

SOURCE JUSTIFICATION FORM

Bureau of Procurement

The objective of this form is to capture all relevant documentation an Agency may have to assist the Department of General Services ("DGS"), Bureau of Procurement, in expediting the source justification review process. This form must be completed electronically, signed, and submitted with all relevant documentation to DGS. If a question is neither mandatory nor applicable, please indicate "N/A". Please use standard terminology and define acronyms.

SECTION A

1. Agency Name:	Insurance Department		
2. Procurement Description: This description will appear on the eMarketplace website for public viewing	SIRCON - software as a service.		
Materials Description:			
Services Description:			
3. Materials Shopping Cart # or Services SPR#	Paper copy attached.	Estimated Cost:	\$500,001 - \$1M
		Initial Contract Term:	1 year
		Renewals:	4
4. Supplier - Name:	Sircon Corporation		
Full Address:	2112 University Park Drive		
Contact Name:	Lana Shafer		
Telephone:	816-415-2648	FAX:	816-415-4956
E-mail:	lshafer@vertafore.com		
SRM Supplier #:	161243		
5. Delivery or service location:	Harrisburg		

SECTION B

<input checked="" type="checkbox"/>	1. Sole Source: Only known source - Not available from another supplier.
<input type="checkbox"/>	2. Material/Repair/Maintenance: Material or service MUST be compatible with existing equipment. Documentation must be provided from the manufacturer.
<input type="checkbox"/>	3. Used Equipment: Value set by 2 independent 3rd party appraisals.
<input type="checkbox"/>	4. Professional Expert: Describe in detail in Section C.
<input type="checkbox"/>	5. Exempt (Law): A federal or state statute or regulation exempts the procurement from the competitive procedure. Any applicable information precluding the procurement from competitive procedures must be attached.
<input checked="" type="checkbox"/>	6. Feasibility: Clearly not feasible to award the contract on a competitive basis.

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SECTION C

1. Describe the unique features of this procurement that prohibit a competitive environment. If applicable, attach a Statement of Work ("SOW").

The PA Insurance Department (PID) contract with Vertafore (SIRCON) will be expiring on 06/30/2015. PID is requesting a five year sole source contract with Vertafore to continue using their web based SIRCON application.

The reasons for this request are for the following reasons:

SIRCON is PID's enterprise application for tracking Producer Licensing, Continuing Education, Consumer Complaints, Company Licensing, Regulatory Examinations, Enforcement, Fraud and Revenue Processing. It is used to generate and send out the invoices to producers and insurance companies, which generates approximately \$32,000,000 a year for the PA Insurance Department.

2. Document and attach the research that has been conducted to date to verify the supplier is the only known source.

The Department investigated the other provider, National Association of Insurance Commissioners (NAIC) and the current State Based Systems (SBS) application does not meet the Department's needs because it does not contain the Regulator Exam Module.

NAIC is in the development phase of rewriting SBS but will not be entertaining bringing on any new states until at least 3rd quarter 2017.

3. Does the supplier utilize distributors, dealers, resellers, etc.? If "Yes," please identify.

N/A

4. Are there compatibility requirements or compliance requirements with a warranty or service agreement? If "Yes," please explain.

N/A

5. How has the material or service been procured in the past? Please provide previous source justifications, contracts, & PO's for this material or service.

Sole Source. Numerous purchase orders with the most recent being PO 4300331878.

6. If procured through the IT ITQ process, please provide original \$ amount and contract period of order. Is this the final phase of the project?

N/A

7. If this is an upgrade, addition, alteration, etc., to an earlier procurement, please describe in detail.

N/A

8. What are the consequences of not approving this procurement?

Unable to track the licensing and billing for insurance producers which equates to approximately \$46 million in revenue to the Commonwealth.

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9. If timing is a factor, what is the time factor and why?

Yes, current purchase order expires 6/30/2015

10. List any other information relevant to the acquisition of this procurement here or as an attachment.

Cost breakdown per year is listed on the statement of work. Sircon for States Managed Service Provider Agreement will be signed once purchase order is placed. Reduction in price email dated 3.27.15 is attached. IT Terms and Conditions are not applicable. SIRCON will not be providing any developed works. They will be providing services under an agreement that licenses Pennsylvania for the use of web-based software as a service (Sircon for States).

11. For requests > \$100,000, has the supplier signed cost or pricing data certification and is the pricing breakdown attached?

Yes

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SECTION D

IMPORTANT*: The printed names on this form shall constitute the signatures of these individuals. Agencies must insure that these individuals review the completed form and give their consent to apply their printed name on this form. No handwritten signatures shall be required in order for the form to be considered "signed" by those individuals whose names appear in the signature section of the form.

Shopping Cart Contact Person (Person whom DGS will contact regarding the Shopping Cart):

Name:	Debra Spertzel	P-Group:	HW2	Date:	01-22-15
Title:	Administrative Officer	Telephone:		Fax:	

Agency Contact Person: Person in your agency that DGS can contact for additional information, etc.

Name:	Lori Trout	Title:	Administrative Officer	Date:	01-22-15
Telephone:		Fax:		Email:	ltrout@pa.gov

Approving Authority (Agency Head or Deputy reviewing and approving this request): Approving Authority connotes approval of the source justification and the cost or pricing data certification.

Name:	Mark Lersch	Title:	Director, Bureau of Administration	Date:	01-23-15
Telephone:		Fax:			

Additional Approvals (if required by Agency):

Name:		Title:		Date:	
Telephone:		Fax:		Email:	
Name:		Title:		Date:	
Telephone:		Fax:		Email:	
Name:		Title:		Date:	
Telephone:		Fax:		Email:	
Name:		Title:		Date:	
Telephone:		Fax:		Email:	
Name:		Title:		Date:	
Telephone:		Fax:		Email:	