DEPARTMENT OF

Management & Budget

REPORT OF PROPOSED CHANGES IN EXCESS OF $500,000 TO CURRENT CONTRACTS FOR COMPUTER SOFTWARE DEVELOPMENT, HARDWARE ACQUISITION, OR QUALITY ASSURANCE

Prepared for
The Michigan Legislature

December 2, 2008

Prepared for
The Michigan Legislature

By
The Department of Management and Budget
Purchasing Operations

In accordance with
Sec. 710 of Public Act 261 of 2008

Questions regarding this report may be directed
to Greg Faremouth, (517) 241-1646

Updated 8/15/07 Ad Board Date: 9/4/07/2007 (ver. 01)

STATE ADMINISTRATIVE BOARD
CONTRACT/GRANT CHANGE RECOMMENDATION
DEPARTMENT OF MANAGEMENT AND BUDGET
PURCHASING OPERATIONS

AGENCY SUBMITTAL ☐
DMB PURCHASING SUBMITTAL ☒

CONTRACT/GRANT DESCRIPTION: 071B6200168; Modification requested for Medicaid Management Information System; Department of Information Technology for Department of Community Health

CONTRACTOR:	**MICHIGAN BUSINESS**	**INCREASE**
Client Network Services, Inc., Rockville, MD	☐	$15,842,909.00

☒ **Check if signed Purchase Request form has been received by Purchasing Operations and reviewed by DMB, or posted on the DMB Intranet in agency's pre-approved contract list.**

☐ **Check if Grant Request has been reviewed by Budget Office, or included on pre-approved grant inventory.**

☐ **Check if request is to exercise Contract/Grant option(s).**
Requested time period:

☐ **Check if request is to extend Contract/Grant (no option in base).**
Time period of extension:

☐ **Check if extension is beyond Contract/Grant option year(s).**
Time period of extension:

☐ **Check if request is for a MiDEAL contract.**

ORIGINAL CONTRACT/GRANT: Term: 3/14/2006 - 9/30/2011 **Value:** $51,500,000.00
# of Base Years: 5 years 6 1/2 months

CURRENT CONTRACT VALUE: $51,500,000.00

NEW TOTAL CONTRACT VALUE: $67,342,909.00

PREVIOUS OPTION YEARS:

	PERIOD (Years)	**SAB APPROVAL DATE**	**$ Value**
☐ Option 1 CN #			
☐ Option 2 CN #			
☐ Option 3 CN #			
		Total	**$0.00**

PREVIOUS EXTENSIONS: NONE

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

FIRST AND LAST CHANGE NOTICES:

	TYPE OF CHANGE:	SAB APPROVAL DATE (if applicable)	VALUE OF CHANGE:	DATE CCN PROCESSED
First CN	To allow DIT access to the contract		$0.00	8/1/2006
Last CN	To correct the name on the contract		$0.00	10/4/2006

FUNDING SOURCE:	PERCENTAGE	COMMENTS
Federal Fund	90%	Title XIX approved by the Centers for Medicare and Medicaid Services
General Fund	10%	

ESTIMATED INCREASE DETAILED BY FISCAL YEAR(S):

FY	Dollar Amount
2007	$ 5,112,224.00
2008	$10,730,685.00

PURCHASE JUSTIFICATION:

Description of Product/Service Modification Requested and Process Explanation: Development, design and implementation services for the replacement Medicaid Management Information System. Includes the purchase of equipment and software.

Purpose/Business Case of Amendment or Extension, and Expected Outcomes: The purpose of the amendment is to add scope and funds to the project per the extensive requirements sessions that were held to confirm the design and development of this complex information system for the $8 Billion Medicaid program. Additional hardware and software is required for completion of the project and additional system testing will be required to reduce the risks. The Center for Medicare/Medicaid Services has approved the amendment scope and costs. This federal agency funds 90% of the costs for this new Michigan Medicaid Information System.

Risk Assessment: The State would not be able to implement a certifiable Medicaid claims processing system and would not be eligible for enhanced federal funding (90%).

PRICE CLAUSE: Firm-Fixed Price

CS-138 #: 084S3000018

COST REDUCTION/SAVINGS CONSIDERATIONS:

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

PURCHASING APPROVALS

Joann Klaskor Signature

Manager Signature

Greg Faremouth
Division Director Signature

Elise A. Lancaster
Purchasing Operations Director

B. Craig Orr
Senior Deputy Director

AGENCY APPROVALS

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

SPECIAL APPROVALS
(as required)

Budget Office Representative (Printed)

Budget Office Representative Signature