



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

Required by Section 809 of Public Act 59 of 2013

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

Department of Technology, Management and Budget  
State Administrative Board  
1-14-2014

Ad Board Date: 3/11/2014 (ver.1)

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

- AGENCY SUBMITTAL**  Statutory Authority per MCL \_\_\_\_\_ (state MCL Section #)  
 Standard Delegation via Ad Guide \_\_\_\_\_ (state Ad Guide #)  
 Special Delegation letter (submit with bid tab)  
 Purchasing Alliance Approval Form (submit with bid tab)

**DTMB PROCUREMENT SUBMITTAL**

**CONTRACT DESCRIPTION:** 071B0200245; Oracle Software and Support; Department of Technology, Management and Budget

**CHANGE NOTICE NUMBER:** 8

**CONTRACTOR:** Oracle America, Inc.; Redwood Shores, CA  
**MICHIGAN BUSINESS:**   
**INCREASE:** \$15,000,000.00

Check if request is to exercise Contract option(s).  
 Requested time period and length: \_\_\_\_\_

Check if request is to extend Contract (no option in base).  
 Time period of extension and length: \_\_\_\_\_

Check if extension is beyond Contract option year(s).  
 Time period of extension and length: \_\_\_\_\_

Check if this is an Extended Purchasing Contract

**ORIGINAL CONTRACT: # of Base Years:** 1 **Beginning Value:** \$9,622,377.27

**Start Date and End Date:** 7/12/2010 through 1/31/2011

**CURRENT CONTRACT VALUE:** \$62,236,979.05

**NEW TOTAL CONTRACT VALUE:** \$77,236,979.05

**PREVIOUS OPTION YEARS/EXTENSIONS:**

	<b>PERIOD:</b> (Option/Extension start date – end date and state length)	<b>SAB APPROVAL DATE:</b>	<b>\$ VALUE:</b>
<input checked="" type="checkbox"/> Option 1 CN #2	1/31/2012 - 1/31/2014 (two years)	2/1/2012	35,000,000.00
<input checked="" type="checkbox"/> Option 2 CN #4	1/31/2014 - 1/31/2016 (two-years)	11/20/2012	\$3,176,315.05
<input type="checkbox"/> Option 3 CN #			
<input type="checkbox"/> Extension CN #			
		<b>TOTAL</b>	<b>\$38,176,315.05</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>	Addition of spending authority	11/16/2010	\$2,000,000.00
<b>Last CN</b>	Exercised 6 months of the pre-approved two year time period.	N/A	\$0.00

**Total number of processed changes to time, scope, and/or dollars: 8**

<b>FUNDING SOURCE:</b>	<b>PERCENTAGE:</b>	<b>Indicate RESTRICTED FUND name or COMMENTS:</b>
Other	<b>100</b>	<b>IT Revolving Funds (Varies by Agency)</b>

**SHOW THE BREAKDOWN OF THIS INCREASE BY FISCAL YEAR(S):**

<b>FY:</b>	<b>DOLLAR AMOUNT:</b>
14	\$15,000,000.00

**PURCHASE JUSTIFICATION:**

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

This amendment is to add funds to the Contract for Oracle Software and Support for the Department of Technology, Management and Budget (DTMB).

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

This is a request for additional funding for IT software and related services over the remainder of the Contract's term. DTMB is in the process of using the time remaining and award a new contract to provide the services per RFP 0071141114B0000826. This amendment is allowed under the current contract language.

**Risk Assessment:**

Oracle software is used to support the IT and business functions of 14 State agencies, including such public and mission-critical software applications as Medicaid, Web Portal, Gaming Control and Lottery, State Finance and Accounting, Child Support Enforcement, IT Inventory, Voter Registration, Michigan Business Tax, and Unemployment Insurance. DTMB requires proprietary software maintenance for all such mission-critical systems, to provide security and bug patches, software updates, and troubleshooting. Failure to provide Oracle Software Support would leave these systems at risk for security breaches and failures.

**PRICE CLAUSE FROM CONTRACT:** Discount off list price

**CS-138 # PROVIDED FOR SERVICES:** Nonjuris

**COST REDUCTION/SAVINGS CONSIDERATIONS:** N/A

**FOR IT CONTRACTS ONLY - Check box if adding more than \$500,000.00 for software development, computer hardware acquisition or quality assurance.**

**RECOVERY ACT FUNDS:**

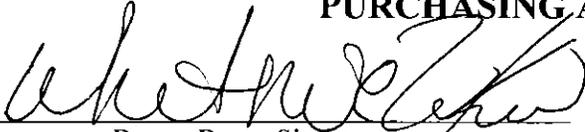
<b>Percent of Total</b>	<b>0%</b>	<b>Amount</b>	<b>\$0.00</b>
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**AGENCY APPROVALS**

Authorized Agency Representative (printed)
Authorized Agency Representative Signature

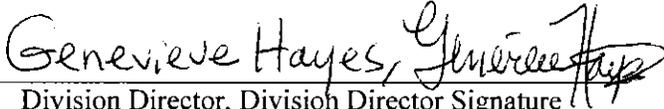
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Contact Name:
ID Mail:
Phone No.:
e-Mail:

**PURCHASING APPROVALS**

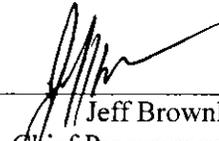


Buyer, Buyer Signature

Manager, Manager Signature



Division Director, Division Director Signature



Jeff Brownlee  
Chief Procurement Officer  
DTMB-Procurement

# FY14 IT Fund Sources - Ad Board

## Appropriated Fund Sources

<u>Agency</u>	<u>D23 Fund Sources</u>
<b>Agriculture</b>	IDG from LARA, liquor quality testing fees Agricultural preservation fund Agriculture equine industry development fund Freshwater protection fund Gasoline inspection testing fund Licensing and inspection fees Nonretail liquor fees GF/GP
<b>Attorney General</b>	GF/GP
<b>Civil Rights</b>	GF/GP Federal Funds
<b>Civil Service</b>	Federal Funds 1% State Restricted Funds 1% IDG, HR Optimization user charges State Sponsored Group Insurance GF/GP
<b>Community Health</b>	Federal Revenue State Restricted GF/GP
<b>Corrections</b>	Corrections industries revolving parole/probation oversight fees GF/GP
<b>Education</b>	Federal revenues Federal indirect funds Certification fees Local cost sharing (schools for deaf/blind) GF/GP
<b>Environmental Quality</b>	IDG, MDSP IDG, Michigan Transportation Fund IDT, laboratory services Federal funds Air emission fees Campground fund Cleanup and redevelopment fund Electronic waste recycling fund Environmental pollution prevention fund Environmental protection fund Environmental response fund Fees and collection Groundwater discharge permit fees Hazardous materials transp permit fund Land and water permit fees Medical waste emergency response fund Metallic mining surveillance fee revenue Mineral well regulatory fee revenue NPDES fees Oil and gas regulatory fund Orphan well fund Public swimming pool fund

# FY14 IT Fund Sources - Ad Board

## Appropriated Fund Sources

<u>Agency</u>	<u>D23 Fund Sources</u>
	Public utility assessments
	Public water supply fees
	Refined petroleum fund
	Sand extraction fee revenue
	Scrap tire regulatory
	Septage waste program fund
	Sewage sludge land application fee
	Small business pollution prevention rev
	Soil erosion & sedimentation control
	Solid waste management fund staff
	Stormwater permit fees
	Waste reduction fee revenue
	Wastewater operator training fees
	Water analysis fees
	Water pollution control revolving fund
	Water use reporting fees
	GF/GP
<b>Human Services</b>	IDG - MDE
	Total federal revenues
	GF/GP
<b>Gaming Control Board</b>	State Services Fee Fund
	Ag. Equine industry development fund
<b>DIFS</b>	Bank fees
	Consumer finance fees
	Credit union fees
	Deferred presentment service transaction fees
	Insurance bureau fund
	Insurance continuing education fees
	Insurance licensing and regulation fees
	MBLSLA fund
<b>DLARA</b>	DOL, multiple grants for safety and health
	DOL-ETA, unemployment insurance
	Federal revenues
	Title XVIII Medicare
	Title XIX Medicaid, facility certification fees
	Aboveground storage tank fees
	Boiler fee revenue
	Construction code fund
	Corporation fees
	Elevator fees
	Fees and collections/asbestos
	Fire service fees
	Health professions regulatory fund
	Health systems fees
	Licensing and regulation fees
	Liquor purchase revolving fund
	Mobile home code fund
	Motor carrier fees
	Pain management fees
	Public utility assessments
	Radiological health fees
	Safety education and training fund
	Second injury fund

# FY14 IT Fund Sources - Ad Board

## Appropriated Fund Sources

<u>Agency</u>	<u>D23 Fund Sources</u>
	Tax tribunal fund Underground storage tank fees GF/GP
<b>Lottery</b>	State Lottery Fund
<b>DTMB</b>	State Restricted Indirect Funds IDG-Bldg Occupp& Parking IDG from User Fees Federal Funds Deferred Compensation Health Management Funds MAIN User Charges Pension Trust Fund Special Revenue,Internal Svc,& Pension Trust Funds GF/GP
<b>DMVA</b>	DOD-DOA-NGB DVA-VHA HHS-HCFA,Medicare Income and assessments GF/GP
<b>DNR</b>	Commercial forest Forest Development Fund Forestland user charges Forest recreation fund Game and fish protection fund Game and fish protection fund - deer habitat reserve Game and fish protection fund - turkey permit fees Game and fish protection fund - waterfowl fees Game and fish - wildlife resource protection fund Game and fish - youth hunting & fishing/outreach Land exchange facilitation fund Marine Safety fund Mi Natural Resources Trust Fund Mi state parks endowment fund Michigan state waterways fund Michigan trailways fund Nongame wildlife fund ORV safety education fund ORV -Trail Park improvement fund Recreation improvement fund Snowmobile registration fee revenue Snowmobile trail improvement Sportsmen against hunger fund GF/GP
<b>State</b>	Administrative Order Processing Fee Auto Repair Facilities Fees Child Support Clearance Fees Driver Fees Expedient Service Fees Parking Ticket Court Fines PID Card Fees Reinstatement Fees - Operator Lic Transportation Administraion Collection Fund

# FY14 IT Fund Sources - Ad Board

## Appropriated Fund Sources

### Agency

### D23 Fund Sources

Vehicle Theft Prevention Fees  
GF-GP

### **MSP**

IDG, training academy charges  
IDG MDOC contract  
IDG-MDOS  
IDG-MDOT, state trunkline fund  
IDG-MDTR, casino fees  
IDG-MDTR, emergency telephone fund coordinator  
IDG-MDTR, emergency telephone fund operations  
IDT - truck safety fund  
DOJ  
DOT  
DHS  
Auto theft prevention fund  
CJIC service fees  
Drunk driving prevention and training fund  
Forensic Science Reimbursement Fees  
Motor carrier fees  
Hazardous materials training fund  
Highway Safety Fund  
Michigan merit award trust fund  
Michigan justice training fund  
Nuclear power plant reimbursement fees  
Secondary road patrol and training fund  
State forensic lab fund  
State services fee fund  
Reimbursed services  
Sex Offender Registry Fund  
Traffic crash revenue  
Traffic law enforcement and safety fund  
Local - AFIS fees  
Local - LEIN fees  
Local - school bus revenues  
Local - MPSCS subscriber and maintenance fees  
GF/GP

### **MDOT**

DOT-FHWA, Highway research,  
planning & construction  
Blue Water Bridge Fund  
Comprehensive Transp Fund  
Economic Developmt Fund  
Michigan Transportation Fund  
State Aeronautics Fund  
State Trunkline Fund

### **Treasury**

IDG, Mich. Transportation Funds  
DED-OPSE, Insured Loans  
Delinquent Tax Collection Rev.  
Tobacco Tax Revenue  
Retirement Funds  
GF/GP

### **MSHDA**

MSHDA fees and charges

### **MEDC**

HHS, TANF  
Federal Revenues  
Land bank fast tract fund