



# **Report to the Senate and House Standing Committees on Appropriations and General Government**

Required by Section 809 of Public Act 200 of 2012

Prepared for the  
Senate and House Standing Committees on  
Appropriations and General Government

Department of Technology, Management and Budget  
State Administrative Board  
October 30, 2012

Ad Board Date: 10/30/2012 (ver. 2)

**STATE ADMINISTRATIVE BOARD  
 CONTRACT CHANGE RECOMMENDATION  
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET  
 PROCUREMENT**

AGENCY SUBMITTAL   
 DTMB PROCUREMENT SUBMITTAL

**CONTRACT DESCRIPTION:** 071B9200192; Additional funds for the Michigan Master Computing Contract; Department of Technology, Management and Budget for the State Enterprise

**CHANGE NOTICE NUMBER:** 6

<b>CONTRACTOR:</b>	<b>MICHIGAN BUSINESS</b>	<b>INCREASE</b>
EDS, an HP Company, Lansing MI	<input checked="" type="checkbox"/>	\$60,000,000.00

- Check if request is to exercise Contract option(s).  
Requested time period:
- Check if request is to extend Contract (no option in base).  
Time period of extension:
- Check if extension is beyond Contract option year(s).  
Time period of extension:
- Check if MiDEAL contract.

**ORIGINAL CONTRACT:** Term: 4/10/2009 - 4/9/2014  
 Value: \$210,000,000.00  
 # of Base Years: five

**CURRENT CONTRACT VALUE:** \$210,000,000.00

**NEW TOTAL CONTRACT VALUE:** \$270,000,000.00

**PREVIOUS OPTION YEARS/EXTENSIONS:**

	<b>PERIOD</b> (Option/Extension start date - end date and state length in years)	<b>SAB APPROVAL DATE</b>	<b>\$ Value</b>
<input type="checkbox"/> Option 1 CN #			
<input type="checkbox"/> Extension CN #			
		<b>Total</b>	<b>0</b>

**PREVIOUS CHANGES NOT LISTED ABOVE IN THE OPTIONS/EXTENSIONS TABLE:**

	<b>TYPE OF CHANGE:</b>	<b>SAB APPROVAL DATE</b> (if applicable)	<b>VALUE OF CHANGE:</b>
<b>First CN</b>	Contractor's name change		\$0.00
Second CN	Addition of ARRA terms & conditions		\$0.00
Third CN	Contractor Contact phone number updated		\$0.00
Fourth CN	Contract Compliance Inspector updated		\$0.00
<b>Last CN</b>	Buyer updated; Kiosk equipment revised		\$0.00

**Total number of processed changes to time, scope, and/or dollars: 0**

<b>FUNDING SOURCE:</b>	<b>PERCENTAGE</b>	<b>COMMENTS</b>
IT Revolving	100%	Varies by agency source

**ESTIMATED INCREASE DETAILED BY FISCAL YEAR(S):**

<b>FY</b>	<b>Dollar Amount</b>
2013	\$45,000,000.00
2014	\$15,000,000.00

**PURCHASE JUSTIFICATION:**

**Description of Product/Service Modification Requested and Process**

**Explanation:** To add funds to the Contract for IT infrastructure purchases, including Personal Computers and peripherals, Servers and peripherals, Server Racks, Microsoft and other strategic software, software maintenance, and limited installation and implementation services.

**Purpose/Business Case of Amendment or Extension, and Expected Outcomes:**

This is a request for additional funding for IT infrastructure purchases over the remainder of the Contract's term. DTMB anticipates using this time to bid and award a new contract to provide the services. The original Contract value was based on a forecast made in 2008, which was based on the previous contract's historical purchase volumes, and did not include the Microsoft Enterprise Agreement executed in June 2012. Since system refreshes under the previous administration were deferred due to budget considerations, the Contract's actual purchase volumes have exceeded the forecast value.

**Risk Assessment:** Failure to fund this Contract would result in a lapse in software

maintenance support for many critical applications. Maintenance for the majority of servers owned by the state would end, many software licenses would expire, and the purchasing of critical commodities such as personal computers and servers would not be able to continue until new contracts were bid and awarded, which would result in slower delivery timeframes and in DTMB becoming unable to provide IT services to State agencies.

**PRICE CLAUSE:** Firm fixed, not to exceed

**CS-138 #:** Nonjuris; pre-authorized by agency

**COST REDUCTION/SAVINGS CONSIDERATIONS:**

DTMB anticipates an opportunity for cost savings as part of a future RFP under development.

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

**RECOVERY ACT FUNDS**

<b>Percent of Total</b>	<b>%</b>	<b>Amount</b>	<b>\$</b>
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**AGENCY APPROVALS**

	Return Information:
Authorized Agency Representative (printed)	Contact Name:
	ID Mail:
	Phone No.:
Authorized Agency Representative Signature	e-Mail:

**PURCHASING APPROVALS**

**A copy of the signed bid tab is on file in the  
State Administrative Board files**

\_\_\_\_\_  
Reid Sisson, Buyer Signature

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Greg Faremouth, IT Division Director Signature

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Jeff Brownlee  
Chief Procurement Officer  
DTMB-Procurement