

**Department of Management and Budget  
Acquisition Services**

**Report of Proposed Changes in Excess of \$500,000  
To Current Contracts for Computer Software Development,  
Hardware Acquisition, or Quality Assurance**

Sec.710 of Public Act 146 of 2005

(March 7, 2006)

Questions regarding this report may be directed to Tony DesChenes, 517-373-9417

March 7, 2006

**BID TABULATION AND RECOMMENDATION FOR AWARD  
DEPARTMENT OF MANAGEMENT AND BUDGET  
ACQUISITION SERVICES**

**CONTRACT DESCRIPTION:** 071B3001338 - Powerbuilder and Oracle Programming Services  
- Department of Information Technology-Michigan  
Department of Transportation

**CONTRACT PERIOD –  
BASE YEAR(S):** 06/03/03 through 06/03/06

- OPTION 1 06/03/06 through 06/03/07

- OPTION 2

- OPTION 3

**CONTRACTOR:**  
Keane, Inc, Southfield, MI

**INCREASE**  
\$693,608.00

- Check here if a Michigan-based Business

- Check here if AS1 received and reviewed by DMB

- Check here if request is to extend contract (no option in base contract) - Time period of extension:

- Check here if extension is beyond option year(s) - Time period of extension:

**FUNDING SOURCE:** 100% Restricted State trunkline fund - IDG

**PURCHASE JUSTIFICATION:**

**Description of Product or Service Requested:** The Keane programming contract is the vehicle by which the Michigan Department of Transportation (MDOT) acquires staff for development, support and maintenance of enterprise level client/server and web applications which are vital to MDOT's day-to-day business operations. This contract provides resources to maintain business critical applications that have been developed in-house. Some of these applications are:

Michigan Project Information System (MPINS)

Michigan Architectural Project (MAP) database

Transportation Management System (TMS)

Highway Advertising Program (HAP)

Construction Permits System (CPS)

Real Estate Management Information System (REMIS)

Real Estate Sale and Leasing (ReSaLe)

Utility Relocation Tracking System (URTS)

Transportation Economic Development System (TEDS)  
Transportation Enhancement Fund System (TEA)

**Purpose/Business Case of New Contract, Amendment or Extension and Expected**

**Outcomes:** The objective of exercising this option is to provide client/server and oracle analyst/programmer services for MDOT on an as-needed basis. It is imperative to have contractual resources available when development projects are started or to maintain or enhance existing client/server systems. The maintenance and enhancement of applications are on-going activities triggered by legislative regulations, evolving business needs, opportunities for improving the business process or simple break fixes. This request exercises the option to extend this contract for one year.

**Commitment:** Fixed Price Contract

**Risk Assessment:** The biggest risk is to MDOT's day-to-day business operations, as the contractual resources supplied by this contract develop, support and maintain critical, in-house, client/server applications which are vital to MDOT's day-to-day business operations. There is a risk of losing federal funds for the highway construction projects as the systems such as MPINS, MAP and TMS that provide the information for the federal funding justification are supported by the contractual staff. Critical systems such as MPINS, MAP database, TNMS, HAP, CPS, REMIS, ReSaLe, URTS, TEA, etc., would be adversely impacted. Millions of dollars in efficiency, productivity and recovery cost benefits will be deferred to future years or never achieved. The risk of a lapse in coverage or no transition period to transfer knowledge between vendors would result in increased expense to the State. A 90-day learning curve for a new contractor could total \$500,000.00 on a new contract, with an inestimable impact on quality.

**Cost Reduction Consideration:** Keane, Inc.'s rates are currently under market rates. The State has engaged this company in previous negotiations and has reduced the rates under current market rates.

- A. **Negotiated Savings:** n/a
- B. **Cost Avoidance:** n/a
- C. **Total Savings:** n/a

**PRICE CLAUSE:** To remain fixed for the duration of the contract.

**CS-138 #:** Not applicable

**ORIGINAL CONTRACT AMOUNT:** \$6,000,000.00

**CURRENT CONTRACT AMOUNT:** \$6,000,000.00

**PROPOSED AMENDMENT INCREASE AMOUNT:** \$693,608.00

**PERCENTAGE OF CHANGE BETWEEN AMENDMENT AND ORIGINAL CONTRACT AMOUNT:** 8.65%

**PERCENTAGE OF CHANGE BETWEEN AMENDMENT AND CURRENT CONTRACT  
AMOUNT: 8.65%**

**ESTIMATED 06 FISCAL YEAR INCREASE: \$693,608.00  
NEW TOTAL CONTRACT COST: \$6,693,608.00**

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

---

**INFORMATION BELOW THIS LINE FOR INTERNAL USE ONLY**

---

Buyer Signature

---

Manager Signature

---

Division Director Signature

---

Acquisition Services Director Signature