



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
7/1/2016 – 9/30/2016

Ad Board Date: July 12, 2016 (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: 071B3200152; Customer Flow Management System; for the Michigan Department of Technology, Management and Budget on behalf of the Michigan Department of State.

CHANGE NOTICE NUMBER: 6

CONTRACTOR: Qless, Inc. Pasadena, CA 91101
MICHIGAN BUSINESS:
INCREASE: \$461,509.44

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:** \$1,100,000.00

Start Date and End Date: September 13, 2013 – September 12, 2018

CURRENT CONTRACT VALUE: \$2,069,757.89

NEW TOTAL CONTRACT VALUE: \$2,531,267.33

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		
<input type="checkbox"/> Extension CN #	N/A		
		TOTAL	\$0

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

	TYPE OF CHANGE:	SAB APPROVAL DATE: (if applicable)	VALUE OF CHANGE:
First CN	Add a Subcontractor	N/A	\$ 0.00
Last CN	PO Release for Phase 3	N/A	\$ 0.00

Total number of processed changes to time, scope, and/or dollars: 3

FUNDING SOURCE:	PERCENTAGE:	Indicate RESTRICTED FUND name or COMMENTS:
Restricted	100%	Various fees and transportation funds

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

FY:	DOLLAR AMOUNT:
FY16	\$ 65,929.92
FY17	\$197,789.76
FY18	\$197,789.76

PURCHASE JUSTIFICATION:**Description of Product/Service Modification Requested and Process Explanation:**

This amendment will add funds for the variable costs associated with this Contract. The variable costs are attributed to both SMS messages received and sent as well as voice calls received and sent between the kiosk and Secretary of State Customers. The total monthly variable cost is dependent on the usage of the kiosks and the trends in SMS messaging as well as voice calls.

The increase in variable costs is a direct result of additional locations that have installed kiosks as well as a heightened trend in usage. The initial projections for these costs were based on 10 locations. After the successful completion of the latest phase of this project, 24 locations will be using this service and usage of the optional text and voice call feature has exceeded expectations.

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

The Customer Flow Management Kiosks for the Secretary of State locations has improved the customer experience for many State residents. The increase use of the flow management kiosks has led to an increase in the variable costs for this Contract.

Increasing the Contract value will allow Secretary of State Customers to continue to receive an elevated level of service and therefore increase the customer experience for the high traffic Secretary of State Locations.

This amendment is allowed in the current contract language.

Risk Assessment:

This amendment is necessary to continue offering an efficient and consistent experience to Secretary of State Customers through the use of the Customer Flow Management System.

PRICE CLAUSE FROM CONTRACT: Firm Fixed and Time and Materials

CS-138 # PROVIDED FOR SERVICES: 084S3200003

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

Authorized Agency Representative (printed)
Authorized Agency Representative Signature

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

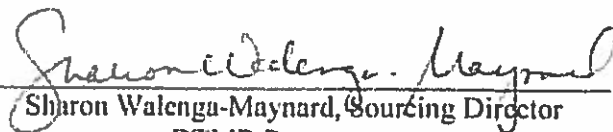
PURCHASING APPROVALS



Simon Baldwin, Buyer



Bill Pemble, IT Division Director



Sharon Walenga-Maynard, Sourcing Director
DTMB Procurement

Ad Board Date: July 26, 2016 (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 #)
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DTMB PROCUREMENT SUBMITTAL

CONTRACT DESCRIPTION: #071B1300256; Medicaid Compliance Program enhancement services for the Department of Technology Management and Budget (DTMB) on behalf of the Department of Health and Human Services (DHHS).

CHANGE NOTICE NUMBER: 15

CONTRACTOR:

Deloitte Consulting LLP, Detroit, MI

**MICHIGAN
BUSINESS:**

INCREASE:

\$2,916,000.00

- 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: 4

Beginning Value: \$61,217,820.00

Start Date and End Date: 02/11/2011 – 02/10/2015

CURRENT CONTRACT VALUE: \$136,952,332.00

NEW TOTAL CONTRACT VALUE: \$139,868,332.00

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 #8	02/08/2015 – 02/07/2016 – 1 Year	01/13/2015	\$13,186,985.00
<input checked="" type="checkbox"/> Extension CN #12	02/08/2016 – 02/07/2017 – 1 Year	Resolution 2015-1	\$16,963,321.00
		TOTAL	\$30,150,306.00

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

	TYPE OF CHANGE:	SAB APPROVAL DATE: (if applicable)	VALUE OF CHANGE:
First CN	ACA Updates for Bridges system	08/06/2013	\$9,910,227.00
Last CN	Funds added for MCP Enhancements	10/20/2015	\$11,558,400.00

Total number of processed changes to time, scope, and/or dollars: 14

FUNDING SOURCE:	PERCENTAGE:	Indicate RESTRICTED FUND name or COMMENTS:
State General Fund	40%	
Federal	60%	

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

FY:	DOLLAR AMOUNT:
FY 16	\$1,620,000.00
FY 17	\$1,296,000.00

PURCHASE JUSTIFICATION:

Description of Product/Service Modification Requested and Process Explanation:

This request is to add funds to this Contract to provide 15 additional resources to resolve high priority production issues related to the ongoing maintenance and operations support of the Bridges application.

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

The additional resources and funds will allow for the resolution of production issues with the Bridges system. These production issues have been prioritized by the State for completion by the end of the Contract term.

This Contract will be replaced at the conclusion of the current Contract term and the resolution of these issues is required for an efficient transition to a new Contract.

This amendment is allowed under the current Contract language.

Risk Assessment:

Failure to implement these changes will allow for inefficiencies that could negatively affect the accuracy of the eligibility system and therefore the health and safety of all those relying on the Bridges system. Failure to implement these changes may also cause the system to not meet federal guidelines.

PRICE CLAUSE FROM CONTRACT: Firm Fixed

CS-138 # PROVIDED FOR SERVICES: 084S3200003

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	0%	Amount	\$ 0.00
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AGENCY APPROVALS


Authorized Agency Representative (printed)
Authorized Agency Representative Signature

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

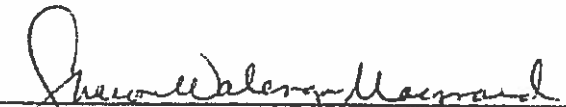
PURCHASING APPROVALS



Simon Baldwin, Buyer Signature



Bill Pemble, IT Division Director



Sharon Walenga-Maynard, Sourcing Director
DTMB Procurement

Ad Board Date: 8/16/2016 (ver. 1)

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

- AGENCY SUBMITTAL Statutory Authority per MCL _____ (state MCL Section #)
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DTMB PROCUREMENT SUBMITTAL

CONTRACT DESCRIPTION: Contract 071B1300157, Second Generation Retail Sales System development, hosting, support and enhancements; add funding for system enhancements, software licenses, software maintenance and support, and training; Department of Technology, Management and Budget (DTMB) on behalf of Department of Natural Resources (DNR)

CHANGE NOTICE NUMBER: 22

CONTRACTOR:
 HP Enterprise Services, LLC; Plano, TX

**MICHIGAN
 BUSINESS:**

INCREASE:
 \$3,753,486.00

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: \$19,200,289.00

Start Date and End Date: 12/7/2010 – 5/31/2015

CURRENT CONTRACT VALUE: \$37,244,415.00

NEW TOTAL CONTRACT VALUE: \$40,997,901.00

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 # 13	6/1/2015 – 5/31/2020, 5 years	9/11/2014	\$16,126,203.00
		TOTAL	\$16,126,203.00

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

	TYPE OF CHANGE:	SAB APPROVAL DATE: (if applicable)	VALUE OF CHANGE:
First CN	Update contractor's key personnel	N/A	\$0
Last CN	Add system enhancements	N/A	\$0

Total number of processed changes to time, scope, and/or dollars: 8

FUNDING SOURCE:	PERCENTAGE:	Indicate RESTRICTED FUND name or COMMENTS:
Restricted	100%	Fish and Game

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

FY:	DOLLAR AMOUNT:
2016	\$153,486.00
2017	\$900,000.00
2018	\$900,000.00
2019	\$900,000.00
2020	\$900,000.00

PURCHASE JUSTIFICATION:**Description of Product/Service Modification Requested and Process Explanation:**

Request is to enhance system to increase file transfer security, create an ad hoc reporting environment, add functionality for users to provide feedback to be used in evaluating potential future hardware upgrades, eliminate need for duplicate data entries, create a customer survey interface, increase customer survey functionality and obtain licenses and training so that future work can be managed using the Agile Scrum framework. Further, this request is to authorize funding for software licensing/subscription fees, maintenance, support and enhancements of the system that are being planned through the remaining life of the contract.

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

The purpose of these enhancements is to enhance security and system functionality. The system will then be able to transfer data more securely, produce reports and obtain user and customer feedback. This amendment is allowed in the current contract language.

Risk Assessment:

If these changes are not made, EFT and data interfaces will not be made secure; RSS users will not have a simple tool to create reports; the POS hardware will not be evaluated for future replacement and application will not be prepare for touchscreen hardware; the system will continue to require DNR agents to enter duplicate notification data; DNR Wildlife will not get the data from RSS it needs; and FeedbackServer will not have built in controls for calendar display when selecting dates and will not include Geolocation controls. The net result will be less security, higher labor costs, obsolete hardware and less useful data.

PRICE CLAUSE FROM CONTRACT: Firm fixed

CS-138 # PROVIDED FOR SERVICES: 084S3200003

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

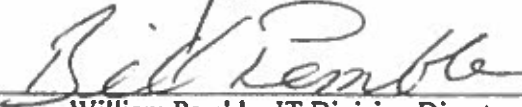
Authorized Agency Representative (printed)
Authorized Agency Representative Signature

Return Information:
Contact Name:
ID Mail:
Phone No.:
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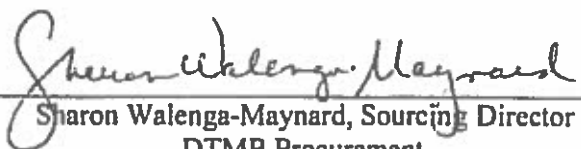
PURCHASING APPROVALS



Jarrod Barron, Buyer



William Pemble, IT Division Director


Sharon Walenga-Maynard, Sourcing Director
DTMB Procurement