

DETERMINATION
INTERGOVERNMENTAL COOPERATIVE PURCHASING
CONTRACT NO. 517811
ACCESS CONTROL SYSTEM EXTENDED WARRANTY

I. EXECUTIVE SUMMARY

This Determination has been executed pursuant to COMAR 21.05.09, Intergovernmental Cooperative Purchasing, to enter into a contract for Access Control System Extended Warranty with Kratos Public Safety & Security Solutions, Inc. (“Kratos”) under an intergovernmental cooperative purchasing agreement of the Maryland Department of Information Technology (“DOIT”). The proposed contract is for an amount not to exceed \$113,750 over three years beginning November 1, 2017, and an option to renew for one three-year term for an amount not to exceed \$74,116.

II. BACKGROUND

The MPA Office of Procurement (“Procurement”) was asked by the MPA Information Services Department (“ISD”) to procure a contract for warranty and maintenance of the access control system(s) at Dundalk, Seagirt, North Locust Point, and South Locust Point Marine Terminals, South Locust Point Cruise Terminal, and the Access Control Center. ISD’s estimated cost of the contract over three-years was \$140,000. After ISD provided a written scope of work, Procurement solicited quotes from Maryland contractors holding contracts with the U.S. General Services Administration (“GSA”) available for use by State and local governments. Procurement proceeded to procure under a GSA contract because doing so allows for competition and targeting of Maryland companies for quotes while providing the cost benefits available under the favorable pricing obtainable by the Federal government. Although MPA solicited proposals from 22 Maryland companies holding GSA contracts, only one company, Easter’s Lock & Access Systems, Inc., submitted a proposal, for \$330,441.50 for the basic warranty coverage over three years.

Procurement subsequently learned that the warranty coverage needed by MPA can be provided by two companies holding contracts with the Maryland Department of Information Technology (“DOIT”) under Functional Area V of the DOIT Hardware 2012 Statewide contract. DOIT does not control MPA’s procurement of information technology as it does that of other State agencies; instead, MPA has its own statutory authority to procure information technology independent of DOIT. Therefore, DOIT has authorized MPA to utilize DOIT master contracts as intergovernmental cooperative purchasing agreements to the same extent that local governments are permitted to utilize DOIT contracts, subject to any limits of authority applicable to MPA.

Procurement prepared a Purchase Order Request for Proposals or “PORFP”, the solicitation document utilized by DOIT, and requested proposals from the two DOIT contractors authorized for warranty coverage of the MPA’s hardware and software. Those two contractors are Kratos and Security Solutions, Inc. Kratos submitted a proposal for \$53,750 for the basic warranty coverage required by MPA over three years. Security Solutions, Inc., declined to submit a proposal.

III. PROPOSALS RECEIVED AND DISCUSSION

The two proposals received, therefore, were:

Kratos Public Safety & Security Solutions, Inc. under the DOIT Hardware 2012 Contract	\$ 53,750.00
Easter's Lock & Access Systems, Inc. under GSA Contract GS-07F-161AA	\$330,441.50

ISD has reviewed Kratos' proposal and confirmed that it meets all of MPA's requirements. Kratos' price is well below ISD's cost estimate of \$140,000 and far below the price of \$330,441.50 quoted by Easter's Lock & Access Systems, Inc.

It is in MPA's best interest to enter into a contract with Kratos under the DOIT Hardware 2012 Contract to provide MPA with the warranty coverage needed to keep the Access Control System(s) functioning properly. Procurement proposes to issue a contract to Kratos under the DOIT master contract in the amount of \$113,750.00, consisting of Kratos' lump sum price of \$53,750.00 plus a \$60,000 allowance for any non-warranty work that may be requested by MPA during the contract term, which will be provided by Kratos at unit prices quoted in its price proposal, which ISD has advised is acceptable. The proposed contract will also provide that MPA may renew the contract for one additional three-year term for an amount not to exceed \$74,116, consisting of Kratos' lump sum price of \$38,116 for the renewal term plus a \$36,000 allowance for any non-warranty work requested by MPA during the renewal term. The allowance amounts were provided by ISD as estimated or budget amounts expected for the initial term and the renewal term.

The limit of MPA's delegated authority from the Board of Public Works is \$200,000. Therefore, MPA may enter into the proposed contract with Kratos in the amount of \$113,750.00, and including the renewal option in the amount of \$74,116, without Maryland Port Commission or Board of Public Works approval.

IV. DETERMINATION

- A. The DOIT Hardware 2012 Contract meets the requirements of an intergovernmental cooperative purchasing agreement under COMAR 21.05.09.01B(2)(a).
- B. It is in the best interest of the MPA to utilize the DOIT Hardware 2012 Contract because doing so will provide cost benefits to the State, will promote administrative efficiencies, and is not intended as a means to evade the purposes set forth under COMAR 21.01.01.03. By using the DOIT master contract MPA will be using a company, Kratos, already found by DOIT to be a responsible contractor and approved as a master contractor by the Board of Public Works.
- C. Making an award under the DOIT Hardware 2012 Contract will save MPA the considerable time it will take to prepare a solicitation for public advertisement, obtain necessary approvals prior to publication, publish the solicitation, receive and analyze bids, and then complete an award. It will also provide MPA with contract pricing,

procedures, and services identical to those in effect throughout the rest of the Executive branch of the State government by virtue of DOIT's control over those other agencies.

D. A contract should be awarded to Kratos in the amount of \$113,750.00 as described in this Determination.

V. APPROVAL REQUIRED

COMAR 21.05.09.05 provides: "Before awarding or participating in an intergovernmental cooperative purchasing agreement, the procurement officer shall obtain the approval of the primary procurement unit head, and any other approvals as required under this title."

I request your approval, as unit head, to procure as described in this determination, subject to completion of all other requirements of procurement law, fund certification, execution and approval of the contract (including approval by the Office of the Attorney General for form and legal sufficiency), etc.



John Thornton
Procurement Officer

10/23/17

Date

APPROVED:



James J. White
Executive Director

10/25/17

Date