



STATE OF ARKANSAS
**Department of Finance
and Administration**

OFFICE OF STATE PROCUREMENT
1509 West Seventh Street, Suite 300
Little Rock, Arkansas 72201
Phone: (501) 324-9316
Fax (501) 324-9311
<http://www.dfa.arkansas.gov/offices/procurement>

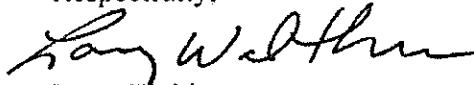
November 6, 2018

Senator Bill Sample, Co-Chairperson
Representative Jim Dotson, Co-Chairperson
Arkansas Legislative Council ("ALC")
State Capitol Building, Room 315
Little Rock, Arkansas 72201

Dear Co-Chairs:

The Department of Finance and Administration ("DFA") has been informed by the University of Central Arkansas ("UCA") and the Department of Human Services ("DHS") that they have items that they consider to be in imminent need of review and which cannot wait for ALC review during the regularly scheduled meeting in December, 2018. I have attached the letters, which explain the imminent need for ALC review in November, and incorporate their explanations by reference. These contracts that have been submitted for review appear, on their face, to have been lawfully procured.

Respectfully,


Larry Walther

DFA Director, Chief Fiscal Officer of the State

Date

UNIVERSITY OF
CENTRAL
ARKANSAS™OFFICE OF THE
PRESIDENT

October 24, 2018

The Honorable Bill Sample
Co-Chair Arkansas Legislative Council
2340 N. Hwy. 7, Hot Springs, 71909The Honorable Jim Dotson
Co-Chair Arkansas Legislative Council
P.O. Box 651, Bentonville, 72712

Dear Sirs:

The University of Central Arkansas (UCA) is seeking emergency review of the attached contract with IK Network Solutions for the purpose of a complete network refresh on the UCA campus. The emergency nature of the request is related to the recent tariff increase on goods manufactured in China. Although a ten percent tariff increase took effect in September, UCA has negotiated the ability to keep current pricing under the condition of finalizing our contract and ordering infrastructure by December 14, 2018. If we are unable to complete the transaction by this time, our quote will be subject to the current ten percent tariff increase and up to twenty-five percent based on final legislative results in Congress. Based on the current infrastructure in the contract manufactured in China, the financial impact would be in the range of \$320,000 - \$800,000. Given this large financial impact, we concluded an emergency review was warranted.

We anticipate this project to take four to six months to complete with a planned start date in January 2019. The timing of this project is critical given the age of the existing network infrastructure supporting the vital operations of UCA. As such, we will have infrastructure that will no longer be under warranty and support if we delay this project beyond the January 2019 timeframe. In addition, the network refresh is also required to begin other projects that will create cost efficiencies for UCA. A prime example is the transition to voice-over-IP (VOIP) from traditional analog telephony service. We anticipate the monthly run rate cost decrease to be in the 30%-50% range based on current cost analysis. The new network infrastructure and increase in bandwidth is required to implement a VOIP system. Information security is another major consideration for this project and there are many components of the network refresh targeted at security vulnerabilities. These include enhanced network access control, wireless intrusion detection and protection, performance monitoring and alerting, vulnerability scanning, and information governance focused on HIPAA, PCI, and GDPR compliance.

Given the financial impact and imminent need of beginning the network refresh project in January 2019, we are respectfully requesting an emergency review of the contract.

Sincerely,

A handwritten signature in black ink, appearing to read "H. D. Davis".

Houston D. Davis, Ph.D.
President

**SUMMARY SCHEDULE OF STATE AGENCY CONTRACTS
FOR ARKANSAS LEGISLATIVE COUNCIL REVIEW
AS REQUIRED BY ARKANSAS CODE 19-11-1006**

Technical & General Services Contracts

1. Agency: University of Central Arkansas

Contractor: JSK COMPANY DBA IK ELECTRIC, IK NETWORK SOLUTIONS

Location: Little Rock

State: AR

Total Authorized: \$0.00 **Org. Term:** 12/10/2018 06/30/2020 **Procurement:** CC

Total After Review: \$5,089,298.64 **Funding:** Other - 100% - [Bonds]

Total Projected: \$5,089,298.64 **MOF:** **Contract Number:** RA1916504

<u>Org/Amt:</u>	<u>Amount</u>	<u>Paid To Date</u>	<u>Objective:</u>	<u>New Exp Date</u>
-----------------	---------------	---------------------	-------------------	---------------------

Original: 5,089,298.64

A complete network refresh on the UCA campus. This will allow VOIP from the traditional analog telephone service. The new network infrastructure and increase in bandwidth is required to implement a VOIP system. Information security is a another major part of this project and there are many components of the network refresh targeted at security vulnerabilities. These will include enhanced network access control wireless intrusion detection and protection performance monitoring and alerting vulnerability scanning and information governance focused on HIPAA, PCI and GDPR compliance.



Office of Procurement

P.O. Box 1437, Slot S401 · Little Rock, AR 72203-1437
501-682-8292 · Fax: 501-682-1197 · TDD 501-682-6789



November 2, 2018

Edward Armstrong
State Procurement Director
1509 W. 7th St. 3rd FL
Little Rock, Arkansas 72201

Director Armstrong:

The Department of Human Services (DHS) respectfully request that you ask the Arkansas Legislative Counsel (ALC) to place the following contract the November 16, 2018, ALC – agenda.

Contract: 4600043517

Parties: DHS, Division of Medical Services and eQHealth Solutions, Inc.

Purpose: Administer Prior Authorization and Retrospective Review services for behavioral health, developmental disabilities, and aging and adult Medicaid populations statewide.

The current contract expires 1/01/2019. Because of the critical nature of the programs involved and the need to ensure timely transition activities take place which will ensure no lapse in services, DHS requests that the new contract effective date be 12/01/2018. This contract state date will allow an orderly transition the services to the new vendor without a service interruption to DHS beneficiaries.

Sincerely,

Sarah Collins Linam

Sarah Collins Linam
DHS Chief Procurement Officer

cc: Cindy Gillespie, DHS Director
Dawn Stehle, Deputy Director
Tami Harlan, Assistant Chief Program Administrator

humanservices.arkansas.gov

Protecting the vulnerable, fostering independence and promoting better health

SUMMARY SCHEDULE OF STATE AGENCY CONTRACTS
FOR ARKANSAS LEGISLATIVE COUNCIL REVIEW
AS REQUIRED BY ARKANSAS CODE 19-11-1006

Out-of-State Contracts

1. Agency: Human Services Department	Contractor: EQHEALTH SOLUTIONS INC
Div/Prog: Medical Services	Location: BATON ROUGE State: LA
Total Authorized: \$0.00	Org. Term: 11/16/2018 06/30/2019 Procurement: RFP
Total After Review: \$4,110,522.09	Funding: Federal - 75% - [DMS-PRO-Admin. Fees 75% Fed/ 25% St (CFDA: 93.778 Medical Assistance Program)]; State - 25%
Total Projected: \$28,773,654.63	MOF: Contract Number: 4600043517
Org/Amt: <u>Amount</u> <u>Paid To Date</u> <u>Objective:</u>	<u>New Exp Date</u>
Original: 4,110,522.09	To initiate an agreement to administer Prior Authorization and Retrospective Review services for behavioral health, developmental disabilities, and aging and adult Medicaid populations statewide.