

Attachment 3

Sole Source Justification

**Natividad Medical Center Purchasing Department
JUSTIFICATION OF SOLE SOURCE/SOLE BRAND REQUEST**

Purchase Requisition Number _____ Date 12/12/12

Description of Item: Software and Hardware applications, infrastructure, support, or maintenance agreements with Cisco, VMWare, Fontware, RSA, Citrix, Microsoft, Dell, HP, Network Appliance, Dundas, Numara, LANDesk, Symantec, Sophos, Adobe, Orion, RSA, Oracle, Bridgehead, and EMC.

1. Please indicate the following:

Procurement: Goods
 Services

(Check One)

Sole Source: Item is available from one source only. Item is a one-of-a kind and is not sold through distributors. Manufacturer is exclusive distributor.

Sole Brand: Various sources can supply the specified model and brand and competitive bids will be solicited for the requested brand only. Meets form, fit and function- nothing else will do.

Note: Sole Source/Sole Brand Requests are not maintained as a standing request. Each request is for a single one-time purchase only.

2. Vendor Selection:

Preferred Vendor

Sole Source

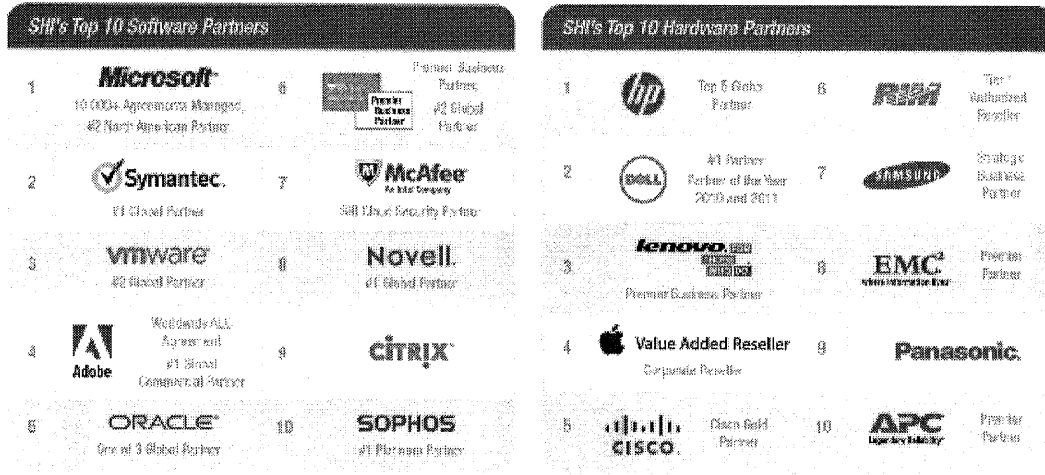
Vendor Name: SHI International Corp.
Address: 165 Spear Street, Suite 475, San Francisco, CA 94105
Phone Number: (888) 235-3871 extension 3339
Contact Person: Amy Tong Title: Inside Sales Account Manager
Federal Employer #: 22-3009648

3. Provide a brief description of the goods/services to be purchased and why this purchase is being proposed under a sole source acquisition.

a) Why were product and/or vendor chosen?

Founded in 1989 and headquartered in Somerset, NJ, SHI International Corp. is a \$4 billion+ global provider of information technology products and services. Driven by the industry's most experienced and stable sales force and backed by software volume licensing experts, hardware procurement specialists, and certified IT services professionals, SHI delivers custom IT solutions to Corporate, Enterprise, Public Sector, and Academic customers. With 1,900+ employees worldwide, **SHI is the largest Minority/Woman Owned Business Enterprise (MWBE) in the United States and is ranked 18th among Everything Channel's VAR 500 list of North American IT solution providers.** For more information, visit www.shi.com.

Strong position in the IT industry:



The products and services are required to support technology needs at Natividad Medical Center. SHI is consistently providing quotes with the best discount when compared against other resellers.

Due to SHI's strength and buying power in the marketplace, SHI is able to leverage volume buying programs that others aren't able to obtain.

SHI is consistently provides low price quotations for software, hardware, and maintenance. NMC IT has retains these other quotes in our records and are available on request.

- b) What are the unique performance features of the product/brand requested that are not available in any other product/brand? For Services: what unique qualifications, rights, and licenses does the vendor possess to qualify as a sole source/brand request?

SHi resells support agreements for all the above technology manufactures at the most competitive prices. This provides NMC with a single reseller for many technology solutions.

c) Why are these specific features/qualifications required?

SHI has a local presence with an office in San Francisco but headquartered in NJ. There is a local Account Manager, Nea Vongsy, who is located in N. California.

d) What other products/services have been examined and/or rejected?

SHI has a market leader in the IT industry. Here's where SHI ranked in 2012 against their competition:

Manufacturer	SHI's 2012 Rank	Awards and Accolades
Microsoft	1	2012 Microsoft US Public Sector Partner of the Year
VMware	2	2012 Thai Lee wins VMWare's CEO of the Year
Cisco Systems	Unk	2012 Gold Certified
Sophos	1	FY 2012 Top Producer Award
Citrix Systems	4	
RSA	1	#1 Partner for Q1 - 2012
Solar Winds	Unk	
Fontware	Unk	

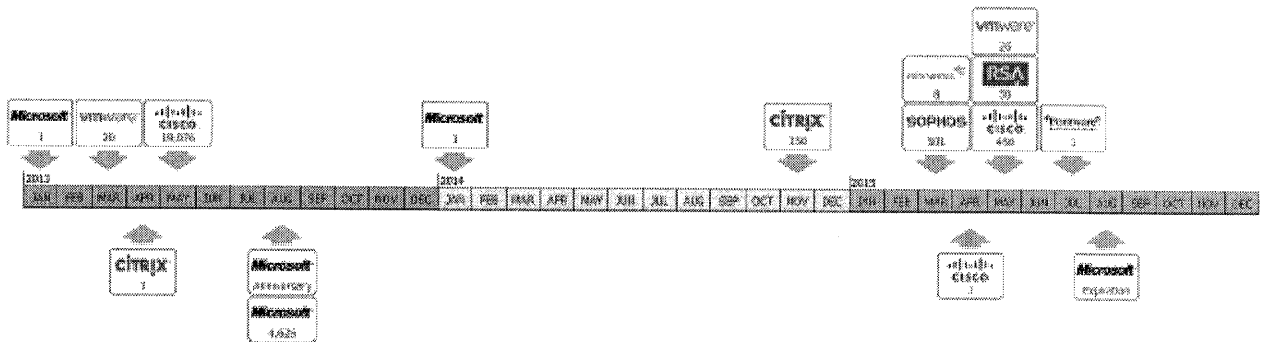
e) Why are other sources providing like goods or services unacceptable (please give a full meaningful explanation)?

By consolidating purchases, NMC is able to leverage volume licensing discounts from SHI which can be significant. SHI then tracks the purchases and provides a rolling 36 month maintenance renewal timeline. This allows NMC to have ample notification and time to commence the renewal order process.

- Saves money by lowering the risk of reinstatement fees due to expired maintenance.
- Mitigates the risk of having lapse maintenance support hence to NMC's infrastructure.
- One place to go to view all updated licenses.
- Eliminate ambiguity on what licenses we have and when they expire.
- 90 day advance notification from SHI on any upcoming expiration dates.

Here's an example of this renewal calendar from SHI:

Remaining	Next Due	Publisher	Event Type	Total
57 days	Mar 30, 2013	VMWare	renewal	8
59 days	Apr 1, 2013	Citrix	renewal	2
89 days	May 1, 2013	Cisco	renewal	5
6+ months	Aug 31, 2013	Microsoft	renewal	13
2+ years	Mar 3, 2015	SolarWinds	renewal	8
2+ years	Mar 21, 2015	Sophos	renewal	3
2+ years	May 1, 2015	RSA	renewal	1
2+ years	Jul 2, 2015	Fontware Limited	renewal	1



f) What are the unique performance features REQUIRED (not merely preferred), and how would your requirement be inhibited without this particular item or service?

- Using multiple resellers is difficult to manage especially with multiple licenses from logistics, products and customer service levels.
- Consolidating and leveraging SHI's strength in the IT industry, NMC will get better pricing by qualifying for the various volume buying programs.
- SHI has a proven track record, is well known in the market place, has the best pricing and provides good customer service levels. They have won many awards and have direct relationships with the manufacturers and software publishers for additional technical resources which NMC wouldn't normally be privy to.
- SHI is woman minority owned.

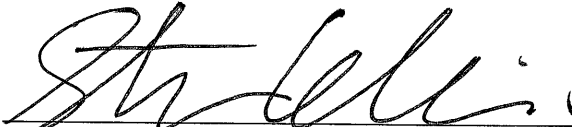
g) Estimated Costs:

\$1,000,000.00 over 3 years


THE FOLLOWING TO BE COMPLETED BY THE REQUESTOR

I hereby certify that:

1. I am an approved department representative, and am aware of the Hospital's requirements for competitive bidding, as well as the criteria for justification for sole source/brand purchasing.
2. I have gathered the required technical information and have made a concentrated effort to review comparable and/or equal equipment.
3. The information contained herein is complete and accurate.
4. There is justification for sole source/brand purchasing noted above as it meets the County's criteria.
5. A sole source/brand purchase in this case would withstand a possible audit or a vendor's protest.


Requestors Signature

3/18/2013
Date


Authorized Signature by Department Head

3/20/13
Date

Approval by the Hospital Purchasing Agent:

Authorized Signature

Date