

PUBLIC PROCUREMENT REVIEW BOARD

SPECIAL MEETING

TUESDAY, JUNE 28, 2016

A special meeting of the Public Procurement Review Board (PPRB) was held at 2:00 p.m. in the 13th floor Conference Room of the Woolfolk State Office Building located in Jackson, Mississippi.

PRESENT

Mr. Kevin J. Upchurch, Chairman
Mr. Freddie M. "Flip" Phillips, Vice Chairman
Mr. Charles R. Snowden, Member

OTHERS

Mr. Kent Adams, Director of Real Property Management, DFA
Ms. Aubrey Leigh Goodwin, Director of the Office of Purchasing, Travel and Fleet Management, DFA
Mr. Mike Cook, Director of the Office of Purchasing and Travel, DFA
Ms. Regina Irvin, Staff Officer for the Office of Purchasing, Travel and Fleet Management, DFA
Mr. Edward Wiggins, Special Assistant Attorney General, DFA
Ms. Melody Coulson, PPRB Recorder, DFA

The Chairman called the meeting to order and commenced the meeting with prayer.

MINUTES

Mr. Upchurch asked if the Minutes had been reviewed for the following meetings:

- Regular Meeting, Wednesday, June 01, 2016
- Special Meeting, Wednesday, June 08, 2016

Mr. Snowden made a motion to approve. Mr. Phillips seconded and the motion carried.

OFFICE OF PURCHASING, TRAVEL AND FLEET MANAGEMENT (OPTFM)

Ms. Irvin presented the following:

1. Mississippi Department of Transportation (MDOT) – Contract amendment to increase award to Vulcan Materials Company, Birmingham to \$3,950,000.00 for One (1) Year (06/24/2015 – 06/30/2016) for Crushed Aggregates – (Agency Contract). Mr. Phillips made a motion to approve this item contingent upon the issuance of a purchase order or an award letter by the agency. Mr. Snowden seconded and the motion carried.
2. Mississippi Department of Transportation (MDOT) – Contract amendment to increase award to Dickerson and Bowen, Inc., to \$950,000.00 for Six (6) Months (01/01/2016 – 06/30/2016) for Hot/Cold Asphalt. Mr. Phillips made a motion to approve this item contingent upon the issuance of a purchase order or an award letter by the agency. Mr. Snowden seconded and the motion carried.
3. Mississippi Department of Transportation (MDOT) – Contract amendment to increase award to Lehman-Roberts Company, Inc., to \$2,150,000.00 for Six (6) Months (01/01/2016 – 06/30/2016) for Hot/Cold Asphalt. Mr. Phillips made a motion to approve this item contingent upon the issuance of a purchase order or an award letter by the agency. Mr. Snowden seconded and the motion carried.
4. Mississippi Department of Transportation (MDOT) – Renewal of award to Alliance Bus Group, Inc. in the amount of \$6,558,300.00 for One Year (1) (Option to renew for 4 additional twelve (12) months at a time-10/01/2015 – 06/30/2017) for ADA Accessible Minivans (Up to 180). Mr. Phillips made a motion to approve this item contingent upon the issuance of a purchase order or an award letter by the agency. Mr. Snowden seconded and the motion carried.

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Special Meeting

Tuesday, June 28, 2016

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5. University of Mississippi Medical Center (UMMC) – Renewal of a Sole Source Award to Ikaria, Inc. in the amount of \$6,526,495.96 for Three (3) Years (with option to extend contract for two (2) additional 12 month periods - 07/01/2015 – 06/30/2017) for Nitric Oxide in varying concentrates and INOMAX Drug Product. Mr. Phillips made a motion to approve this item contingent upon the issuance of a purchase order or an award letter by the agency. Mr. Snowden seconded and the motion carried.

BUREAU OF BUILDING, GROUNDS AND REAL PROPERTY MANAGEMENT (BOB)

Leases

Mr. Adams presented the following:

The Board reviewed (a) Leases With No Increase in Cost or Space. Mr. Phillips made the motion to approve (a) as recommended by the Division of Real Property Management, contingent upon fully executed leases. Mr. Snowden seconded, and the motion carried.

There being no further business to bring before the Board, the meeting was adjourned.

Retired as of June 30, 2016

Mr. Kevin J. Upchurch

Retired as of June 30, 2016

Mr. Freddie M. "Flip" Phillips

Charles R. Snowden

Mr. Charles R. Snowden

AGENDA

PUBLIC PROCUREMENT REVIEW BOARD

Special Meeting

2:00 p.m.

TUESDAY, JUNE 28, 2016

I. MINUTES

Request to approve the following minutes from the previous months:

- Regular Meeting, Wednesday, June 01, 2016
- Special Meeting, Wednesday, June 08, 2016

II. OFFICE OF PURCHASING, TRAVEL AND FLEET MANAGEMENT (OPTFM)

Ms. Regina Irvin, Staff Officer for the Office of Purchasing, Travel and Fleet Management, presents the following:

- 4 contracts for the Mississippi Department of Transportation (MDOT)
- 1 contract for the University of Mississippi Medical Center (UMMC)

III. BUREAU OF BUILDING, GROUNDS AND REAL PROPERTY MANAGEMENT (BOB)

Mr. Kent Adams, Director of the Real Property Management presents the following:

- Leases With No Increase In Cost Or Space (a)

IV. NEXT MEETING DATE

Regular Meeting, Wednesday, July 06, 2016

**OFFICE OF PURCHASING AND TRAVEL
PUBLIC PROCUREMENT REVIEW BOARD
SPECIAL MEETING AGENDA**

June 28, 2016

1. REQUESTING AGENCY: Mississippi Department of Transportation (MDOT)

SUPPLIER: Vulcan Materials Company, Birmingham

MAGIC NUMBER: 8800004445

AMOUNT OF CONTRACT: \$3,950,000.00

TERM OF CONTRACT: One Year (1) (06/24/2015 – 06/30/2016)

SCOPE OF CONTRACT: Crushed Aggregates – (Agency contract)

PURCHASE METHOD: Competitive RfX

COMMENTS: MDOT has submitted a request for a Special PPRB meeting, because the Agency is currently paying invoices on the Crushed Aggregates contracts. (See attached email.) MDOT is requesting an increase in the award amount. This P-1 was initially presented to and approved by PPRB on July 1, 2015 in the amount of \$943,750 as a part of a multi-award approval request. This P-1 was presented to and approved by PPRB for a second (2nd) time on January 6, 2016. The second (2nd) request was for an increase in the award amount (due to an underestimate for spend) of \$1,256,250.00 (from the previously approved amount of \$943,750.00.00 to a new total of \$2,200,000.00). This P-1 was presented to and approved by PPRB for a third (3rd) time on April 6, 2016. The third (3rd) request was for an increase in the award amount (due to an underestimate for spend) of \$1,200,000.00 (from the previously approved amount of \$2,200,000.00 to a new total of \$3,400,000.00). This fourth (4th) request is for an increase in the award amount (due to an underestimate for spend) of \$550,000.00 (from the previously approved amount of \$3,400,000.00.00 to a new total of \$3,950,000.00). MDOT made the initial award to all bidders that met specifications. If the product is to be picked up, purchases are made from the bidder providing the lowest cost to MDOT (taking into account the line item pricing and the cost of transporting the product). If the materials are to be delivered, purchases are made from the lowest bidder (line items pricing, plus haul/freight charge) able to deliver in a timely manner. State Agencies and Governing Authorities may purchase from these contracts. The initial projected spend for each vendor was based off the previous year's spend. MDOT is requesting the Board's approval to increase the amount of the award for this vendor.

COMPLIANCE WITH PROCEDURES (YES, NO): Yes

ADDITIONAL COMMENTS IF NEEDED: Based on the information submitted by the Agency, we ask for the Board's approval contingent upon the issuance of a purchase order or an award letter by the Agency.

2. REQUESTING AGENCY: Mississippi Department of Transportation (MDOT)

SUPPLIER: Dickerson and Bowen, Inc.

MAGIC NUMBER: 8200022531

AMOUNT OF CONTRACT: \$950,000.00

TERM OF CONTRACT: One Year (1) (01/01/2016 – 06/30/2016)

SCOPE OF CONTRACT: Hot/Cold Asphalt

PURCHASE METHOD: Competitive Bid - (Agency Contract)

COMMENTS: MDOT has submitted a request for a Special PPRB meeting, because the Agency is currently paying invoices on the Hot/Cold Asphalt contracts. (See attached email.) This P-1 was initially presented and approved by PPRB at a Special meeting on December 14, 2015, in the amount of \$350,000.00 as a part of a multi-award approval request. MDOT is requesting an increase in the award amount. This second request is for an increase (due to an underestimate for spend) of \$600,000.00 (from the previously approved amount of \$350,000.00 to a new total of \$950,000.00). MDOT made the initial awards to all bidders that met specifications. State Agencies and Governing Authorities may purchase from these contracts. If the product is to be picked up, purchases are made from the bidder providing the lowest cost to MDOT (taking into account the line item pricing and the cost of transporting the product). If the materials are to be delivered, purchases are made from

the lowest bidder (line items pricing, plus haul/freight charge) able to deliver in a timely manner. The initial projected spend for each vendor was based off the previous year's spend. MDOT is requesting the Board's approval to increase the amount of the award for this vendor.

COMPLIANCE WITH PROCEDURES (YES, NO): Yes

ADDITIONAL COMMENTS IF NEEDED: Based on the information submitted by the Agency, we ask for the Board's approval contingent upon the issuance of a purchase order or an award letter by the Agency.

3. REQUESTING AGENCY: Mississippi Department of Transportation (MDOT)

SUPPLIER: Lehman-Roberts Company, Inc.

MAGIC NUMBER: 8800022529

AMOUNT OF CONTRACT: \$2,150,000.00

TERM OF CONTRACT: Six (6) Months (01/01/2016 – 06/30/2016)

SCOPE OF CONTRACT: Hot/Cold Mix Asphalt

PURCHASE METHOD: Competitive Bid – (Agency contract)

COMMENTS: MDOT has submitted a request for a Special PPRB meeting, because the Agency is currently paying invoices on the Hot/Cold Mix Asphalt contracts. (See attached email.) MDOT is requesting an increase in the award amount. This P-1 was initially presented and approved by PPRB at a Special meeting on December 14, 2015, in the amount of \$400,000.00 as a part of a multi-award approval request. This P-1 was presented to and approved by PPRB for a second (2nd) time at a Special PPRB Meeting on June 8, 2016. The second (2nd) request was for an increase in the award amount (due to an underestimate for spend) of \$1,500,000.00 (from the previously approved amount of \$400,000.00.00 to a new total of \$1,900,000.00). This third (3rd) request is for an increase in the award amount (due to an underestimate for spend) of \$250,000.00 (from the previously approved amount of \$1,900,000.00.00 to a new total of \$2,150,000.00). MDOT made the initial award to all bidders that met specifications. If the product is to be picked up, purchases are made from the bidder providing the lowest cost to MDOT (taking into account the line item pricing and the cost of transporting the product). If the materials are to be delivered, purchases are made from the lowest bidder (line items pricing, plus haul/freight charge) able to deliver in a timely manner. State Agencies and Governing Authorities may purchase from these contracts. The initial projected spend for each vendor was based off the previous year's spend. MDOT is requesting the Board's approval to increase the amount of the award for this vendor.

COMPLIANCE WITH PROCEDURES (YES, NO): Yes

ADDITIONAL COMMENTS IF NEEDED: Based on the information submitted by the Agency, we ask for the Board's approval contingent upon the issuance of a purchase order or an award letter by the Agency.

4. REQUESTING AGENCY: Mississippi Department of Transportation (MDOT)

SUPPLIER: Alliance Bus Group, Inc.

MAGIC NUMBER: 8200022142

AMOUNT OF CONTRACT: \$6,558,300

TERM OF CONTRACT: One Year (1) (Option to renew for 4 additional twelve (12) months at a time- 10/01/2015 – 06/30/2017)

SCOPE OF CONTRACT: ADA Accessible Minivans (Up to 180)

PURCHASE METHOD: Competitive Bid

COMMENTS: MDOT is requesting a Special PPRB Meeting because this contract is due to expire on June 30, 2016. MDOT is requesting a one year extension of the current contract. This P-1 was initially presented to and approved by PPRB on November 14, 2015, in the amount of \$6,558,300.00 as a part of a multi-award approval request. This is the first extension. MDOT is requesting the Board's approval to extend this contract for another one year period. MDOT requested bids and received 3 bids. MDOT made the initial awards based on the lowest total bid per line item (configuration) meeting specifications and bid requirements. These vans will be used by MDOT Public Transit Division, Political Subdivisions, Quasi State Agencies, & Agencies of the Government. The initial amount

(\$6,558,300) is the amount requested for the full five (5) year term of the contact based on the previous years' spend. MDOT is requesting the Board's approval to extend this contract with the awarded vendor.

COMPLIANCE WITH PROCEDURES (YES, NO): Yes

ADDITIONAL COMMENTS IF NEEDED: Based on the information submitted by the Agency, we ask for the Board's approval contingent upon the issuance of a purchase order or an award letter by the Agency.

5. REQUESTING AGENCY: University of Mississippi Medical Center (UMMC)

SUPPLIER: Ikaria, Inc.

MAGIC NUMBER: 8800004431

AMOUNT OF CONTRACT: \$6,526,495.96

TERM OF CONTRACT: Three (3) Years (with option to extend contract for two (2) additional 12 month periods - 07/01/2015 – 06/30/2017)

SCOPE OF CONTRACT: Nitric Oxide in varying concentrates and INOMAX Drug Product

PURCHASE METHOD: Sole Source

COMMENTS: UMMC is requesting a Special PPRB Meeting because this contract is due to expire on June 30, 2016. UMMC is requesting a one year extension of this contract and an increase in the award amount for continued purchase of nitric oxide in varying concentrates from INO Therapeutics with their drug product INOMAX, services and technologies. INOMAX is the only drug approved by FDA to treat pulmonary artery hypertension in newborns. Nitric Oxide treats patients with Hypertension caused as a result of specific congenital heart defects. INO Therapeutics is the only provider of the nitric oxide inhalation INOMAX therapy in the United States. This P-1 was initially presented to and approved by PPRB on March 7, 2012, in the amount of \$6,087,114.00 as a Sole Source procurement for a period of three years with the option to renew for two additional 12 month periods. UMMC received approval from IHL on June 21, 2012, in the amount of \$6,369,984.00 (an increase of \$282,870.00) more than the amount requested and approved by PPRB. During this initial period, UMMC exceeded the PPRB approved amount by \$105,926.00 for a new spend amount of \$6,193,040.00. UMMC received approval from IHL on June 18, 2015, to extend the contract and increase the award amount to \$3,913,996.00 (from the previously approved amount of \$6,369,984.00 to a new total of \$10,283,980.00). This P-1 was presented to and approved by PPRB for a second (2nd) time (1st Extension) on July 1, 2015. The first (1st) extension was for an increase in the award amount of \$3,913,996.00 (from the previously approved amount of \$6,087,114.00.00 to a new total of \$10,001,110.00). UMMC advertised on April 18, 2016 and April 25, 2016, to recertify that this is still a sole source procurement. UMMC followed sole source regulations and no objections were received. OPTFM has researched commodities for sole source to verify the product is a sole source. This is the second (2nd) and last extension. UMMC received approval from IHL on June 16, 2016, for this second (2nd) extension and an increase in the award amount of \$2,612,499.96 (from the previously approved amount of \$10,283,980.00 to a new total of \$12,283,980.00) on June 16, 2016. This second (2nd) extension is for an increase in the award amount of \$2,612,499.96 (from the previously approved amount of \$10,001,110.00.00 to a new total of \$12,613,609.96). UMMC is requesting the Board's approval to extend this contract for another one year period and an increase in the award amount.

COMPLIANCE WITH PROCEDURES (YES, NO): Yes

ADDITIONAL COMMENTS IF NEEDED: Based on the information submitted by the Agency, we ask for the Board's approval contingent upon the issuance of a purchase order or an award letter by the Agency.

Melody Coulson

From: Michael Cook
Sent: Thursday, June 23, 2016 7:57 AM
To: Stephen Tucker; Regina Irvin
Subject: FW: Special PPRB Meeting Request

Importance: High

FYI, request for special PPRB meeting is below.

Thanks,

Mike

From: Hancock, Lisa [mailto:lhancock@mdot.ms.gov]
Sent: Wednesday, June 22, 2016 10:18 AM
To: Aubrey Leigh Goodwin <AubreyLeigh.Goodwin@dfa.ms.gov>
Cc: Kevin Upchurch <Kevin.Upchurch@dfa.ms.gov>; Gregory, Retha <rgregory@mdot.ms.gov>; Michael Cook <Michael.Cook@dfa.ms.gov>
Subject: Special PPRB Meeting Request
Importance: High

Aubrey Leigh,

I have a situation that I need to resolve quickly. Kevin is aware of this problem because we have had to have a special meeting in the past. On open-ended contracts such as Hot Mix Asphalt and Crushed Aggregates, where we have line item pricing for locations throughout the state, we are having to enter, in MAGIC, estimated spend by vendor. Because the total contract is over \$ 500,000 or over \$500,000 combined with similar commodities, it comes to the PPRB. We look at previous years' spend by vendor and increase by 25%. This is not working, but if we enter large amounts for each vendor, you are going to question the total skewed value of the contract that is presented.

Hot Mix Asphalt and Crushed Aggregate are used where needed. It has no direct relationship to previous spend. Hot Mix Asphalt has a limited shelf-life, so geography plays a role in determining viable vendors (depending on where MDOT needs the Asphalt). We can provide a more accurate estimate at the total contract level, than we can by vendor.

The estimated spend entered into MAGIC has nothing to do with the fact that properly procured contracts are in place that have been approved by PPRB.

We need the following contracts increased as soon as possible and certainly before the next PPRB meeting. The contracts have already been to PPRB at least once.

P-1 #8200022531 (Dickerson & Bowen, Inc.)

P-1 #8800004445 (Vulcan Materials)

We would greatly appreciate any assistance that you can provide.

Thank you,

Lisa

PUBLIC PROCUREMENT REVIEW BOARD

Special MEETING

June 28, 2016

LEASES

850-000

The Division of Real Property Management requests concurrence and approval of the following:

(a) LEASES WITH NO INCREASE IN COST OR SPACE:

<u>Agency</u>	<u>Location</u>	<u>Eff. Date</u>	<u>Type*</u> <u>Space</u>	<u>Previous Sq. Ft.</u>	<u>Proposed Sq. Ft.</u>	<u>Previous** \$/Sq. Ft.</u>	<u>Proposed** \$/Sq. Ft.</u>	<u>%Fed</u> <u>Esc Fund</u>	<u>\$/Year</u>	<u>Lease #</u>
MDHS	750 N State St. Jackson	01/01/2016 06/30/2031	O	175,333	175,333	\$11.09+UJ	\$11.09+UJ \$11.83+UJ \$12.68+UJ	Y 0	\$1,945,049 \$2,074,189 \$2,223,222	865-251-31A (2018-2023) (2024-2031)

The Department of Human Services ask PPRB for approval of the extension of the lease as stated and the exclusion of Section 4 in the second amendment dated October 4, 2013 in its entirety waiving MDHS right to end this lease should a government owned facility become available. This waiver would be in effect until the end of the stated lease period (15 years). This amendment also includes the following:

- Extends the expiration date of the lease from December 31, 2027 to June 30, 2031.
- Amending Section 10 of the current lease so that in the event that space becomes available in a state-owned building, necessitating a reduction in the square footage leased or cancellation of the lease, the lessee shall provide a minimum of One-hundred Eighty (180) days-notice to the Lessor. This termination option shall not be utilized prior to June 30, 2031.
- This request also includes improvements to the facility as outlined in the attached Exhibit A at no cost to the Lessee.

Escalations: U=Utilities J=Janitorial I=Insurance T=Taxes R=Rent

* O = Office WH = Warehouse C = Clinic WS = Workshop H = Housing L = Library S = Storage LB = Lab LD = Land T = Training

** inc = Utilities and Janitorial Services are included in this amount

+UJ = Utilities and Janitorial Services are not included in this amount

+U = Utilities are not included in this amount

+J = Janitorial Services are not included in this amount

EXHIBIT A

DHS IMPROVEMENTS 2016

Completion Date

COST

NEW FLOORS FOR BATH ROOMS 06/30/2017 (1 st , 2 nd , 9 th , 3 rd , 4 th , 5 th , 6 th , 7 th , 8 th)	10500 SQ FT @ \$4.00 LABOR	\$42,000.00 \$20,000.00
NEW BATH ROOM PETITIONS 06/30/2017		\$150,000.00
LIGHTING NEW FIXTURES FOR BTH RMS 06/30/2017		\$18,000.00
NEW COUNTERTOPS FOR BATHROOMS 06/30/2017		\$54,000.00
REMOVE & REPLACE NEW TOILETS & LAVATORIES 06/30/2017	82 TOILETS / 80 LAVATORIES	\$99,935.00
NEW CARPET FOR OFFICES ON 9TH FLOOR labor) 08/30/2016	\$30 PER SQYD/2254 SQ.FT.	\$7,774.00 (plus
NEW PARKING DECK ROOF 10/30/2016		\$358,052.90
UPDATE AND EXPAND LOBBY 12/30/2017		\$75,000.00
TOTAL		\$824,761.00

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