

OFFICE OF STATE PROCUREMENT
ACTION AGENDA
September 23, 2020



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15-IT. DEPARTMENT OF GENERAL SERVICES

Contract ID: Microsoft Licensing Packages
ADPICS No.: 001B0600408.

Contract Description: Provide Information Technology Solution and Services to Purchase Microsoft Licensing Packages via the National Intergovernmental Purchasing Alliance Company (National IPA), now OMNIA Partners, led by the City of Mesa, Arizona as the lead Agency.

Award: SHI International, Corp., Somerset, NJ

Contract Term: 11/01/2020 – 02/28/2023 (w/2, one (1) year periods).

Amount: \$30,000,000

Procurement Method: Intergovernmental Cooperative Purchasing Agreement (ICPA)

Bids/Proposals: N/A

MBE/VSBE Participation: None

Incumbent(s): Same

Requesting Agency Remarks: Request for approval of the State's participation in an Intergovernmental Cooperative Purchasing Agreement (ICPA) competitively procured by the State of Arizona.

The Maryland Department of General Services (DGS) intends to use OMNIA Partner's Master Contract, awarded to SHI International Corporation (SHI), as Master Contractor via a competitively bid/proposal process to purchase Microsoft Licensing Packages on behalf of the State of Maryland. This ICPA will replace the Department of Information Technology's (DoIT) Contract for Microsoft Select (MS) Plus and Enterprise Software Licenses, currently with SHI, which is due to expire on October 30, 2020. Microsoft Licensing is currently being used by State agencies, therefore, it is crucial that DGS put in place a contract to avoid any uninterrupted flow of services to the using agencies.

Through the cooperative purchasing program proposed by OMNIA Partners, and led by the City of Mesa, Arizona, DGS intends to leverage the nation's largest and most experienced

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cooperative purchasing organization for the public sector, and enter into a Participating Addendum for the term beginning from the date of award and ending on February 28, 2023. The term may be renewed up to a maximum of two (2), one (1) year periods. Additionally, DGS will be responsible for managing the Participating Addendum on behalf of all State agencies and it shall be administered via a Work Order process which will allow each agency to tailor a specific Statement of Work (SOW) for each task or product.

OMNIA Partners is the nation's largest and most experienced cooperative purchasing organization for the public sector. Additionally, all contracts available through OMNIA Partners are competitively solicited and publicly awarded by a lead agency, using a competitive solicitation process consistent with applicable procurement laws and regulations. While no minimum volume is guaranteed to the supplier, the estimated annual volume of IT Solutions purchased under this Master Agreement is approximately \$500 million per year. Thus, by leveraging the nation's largest and most experienced cooperative purchasing organization for the public sector is crucial.

The resulting services from this ICPA would allow States to have a Master Agreement for Information Technology Solution and Services to purchase Microsoft Licensing Packages. It will also limit the procurement process and maximize cost avoidance to the using State agencies. Other key benefits resulting from this competitively, and successfully negotiated contract by the City of Mesa includes a wide variety of technology solutions broken down by category, including but not limited to systems, input/output devices, memory, storage devices, network equipment, software, media supplies, collaboration & IP telephony, and other related products and services. Through the City of Mesa, with overall project oversight from OMNIA Partners, eleven (11) proposal were received and evaluated by an evaluation committee, using the evaluation criteria set forth in the RFP. SHI was awarded the contract upon successful completion of negotiations.

While there are other contract vehicles that the State could have leveraged from such as the NASPO ValuePoint, and ViTA master contract, both contract vehicles presented a cost-plus-a-percentage-of-cost model which is not advantageous to the State. Including the Pace contract

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vehicle which is recommended for K-12. The OMNIA Partners' contract vehicle presented the most advantageous pricing model. A national pricing discount, off of a verifiable price list by the manufacturer.

In accordance with COMAR 21.05.09.04, the Procurement Officer, has determined that it is in the best interest of the State to participation in the City of Mesa Master Agreement proposed by OMNIA Partners. This purchasing agreement provides the State of Maryland with favorable contract terms, and a variety of technology solution already detailed above. Additionally, SHI offers a discount off of a verifiable price list by the manufacturers. SHI's Pricing Proposal to the State is 18.25% discount from Estimated Retail Price on Cloud (Monthly Subscriptions), and a 16.25% discount off Estimated Retail Price on On-Premises Products (Perpetual Licenses and Software Assurance). This model presents the most aggressive pricing that SHI can offer based on how Microsoft prices out its products and takes into consideration both current agency needs as well as future growth. This ICPA is in the best interest of the State, and is not in any way intended as a means to evade the purposes set forth under COMAR 21.01.01.03.

Pursuant to COMAR 21.05.09.04, I have determined that it is in the best interest of the State to participate in this Agreement with the City of Mesa, Arizona, OMNIA Partners.

Fund Source: Various
Approp. Code(s): Various
Resident Business: No
MD Tax Clearance: 20-2530-1110

BOARD OF PUBLIC WORKS ACTION

THIS ITEM WAS:

APPROVED

DISAPPROVED

DEFERRED

WITHDRAWN

WITH DISCUSSION

WITHOUT DISCUSSION