

Many ITS Express Products Lists (EPLs) that are multi-award have a very large set of included vendors with a wide variety of products and pricing. ITS always suggests as part of “Best Practices” that EPL Customers obtain quotations from multiple EPL vendors, carefully comparing “apples-to-apples” as much as possible. Customers choose a “lowest and best” vendor based predominantly on cost but also consider such factors as technical evaluation, installation services, qualifications of proposed staff, references, and previous history with the vendor.

In the case of ITS Software EPL 3758 and Microsoft EPL 3736, the considerations differ somewhat and therefore, ITS recommends that the evaluation factors and scoring weight differ from what Customers often use in their hardware EPL evaluations. This document includes recommendations and/or requirements for a scoring matrix for these two EPLs.

For projects that are under the dollar limitation defined for each EPL in the “Instructions for Use”, the scoring matrix described in this document is recommended. For projects that are above the dollar limitation for the EPL, the customer must come through ITS for additional approval of their project. In this scenario, the scoring methods described in this document are required.

1. Software EPL 3758 and Microsoft EPL 3736 are limited to software licenses, software maintenance and related documentation and media. The comparison of the products amongst the awarded Large Account Resellers (LARs) should be exact—the vendors should be proposing the same part numbers. Unlike ITS hardware EPLs, the awarded resellers are not proposing onsite installation services.
 - a. Vendors awarded under these EPLs proposed a “cost plus or cost minus” pricing discount based upon a national benchmark. The initial evaluation done by ITS showed fairly close pricing. However, there is some room for additional discounts from the awarded vendors, especially on larger software renewals or purchases. If cost is the only consideration for your entity, ITS recommends obtaining quotes from the EPL Vendors that are exact apples-to-apples with the specific product numbers and needed quantities shown in the written quote solicitation and that you inform the EPL vendor up front that the award will be based solely on cost. You will then make your award to the vendor proposing the lowest lifecycle cost.
2. Although cost in most cases will be the only consideration since these EPLs are basically just licenses and renewals, there may be other factors your organization wants to consider and that you believe deserve merit. ITS recommends no more than 1 or 2 scoring points for each of the factors shown below.
 - a. *History with Vendor*. This category includes time and expense in changing LARs in the case of enrollment paperwork required by the manufacturer. Rules of thumb often recite that it costs a state entity fifty to one hundred dollars or more in terms of time and approvals just to cut a purchase order. In the case of some of the software licensing programs, including Microsoft Select, Microsoft Enterprise Agreement, Adobe CLP and Lotus/IMB Passport, there is

paper work to create a new enrollment account for your entity or to change from an old enrollment number naming a previous reseller to a new account number and reseller, as well as a time period of several days to two weeks to

- establish the accounts in order for your purchase order to be processed. ITS concurs that, when the costs are very similar, the consideration of changed enrollments and vendors could be a scored factor.
- b. *Configuration Expertise*. This category includes expertise of LAR in configuring the software solution needed. This might include consideration of free onsite configuration visits or extensive telephone help.
 - c. *Licensing Expertise*. This category includes expertise of LAR in understanding and explaining the licensing requirements of the manufacturer's volume license program. These programs can be very complicated and some LARs have dedicated personnel to help tailor the program to your needs.
 - d. *Quality and responsiveness of the quotation*. Customers should always give the vendor a reasonable response time of at least 1 to 3 days to provide quotations. Vendors that need repeated reminding may have a scoring deficiency.
 - e. *Value from Turnkey with Hardware*. There is a possible benefit of procuring the volume licenses as a pre-load with hardware. Customers need to be very careful here. Most desktop manufacturers will pre-load and sell software such as Microsoft Office with the desktop purchase but this software is NOT necessarily part of our Volume Licensing Agreements. They typically are "OEM" licenses and do NOT have the same benefits of the Volume Licensing programs like Select or Enterprise Agreements. However, if you are purchasing desktops and the hardware seller and software seller are the same or can work together for the software seller to provide proof of volume license agreement purchase for the hardware vendor to pre-install the VLA software, then you may wish to score additional points.
3. How many points should be awarded for cost on these Software EPLs?
 - a. ITS recommends that for most projects (again, considering that the license purchase is an exact comparison), cost be 95 to 100% of the score.
 - b. ITS does not recommend that more than 5 points be awarded for non-cost points using these EPLs. ITS has already evaluated the EPL vendors using both cost and non-cost factors, including history with the state, references, finances, licensing expertise, staff, vendor website, reporting, and other factors and selected a very small award of three large account resellers.
 4. How does ITS award the cost points? Cost scores are computed using lifecycle costs. For software, this is typically the 3 year cost. The cost score is computed as a ratio of the difference between a given proposal's lifecycle cost and the lifecycle cost of the lowest valid proposal. The following cost scoring formula is used for every proposal evaluation:

Points awarded for cost = $(1 - [(B-A)/A]) * n$

Where:

A = Total lifecycle cost of lowest valid proposal

B = Total lifecycle cost of proposal being scored

n = number of points allocated to cost for this procurement

In simpler terms, lowest price gets a perfect score. A proposal that is 20% more expensive than the lowest priced offering gets 20% fewer points.

| Scoring Factor | Max points | Low Cost | Vendor 1 | Vendor 2 | Vendor 3 |
|---|------------|--------------------|--|--|--|
| Cost – 3 year total | n= 95 | \$1,470,888 “A” | \$1,470,888 “B” | \$1,472,841 “B” | \$1,532,949 “B” |
| “the math” | | | $(1 - [(1,470,888 - 1,470,888) / 1,470,888]) * 95$ | $(1 - [(1,472,841 - 1,470,888) / 1,470,888]) * 95$ | $(1 - [(1,532,949 - 1,470,888) / 1,470,888]) * 95$ |
| Points for cost | 95 | 95 | 95 | 94.87 | 90.99 |
| Non-cost points | | | | | |
| History with Vendor | 2 | NA | 0 | 2 | 0 |
| Configuration Expertise. | 1 | NA | 0 | 1 | 0 |
| Licensing Expertise. | 1 | NA | 1 | 1 | 0 |
| Quality and responsiveness of the quotation | 1 | NA | 1 | 1 | 1 |
| Value from Turnkey with Hardware. | NA | NA | 0 | 0 | 0 |
| Total Score | 100 | | 97 | 99.87 | 91.99 |

In this scenario, Vendor #1 would have been awarded if cost had been 100% of the evaluation. When considering other evaluation factors, Vendor #2 would have been awarded.

6. An Excel Template version with the cost formula and additional formulas is available on the ITS website at <http://www.its.ms.gov/Procurement/Documents/software/SoftwareEPLs-scoring-matrix-for-customers-excel-worksheet.xls>
7. Note that it is VERY important for the customer in their solicitation of quotations to inform the responding EPL Vendor as to whether cost is to be 100% of the score. If not 100%, customer should state the other evaluative factors that will be considered in the quote request to the EPL Vendors.
8. Variations on the above example might include:
 - a. Cost is between 95 and 100 points, for instance, 97 points, and only 3 points are awarded for some of the additional factors. In the table above, the customer would let “n=97”.

Instructions

- b. In the example in the table, the customer wants to also award a point for “Value from Turnkey with Hardware”. You would need to subtract a point from one of the other non-cost factors. For instance, you could make “History with Vendor” worth only one point or “Configuration Expertise” be zero points.
 - c. In the example in the table, all five non-cost points could be “History with Vendor” if the customer has strong feedback (positive or negative) regarding the EPL vendor choices. Cost would be 95 points (n=95), History with Vendor = 5, all other factors = 0.
9. The customer must document each vendor’s score for each of the evaluative factors as part of your purchase file.
10. Questions for using the attached Excel Spreadsheet for scoring may be directed to the ITS Procurement Help Desk at 601-432-8166.