



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

Required by Section 809 of Public Act 252 of 2014

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

Department of Technology, Management and Budget  
State Administrative Board

**03-31-2015**

Ad Board Date: March 31, 2015 (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:** Contract # 071B9200192; Second Option Year Extension and Additional Funding for the Michigan Master Computing Contract; DTMB Statewide.

**CHANGE NOTICE NUMBER:** 9

**CONTRACTOR:** EDS, An HP Company; Lansing, MI  
**MICHIGAN BUSINESS:**   
**INCREASE:** \$80,000,000.00

**Check if request is to exercise Contract option(s).**  
 Requested time period and length: 4/10/2015 through 4/9/2016 (1 year)

**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:** 5 **Beginning Value:** \$210,000,000.00

**Start Date and End Date:** 4/10/2009 through 4/9/2014

**CURRENT CONTRACT VALUE:** \$360,000,000.00

**NEW TOTAL CONTRACT VALUE:** \$440,000,000.00

**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 # 7	4/10/2014 through 4/9/2015 (1 yr)	9/13/2013	\$90,000,000.00
<input type="checkbox"/> Option 2 CN #			
<input type="checkbox"/> Option 3 CN #			
<input type="checkbox"/> Extension CN #			
		<b>TOTAL</b>	<b>\$90,000,000.00</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>	Company Name Change	Not Applicable	\$ 0
<b>Last CN</b>	Services for MDOC Microsoft CRM Project	Not Applicable	\$ 0

**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>
IT Revolving	100%	Varies by Agency Purchase

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

<b>FY:</b>	<b>DOLLAR AMOUNT:</b>
2015	\$40,000,000.00
2016	\$40,000,000.00

**PURCHASE JUSTIFICATION:**

**Description of Product/Service Modification Requested and Process Explanation:** This contract is to provide personal computers, servers, racking infrastructure, software, associated hardware and software maintenance, and limited installation, integration, and implementation services to support these products. This request will exercise the Contract's second option period and add funds to cover the contract option term.

**Purpose/Business Case of Amendment or Extension, and Expected Outcomes:** This option year will allow the State to continue to update and support its computing technology infrastructure while the overall technology infrastructure procurement strategy is developed and executed to replace this Contract. This amendment is allowed in the current contract language.

**Risk Assessment:** Failure to exercise this contract option would result in a lapse in software maintenance support for many critical applications. Maintenance support for the majority of servers owned by the State would end, many software licenses would expire, and the purchasing of critical commodities would not be able to continue. Agencies would have to purchase personal computers and other hardware and software from other sources, which would be more costly, and would provide slower delivery timeframes.

**PRICE CLAUSE FROM CONTRACT:** Firm fixed discount; not-to-exceed rates

**CS-138 # PROVIDED FOR SERVICES:** Nonjuris; preauthorized by agency.

**COST REDUCTION/SAVINGS CONSIDERATIONS:** Maintaining negotiated discount on Microsoft Enterprise Agreement for an estimated annual savings of \$350,000.00.

**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:**

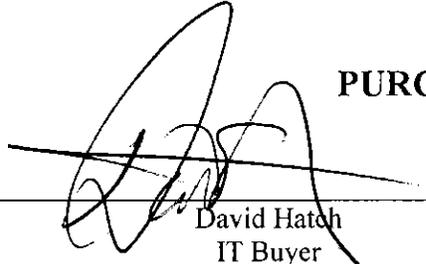
Percent of Total	%	Amount	\$
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**AGENCY APPROVALS**

Authorized Agency Representative (printed)
Authorized Agency Representative Signature

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

**PURCHASING APPROVALS**

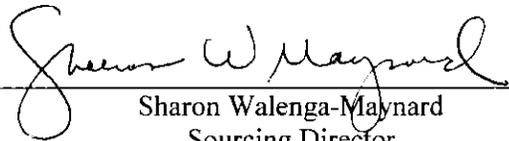


David Hatch  
IT Buyer  
DTMB-Procurement

\_\_\_\_\_  
Manager, Manager Signature



William Pemble  
IT Division Director  
DTMB-Procurement



Sharon Walenga-Maynard  
Sourcing Director  
DTMB-Procurement

# FY15 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 EEOC, state and local antidiscrimination agency contacts
<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 Private Revenue State Restricted GF/GP
<b>Corrections</b>	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 response fund Fees and collection Great Lakes protection fund Groundwater discharge permit fees Land and water permit fees Medical waste emergency response fund Metallic mining surveillance fee revenue Mineral well regulatory fee revenue Nonferrous metallic mineral surveillance NPDES fees Oil and gas regulatory fund Orphan well fund Public swimming pool fund

# FY15 IT Fund Sources - Ad Board

## Appropriated Fund Sources

### Agency

### D23 Fund Sources

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

### **Human Services**

IDG from department of education  
Social security act, TANF  
Total other federal revenues  
GF/GP

### **Gaming Control Board**

State Services Fee Fund  
Ag. Equine industry development fund

### **DIFS**

Bank fees  
Consumer finance fees  
Credit union fees  
Deferred presentment service trans fees  
Insurance bureau fund  
Insurance continuing education fees  
Insurance licensing & regulatory fees  
MBLSLA fund

### **DLARA**

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 inspection fund  
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  
Michigan medical marijuana fund  
Mobile home code fund  
Motor carrier fees  
Pain management fees  
Public utility assessments  
Radiological health fees

# FY15 IT Fund Sources - Ad Board

## Appropriated Fund Sources

<u>Agency</u>	<u>D23 Fund Sources</u>
	Safety education and training fund Second injury fund Securities fees Self-insurers security fund Silicosis and dust disease fund 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, 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 Driver Fees Expedient Service Fees

# FY15 IT Fund Sources - Ad Board

## Appropriated Fund Sources

### Agency

### D23 Fund Sources

Parking Ticket Court Fines  
PID Card Fees  
Reinstatement Fees - Operator Lic  
Transportation Administraion Collection Fund  
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  
Narcotics investigation revenues  
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  
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

# FY15 IT Fund Sources - Ad Board

## Appropriated Fund Sources

Agency

D23 Fund Sources

**Strategic Fund**

Federal Revenues  
HHS, TANF  
DOL, Federal Funds  
DOL, ETA, WIA