

**Department of Management and Budget  
Acquisition Services**

**Report of Proposed Changes in Excess of \$500,000  
To Current Contracts for Computer Software Development,  
Hardware Acquisition, or Quality Assurance**

Sec. 713 of Public Act 161 of 2003

(July 20, 2004)

Questions regarding this report may be directed to Jim Konrad, 517-373-0315

July 20, 2004

**BID TABULATION AND RECOMMENDATION FOR AWARD  
DEPARTMENT OF MANAGEMENT AND BUDGET  
ACQUISITION SERVICES**

**CONTRACT DESCRIPTION:** 071B3001403 - Prequalified IT Devices for Business Requirements/Needs Assessment/System Design/Quality Assurance - Department of Information Technology

**CONTRACT PERIOD - BASE YEAR(S):** 9/1/03 through 9/1/05 (2 Years)

- **OPTION 1** N/A
- **OPTION 2** N/A
- **OPTION 3** N/A

**CONTRACTOR:** EDS, Lansing, MI **INCREASE**  
\$4,000,000.00

- **Check if a Michigan-based Business**

- **Check if AS1 received by Acquisition Services and reviewed by DMB**

- **Check if request is to extend contract (no option in base contract) - Time period of extension:** N/A

- **Check if extension request is beyond option year(s) - Time period of extension:** N/A

**PURCHASE JUSTIFICATION:**

**Description of Product Service Requested:** The State of Michigan has established the Master vendor Program for professional services ordering agreements with information technology providers to assist the State in delivering business solutions and maximizing the value obtained from it's information technology investment. The State has competitively pre-qualified vendors in selected key IT categories.

**Purpose/Business Case of New Contract, Amendment, or Extension and Expected Outcomes:** The purpose of this request is to increase the funding amount for anticipated expenditures. Awards under the Master Vendor Program are available to agencies for one-time purchases of \$1,000,000.00 or less and with the duration of 18 months or less. To date, EDS has been awarded two projects under this contract ( 084N4002736 – \$936,000.00 and 084N4002737 - \$940,000.00) as a result of the competitive solicitations amongst the pre – qualified vendors, which leaves a balance of \$124,000.00 for the duration of the contract. Because this is a new program, no empirical data was available to estimate the actual expenditures as such in order to continue with the competitive process this contract would need to have funds added to it.

**Commitment:** This is a unit price contract

**Funding Source:** 100% revolving

**Risk Assessment:** Without the added increase to this contract, the contractor would no longer be able to bid on any further MVP work statements contracts for this category.

**Cost Reduction Consideration:**

**A. Negotiated Savings:** Reductions occur at the time of the work statement submission

**B. Cost Avoidance:** N/A

**C. Total Savings:** N/A

**PRICE CLAUSE:** No changes to the not to exceed pricing will be permitted

**CS-138:** 084s3000019

**ORIGINAL CONTRACT AMOUNT:** \$2,000,000.00

**CURRENT CONTRACT AMOUNT:** \$2,000,000.00

**PROPOSED AMENDMENT INCREASE AMOUNT:** \$4,000,000.00

**PERCENTAGE OF CHANGE BETWEEN AMENDMENT AND ORIGINAL CONTRACT AMOUNT:** 200%

**PERCENTAGE OF CHANGE BETWEEN AMENDMENT AND CURRENT CONTRACT AMOUNT:** 200%

**ESTIMATED 04 FISCAL YEAR INCREASE:** \$2,000,000.00

**NEW TOTAL CONTRACT COST:** \$6,000,000.00

Check if > \$500,000 for software development, computer hardware acquisition or quality assurance?

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**INFORMATION BELOW THIS LINE FOR INTERNAL USE ONLY**

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**Buyer Signature**

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**Manager Signature**

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**Division Director Signature**

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**Acquisition Services Director Signature**