

Sole Source Justification Form

Bulletin Reference Number

26-350SOS-ITSOS-B-53346

Requesting Agency/University

Illinois Secretary of State

Sole Source Justification Form - Part I

Section I - General Information

Department/Bureau/Section: Information Technology

Need Identified Date: Apr 15, 2026

Supply/Service Need By Date: Jul 1, 2026

Project Title: IBM ELA

Vendor: International Business Machines Corporation

Provide a description of the supplies or services required:

ILSOS is contracting/ amending with IBM for an Enterprise License Agreement (ELA) that provides the ability to acquire maintenance, support, release protection, distributed computing software, cyber-security licensing, SAAS (software as a service) and other additional licenses for the ILSOS IBM mainframe and distributed computing environment.

Value: Estimated

Value of Initial Term, this Change Order or Amendment: 444,735.46

Will this Sole Source amend a Professional or Artistic Services contract? ☐ Yes ☒ No

*Sole Source may not be used for amendments for Professional or Artistic Services if the amendment would increase the value by more than 5% of the initial award or extend the term by more than 60 days.

Type: One-Time Amendment or Change Order

Section II - Proposed Term

☐ One-Time Purchase ☒ Term Contract

Estimated Contract Begin Date: Jul 1, 2026

Estimated Contract End Date: 6/30/2027

Number of Potential Renewals:

Length of Each Renewal in Months:

Total Value of All Renewals:

If a Term Contract, does the term, including renewals, exceed 12 months? ☒ Yes ☐ No

If yes, provide a detailed justification including any economic benefit received for agreeing to a multi-year term:

Section III - Funding Source

Select the type of funding to be used (Check all that apply): ☐ State Appropriate Funds ☐ Federal Funds ☐ Other (Explain):

Section IV - Sole Source Justification

This purchase is economically only available from a single source **primarily** because it is: (If "Other" explain in one sentence)

Items are Copyrighted or Patented and the Items are Only Available from the Holder

Are there secondary justification(s) for this sole source? ☐ Yes ☐ No

Section V - Purchase History

Has the Agency or University Purchased these supplies or services in the past? ☐ Yes ☐ No

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Section VI - Business Rationale

1. Provide a detailed explanation of the need for the supplies or services:

ILSOS has 50 plus mission critical systems which provide support and services for life, safety, health and protection of it's customers which are supported by IBM Mainframe hardware, software and the corresponding distributed system software and hardware. These critical systems have been developed over the course of many decades to provide support to ILSOS staff and to millions of citizens of Illinois. The IBM zOS operating system and other software to be included in this ELA are used to run the mainframe computers and distributed systems are the backbone of the ILSOS IT infrastructure. Other IBM products included in the proposed ELA have enabled our office to extend many applications to the citizens of Illinois via the Internet and web applications to make services more convenient, faster and easier to utilize. The maintenance and support provided by the proposed ELA is required for defect protection (safeguard against software defects), security protection and version or release protection to keep the systems current and secure.

The ELA allows the state to obtain maintenance and support, and release protection for IBM products currently installed, and to expand the usage of products at a lower price compared to purchasing them separately outside of an ELA agreement.

2. Provide a list and describe in detail the specifications required to satisfy the need:

ILSOS needs to maintain a contract to acquire maintenance, support, release protection, and additional licenses for the ILSOS IBM mainframe(s) and distributed computing software products.

This allows for the purchase of IBM Mainframe and IBM Passport (distributed) software family of products. There is no comprehensive list of items for the IBM ELA due to the volume of items, and the ongoing changes from IBM. The categories listed below come from the IBM website: "https://www.ibm.com/products?lnk=hpmps_buall&lnk2=link" Each one of these categories might have anywhere up to 600 separate items per category. These product families are directly related to ILSOS enterprise IT systems: DB2, Enterprise Content Management, Websphere, CICS, z/OS,z/VM, RedHat, Power Equipment, CloudPaks, and many more

Technologies:

Automation

Data Analytics

Cloud computing

IT infrastructure

IT management

Mobile technology

Security Management

Application development

Business needs:

Business operations

Collaboration

Commerce

Content management

Finance

Human resources

Marketing and Sales

Supply Chain Management

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3. Provide detail explaining the justification selected in Section IV to explain why the requested supplies or services are the only ones available that can satisfy the agency or university requirements?

The IBM operating system and associated software, provided through the proposed ELA, are essential to the ILSOS mainframe environment and distributed infrastructure, which underpins hundreds of custom-developed applications. This complex computing environment relies entirely on IBM software, hardware, maintenance and resources, as there are no viable alternatives. IBM owns these products, and while some are marketed by authorized vendors, the ELA bundles both mainframe and other offerings.

The IBM operating system and software covered by the proposed ELA are critical to the State of Illinois' computing platform, serving as the backbone of its mainframe and distributed systems. Hundreds of tailor-made applications are built upon this IBM software and utilized on a 24/7/365 basis by the ILSOS customer base. This makes the ILSOS current computing platform entirely reliant on IBM resources. Supporting this intricate and extensive computer services environment without IBM software is not possible. IBM retains ownership of these products, and although some can be acquired through authorized channels, the ELA packages both mainframe and other products together. This bundling strategy results in a larger discount, offering a more cost-effective approach for the State of Illinois, and IBM is the exclusive provider of ELAs for their products.

4. What are the unique features of the supplies or services that are not available in any other product or by any other vendor? Provide specific quantifiable factors/qualifications:

IBM owns all products that are part of the ELA. Any vendor who wants to resell IBM products or maintenance or support must first be authorized by IBM. In order for those vendors to make a profit, they must markup the cost of the maintenance or support. IBM offers these products at a discounted price and excludes any vendor markup. All products, maintenance and support bought from the resellers are still provided by IBM. IBM does not authorize resellers for any of the mainframe products included in the proposed ELA and only IBM can offer a bundled package with corresponding discounts. Products in this procurement have been used for many years to develop mission critical applications at all Agencies that are critical to life safety, human services, child care and more.

5. Has the Agency or University considered alternative supplies or services to satisfy their need? ☐ Yes ☒ No

5a. If no, why weren't alternatives evaluated?

Given the Secretary of State's extensive use of the IBM Mainframe for over 40 years and the fact that all applications and software developed during this period operate on this platform and most are proprietary to ILSOS, there are no readily available competing suppliers or services. The IBM platform is essential for supporting critical applications related to life safety, health, driver and vehicle services, as well as business services. . Consequently, ILSOS is pursuing this contract to ensure the continued availability of essential software, maintenance, and support for existing functionality and services, as well as the ability to procure licensing and various required components to facilitate modernization and security profiles. Replacing these established mainframe and server applications, which were developed for various business requirements and needs and to support crucial business rules and workflows, is not a practical alternative at this time. Replacement would necessitate a substantial investment in researching both the application code and the workflows supported by these applications across numerous workflows and processes and developing or purchasing replacement products and customizing them to fit our unique requirements.

6. Are there resellers or distributors?

☐ Yes ☒ No ☐ N/A

7. What efforts were made to get the best possible price (i.e. did the agency/university negotiate) and how did you determine the price for this purchase is considered fair and reasonable?

The proposed contract with IBM, specifically the Enterprise License Agreement (ELA), is crucial for maximizing cost savings for ILSOS. By bundling mainframe and distributed software components, the ELA enables volume discounts beyond standard entitled pricing off MSRP. Application teams utilizing the products carefully assess their licensing needs for both current operations and future projects. The consistent usage of mainframe capacity, as indicated by Monthly License Charge (MLC) history, makes retaining these usage discounts economically advantageous. The IBM ELA has a proven track record of over 40 years as the most cost-effective means for ILSOS to acquire IBM software products, including all licensing types, maintenance, and support. The bundled approach, encompassing all mainframe software components (MLC, OTC), distributed software (Passport), and new software licensing, is essential for achieving these discounted prices. Without bundling, the State would not receive discounts on Mainframe MLC.

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8. Will this purchase obligate the State to this vendor for future purchases such as maintenance, licensing or continuing need?

☐ Yes ☒ No

9. What will be the financial or other impact to the State if this sole source is not approved and a competitive bid is required?

Transitioning to a new software product or solution is not an economically feasible option for the ILSOS . There is no alternative option in the foreseeable future as it would take ILSOS several years and cost millions of dollars to move to any other platform. ILSOS must continue to pursue ELAs with IBM to achieve the lowest possible purchase prices for the software, maintenance, and operating cost.

IBM is the sole provider of licenses, maintenance and support for the mainframe usage and licensed products. IBM does not authorize resellers for any mainframe products and only IBM offers a bundled package discount through the ELA. If the IBM ELA is not used it is expected that the costs will be much higher as the additional discounts ILSOS realizes from the ELA will not be available from resellers or distributors

10. Is there any additional information you would like to add to justify this sole source?

Changer order amount \$444,735.46

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Section VII

Requesting Department Signature Required

I know and understand the contents of this Sole Source Justification and attest that all statements are true and correct and the fairness and reasonableness of the price was adequately confirmed.

Requesting Department Representative

Phone Number

217-557-6480

Date

Printed Name

Brooklynn Doering

E-mail Address

bdoering@ilsos.gov

State Agency Bureau/Division Head or University Purchasing Director Approval and Signature Required

I know and understand the contents of this Sole Source Justification and attest that all statements are true and correct and the fairness and reasonableness of the price was adequately confirmed. (All prior form fields will lock once this e-signature is completed)

Agency Bureau/Division Head or University
Purchasing Director and Not a Designee

Dave Littrell

Digitally signed by Dave
Littrell
Date: 2026.07.15 10:54:41
-05'00'

Phone Number

217-782-3091

Date

Jul 15, 2026

Printed Name

Dave Littrell

E-mail Address

dlittrell@ilsos.gov

SPO Approval and Signature Required

☒ I have reviewed and understand the contents of this Sole Source Justification and agree with the State Agency or University determination.

☐ I have reviewed and understand the contents of this Sole Source Justification and do not agree with the State Agency or University determination. As a result, the State Agency or University must explore other sourcing methods to satisfy their need.

State Purchasing Officer Signature

Phone Number

217-782-8892

Date

Printed Name

Katherine Tople

E-mail Address

ktople@ilsos.gov

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Sole Source Justification Form - Part II

Section I - General Information

Project Title

IBM ELA

Vendor

International Business Machines

Initial Date of Procurement Bulletin Posting

Jul 15, 2026

Was a Sole Source hearing held per 30 ILCS 500/20-25?

☐ Yes - Complete Section II and III below (Section II will only be visible when this option is selected)

☐ No - Section II not required, go to Section III below

Section III - CPO Approval and Signature Required

☐ Based on my review, I authorize the Agency/University to proceed in accordance with the published Notice referenced above.

☐ Based upon my review, I authorize the Agency/University to proceed with the following Changes.

☐ Based on my review, the Agency/University is not authorized to proceed with this sole source as presented and my recommendation is that it be cancelled.

☐ Other

CPO Signature

CPO Phone

217-782-8892

Printed Name

Katherine Tople

Date

CPO E-mail

ktople@ilsos.gov