

State of Maine Procurement Justification Form

This form must accompany all contract requests and sole source requisitions (RQS) over \$5,000 submitted to the Division of Procurement Services.

INSTRUCTIONS: Please provide the requested information in the white spaces below. All responses (except signatures) must be typed; no hand-written forms will be accepted. See the guidance document posted with this form on the Division of Procurement Services website (Forms page) for additional instructions.

PART I: OVERVIEW				
Department Office/Division/Program:		Office of the State Auditor		
Department Contract Administrator or Grant Coordinator:		Kristin Guerette, Audit Manager - Administration		
(If applicable) Department Reference #:				
Amount: (Contract/Amendment/Grant)		\$ 12,353.22	Advantage CT / RQS #:	CT27A20180830000000000738
CONTRACT	Proposed Start Date:		Proposed End Date:	
AMENDMENT	Original Start Date:	July 1, 2018	Effective Date:	July 1, 2020
	Previous End Date:	June 30, 2020	New End Date:	June 30, 2021
GRANT	Project Start Date:		Grant Start Date:	
	Project End Date:		Grant End Date:	
Vendor/Provider/Grantee Name, City, State:		VC1000097824 ACL Services, Ltd. Dba Galvanize 1500-980 Howe Street, Vancouver, BC V6Z 0C8 CA		
Brief Description of Goods/Services/Grant:		6 – ACL Analytics client software one-year license subscriptions, expiring: 06/30/2021 1 – ACL Analytics client software one-year license subscriptions, extended to: 06/30/2021		

PART II: JUSTIFICATION FOR VENDOR SELECTION			
Mark an "X" before the justification(s) that applies to this request. (Check all that apply.)			
	A. Competitive Process		G. Grant
	B. Amendment		H. State Statute/Agency Directed
X	C. Single Source/Unique Vendor		I. Federal Agency Directed
	D. Proprietary/Copyright/Patents		J. Willing and Qualified
	E. Emergency		K. Client Choice
	F. University Cooperative Project		L. Other Authorization

PART III: SUPPLEMENTAL INFORMATION
Please respond to ALL of the following:
1. Provide a more detailed description and explain the need for the goods, services or grant to supplement the response in Part I.

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PART III: SUPPLEMENTAL INFORMATION

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.

2. Provide a brief justification for the selected vendor to supplement the response in Part II.

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. Dba Galvanize.

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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.

3. Explain how the negotiated costs or rates are fair and reasonable; or how the funding was allocated to grantee.

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.

4. Describe the plan for future competition for the goods or services.

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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PART IV: APPROVALS			
Signature of requesting Department's Commissioner (or designee):	<i>By signing below, I signify that I approve of this procurement request.</i>		
	<i>Pola Buckley</i>		
Printed Name:	Pola Buckley, State Auditor	Date:	<i>5/27/20</i>
Signature of DAFS Procurement Official:	DocuSigned by: <i>Justin Franzose</i>		
Printed Name:	AEEED9C7B3A8044E... Justin Franzose	Date:	6/9/2020