

Steve Sisolak
Governor



Peter Long
Interim Director

Robin Hager
Deputy Director

Kevin D. Doty
Administrator

STATE OF NEVADA
DEPARTMENT OF ADMINISTRATION

Purchasing Division

515 East Musser Street, Suite 300 | Carson City, Nevada 89701
Phone: (775) 684-0170 | Fax: (775) 684-0188

Purchasing Use Only:	
Approval#:	200107@

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 Name:	Governor Finance Office/Budget Division		
		<i>Contact Name and Title</i>	<i>Phone Number</i>	<i>Email Address</i>
		Catherine Bartlett Executive Branch Budget Officer II	775-684-0239	cbrekken@finance.nv.gov
		Susanna Powers Executive Branch Economist	775-684-0261	spowers@finance.nv.gov

1b	Vendor Information:	
	Identify Vendor:	Moody's Analytics, Inc.
	Contact Name:	Devin O'Leary
	Complete Address:	121 N. Walnut Street Suite 500, West Chester, PA 19380-3166
	Telephone Number:	610-235-5294
	Email Address:	Devin.o'leary@moodys.com

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

1d	Contract Information:			
	Is this a new Contract?	Yes	X	No
	Amendment:	#		
	CETS:	#		

1e	Term:				
	One (1) Time Purchase:				
	Contract:	Start Date:	07/01/2020	End Date:	06/30/2022

1f	Funding:	
	State Appropriated:	X
	Federal Funds:	
	Grant Funds:	

Recd 01/22/2020 Debra David

Other (Explain):

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1g Total Estimated Value of this Service Contract, Amendment or Purchase:
\$72,748.68

2 Provide a description of work/services to be performed or commodity/good to be purchased:
Vendor to provide national and state economic data and projections for economic variables used by LCB, the Governor's Office of Finance and the Department of Taxation to forecast various state General Fund and Distributive School Account tax revenues. Additionally, the State Demographer uses Moody's as a resource to look at their national forecast for employment and their narrative explanation of the factors they are considering with their different economic scenarios. Various medical inflation indicators and personal income forecasts for the U.S. and Nevada are used by the Actuarial Economist with the Department of Health and Human Services.

3 What are the unique features/qualifications required for this service or good that are not available from any other vendor:
Information is needed for input into various state revenue projection models used by the Executive and Legislative branches to present various unrestricted General Fund revenue forecasts to the Technical Advisory Committee and the Economic Forum. A vendor with access to otherwise unavailable data and with proven economic analysis/modeling/forecasting experience pertaining to Nevada and the U.S. is needed to provide the projections required by statute. Moody's Analytics offers various forecast scenarios. For example, currently there are ten different international trade scenario outcomes that can be chosen to generate a forecast for the U.S. and Nevada.

4 Explain why this service or good cannot be competitively bid and why this purchase is economically only available from a single source:
We need continuity over multiple biennia because each change of vendors requires that we change our models to reflect new variable names, modify our models when previously supplied variables are not available, and potentially adjust our model output to compensate a national and/or Nevada forecast that differs significantly from what the previous vendor supplied. These very time-consuming adjustments are disruptive if they have to be done every two years. It is also highly likely that new models need to be built, which is also a very time-consuming task. It cannot be guaranteed that the same historical data series and their forecasts are available from competitors.
The Moody's Analytics has staff available for questions about their forecast assumptions instantly (either via chat or phone) during working hours. This is a valuable resource in order to gain a deeper understanding into the underlying assumptions. This results in much more efficient forecasting process when one does not have to halt the process to wait for answers.
In addition, because Nevada's economy has a relatively small impact on the national economy, vendors generally are not well versed with Nevada's economic idiosyncrasies until they have worked directly with the state for a period of time. Thus, changing vendors from Moody's to another vendor would mean that we would lose continuity during the next several years, which would jeopardize the accuracy of the economic forecast produced by the Executive and Legislative branches by statute. This vendor has access to economic data not otherwise available to the state. The vendor provides this data as well as unique economic analysis and modeling/forecasting services. We do not believe the quality

and reliability of Moody's forecasts can be achieved by any of the other limited economic forecast providers.

5	Were alternative services or commodities evaluated? Check One.	Yes:	<input type="checkbox"/>	No:	<input checked="" type="checkbox"/>
	a. <i>If yes, what were they and why were they unacceptable? Please be specific about features, characteristics, requirements, capabilities and compatibility.</i>				
	b. <i>If not, why were alternatives not evaluated?</i> <i>We need continuity over multiple biennia because each change of vendors requires that we change our models to reflect new variable names, modify our models when previously supplied variables are not available, and potentially adjust our model output to compensate a national and/or Nevada forecast that differs significantly from what the previous vendor supplied.</i>				

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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:	<input checked="" type="checkbox"/>	No:	<input type="checkbox"/>
	a. <i>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:</i>							
	<i>Term</i>		<i>Value</i>	<i>Short Description</i>	<i>Type of Procurement (RFP#, RFQ#, Waiver #)</i>			
	<i>Start</i>	<i>End Dates</i>						
		07/01/2016	06/30/2020	\$160,518.00	Economics Projects		Waiver 160501A	
		07/01/2016	06/30/2018	\$77,946.00	Economics Projects		Waiver 160501	
	07/01/2012	06/30/2016	\$210,930.00	Economics Projects		Waiver		
			\$					
			\$					

7	What are the potential consequences to the State if the waiver request is denied and the service or good is competitively bid?
	<i>Nevada needs the best possible support for determining its revenue forecasts. We do not believe this vendor's competitors can provide the same quality and timely analysis and would not allow state agencies to fulfill their statutory obligations. We also need continuity. The GFO economist does not have any support staff. If the GFO economist must change economic and revenue models every two years, it can take up to two months of work to get to the same efficiency and accuracy than before the vendor change. The timing of the vendor change happens at a critical time when the GFO economist starts forecasting work for the Governor's Recommended Budget, the Economic Forum, and the Technical Advisory Committee. The LCB Fiscal Division staff expresses the same concerns regarding the need for continuity and the disruptive nature of vendor change on work output that is statutorily mandatory and has a big financial impact on the state as a whole.</i>

<p>8</p> <p>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?</p> <p>This contractor is a leading independent provider of economic, financial, country and industry research with over 500 clients worldwide, including governments at all levels. They have provided Nevada specific forecasts for the past eight years. The custom series access price is about \$15,000 below Moody's Analytics' standard listing price.</p>	<p>9</p> <p>a. <u>If yes, please provide details regarding future obligations or needs.</u></p> <p>Will this purchase obligate the State to this vendor for future purchases? <u>Before selecting your answer, please review information included on Page 2, Section 9 of the instructions.</u></p> <table border="1"> <tr> <td data-bbox="81 1575 186 1690">Yes:</td> <td data-bbox="186 1575 276 1690">No:</td> <td data-bbox="276 1575 357 1690"><input checked="" type="checkbox"/></td> </tr> </table>	Yes:	No:	<input checked="" type="checkbox"/>
Yes:	No:	<input checked="" type="checkbox"/>		

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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.

Susanna Powers

Agency Representative Initiating Request

Susanna Powers

Print Name of Agency Representative Initiating Request

01/15/2020

Date

Susan Brown

Signature of Agency Head Authorizing Request

Susan Brown

Print Name of Agency Head Authorizing Request

1/15/2020

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 or 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 333.700(7), 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.

Approved by:

Kevin D. Doty

Administrator, Purchasing Division or Designee

1/22/20

Date