



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

Required by Section 809 of Public Act 84 of 2015

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

Department of Technology, Management and Budget
State Administrative Board
4/1/2016 – 6/30/2016

APPROVED

Ad Board Date: 4/19/2016 (18r.2016)

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

Michigan State
Administrative Board

- 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 071B3200042; Add contingency funding for software licensing and future enhancements related to the LARA implementation; DTMB on behalf of LARA.

CHANGE NOTICE NUMBER: 13

CONTRACTOR:
Accela, Inc.; San Ramon, CA

**MICHIGAN
BUSINESS:**

INCREASE:
\$5,195,000.00

- 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: 5 **Beginning Value:** \$4,046,275.00

Start Date and End Date: 12/27/2012 through 12/26/2017

CURRENT CONTRACT VALUE: \$11,697,809.74

NEW TOTAL CONTRACT VALUE: \$16,892,809.74

PREVIOUS OPTION YEARS/EXTENSIONS:

	PERIOD: (Option/Extension start date – end date and state length)	SAB APPROVAL DATE:	S VALUE:
<input checked="" type="checkbox"/> Option 1 CN # 2	12/27/2017 through 12/26/2019	6/10/14	\$5,819,700.00
<input type="checkbox"/> Option 2 CN #			
<input type="checkbox"/> Option 3 CN #			
<input type="checkbox"/> Extension CN #			
		TOTAL	\$5,819,700.00

PREVIOUS CHANGES NOT LISTED ABOVE IN THE OPTIONS/EXTENSIONS TABLE			APPROVED
	TYPE OF CHANGE:	SAB APPROVAL DATE: (if applicable)	April 19, 2016 VALUE OF CHANGE:
First CN	Shifted from state-hosted to vendor-hosted	N/A	\$395,840.00
Last CN	Restructure LARA BCC Phase 2: Add Phase 2A SOW	N/A	\$0

Michigan State Administrative Board

Total number of processed changes to time, scope, and/or dollars: 6

FUNDING SOURCE:	PERCENTAGE:	Indicate RESTRICTED FUND name or COMMENTS:
State Restricted Funds	6%	Motor Carrier Fee Funds (MSP)
State Restricted Funds	7%	Construction Code Fund (LARA)
State Restricted Funds	3%	Fire Service Fees (LARA)
State Restricted Funds	1%	Health System Fees (LARA)
State Restricted Funds	47%	Health Profession Regulatory Fund (LARA)
State Restricted Funds	21%	Licensing & Regulation Fees (LARA)
State Restricted Funds	15%	Corp Fees (LARA)

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

FY:	DOLLAR AMOUNT:
2016	1,470,000
2017	1,575,000
2018	1,575,000
2019	575,000

PURCHASE JUSTIFICATION:

Description of Product/Service Modification Requested and Process Explanation:

This request is to authorize funding for software licensing/subscription fees and for contractor services needed to modernize legacy systems used by the Licensing and Regulatory Affairs (LARA) Bureau of Professional Licensing (BPL) and the Michigan State Police (MSP) Commercial Vehicle Enforcement Division (CVED).

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

The purpose of the LARA project is to replace and modernize the technology platform that supports key business areas. LARA will extend the Accela Civic Platform to replace the existing Professional Licensing system, followed by the Corporations, Securities and Commercial Licensing, and Health Facilities Licensing. The current licensing systems support 137 license types with the associated statutory oversight, such as application, registration, inspection and enforcement. Vendor services required for the program are software subscriptions, business analysis, system design and development, integration, data conversion, construction, and report development.

The LARA project will span multiple fiscal years and will be subdivided into lower risk subprojects. This first funding request will support the first 3 years of the program. Experience gained in this timeframe will enable refinement of projected expenses to complete the remaining license types and will highlight opportunities for cost improvement. The initial funding required is estimated at:

User subscriptions and software licensing (fy17-fy19)	\$ 1,500,000
Vendor services for all Nursing and Real Estate license types (12 months effort)	1,400,000
Vendor engagement for additional 24 months:	<u>2,000,000</u>
TOTAL:	\$ 4,900,000

The purpose of the MSP project is to provide production support and enhancements prior to the system to public users. MSP has specific reporting and look-and-feel standards that must be met for systems that interact with public users. The Accela MSP-CVED system will be provided to public users on or before August 30, 2016, and related Certificate of Authority renewals will begin on October 2016. Many of these changes are needed due to the Division's 2015 transfer from LARA-MSP Carrier Division to MSP-CVED (Executive Order 2015-10). MSP will also need to procure its own software subscriptions and software licenses commencing March 1, 2017. The initial funding required is estimated at:

APPROVED
 April 19, 2016
 Michigan State
 Administrative Board

User subscriptions and software licensing, FY2017-FY2019 (estimated):	\$ 225,000
System Modifications:	40,000
Post go-live support:	<u>30,000</u>
TOTAL:	\$ 295,000

This amendment is allowed in the current contract language.

Risk Assessment:

Failure to approve funding for LARA's project would risk system failure and would not allow for mitigating existing security risks. LARA's existing licensing system, License 2000, is running on an unsupported server platform (windows 2003). LARA also no longer has a support contract with the vendor and is unable to modify the source code. Further, LARA has numerous exceptions in place in regards to security and PCI compliance that will be resolved via this upgrade. Failure to approve funding for MSP's project would risk losing access to the system by not renewing the subscriptions and would not allow MSP to comply with its public users lock-and-feel standards.

PRICE CLAUSE FROM CONTRACT: Firm-fixed

CS-138 # PROVIDED FOR SERVICES: 084S3000018, 084S8200007, and 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:

Percent of Total	%	Amount	\$
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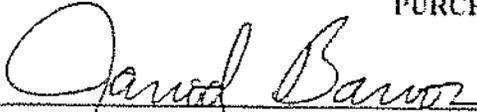
AGENCY APPROVALS

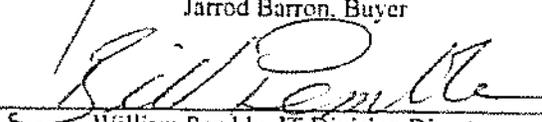
APPROVED

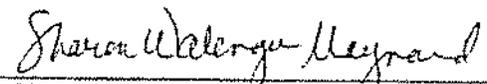
Authorized Agency Representative (printed)
Authorized Agency Representative Signature

Return Information:	April 19, 2016
Contact Name:	Michigan State
ID Mail:	Administrative Board
Phone No.:	
e-Mail:	

PURCHASING APPROVALS


 Jarrod Barron, Buyer


 William Pemble, IT Division Director


 Sharon Walenga-Maynard, Sourcing Director
 DTMB Procurement

APPROVED

Ad Board Date: May 17, 2016
 May 17, 2016 (ver. 1)

Michigan State
 Administrative Board

**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: 071B3200100; Modified Adjusted Gross Income (MAGI) and State of Michigan Hub Solution; Department of Technology, Management and Budget on behalf of Department of Health and Human Services.

CHANGE NOTICE NUMBER: 12

CONTRACTOR: CGI Technologies and Solutions Inc. Fairfax, VA
MICHIGAN BUSINESS:
INCREASE: \$7,000,000.00

- Check if request is to exercise Contract option(s).
 Requested time period and length: May 31, 2016 – May 30, 2017; 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: 3 Beginning Value: \$12,476,930.00

Start Date and End Date: 05/31/2013-05/30/2016

CURRENT CONTRACT VALUE: \$22,899,166.59

NEW TOTAL CONTRACT VALUE: \$29,899,166.59

PREVIOUS OPTION YEARS/EXTENSIONS:

	PERIOD: (Option/Extension start date – end date and state length)	SAB APPROVAL DATE:	S VALUE:
<input type="checkbox"/> Option 1 CN #	N/A	N/A	
<input type="checkbox"/> Extension CN #	N/A	N/A	
		TOTAL	\$0

APPROVED

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

	TYPE OF CHANGE:	SAB APPROVAL DATE: (if applicable)	VALUE OF CHANGE:
First CN	Utilize Reserve Bank of hours for Telecommunication infrastructure	N/A	\$0.00
Last CN	Safeguards Security Report	09/11/2014	\$120,000.00

Michigan State Administrative Board

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

FUNDING SOURCE:	PERCENTAGE:	Indicate RESTRICTED FUND name or COMMENTS:
State General Fund	15%	APD: Eligibility & Enrollment IAPDU FY16
Federal	85%	Federal Title 19 Medicaid

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

FY:	DOLLAR AMOUNT:
2016	\$ 2,333,333.33
2017	\$4,666,666.67

PURCHASE JUSTIFICATION:

Description of Product/Service Modification Requested and Process Explanation:

This change will utilize the first 1-Year Option for this Contract for the support of the Modified Adjusted Gross Income (MAGI) Eligibility Determination Service. The cost for this option includes Operations, Maintenance, and enhancements all negotiated into a fixed firm monthly rate of \$583,333.33.

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

As a result of the implementation of the Federal Patient Protection and Affordable Care Act (PPACA or ACA), the State is required to apply new rules to determine Medicaid eligibility, specifically through use of Federal data sources to verify individual provided information and the use of Modified Adjusted Gross Income (MAGI).

The continuous adjustment to the Medicaid eligibility rules ensures continued Federal funding as well as the accurate distribution of Medicaid benefits to State of Michigan citizens.

This amendment is allowed in the current contract language.

Risk Assessment:

This amendment is necessary for the State to continue to implement Michigan specific Medicaid Eligibility enrollment functionality.

PRICE CLAUSE FROM CONTRACT: Firm-Fixed Pricing

CS-138 # PROVIDED FOR SERVICES: 084S3000018

COST REDUCTION/SAVINGS CONSIDERATIONS: N/A

APPROVED

May 17, 2016

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

RECOVERY ACT FUNDS:

Percent of Total	%	Amount	\$
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AGENCY APPROVALS

APPROVED

May 17, 2016

Authorized Agency Representative (printed)
Authorized Agency Representative Signature

Return Information:	Michigan State
Contact Name:	Administrative Board
ID Mail:	
Phone No.:	
e-Mail:	

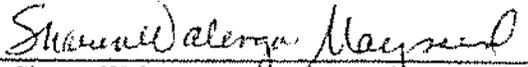
PURCHASING APPROVALS



Simon Baldwin, Buyer



Bill Pemble, IT Division Director


Sharon Walenga-Maynard, Sourcing Director
DTMB-Procurement

APPROVED
 Ad Board Date: ~~June 21, 2016 (ver. 1)~~
 June 21, 2016

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

Michigan State
 Administrative Board

- 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: 071B1300025; Add funds for the Registration LINK enhancement for Michigan Victims Information and Notification Everyday (MI-VINE) system for the Michigan Department of Health and Human Services (MDHHS).

CHANGE NOTICE NUMBER: 3

CONTRACTOR: Appriss, Inc., Louisville, KY

MICHIGAN BUSINESS: **INCREASE:** \$907,712.96

- Check if request is to exercise Contract option(s).
 Requested time period and length: October 1, 2016 – September 30, 2017
- 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 Years Beginning Value: \$3,058,080.00

Start Date and End Date: October 1, 2010 – September 30, 2015

CURRENT CONTRACT VALUE: \$4,295,792.96

NEW TOTAL CONTRACT VALUE: \$5,203,505.92

PREVIOUS OPTION YEARS/EXTENSIONS:

	PERIOD: (Option/Extension start date – end date and state length)	SAB APPROVAL DATE:	S VALUE:
<input checked="" type="checkbox"/> Option 1 CN #2	10/01/2015 – 9/31/2016	09/01/2015	\$637,712.96
<input type="checkbox"/> Extension CN #	N/A		
		TOTAL	\$637,712.96

PREVIOUS CHANGES NOT LISTED ABOVE IN THE OPTIONS/EXTENSIONS TABLE

	TYPE OF CHANGE:	SAB APPROVAL DATE: (if applicable)	VALUE OF CHANGE:
First CN	Update to the existing interfaces to the Michigan Crime Victim Notification Network (MCVNN) System	01/17/2012	\$600,000.00
Last CN	N/A		\$

Total number of processed changes to time, scope, and/or dollars: 2

FUNDING SOURCE:	PERCENTAGE:	Indicate RESTRICTED FUND name or COMMENTS:
Restricted	100%	Crime Victims Services

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

FY:	DOLLAR AMOUNT:
2016	\$270,000.00
2017	\$637,912.96

PURCHASE JUSTIFICATION:

Description of Product/Service Modification Requested and Process Explanation:
 This request exercises the second option year and adds funding for ongoing maintenance and support of the MI-VINE system.

This request will also add funds for the implementation of the REGISTRATION LINK enhancement which will allow users to receive notifications of all statuses after only registering in the system once. Prior to this enhancement, crime victims were required to register for each offender status and many victims were not informed of current statuses because of confusion over the registration.

Purpose/Business Case of Amendment or Extension, and Expected Outcomes:
 This amendment will allow crime victims the most accurate and complete information about the status of offenders. Timely notification is critical to allow victims to take the precautions necessary to protect themselves and their families.

This amendment is allowed in the current contract language.

Risk Assessment:
 This amendment is necessary for the imminent protection of public health or safety because it allows users to receive information on the custody status and court status of individuals who may have crimes.

PRICE CLAUSE FROM CONTRACT: Firm-Fixed Pricing

CS-138 # PROVIDED FOR SERVICES: Non Jurisdictional

COST REDUCTION/SAVINGS CONSIDERATIONS: N/A

APPROVED

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

June 21, 2016

Michigan State
Administrative Board

RECOVERY ACT FUNDS:

Percent of Total	%	Amount	\$
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AGENCY APPROVALS

APPROVED

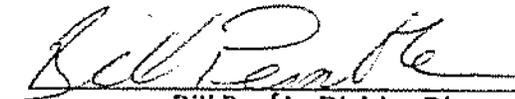
Authorized Agency Representative (printed)
Authorized Agency Representative Signature

	June 21, 2016
Return Information:	
Contact Name:	Michigan State
ID Mail:	Administrative Board
Phone No.:	
e-Mail:	

PURCHASING APPROVALS



Simon Baldwin, Buyer



Bill Pemble, Division Director



Sharon Walenga-Maynard, Sourcing Director
DTMB Procurement

APPROVED
 Ad Board Date: 6/21/2016 (ver. 3)
 June 21, 2016

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

Michigan State
 Administrative Board

- 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; Contingency Spending Approval and Additional Funding for the Michigan Master Computing Contract; DTMB Statewide.

CHANGE NOTICE NUMBER: 11

CONTRACTOR: EDS, An HP Company; Lansing, MI

MICHIGAN BUSINESS:
INCREASE: \$20,000,000.00

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

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

CURRENT CONTRACT VALUE: \$440,000,000.00

NEW TOTAL CONTRACT VALUE: \$460,000,000.00

PREVIOUS OPTION YEARS/EXTENSIONS:

	PERIOD: (Option/Extension start date – end date and state length)	SAB APPROVAL DATE:	\$ VALUE:
<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 checked="" type="checkbox"/> Option 2 CN # 9	4/10/2015 through 4/9/2016 (1 yr)	3/31/2015	\$80,000,000.00
<input checked="" type="checkbox"/> Transition CN # 10	4/10/2016 through 10/9/2016 (6 mos)	NA	\$0
<input type="checkbox"/> Extension CN #			
		TOTAL	\$170,000,000.00
			0

APPROVED
June 31, 2016

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

	TYPE OF CHANGE:	SAB APPROVAL DATE: (if applicable)	VALUE OF CHANGE:
First CN	Services for MDOC Microsoft CRM Project	Not Applicable	\$ 0
Last CN	Company Name Change	Not Applicable	\$ 0

Total number of processed changes to time, scope, and/or dollars: 9

FUNDING SOURCE:	PERCENTAGE:	Indicate RESTRICTED FUND name or COMMENTS:
IT Revolving	100%	Varies by Agency Purchase

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

FY:	DOLLAR AMOUNT:
2016	\$20,000,000.00

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 allows funding of contingency spending on this Contract if the new Michigan Master Computing Program which is replacing this contract is not fully functional to allow all purchases to be made the last four months of this fiscal year.

Purpose/Business Case of Amendment or Extension, and Expected Outcomes: This contingency spending approval during the transition period will allow the State to continue to update and support its computing technology infrastructure during the transition period as this Contract is replaced.

Risk Assessment: Failure to provide contingency spending approval – if the new contracts under the new program are not in place – 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. **APPROVED**
 June 21, 2016

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

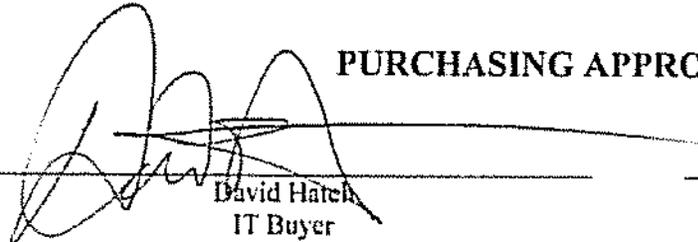
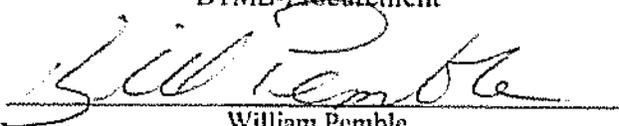
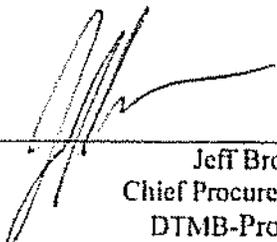
RECOVERY ACT FUNDS:

Percent of Total	%	Amount	\$
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AGENCY APPROVALS

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

PURCHASING APPROVALS

 <hr/> <p style="text-align: center;">David Hatch IT Buyer DTMB-Procurement</p>	<hr/> <p style="text-align: center;">Manager, Manager Signature</p>
 <hr/> <p style="text-align: center;">William Pemble IT Division Director DTMB-Procurement</p>	 <hr/> <p style="text-align: center;">Jeff Brownlee Chief Procurement Officer DTMB-Procurement</p>

APPROVED
 Ad Board Date: 6/21/2016 (ver.1)
 June 21, 2016

STATE ADMINISTRATIVE BOARD
CONTRACT CHANGE RECOMMENDATION Michigan State
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET Administrative Board
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 Number 071B1300071

Additional spending authority and term extension for the IBM Software Maintenance Contract; Additon of software installation and integration services; Addition of financed purchase terms and conditions

DTMB Statewide

CHANGE NOTICE NUMBER: 11

CONTRACTOR:
 IBM Corporation, Armonk, NY

MICHIGAN BUSINESS:

INCREASE:
 \$35,000,000.00

Check if request is to exercise Contract option(s).
 Requested time period and length: 12/1/2017 – 11/30/2018 (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: 12/1/2018 – 6/30/2019 (8 months)

Check if this is an Extended Purchasing Contract

ORIGINAL CONTRACT: # of Base Years: 3

Beginning Value: \$15,516,450.00

Start Date and End Date: 10/1/2010 – 9/30/2013

CURRENT CONTRACT VALUE: \$55,007,365.03

NEW TOTAL CONTRACT VALUE: \$90,007,365.03

PREVIOUS OPTION YEARS/EXTENSIONS:

	PERIOD: (Option/Extension start date – end date and state length)	SAB APPROVAL DATE:	S VALUE:
<input checked="" type="checkbox"/> Option 1 CN # 3	10/1/2013 – 9/30/2016 (3 years)	2/18/2012	24,800,000.00
<input checked="" type="checkbox"/> Option 2 CN # 9	10/1/2016 – 11/30/2017 (1 year, 2 months)	4/28/2015	11,500,000.00

PREVIOUS CHANGES NOT LISTED ABOVE IN THE OPTIONS/EXTENSIONS PROVIDED

	TYPE OF CHANGE:	SAB APPROVAL DATE: (if applicable)	VALUE OF CHANGE:
First CN	Added Cost Table, Licensing Information, & Revised Table of Contents	NA	June 21, 2016 Michigan State Administrative Board
Last CN	Spending authority increase	4/28/2015	\$1,390,915.03

Total number of processed changes to time, scope, and/or dollars: 10

FUNDING SOURCE:	PERCENTAGE:	Indicate RESTRICTED FUND name or COMMENTS:
IT Revolving	100%	

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

FY:	DOLLAR AMOUNT:
2016	\$5,000,000.00
2017	10,000,000.00
2018	10,000,000.00
2019	10,000,000.00

PURCHASE JUSTIFICATION:

Description of Product/Service Modification Requested and Process Explanation:

Addition of software installation and integration services to assist the State in deployment of new software. These services were included in the Contract's original RFP, but were removed, due to lack of agreement at the time on terms and conditions.

These additions are being added pursuant to the Enterprise Procurement Policy Manual section 5.7.6 Existing State Contract. Additionally, section 5.7.6 permits for this contract to be extended for the continued usage of software and services essential to the State of Michigan which allows the State to capture the cost savings and achieve better license utilization through alignment of all IBM agreements associated with this contract.

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

IBM provides licensed software that forms components of multiple State mission-critical systems across the Enterprise, including Medicaid, Secure Identity Management, State Retirement System, and the State Document Management System.

The State currently has multiple Software Enterprise Agreements under this IBM contract, which were negotiated at different times. This extension of the current contract is proposed to provide an opportunity to aggregate the existing agreements into a single volume agreement and thereby derive a greater volume discount. The State can take advantage of IBM's internal process rules to extend the existing agreements without need to certify software quantities used under the existing agreements, which will provide us a better position in new agreement negotiations. The agreement needs to be executed prior to June 30, 2016 to accept the agreement.

Risk Assessment:

Failure to amend the contract as requested will reduce the States leveragable buying power, resulting in increased costs for software maintenance and future license purchase in missed cost reduction opportunities. It will also inhibit our ability to effectively deploy this software for strategic business applications.

APPROVED

JUNE 21, 2016
Michigan State
Administrative Board

PRICE CLAUSE FROM CONTRACT: Guaranteed minimum discount off of IBM government pricing.

CS-138 # PROVIDED FOR SERVICES: Non-juris; Pre-authorized

COST REDUCTION/SAVINGS CONSIDERATIONS: Cost reductions and saving are being pursued through negotiation of a new Enterprise Software Agreement, which this Contract Change Request will support.

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

APPROVED

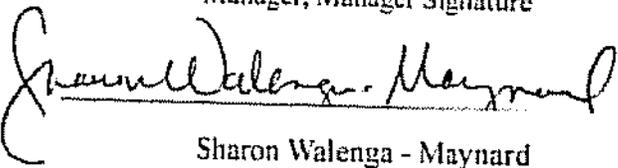
Authorized Agency Representative (printed)
Authorized Agency Representative Signature

June 21, 2016	
Return Information:	
Contact Name:	Michigan State
ID Mail:	Administrative Board
Phone No.:	
e-Mail:	

PURCHASING APPROVALS

Buyer, Buyer Signature

Division Director, Division Director Signature

Manager, Manager Signature

Sharon Walenga - Maynard
Sourcing Director

FY16 IT Fund Sources - Ad Board
 Appropriated Fund Sources

APPROVED
 June 21, 2016

Michigan State
 Administrative Board

<u>Agency</u>	<u>D23 Fund Sources</u>
Agriculture	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
Attorney General	GF/GP
Civil Rights	GF/GP EEOC, state and local antidiscrimination agency contacts
Civil Service	Federal Funds 1% State Restricted Funds 1% IDG, HR Optimization user charges State Sponsored Group Insurance GF/GP
Community Health	Federal Revenue Private Revenue State Restricted GF/GP
Corrections	Correctional industries revolving fund Parole/probation oversight fees set-aside GF/GP
Education	Federal revenues Federal indirect funds Certification fees Local cost sharing (schools for deaf/blind) GF/GP
Environmental Quality	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 Financial instruments 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

FY16 IT Fund Sources - Ad Board
 Appropriated Fund Sources

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 June 21, 2016

Michigan State
 Administrative Board

Agency

D23 Fund Sources

Oil and gas regulatory fund
 Orphan well fund
 Public swimming pool fund
 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
 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
 Capped 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

Federal revenues
 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
 Public utility assessments
 Radiological health fees
 Safety education and training fund
 Second injury fund
 Securities fees

FY16 IT Fund Sources - Ad Board
 Appropriated Fund Sources

APPROVED
 June 21, 2016

Michigan State
 Administrative Board

<u>Agency</u>	<u>D23 Fund Sources</u>
	Self-insurers security fund Silicosis and dust disease fund Tax tribunal fund Underground storage tank fees GF/GP
Lottery	State Lottery Fund
DTMB	State Restricted Indirect Funds IDG-Bldg Occup& Parking IDG from User Fees Deferred Compensation Health Management Funds MAIN User Charges Pension Trust Fund Special Revenue, Internal Svc, & Pension Trust Funds GF/GP
DMVA	DOD-DOA-NGB DVA-VHA HHS, Medicare Income and assessments GF/GP
DNR	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
State	Administrative Order Processing Fee Auto Repair Facilities Fees Driver Fees Enhanced Driver License & Official PID Fund Expedient Service Fees Parking Ticket Court Fines PID Card Fees

FY16 IT Fund Sources - Ad Board
 Appropriated Fund Sources

APPROVED
 June 21, 2016

Michigan State
 Administrative Board

Agency

D23 Fund Sources

Reinstatement Fees - Operator Lic
 Transportation Administration 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
 Local - City Income tax Fund
 Delinquent Tax Collection Rev.
 Tobacco Tax Revenue
 Retirement Funds
 GF/GP

MSHDA

MSHDA fees and charges

FY16 IT Fund Sources - Ad Board
Appropriated Fund Sources

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June 21, 2016

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D23 Fund Sources

Total federal revenue
HHS, TANF
DOL, Federal Funds
DOL, ETA, WIA

Michigan State
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