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## Notice of Intent to Certify Sole Source

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**To:** Interested Parties  
**From:** Craig P. Orgeron, Ph.D.  
**Date:** June 7, 2016  
**Subject:** Sole Source Certification Number 3910 for IBM Operating System, Application Middleware Software, and Other IBM Associated Software Products for the Mississippi Department of Employment Security (MDES)  
**Contact Name:** Donna Hamilton  
**Contact Phone Number:** 601-432-8114  
**Contact E-mail Address:** Donna.Hamilton@its.ms.gov

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### Sole Source Certification Award Details

Regarding Information Technology Services (ITS) Sole Source Certification Number 3910 for IBM operating system, application middleware software, and other IBM associated software products for the Mississippi Department of Employment Security (MDES), please be advised that ITS intends to award to IBM Corporation, as the sole source provider of IBM operating system, application middleware software, and other IBM associated software products for MDES's IBM z mainframe processor, in an amount not to exceed \$212,983.92 through June 30, 2017. In addition, MDES is past due in the amount of \$103,462.80 for renewal of IBM MLC licensing for the period covering January 1, 2016 through June 30, 2016, because the agency inadvertently missed the renewal date. If the State receives no objections to the award, the State intends to award IBM for the period covering January 1, 2016 through June 30, 2017 for a total of \$316,446.72.

MDES has requested to move their infrastructure to the ITS Data Center. Should that move be delayed or not occur, then this sole source certification will be valid through June 30, 2018. 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:

**Mississippi Department of Employment Security has used the IBM license suite to support the operation of agency financial reporting since 1985. MDES has made**

**a business decision to continue using the IBM license suite. 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:

**MDES's financial applications reside on the IBM mainframe and utilize the IBM license suite in order to support the agency's financial functions. The IBM 390 is at end of life and MDES's financial software is several versions behind. In order to update infrastructure and software, MDES has decided to move their infrastructure to the ITS Data Center and will need to maintain the current environment until the move is complete. 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:

**IBM Corporation is the sole provider of the IBM licensed operating system, application middleware software, and other IBM associated software products. The Vendor's sole source certification letter is included as Attachment B.**

#### **Schedule**

Task	Date
First Advertisement Date	06/07/2016
Second Advertisement Date	06/14/2016
Response Deadline from Objectors	06/21/2016 at 3:00 P.M. Central Time
Notice of Award/No Award Posted	Not before 06/22/2016

#### **Project Detail**

MDES has used the IBM mainframe license suite as the framework for their business processes since 1985. The IBM 390 is at end of life and MDES is several versions behind on both system and application software. MDES is planning to move their infrastructure and this licensing will allow them to maintain the current environment until MDES has completed the move. Total maintenance spent to date is \$2,608,704.00.

#### **Submission Instructions and Format of Response from Objecting Parties**

Interested parties who have reason to believe that IBM operating system, application middleware software, and other IBM associated software products 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 IBM 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, June 21, 2016, at 3:00 p.m. (Central Time) to Donna Hamilton at [Donna.Hamilton@its.ms.gov](mailto:Donna.Hamilton@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 Donna Hamilton 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><b>SUBMITTED IN RESPONSE TO</b> <b>Sole Source Certification No. 3910-42711</b> <b>Accepted until June 21, 2016 @ 3:00 p.m.</b> <b>Attention: Donna Hamilton</b></p>
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If you have any questions concerning the information above or if we can be of further assistance, please contact Donna Hamilton at 601-432-8114 or via email at [Donna.Hamilton@its.ms.gov](mailto:Donna.Hamilton@its.ms.gov).

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

cc: ITS Project 42711



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

## Sole Source Certification Request

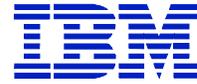
<b>Project Title: Mainframe IBM Software License Support</b>			<b>Stimulus (ARRA) Funds? Yes    No <input checked="" type="checkbox"/></b>	
<b>Customer Contact Information</b>				
Agency/Public University: Employment Security Address: 1235 Echelon Parkway Jackson, MS 39213			Contact Person: Melanie McEwen Phone: 601-321-6490 Fax: Email Address: MMcEwen@mdes.ms.gov	
MAGIC Customer Number (only required from state agencies): 700000191			Division/Dept: Handmail: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
<b>Project Summary</b> <i>Narrative Description of Project</i> (include details of original acquisition if applicable): The purpose of the IBM license suite is to support the operation of the Mainframe to perform Agency financial reporting.				
ITS Acquisition Approval (CP-1) should be effective through this date (Please allow time for all vendor invoices to be paid):				
<b>Cost Estimates</b> <i>Fiscal Year</i>	<b>Initial Costs</b>	<b>Ongoing Costs</b>	<b>Time Constraints</b> Item Needed by: Funds Expire:	
2016	\$103,462.80	\$0.00	Discuss Funding (e.g. how much of needed funding is definite; total project budget; any matching or other non state funds)	
2017	\$212,983.92	\$0.00		
		\$0.00		
<b>Total</b>	<b>\$316,446.72</b>	<b>\$0.00</b>		
<b>Acquisition Details</b>				
<b>Items Requested</b>	<b>Quantity</b>	<b>Description</b>	<b>Building Location(s)</b>	
OS/390 V2 Base				
OS/390 V2 DFSMS DSS				
OS/390 V2 SDSF				
OS/390 V2 Security Server				
COBOL for OS/390 & VM V2				
PSF V3 for OS/390				
CICS/ESA V4				
Tivoli NetView Enterprise V1				
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: MDES Z9				
Progress to Date: What has been done related to this project, including any communication with ITS staff (data/voice/procurement/other)?				
<b>Sole Source Certification</b> 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: MDES will be able to continue processing on the legacy mainframe system and use the federal application reporting suite needed by the agency.				
Explain why these products or services are the only ones that can meet your needs (include unique features/special functionality): The operating system, OS390/Z9, that the software application resides are numerous versions behind. Because of this, MDES is limited in receiving additional software suites that will serve the same purpose. If the agency were to use another suite of products, we would be required to purchase a new system that will require competitive bidding. MDES is currently in conversation to move the agency application using this suite of products to the ITS data center.				
Explain why the source is the only entity that can provide the products or services (include other products/vendors researched or evaluated): The system in which the IBM software suite is running is a legacy system running OS390. MDES is currently working with ITS Data Services to modernize the operation system in which a major agency application is housed. Work to finalize this move did not occur as hoped.				
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 attached: <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		Remit To		
Vendor Name: IBM Corporation		Vendor Name: IBM Corporation		
Vendor Address: PO Box 105063		Vendor Address: PO Box 105063		
Atlanta, GA 30348-5063		Dallas, TX 75267		

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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.

Mark Henry  
Name (Agency Head or Public University CIO)/Title

Mark Henry  
Signature Date



*International Business Machines  
Corporation  
4137 Carmichael Road, Suite 300  
Montgomery, AL 36106*

March 8, 2016

Ms. Melanie McEwen  
State of Mississippi  
Department of Employment Security  
1235 Echelon Parkway  
Montgomery, AL 39213-8220

Dear Ms. McEwen,

Per your request, I am enclosing the IBM zSeries software renewal quote for the St of MS Department of Employment Security (MDES) Monthly License Charge (MLC) software currently residing on the IBM System z mainframe processor (2096-Model F01 s/n 337B0) for the period July 1, 2016 through June 30, 2017.

This letter will serve as written confirmation that International Business Machines Corporation (IBM) is the sole source provider to the St of MS MDES for the standalone IBM licensed operating system, application middleware software and other IBM associated software products in the enclosed attachment. No other company may directly provide MLC software for the IBM System z Mainframe.

Please remit your purchase order to IBM:

IBM Corporation  
Attn: Ms. Dawn W. Reynolds  
713 Highland Road  
Auburn, AL 36830

If you require additional assistance or further information, please contact me at the phone number or email listed below. I will also mail a hardcopy of this quote to you. Thank you for doing business with IBM.

Sincerely,

Dawn W. Reynolds  
IBM zSoftware MLC Client Leader  
334-750-3986  
[dshannon@us.ibm.com](mailto:dshannon@us.ibm.com)

cc: Ms. Deborah Weems

## 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](http://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.

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.