

PROCUREMENT OFFICER'S DETERMINATION
Intergovernmental Cooperative Purchasing
COMAR 21.05.09.04

Department/Procurement Agency: Department of General Services

Contract Term: One year from the date of execution by the Participating Entity

Amount: NTE \$145,994.73

Category: Information Technology

Contract Type: Indefinite Quantity with Fixed Unit Prices

Name and address of selected Contractor: SHI International Corporation
290 Davidson Avenue,
Somerset, NJ 08873

Scope Description:

The State of Maryland, through the Department of Information Technology (“DoIT”), seeks to execute a participating addendum (“Participating Addendum”) with SHI International Corporation (“SHI”) under the National Association of State Procurement Officials Cloud Solutions Contract (“NASPO Contract”). NASPO strives to make the governmental procurement process more efficient by establishing competitively priced contracts. This NASPO Contract is available to State agencies nationwide, institutions of higher education, cities and counties. It has been awarded by a public competitive procurement process that is compliant with Maryland State statutes.

Apptio is the solution for the Department’s IT Financial Management System to track and allocate costing for the enterprise system and services provided to State agencies. Over the past three years the Department has worked with Apptio implementing and configuring the SaaS based system in conformance with the Department’s needs and roll-out of the system to the agencies.

Under the Participating Addendum, SHI as a distributor under the NASPO contract, will provide the State with a renewal of Apptio, including support services, hosting and user licenses, training, and limited access.

Basis for Selection:

A request was issued to three public sector distributors on the NASPO Contract. Two provided a quotation for the required services, SHI and Strategic Communications. The third did not respond. Attempts have been made to contact the distributor to determine why they did not provide a quotation, no response has been received. SHI was selected as they submitted the lowest price at \$145,994.73. The price quoted by Strategic was \$164,047.85.

In 2019, the Department purchased the subscription and implementation services for Apptio through the NASPO Contract from SHI. In 2020 and 2021 the subscription and services were renewed through a Purchase Order Request for Proposals (PORFP) through the COTS Master Contract. When the renewal notice was received this year in May of 2022, the Department realized that the COTS Master Contract did not allow for the purchase of a cloud-based, SaaS and determined that there were two options for the purchase of the renewal: (1) an open market solicitation, or (2) use of the ICPA method through the NASPO contract. Issuing an open market solicitation would have taken several months to complete the process. Unfortunately, the Department did not have sufficient time to complete the procurement and award an open market solicitation by July 1, 2022. This would have resulted in a retroactive award and potential cancellation of the Department's subscription to Apptio.

The cost in 2019 was \$185,000, this included the implementation and configuration services and the first year for the subscription. The renewal for the subscription and services for 2020 was \$141,736. The cost for the renewal for 2021 was \$148,319. The cost for the new renewal for 2022 is \$145,994.73 which is less than the State paid for the renewal under the COTS PORFP process in 2021. In addition, this system is critical to the financial operations of the Department. If the Department were to consider other SaaS solutions and not renew Apptio, the cost of implementation, configuration and training for a new system would be significant and the cost for the implementation and training would have been wasted. Also, Apptio has worked closely with the DoIT and has become a valuable resource in the roll-out of Apptio to the agencies.

In accordance with COMAR 21.05.09.04, it is determined that this Participating Addendum will provide cost benefits to the State, will promote administration efficiencies, and promote intergovernmental cooperation. The Participation Addendum is in the best interest of the State and is not intended to evade the purpose of Division II of the State Finance Procurement Article.

Determination By:

Susan Howells

Date: June 30, 2022

DoIT, Procurement Officer

Approved by:

Michael Leahy

[Michael Leahy \(Jun 30, 2022 14:06 EDT\)](#)

Date: Jun 30, 2022

DoIT, Secretary (or designee)

Approved by:

A. P. Zeman

Date: Jun 30, 2022

DGS Chief Procurement Officer