



# **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  
May 21, 2013

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

AGENCY SUBMITTAL   
 DTMB PROCUREMENT SUBMITTAL

**CONTRACT DESCRIPTION:** Contract# 071B1300199; Additional funds for a one-year option for Oracle Application Support Services; Department of Technology, Management and Budget - Statewide

**CHANGE NOTICE NUMBER:** 1

<b>CONTRACTOR:</b> Dewpoint, Inc. Lansing, MI	<b>MICHIGAN BUSINESS</b> <input checked="" type="checkbox"/>	<b>INCREASE</b> \$2,500,000.00
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Check if request is to exercise Contract option(s).  
 Requested time period: 1/31/14 to 1/31/15 (1 year)

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: 2/1/2011 - 1/31/2014 Value: \$2,000,000.00  
 # of Base Years: 3

**CURRENT CONTRACT VALUE:** \$2,000,000.00

**NEW TOTAL CONTRACT VALUE:** \$4,500,000.00

**PREVIOUS OPTION YEARS/EXTENSIONS:** None

**PREVIOUS CHANGES NOT LISTED ABOVE IN THE OPTIONS/EXTENSIONS TABLE:** None

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

FUNDING SOURCE:	PERCENTAGE	COMMENTS
Revolving		IT Revolving Fund

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

FY	Dollar Amount
2013	\$1,000,000.00

2014	\$1,500,000.00
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**PURCHASE JUSTIFICATION:**

**Description of Product/Service Modification Requested and Process Explanation:** This request is to add funding and time to the Contract, which provides Oracle-certified Advanced Support for purchased software products. Oracle Software includes Oracle Database, Weblogic, and other products the State has purchased.

**Purpose/Business Case of Amendment or Extension, and Expected Outcomes:** This request will allow the State to maintain access to Oracle-certified technical resources available through this Contract, which are less expensive than the same levels of qualified consultants available through the State's direct contract with Oracle America (071B0200245). This is contemplated within the Contract, per Section 1.403.

**Risk Assessment:** Oracle software is used to support the IT and business functions of fourteen 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, which require frequent, regular modifications by qualified, certified personnel. Failure to provide the services will result in increased costs to the State, as the same services are available at more expensive rates under other, existing contracts.

**PRICE CLAUSE:** Not-to-exceed hourly rates

**CS-138 #:** Pre-authorized by agency

**COST REDUCTION/SAVINGS CONSIDERATIONS:** Cost savings were determined by the original competitive award, per the RFP.

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

**RECOVERY ACT FUNDS**

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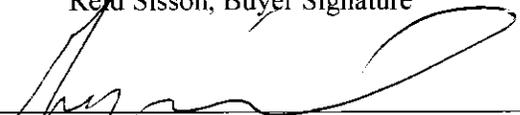
**AGENCY APPROVALS**

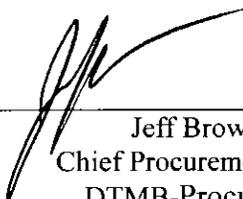
Authorized Agency Representative (printed)
Authorized Agency Representative Signature

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

**PURCHASING APPROVALS**

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

  
\_\_\_\_\_  
Greg Faremouth, Division Director Signature

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\_\_\_\_\_  
Jeff Brownlee  
Chief Procurement Officer  
DTMB-Procurement