

State of Maine Waiver of Competitive Bidding Request Form

Form Instructions: Please provide the requested information in the white boxes below. This form is to precede all contract requests that are not the direct result of a competitive bid process.

Requesting Department's Contract Administrator:	Kristin Guerette, Audit Manager - Administration	Office/Division/Program of Contract Administrator:	Office of the State Auditor
Est. Contract Amount:	\$ 21,711.88	Contract or RQS Number:	CT27A2018083000000000738
Proposed Start Date:	July 1, 2018	Proposed End Date:	June 30, 2020
Vendor/Provider Name, City, State:	VC1000097824 ACL Services, Ltd. 1500-980 Howe Street, Vancouver, BC V6Z 0C8 CA		
Short Description of Good or Service:	6 – ACL Analytics client software one-year license subscriptions, expiring: 06/30/2020 1 – ACL Analytics client software one-year license subscriptions, extended to: 06/30/2020		
Please note, for transparency purposes, Waivers of Competitive Bidding will be publicly posted. Public postings are placed on the Division of Procurement Services website for a period of seven consecutive calendar days.	<p style="text-align: center;"><i>To be completed by the Division of Procurement Services</i></p> <p style="text-align: center;">Posting dates on Division of <i>Procurement Services</i> website: From: <u>06/04/2019</u> To: <u>06/10/2019</u></p>		
Notice of Intent to Waive Competitive Bidding Number:	NOI# 0620190815		
1. Statutory Justification			
State of Maine statute (5 M.R.S. §1825-B(2)) allows waivers of competitive bidding only for the specific reasons listed below. Please mark the appropriate box (X) next to the justification which applies to this specific request.			
	A. The procurement of goods or services by the State for county commissioners pursuant to Title 30-A, section 124, involves the expenditure of \$2,500 or less, and the interests of the State would best be served;		
	B. The Director of the Bureau of General Services is authorized by the Governor, or the Governor's designee, to make purchases without competitive bidding because, in the opinion of the Governor or the Governor's designee, an emergency exists that requires the immediate procurement of goods or services;		
<i>If citing the above justification for this Waiver of Competitive Bidding request, please have the requesting Department's Commissioner or Chief Executive (as the</i>	<i>By signing below, I signify as the Governor's designee there is an emergency that necessitates this non-competitive procurement.</i>		
	Signature:	Printed Name:	Date:

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	<i>Governor's "designee") sign and date on the right.</i>	
X	C. After reasonable investigation by the Director of the Bureau of General Services, it appears that any required unit or item of supply, or brand of that unit or item, is procurable by the State from only one source;	
	D. It appears to be in the best interest of the State to negotiate for the procurement of petroleum products;	
	E. The purchase is part of a cooperative project between the State and the University of Maine System, the Maine Community College System, the Maine Maritime Academy, or a private, nonprofit, regionally accredited institution of higher education with a main campus in this State involving: (1) An activity assisting a state agency and enhancing the ability of the university system, community college system, Maine Maritime Academy, or a private, nonprofit, regionally accredited institution of higher education with a main campus in this State to fulfill its mission of teaching, research, and public service; (2) A sharing of project responsibilities and, when appropriate, costs;	
	<i>If citing the above justification for this sole source request, please note that the specific approval of the Governor's Office is required, in accordance with Executive Order 26 FY 11/12, "An Order to Enhance Competitive Bidding". The approval must be documented on DAFS/BGS/Division of Procurement Services "GOVCOOP" form, found here: http://www.maine.gov/purchases/info/forms/govcoop.doc.</i>	
	F. The procurement of goods or services involves expenditures of \$10,000 or less, in which case the Director of the Bureau of General Services may accept oral proposals or bids;	
	G. The procurement of goods or services involves expenditures of \$10,000 or less, and procurement from a single source is the most economical, effective and appropriate means of fulfilling a demonstrated need.	
	If a different authorization specifically allows for this non-competitive procurement, please provide that reference here:	
Please note that the following four points below (#2 through 5) <u>all</u> require a response.		
2. Description of Specific Need		
Please identify, and fully describe, the specific problem, requirement, or need the resulting non-competitive contract would address and which makes the goods or services necessary. Explain how the requesting Department determined that the goods or services are critical and/or essential to agency responsibilities or operations.		
<p>In order to support operational audit needs of the Office of the State Auditor to perform in-depth Data Analytics and Statistical Sampling during the annual federal Single Audit and the State financial statement CAFR (comprehensive annual financial report) audit for the State of Maine, the Office of the State Auditor needs to:</p> <ul style="list-style-type: none"> • Extend one (1) existing ACL Analytics client software one-year license subscription to: 6/30/2020 • Purchase five (6) ACL Analytics client software one-year license subscriptions, expiring: 6/30/2020 <p>The recent increased focus on data analytics and its importance during the audit process has correspondingly increased the need to purchase additional software licenses.</p>		

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ACL Analytics software allows our auditors to perform sophisticated risk analytics and detect anomalies or patterns that would otherwise be undetectable with random sampling, spreadsheet analysis or generic business intelligence. These licenses will also provide ongoing training for departmental personnel in a rapidly growing audit field. Failure to approve this request will have an unfavorable impact on audit effectiveness and efficiency, and reduce the possibility of detecting fraud, waste and abuse. This specific software is a computer assisted audit tool (CAAT) specifically designed to perform data analytics on even extremely large data files, such as the over 45 million claim records that need to be analyzed during the State Medicaid audit.

3. Availability of other Public Resources

Please explain how the requesting Department concluded that sufficient staffing, resources, or expertise is not available within the State of Maine's government, or other governmental entities (local, other state, or federal agencies) external to the requesting Department, which would be able to address the identified need more efficiently and effectively than the identified vendor.

The need for this software is immediate and the State Office of Information Technology (OIT) does not offer this type of software. Therefore, we need to obtain it directly from the service provider, ACL Services, LTD.

4. Cost

Since a waiver of competitive bidding is being requested for this procurement, please explain how the requesting Department concluded the negotiated costs, fees, or rates are **fair and reasonable**.

Much time was spent during the past 12 months developing an implementation and resource use plan based on our most immediate and projected operational needs for the use of big Data Analytics and Statistical Sampling as part of the annual federal Maine State Single Audit and State financial statement CAFR (comprehensive annual financial report) audits, we perform.

The costs were negotiated over the past 2 years and were determined based on rates being paid by other State agencies. Also, if we were to add 15 additional user license subscriptions, a 20% volume discount will be provided by the vendor, in years going forward.

5. Future Competition

Please describe potential opportunities which may be available to foster competition for these goods or services in the future.

Over the course of time, as our auditors become trained and proficient in big Data Analytics and applying Statistical Sampling techniques, new vendors that provide similar computer assisted auditing tool (CAAT) software, training and support will likely enter the market. As they do and other State auditor groups similarly do so, we shall determine whether the design, reliability, and capability of ACL Analytics software continues to better meet our needs in comparison.

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Please note that only one of the two points below (“Uniqueness” or “Timeframe”) requires a response. Requesting Departments are not required to respond to both points.

6. Uniqueness

Please explain if the goods or services required are unique to a specific vendor. Describe the unique qualifications, abilities, and/or expertise of the vendor and how those particular unique factors address the specific need identified above. If the vendor has unique equipment, facilities, or proprietary data, also explain the necessity of these particular unique assets.

ACL Analytics software allows our auditors to perform sophisticated risk analytics and detect anomalies or patterns that would otherwise be undetectable with random sampling, spreadsheet analysis or generic business intelligence. These licenses will also provide ongoing training for departmental personnel in a rapidly growing audit field. Failure to approve this request will have an unfavorable impact on audit effectiveness and efficiency, and reduce the possibility of detecting fraud, waste and abuse.

This computer assisted audit tool (CAAT) is the software most commonly used by other State and federal audit agencies for this purpose. This would allow us to exchange ideas and scripts with them to perform the most effective and efficient audit related work being used in our industry on even extremely large data files, such as the over 45 million claim records that need to be analyzed during the State Medicaid audit.

7. Timeframe (Complete only if B. is the Statutory Justification marked on Page 1)

Please explain if time is of the essence and an emergency exists which requires the immediate procurement of goods or services. Describe the nature of this emergency, provide the date by which the goods or services must be delivered, and explain how that date was determined and its significance (i.e. impact if delayed beyond this date). Also, provide information as to how it was determined this vendor is the best option to address this time-sensitive procurement.

**Signature of requesting
Department’s Commissioner or
Chief Executive
(or designee within the
Commissioner’s Office):**

By signing below, I signify that my Department requests, and I approve of, this Waiver of Competitive Bidding.

Pola T. Buckley

Printed Name:

Pola Buckley, State Auditor

Date:

5/29/19