

DEPARTMENT OF BUDGET AND MANAGEMENT
ACTION AGENDA

INFORMATION TECHNOLOGY CONTRACT

ITEM: 9-IT **Agency Contact:** Ellis Kitchen (410) 260-2994
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DEPARTMENT: Budget and Management (DBM)

PROGRAM: Office of Information Technology (OIT)

CONTRACT NO. & TITLE: 050R4800165;
General Call Center/Contact Center Services

ADPICS DOCUMENT ID NUMBER: 050B5800036

DESCRIPTION: **Contract for general call-center/contact**
center services for various State agencies.

TERM: 11/1/2004 - 10/31/2007 (W/2 one-year
renewal options)

PROCUREMENT METHOD: Competitive Sealed Proposals

BIDS OR PROPOSALS: See Attachment

AWARD: **Spherix, Inc.**
Beltsville, MD

INCUMBENT: Same

FUND SOURCE: Various Agencies

APPROP. CODE: Various

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AMOUNTS: \$13,500,000 Est. (3 Years; Base Contract)
\$ 4,500,000 Est. (1 Year; 1st Renewal Opt.)
\$ 4,500,000 Est. (1 Year; 2nd Renewal Opt.)
\$22,500,000 Est. Total (5 Years; see
Requesting Agency
Remarks below)

PERFORMANCE BONDS: \$400,000 1st Year
\$300,000 2nd Year
\$200,000 3rd Year

REQUESTING AGENCY REMARKS: A notice of the availability of the Request For Proposals (RFP) was advertised in the *Maryland Contract Weekly* and at *e-Maryland Marketplace.com*. In addition, copies of the solicitation notice were mailed electronically to 55 prospective vendors. A copy was also sent to the Governor's Office of Minority Affairs. There is a 25% MBE goal established for this contract.

Five proposals were received for this contract. All were deemed reasonably susceptible of being selected for award as indicated in the Attachment. Technical factors had greater weight than financial factors in the overall award determination. Spherix, Inc. is recommended for award as the most advantageous offeror to the State because it had the highest ranked technical proposal and the second highest ranked financial proposal.

The *Award Amount* above and the *Offer Amount* shown in the Attachment are different. The *Offer Amount* was based upon a model in the RFP for evaluation purposes. It included a per-call unit basis times an estimated number of calls. The *Award Amount* shown above is also estimated and is based upon firm fixed-unit prices. The actual amount paid to the contractor may be more or less than the estimated *Award Amount*.

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Call-center services allow agencies to enhance services to Maryland citizens by dialing a toll-free number. In particular, call center/contact center services have become an essential partner of all the agencies that currently use them, but especially for DHR's Child Support Enforcement Administration, which represents approximately 90% of the volume and application of this contract. Under the call-center arrangement, citizens reach an answering point located in Maryland that is staffed between 8:00 AM and 8:00 PM Monday through Friday, except for State holidays. In addition, citizens are provided some information 24 hours per day, 7 days per week.

A protest to the proposed contract award was submitted on July 29, 2004. The protest was denied by the Department on August 11, 2004. The protesting vendor appealed the denial of the protest to the Maryland State Board of Contract Appeals (MSBCA). However, on October 5, 2004 the appellant withdrew the appeal to the MSBCA.

Because of the protest DBM submitted a contract extension request in DBM Agenda Item 7-IT-MOD for the 10/20/2004 BPW meeting. Because of the submittal of this Supplemental Item, Item 7-IT-MOD will be withdrawn. Note: See related Item 4-IT of 10/20/2004 for the call-center services related to DNR's Parks Service Reservation System.

The Office of the State Comptroller has verified, under Control Number 04-2008-0111, that the recommended contractor has no known deficiencies in the payment of its Maryland tax obligations. Verification has also been obtained from the Comptroller's Office, or the Department of Assessments and Taxation, as applicable, that the contractor is appropriately registered to conduct business within the State to the extent required by the laws of Maryland.

The contractor **is** a resident business under the guidelines of BPW Advisory P-003-95 Revised.

DBM REMARKS: Furnishing of long-term services are required to meet State needs; estimated requirements cover the period of the contract and are reasonably firm and continuing; and a multi-year contract will serve the best interests of the State by promoting economies in State procurement.

By approving this contract, the Board grants DBM the authority to approve the unilateral exercise of the renewal option(s) at the scheduled times as provided for in the contract, and directs that the exercise of each option renewal be reported on a DBM PAAR.

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Approval recommended.

Board of Public Works Action - The above referenced Item was:

APPROVED

DISAPPROVED

DEFERRED

WITHDRAWN

WITH DISCUSSION

WITHOUT DISCUSSION

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ATTACHMENT

BIDS OR PROPOSALS (Cont):

<u>Vendor</u>	<u>Tech. Rank</u>	<u>Financial * Offer (Rank)</u>	<u>Overall Rank **</u>
Spherix, Inc. Beltsville, MD	1	\$227,979 (2)	1
Policy Studies, Inc. Denver, Colorado	2	\$346,330 (4)	2
Maximus, Inc. Reston, VA	3	\$287,575 (3)	3
Systems Integration, Inc. Landover, MD	4	\$205,771 (1)	4
CR Dynamics, Inc. Baltimore, MD	5	\$396,695 (5)	5

* **Note:** The financial offer was based upon a model in the RFP for evaluation purposes. The model included a per-call unit basis times an estimated number of calls.

****Note:** Technical factors had greater weight than financial factors in the overall award determination.