS Institute. The vendor's sole source certification letter is included as Attachment B.

Schedule

Task	Date
First Advertisement Date	3/22/16
Second Advertisement Date	3/29/16
Response Deadline From Objectors	4/5/16, at 3:00 P.M. Central Time
Notice of Award/No Award Posted	Not before 4/6/16

Project Details

ITS originally procured Base SAS, SAS/Connect, and SAS/ACCESS Interface to DB2 software licenses and support through a competitive procurement in the late 1980s. Since 1988, ITS has expended approximately \$1,828,632.00 for these SAS software licenses and maintenance. The licenses and maintenance previously purchased by ITS will expire April 14, 2016. ITS is seeking to renew the licenses and maintenance of the three software products through this procurement.

Submission Instructions and Format of Response from Objecting Parties

Interested parties who have reason to believe that the SAS software licenses and maintenance renewal 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 SAS Institute 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 5, 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:

<p style="text-align: center;">SUBMITTED IN RESPONSE TO Sole Source Certification No. 3882-42570 Accepted until April 5, 2016 @ 3:00 p.m., ATTENTION: Teresa Washington</p>

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



Sole Source Certification Request

Project Title: SAS OS Maintenance Renewal			Stimulus (ARRA) Funds? Yes No X		
Customer Contact Information					
Agency/Public University: Information Technology Services Address: 3771 Eastwood Drive Jackson, MS 39211			Contact Person: Lynn Templeton Phone: 601-432-8054 Fax: 601-713-6380 Email Address: lynn.templeton@its.ms.gov		
MAGIC Customer Number (only required from state agencies): 700000174 (ITS-Data Services)			Division/Dept: 0131 Handmail: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Project Summary Narrative Description of Project (include details of original acquisition if applicable): ITS Data Services would like to renew SAS software maintenance. This software is being used by the State Data Center through an Enterprise Computing Offer. This allows interested agencies to use the software in conjunction with Base SAS. This is used for reporting purposes, data manipulation, information storage and retrieval, statistics. Some modules also provide data connectivity and integration between SAS and other data sources. Current coverage expires on April 14, 2016.					
ITS Acquisition Approval (CP-1) should be effective through this date (Please allow time for all vendor invoices to be paid):					
Cost Estimates	Fiscal Year	Initial Costs	Ongoing Costs	Time Constraints	Anticipated Lifecycle of Products/System (i.e. estimated years of effective use): 3 years
			\$ 102,110.00	Item Needed by: 04/15/16 Funds Expire: 04/14/19	
			\$105,174.00	Discuss Funding (e.g. how much of needed funding is definite; total project budget; any matching or other non-state funds) Total Budget funding from ITS and there are no non-state or matching funds.	
			\$108,328.00		
Total			\$315,612.00		
Acquisition Details					
Items Requested		Quantity	Description	Building Location(s)	
OS Base SAS		1	Software Maint – data access and reporting	Eastwood Bldg B	
OS SAS/CONNECT		1	Software Maint – establish connection between network computers	Eastwood Bldg B	
OS SAS/ACCESS Interface to DB2		1	Software Maint – Data connectivity using DB2 platform	Eastwood Bldg B	
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: This software is running on IBM 2818-R03 S#F3E7. SAS/Access Interface to DB2 is used exclusively by Department of Health.					
Progress to Date: What has been done related to this project, including any communication with ITS staff (data/voice/procurement/other)? Data Services has been gathering the required documents and forms needed.					
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: In the late 1980s, ITS determined that an easy to use programming language, especially a product that would be helpful for statistical analysis, was needed. A procurement process resulted in the purchase of SAS Institute's SAS Base product and several companion products such as SAS/ Connect and SAS/Access. Many agencies have written production programs using the SAS language. ITS, Data Services uses SAS extensively for billing and performance analysis. SAS continues to be the programming language choice for statistical analysis on the mainframe server. SAS/Connect allows client/server access to mainframe data. SAS/Access facilitates access to DB2 data on the mainframe.					
Explain why these products or services are the only ones that can meet your needs (include unique features/special functionality): When the SAS products were acquired, many agencies, including ITS, wrote programs and processes using the SAS language. Many of these programs remain in production today. If access to SAS is removed, all programs would have to be rewritten. (A new language may have to be procured). Any re-engineering of production systems would be costly to both ITS and customers.					

Attachment A

<p>Explain why the source is the only entity that can provide the products or services (Include other products/vendors researched or evaluated): SAS Institute Inc. (SAS) is the manufacturer and publisher of SAS software. SAS is the sole source for the renewal of the software currently licensed by ITS. The maintenance of the software is performed only by SAS Institute.</p>	
<p>Explain why the amount to be expended for the services is reasonable: N/A</p>	
<p>Explain what your agency did to obtain the best possible price for the services: N/A</p>	
<p>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</p>	
<p>MAGIC Vendor Code(s) Vendor must be in MAGIC before a CP-I can be issued.</p>	
<p>Place Order To Vendor Name: SAS Institute Inc. Vendor Address: PO Box 406922, Atlanta, GA 30384-6922</p>	<p>Remit To Vendor Name: SAS Institute Inc. Vendor Address: PO Box 406922, Atlanta, GA 30384-6922</p>

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.

CRAIG P. ORGERON, EXECUTIVE DIRECTOR

Name (Agency Head or Public University CIO)/Title

 3/22/2016
Signature Date



December 8, 2015

To: Lynn.Templeton@its.ms.gov

Re: Renewal of SAS Software License: License Agreement No. 01455 Site No. 354

Dear Lynn:

Pursuant to your request, this letter will confirm that SAS Institute Inc. ("SAS") is the sole manufacturer and publisher of SAS® software (the "Software") in the United States. SAS is the sole source for the renewal of the license of the Software currently licensed by MS DEPARTMENT OF INFORMATION TECHNOLOGY SERVICES under the above-referenced License Agreement and Site Number.

SAS is also the sole source for the new licensing of SAS Software in the United States (excluding JMP→ software) except in the limited circumstances described below. Newly licensed Software may also be obtained as follows:

- Eligible government entities may license the Software from an authorized reseller of the Software. Currently, Executive Information Systems, LLC ("EIS") with offices at 6901 Rockledge Drive, Suite 600, Bethesda, Maryland 20817, is SAS' sole authorized reseller for Version 8 and later of the Software to such government entities. EIS may license the Software and sell subsequent maintenance under the United States General Services Administrative ("GSA") schedule, other approved federal schedule contracts, or terms approved by SAS. Under certain circumstances and upon SAS' prior approval, EIS may allow certain third parties to resell Software to government entities on GSA terms.

- Notwithstanding the foregoing, upon approval from SAS, local government entities with populations below a certain threshold (100,000 people for cities and towns or 250,000 people for counties and parishes) may obtain first year license rights for an annual license of the Software through select third party resellers. However, the renewals for such licenses are available solely through SAS.

Sincerely,

A handwritten signature in black ink that reads 'Karyn Long'.

Karyn Long
Business Operations Manager
State and Local Government

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.