

Notice of Intent to Certify Sole Source

To: Interested Parties
From: Craig P. Orgeron, Ph.D. *cn*
CC: ITS Project Number 42252
Date: September 8, 2015
Re: Sole Source Certification Number 3815 for Manufacturer Support for IBM DB2w z/OS Middleware
Contact Name: Paula Conn
Contact Phone Number: 601-432-8046
Contact E-mail Address: Paula.Conn@its.ms.gov

Sole Source Certification Award Details

Regarding Information Technology Services (ITS) Sole Source Certification Number 3815 for IBM manufacturer support for IBM DB2w z/OS Middleware for the State of Mississippi, please be advised that ITS intends to award support of IBM DB2w z/OS Middleware to IBM Corporation (herein after referred to as "IBM") as the sole source provider of manufacturer support through August 31, 2018, in an amount not to exceed \$170,100.00. 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 of services being purchased must perform a function for which no other product or source of services exist:

DB2 is one of several Database Management Systems (DBMS) that can be used in application systems and, a business decision was made to use DB2 in the State Data Center in 1993. Since then, major applications have become dependent on the DBMS. In this case, DB2 must be maintained and supported to allow those applications dependent on DB2 to continue to function properly.

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:

One of the responsibilities of ITS to the State Data Center customers is to insure that products are patched with the latest code fixes available. Also, if problems occur, ITS must have access to the product developers so that those problems can be corrected in a timely manner. To ensure availability of tested code fixes and quick turnaround on problem incidences, the manufacturer, in this case, is the only choice for maintenance and support.

The customer's sole source certification request is included as Attachment A.

3. The product of services must be available only from the manufacturer and not through resellers who could submit competitive pricing for products or services:

DB2 is an IBM proprietary product produced and supported only by IBM. IBM has certified that they are the sole source for these services.

The vendor's sole source certification letter is included as Attachment B.

Schedule

Task	Date
First Advertisement Date	September 8, 2015
Second Advertisement Date	September 15, 2015
Response Deadline From Objectors	September 22, 2015, at 3:00 P.M. Central Time
Notice of Award/No Award Posted	Not before September 23, 2015

Project Details

The State has made a substantial investment in mainframe technology with IBM, as well as with other manufacturers. This mainframe technology is used to support mission critical applications throughout state government. In April 2002, ITS and IBM signed a Master Agreement establishing terms and conditions for procurement of products and services from IBM, with a current expiration date of April 9, 2022.

In June 2013, ITS and IBM signed a Supplement to the Master Agreement establishing a pool of hours for services to be used as needed by ITS. This Supplement has been amended to include support of the DB2w zOS Middleware, used specifically by the Mississippi State Department of Health (MSDH). Since MSDH intends to continue its use of the software at least in the short term, the State has made a business decision to continue support for the existing software until such time as MSDH discontinues its use of the DB2w zOS Middleware.

Submission Instruction and Format of Response from Objecting Parties

Interested parties who have reason to believe that the manufacturer direct 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 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 Wednesday, September 22, 2015, at 3:00 p.m. (Central Time) to Paula Conn at Paula.Conn@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 Paula Conn 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. 3815-42252
Accepted until September 22, 2015 @ 3:00 p.m.,
ATTENTION: Paula Conn**

If you have any questions concerning the information above or if we can be of further assistance, please contact Paula Conn at 601-432-8046 or via email at Paula.Conn@its.ms.gov.

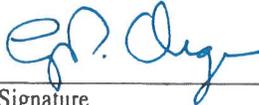
- Attachment A: Customer Sole Source Certification Request
- Attachment B: Vendor Correspondence
- Attachment C: Sole Source Procurement Overview

Sole Source Certification Request

Project Title: Renew DB2w z/OS Middleware		Stimulus (ARRA) Funds? Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Customer Contact Information			
Agency/Public University: ITS Address: 3771 Eastwood Drive Jackson, MS 39211		Contact Person: Lynn Templeton Phone: 601-432-8054 Fax: Email Address: Lynn.Templeton@its.ms.gov	
MAGIC Customer Number (only required from state agencies):		Division/Dept: Handmail: <input type="checkbox"/> Yes <input type="checkbox"/> No	
Project Summary Narrative Description of Project (include details of original acquisition if applicable): Extend support of the DB2 v9 Middleware utilized in the State Data Center by MSDH			
ITS Acquisition Approval (CP-1) should be effective through this date (Please allow time for all vendor invoices to be paid):			
Cost Estimates <i>Fiscal Year</i>	<i>Initial Costs</i>	<i>Ongoing Costs</i>	Time Constraints Item Needed by: 8/31/2015 Funds Expire: Anticipated Lifecycle of Products/System (i.e. estimated years of effective use): Discuss Funding (e.g. how much of needed funding is definite; total project budget; any matching or other non-state funds)
FY16		\$56,700.00	
FY17		\$56,700.00	
FY18		\$56,700.00	
Total		\$170,100.00	
Acquisition Details			
Items Requested	Quantity	Description	Building Location(s)
Support/Maintenance	1	DB2w x/OS Middleware support	
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)? Continuation of the support of Middleware used by MSDH in the State Data Center			
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: Although DB2 is one of several Database Management Systems that could be used in application systems, a choice was made in the procurement process to require DB2. After that choice is made, major applications become dependent on the DBMS. In this case, DB2 must be maintained and supported to allow those applications dependent on DB2 to continue to function properly.			
Explain why these products or services are the only ones that can meet your needs (include unique features/special functionality): One business objective of the ITS Data Center is to recover cost from the client agencies for the software and hardware infrastructure by using systems usage metrics. The Data Center supports state agency applications that utilize DB2 as the Database Management System. DB2 usage is one of the metrics billed by ITS.			
Explain why the source is the only entity that can provide the products or services (Include other products/vendors researched or evaluated): DB2 is an IBM proprietary product produced and supported only by IBM. One of the responsibilities of ITS to the agency customers is to insure that products are patched with the latest code fixes available. Also, if problems occur, ITS must have access to the product developers so that those problems can be corrected in a timely manner. To ensure availability of tested code fixes and quick turnaround on problem incidences, the manufacturer, in this case, is the only choice for maintenance and support.			
Explain why the amount to be expended for the services is reasonable:			
Explain what your agency did to obtain the best possible price for the services:			
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: IBM Vendor Address: PO Box 105063, Atlanta, GA 30348		Remit To Vendor Name: IBM Vendor Address: PO Box 105063, Atlanta, GA 30348	

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, Ph.D. Executive Director
 Name (Agency Head or Public University CIO)/Title


 Signature

9/2/15
 Date



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

July 23, 2015

Ms. Laura Pentecost
State of MS, Department of ITS
Director, Data Services Division
3771 Eastwood Drive
Jackson, MS 39211-6381

Dear Laura,

Per your request, I am enclosing a Project Change Request to extend the existing DB2 V9 Extended Support offering from 8/31/2015 to 8/31/2016.

This letter will serve as written confirmation that International Business Machines Corporation (IBM) is the sole source provider to the State of MS for this Service Extension Support for DB2 for z/OS V9 (5635-DB2). IBM owns and develops DB2 for z/OS V9 and is the sole provider of support extensions for this product on the IBM System z Mainframe.

If you require additional assistance or information, please contact me at the number listed below. Thank you for doing business with IBM.

Sincerely,

A handwritten signature in cursive script that reads "Dawn W. Reynolds".

Dawn W. Reynolds
IBM System z MLC Software Client Leader
334-750-3986
dshannon@us.ibm.com

cc: Ms. Lynn Templeton

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.