MEMORANDUM

Missouri Department of Transportation

St. Louis District

TO: **Eric Schroeter**
State Design Engineer

CC: Jerica Holtsclaw - de
Jim Smith – de

FROM: Shirley Norris, P.E.
Project Manager

DATE: December 8, 2014

SUBJECT: Public Interest Finding Request
Use of OA Statewide Purchase Contract for Cisco Network Gear
World Wide Technology, Inc.

We request approval of a public interest finding to use the State of Missouri Office of Administration Statewide Purchase Contract for Cisco Networking Products with World Wide Technology, Inc. as the method to procure Cisco network equipment on the following project:

J6P2348 – Route 47, Franklin County

This project includes bridge replacement and pavement work which will temporarily interrupt the existing intelligent transportation system (ITS) equipment including the communication systems. The project will also include the replacement of network equipment including network Layer 2 switches used to facilitate ITS device communications to the Gateway Guide system.

Procurement of Cisco Networking Products

The above mentioned project(s) require use of proprietary Cisco network products to facilitate ITS device communications. The Proprietary Item Certification (PIC) for the Cisco products will be submitted on a separate document.

The State of Missouri Office of Administration (OA) has established a purchasing contract with World Wide Technology, Inc. (WWT) as a prime vendor (see attached) of Cisco devices for all Missouri State agencies including MoDOT. This contract was awarded as a result of a Request for Proposal in November 2009. Notification of the RFP was sent to all known vendors as well as to applicable vendors registered in the State's Online Bidding System. Six vendor proposals were received and evaluated by a committee comprised of staff members of several state agencies including MoDOT. The evaluation committee rated the vendors on multiple factors including Experience and Reliability, Method of Performance and Expertise, Cost/ List Price Discount, and MBE/WBE participation. The evaluation committee determined the proposal submitted by WWT was the lowest and best proposal. The committee's evaluation was reviewed by OA purchasing staff and the State of Missouri's Chief Information Officer awarded the Cisco purchasing contract to World Wide Technology.

The RFP specified an original contract period of three years plus up to three one-year renewal options. The original contract term was March 1, 2010 through February 28, 2013. Exercising all of the renewal options would take the contract to February 28, 2016. OA has currently renewed the contract until February 28, 2015 (one renewal option remaining). OA indicated the state would likely exercise all renewal options before issuing a new RFP because the contract continues to provide exceptional value to the public and WWT continues to perform well.

Under the WWT contract, Missouri is receiving a 43% discount off standard Cisco catalog prices for networking products. Based on this discount and the sheer purchasing volumes attainable by using this consolidated state agency purchasing contract, it is MoDOT's determination that using a separate procurement process to obtain the needed Cisco network devices would not result in a better value to the public.

The OA contract with WWT is mandatory for all state agencies to use when procuring Cisco network products. This consolidated agency mandatory purchasing provision creates large volumes which is one reason the WWT list price discount (43%) is so substantial. State agencies can request an exemption from using OA's WWT Cisco purchasing contract if it is found to be in the State's best interest. However, MoDOT's General Services Purchasing Division and Information Systems Division were consulted, and they have concurred that MoDOT is unlikely to receive prices competitive with the current OA contract using any other procurement process due to the relatively small size of the purchase. They also determined that MoDOT is unlikely to receive proposals from many different vendors than were originally received by OA in 2009.

MoDOT's experience with WWT over the life of the current purchasing contract has shown their level of support and local presence has been exemplary and has not required the exploration of alternative vendors. This positive experience supports the continued use of OA's purchasing contract with WWT as a continued good value for the public.

WWT has proven to be an exceptional vendor to provide Cisco communication and network products and support to MoDOT. OA's purchasing contract with WWT continues to provide great value (43% discount) for the public and we do not believe a separate MoDOT procurement would result in a better value.

We recommend that the State of Missouri Office of Administration Statewide Purchase Contract for Cisco Networking Products with World Wide Technology, Inc. be used as the method to procure Cisco network equipment for these projects. Approval of this request at your earliest convenience would be appreciated.

Approved by: 12/10/14

Eric Schroeter, State Design Engineer — Date

Approved by: Gregory R. Budd

Digitally signed by GREGORY R BUDD
DN: c=US, o=U.S. Government, ou=Department of Transportation, ou=FHWA FHWAJeffersonCityMO, cn=GREGORY R BUDD
Date: 2015.01.05 14:20:21 -06'00'

FHWA — Date

In accordance with 23 CFR 635.411(c), use of the indicated proprietary item, purchased through the indicated vendor, is in the public interest.