State of Nevada
Department of Administration

Purchasing Division

515 E. Musser Street, Suite 300
Carson City, NV 89701

Brian Sandoval
Governor

Patrick Cates
Director

Jeffrey Haag
Administrator

Purchasing Use Only:	
Approval#:	180103

SOLICITATION WAIVER JUSTIFICATION AND REQUEST FORM

ALL FIELDS ARE REQUIRED – INCOMPLETE REQUESTS WILL BE RETURNED TO THE AGENCY

1a	**Agency Contact Information - Note: Approved copy will be sent to only the contact(s) listed below:**		
	State Agency:	***Department of Employment, Training, and Rehabilitation***	
	Contact Name and Title	*Phone Number*	*Email Address*
	Heather Bugg	***(775) 684-3881***	***hgbugg@nvdetr.org***

	Vendor Information:	
1b	Identify Vendor:	On Point Technology
	Contact Name:	***David Hughes***
	Address:	***1515 W 22nd St. STE 900, Oak Brook, IL 60523-8401***
	Telephone Number:	***630-581-4053***
	Email Address:	***DAVID.HUGHES@ONPOINTTECH.COM***

1c	**Type of Waiver Requested – Check the appropriate type:**	
	Sole or Single Source:	***Sole Source***
	Professional Service Exemption:	

	Contract Information:				
1d	Is this a new Contract?	**Yes**	***3133-20-ESD***	No	
	Amendment:	#			
	CETS:	#			

	Term:				
1e	One (1) Time Purchase:				
	Contract:	Start Date:	***Upon Approval***	End Date:	***03/14/2021***

	Funding:	
	State Appropriated:	
1f	Federal Funds:	***100%***
	Grant Funds:	
	Other (Explain):	

1g	**Total Estimated Value of this Service Contract, Amendment or Purchase:**
	$255,000

2	**Provide a description of work/services to be performed or commodity/good to be purchased:** ***To purchase an upgrade to DETR's existing Workforce Reporter (WFR) software to the current version (1.8) via a subscription service to meet the requirement of enabling staff to investigate individual and organized fraud using current data while maintaining fiscal responsibility.***

3	**What are the unique features/qualifications required for this service or good that are not available from any other vendor:** ***The Workforce Reporter software solution is a data mining and analysis tool specifically designed to extract and analyze data from UI benefit systems to identify cases of fraud that cannot be detected without sophisticated data mining tools. Since the Workforce Reporter solution is designed specifically to analyze data from UI benefits systems, the result is a reduced deployment schedule saving the State the costs and time required to customize a general data analysis solution to work in the UI environment. On Point Technology focuses specifically on the UI market, and their staff has significant knowledge and experience implementing fraud detection solutions in UI environments, which they did for DETR in the first contract from 2010. The Workforce Reporter solution uses a unique pattern matching technology designed to efficiently process and store large volumes of data using standard cost-efficient server technology through their proprietary Workforce Reporter system. Lastly, the Workforce Reporter software is capable of being easily modified to incorporate with the new modern UI benefits system DETR has deployed.***

4	**Explain why this service or good cannot be competitively bid and why this purchase is economically only available from a single source:** ***On Point Technology is the only company that provides a proven data mining and analysis solution designed specifically for detecting and preventing fraud in UI benefit system environments. Other companies that have demonstrated capacity with UI software solutions would need to integrate their fraud programs into the entire enterprise. Lastly, On Point specializes in UI fraud and benefit overpayment tools.***

5	**Were alternative services or commodities evaluated? Check One.**	Yes:		No:	*X*
	a. *If yes, what were they and why were they unacceptable? Please be specific with regard to features, characteristics, requirements, capabilities and compatibility.*				
	b. *If not, why were alternatives not evaluated?*				
	DETR had a previous, ongoing agreement with OnPoint dating back to 2010, which was put on hold while DETR focused efforts on the UInv project development and implementation. Due to OnPoint Technologies ease of integration with DETRs UI Benefits modernization project, it was always DETR's intention to transition back with OnPoint after the UI system was up and running. The original implementation of the OnPoint software was $363,750 for the purchase of the software license, $597,750 for the implementation and one-year maintenance, and $200,000 for year two and three maintenance and certification. At that time DETR had a sole source for the product, formerly named AWARE. Given that the UInv implementation is now complete, DETR would like to reinstate services with this vendor. The vendor has agreed to continue the previous agreement with DETR and this contract is for ongoing maintenance only. Additionally, because OnPoint was selected as the vendor back in 2010, they are the only vendor who can upgrade and implement UInv into the already established Workforce Reporter technology environment.				

6	**Has the agency purchased this service or commodity in the past? Check One.** ***Note: If your previous purchase(s) was made via solicitation waiver(s), a copy or copies of ALL previous waivers MUST accompany this request.***			Yes:	*X*	No:
	a. *If yes, starting with the most recent contract and working backward, for the entire relationship with this vendor, or any other vendor for this service or commodity, please provide the following information:*					
	Term Start and End Dates		*Value*	*Short Description*	*Type of Procurement (RFP#, RFQ#, Waiver #)*	
	04/13/2010	***04/13/2013***	***$1,161,500***	***This new contract is to purchase an Aware software license and provide for installation and three years of maintenance. Aware is a data mining and analysis software product designed to detect and prevent fraud in unemployment insurance benefit systems.***	***Sole source, solicitation waiver #100203***	
			$			
			$			
			$			
			$			

7	**What are the potential consequences to the State if the waiver request is denied and the service or good is competitively bid?**
	Nevada is at risk for Unemployment Insurance fraud; failure to better identify UI fraud due to not upgrading and integrating the current OnPoint technology with the UInv system could result in the loss of funds for the State of Nevada. The quicker the current UI fraud detection and prevention solution can be upgraded, the quicker DETR can further reduce the risk that complex and costly fraud schemes go undetected. Further, should DETR be required to go out to bid for another software solution, the process would likely result in significant cost to both DETR and the State of Nevada. Additionally, bringing in a different solution would require staff to learn a new product which increases the overall implementation schedule and cost.

8	**What efforts were made or conducted to substantiate there is no competition for the service or good and to ensure the price for this purchase is fair and reasonable?**
	For DETR's previous contract with OnPoint from 2010 (1946-13-ESD), it was noted that vendors were evaluated during the 2008 National Association of State Workforce Agencies conference in Phoenix, AZ. At that time, OnPoint was the only vendor that had an off-the-shelf solution designed specifically to identify cases of UI benefit fraud through data mining and analysis. Additionally, because OnPoint Technology's Workforce Reporter (AWARE) software was selected at that time, OnPoint is the only vendor who can upgrade and integrate the software within UInv.

9	**Will this purchase obligate the State to this vendor for future purchases?** ***Before selecting your answer, please review information included on Page 2, Section 9 of the instructions.***	Yes:		No:	*X*
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	a. *If yes, please provide details regarding future obligations or needs.*

By signing below, I know and understand the contents of this Solicitation Waiver Request and Justification and attest that all statements are true and correct.

Doug C Wells
Agency Representative Initiating Request

DOUG WELLS — 12/15/2017
Print Name of Agency Representative Initiating Request — Date

Kimberly S. Gaa
Signature of Agency Head Authorizing Request

Kimberly S. Gaa, Administrator — 12/15/2017
Print Name of Agency Head Authorizing Request — Date

PLEASE NOTE: In an effort to avoid possible conflict with any equipment, system or process already installed or in place by the State of Nevada or to assist in our due diligence, State Purchasing may solicit a review of your request from another agency or entity. The signature below indicates another agency or entity has reviewed the information you provided. **This signature does not exempt your agency from any other processes that may be required.**

Name of agency or entity who provided information or review:

Representative Providing Review

Print Name of Representative Providing Review — Date

Please consider this memo as my approval of your request. This exemption is granted pursuant to NAC 333.150(2)(a)(b)(c), NRS 333.400. This exemption may be rescinded in the event reliable information becomes available upon which the Purchasing Administrator determines that the service or good sought may in fact be contracted for in a more effective manner. Pursuant to NRS 284.173(6), contracts for services do not become effective without the prior approval of the State Board of Examiners (BOE).

If you have any questions or concerns please contact the Purchasing Division at 775-684-0170.

Signed:

1-9-2018
Administrator, Purchasing Division or Designee — Date