



D E P A R T M E N T O F

Management & Budget

**REPORT OF PROPOSED
CHANGES IN EXCESS OF
\$500,000 TO CURRENT
CONTRACTS FOR
COMPUTER SOFTWARE
DEVELOPMENT,
HARDWARE
ACQUISITION, OR
QUALITY ASSURANCE**

Prepared for
The Michigan Legislature

February 19, 2008

**Prepared for
The Michigan Legislature**

**By
The Department of Management and Budget
Purchasing Operations**

**In accordance with
Sec. 710 of Public Act 127 of 2007**

**Questions regarding this report may be directed
to Greg Faremouth, (517) 241-1646**

Updated 11/29/07

Ad Board Date: 2/19/2008 (ver. 1)

**STATE ADMINISTRATIVE BOARD
CONTRACT CHANGE RECOMMENDATION
DEPARTMENT OF MANAGEMENT AND BUDGET
PURCHASING OPERATIONS**

AGENCY SUBMITTAL

DMB PURCHASING SUBMITTAL

CONTRACT DESCRIPTION: 071B5000692 – Unisys Mainframe Hardware/Software for the Michigan Information Processing Center (MIPC) – Department of Information Technology – Data Center Operations

CONTRACTOR: Unisys Corporation, Okemos, MI	MICHIGAN BUSINESS <input checked="" type="checkbox"/>	INCREASE \$3,532,904.65
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Check if signed Purchase Request form has been received by Purchasing Operations and reviewed by DMB, or posted on the DMB Intranet in agency's pre-approved contract list.

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

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 request is for a MiDEAL contract.

ORIGINAL CONTRACT: Term: 5/8/1995 through 5/7/2000 Value: \$28,663,778.00
of Base Years: 5

CURRENT CONTRACT VALUE: \$93,232,812.17

NEW TOTAL CONTRACT VALUE: \$96,765,716.82

PREVIOUS OPTION YEARS: None

PREVIOUS EXTENSIONS: 4

CHANGE TOTAL: Total number of processed changes to time, scope, and/or dollars: 30

FIRST AND LAST CHANGE NOTICES:

	TYPE OF CHANGE:	SAB APPROVAL DATE (if applicable)	VALUE OF CHANGE:	DATE CCN PROCESSED
First CN	Increase		\$79,812.00	5/23/1995

Last CN	Modification to the rate schedule		\$0.00	10/2/2007
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FUNDING SOURCE: **PERCENTAGE** **COMMENTS**
Restricted **100%**

ESTIMATED INCREASE DETAILED BY FISCAL YEAR(S):

FY	Dollar Amount
2008	\$3,484,314.65
2009	\$24,295.00
2010	\$24,295.00
Total	\$3,532,904.65

PURCHASE JUSTIFICATION:

Description of Product/Service Modification Requested and Process Explanation: This request is to add funding to accommodate the purchase of products, maintenance and support services required for the Michigan State Police (MSP) and Data Center Operations (DCO). The requested products are required to allow MSP to migrate existing applications off the LINC mainframe software to a Java Unisys environment before the lease expires in July 2009, and will permit DCO to continue use of the ASSIST welfare benefits platform. This contract was previously extended, and expires December 31, 2011.

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

Product and Services for the Michigan State Police (MSP)

Procurement of the Unisys Agile Business Suite (AB Suite) software and related training, consulting and support. The training tools are required to migrate the Automated Incident Capture System from the Unisys LINC Mainframe software to a server/Oracle database environment. In addition, the State is requesting funding for a total of 3 years of maintenance and subscription fees to be paid annually and approval of funding for technical support services for this migration project.

MSP Request for Funding Breakdown

<u>\$ 225,230.00</u>	Total Amount Requested for the Michigan State Police
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Product and Services for the Data Center Operations (DCO)

As more citizens are applying for welfare benefits, the performance of the CS7822 (ASSIST) platform has deteriorated to the point of hampering Department of Human Services (DHS) workers ability to serve clients. In order to improve the performance of the ASSIST platform, the State is requiring the acquisition of an additional 25 MIPS of performance on the CS7822 bringing the total MIPS to 450.

In addition, the State is requesting that the software licenses for the Unisys CS7822 computer (ASSIST) platform be extended through April 2009. The current licenses expire April 2008. This platform is needed until phase 1 of the Bridges project is implemented.

DCO Request for Funding Breakdown

Amount	Description
<u>\$3,307,692.65</u>	Total Amount Requested for the Data Center Operations

Risk Assessment: The purchase of the MSP software and technical support will assist MDIT in migrating applications off of MSP's Libra mainframe before the lease expires in July 2009. If these licenses are not purchased, it is unlikely that MDIT will complete the rewrite of the mainframe-based applications before the lease expires. This will force MSP to keep their mainframe for the few applications that remain, at a cost of over \$1 million per year.

ASSIST is used for welfare benefits determination. If the additional MIPS licenses are not acquired, DHS workers will not be able to perform their jobs, thus placing federal funds at risk. If software licenses are not extended, the CS7822 will stop functioning completely.

PRICE CLAUSE: Firm-Fixed Price

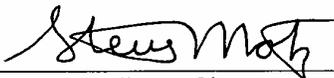
CS-138 #: Non-Jurisdictional (NJ)

COST REDUCTION/SAVINGS CONSIDERATIONS:

- MSP will eliminate their mainframe at a savings of \$1 million per year

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

PURCHASING APPROVALS



Buyer Signature

Manager Signature



Division Director Signature



Elise A. Lancaster
Purchasing Operations Director

B. Craig Orr
Senior Deputy Director

AGENCY APPROVALS

Authorized Agency Representative (printed)
Authorized Agency Representative Signature

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

SPECIAL APPROVALS
(as required)

Budget Office Representative (Printed)

Budget Office Representative Signature