



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

Required by Section 809 of Public Act 191 of 2010

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

Department of Technology, Management and Budget  
State Administrative Board  
February 1, 2011

Updated 10-07-2010

Ad Board Date: 2/1/11 (ver. )

**STATE ADMINISTRATIVE BOARD  
CONTRACT CHANGE RECOMMENDATIONS  
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET  
PURCHASING OPERATIONS**

AGENCY SUBMITTAL   
DTMB PURCHASING SUBMITTAL

**CONTRACT DESCRIPTION:** 071B8200018; Michigan Integrated Tax System; Department of Technology, Management and Budget for Michigan Department of Treasury

**CONTRACTOR:** Deloitte Consulting LLP, Lansing, MI  
**MICHIGAN BUSINESS INCREASE**  
 \$3,000,000.00

**For Services Only, Signed OSE Form DMB-1497-OSE received (Exemption from ED2009-3)**

**Date Approved by OSE:**

**Attach OSE-approved 1497 to all services purchases other than those classified as Nonjurisdictional (NJ)**

**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 MiDEAL contract.**

**ORIGINAL CONTRACT:** **Term:** 9/13/07 to 12/31/11 **Value:** \$14,950,000.00  
**# of Base Years:** 3 years and 3 months

**CURRENT CONTRACT VALUE:** \$28,890,010.00

**NEW TOTAL CONTRACT VALUE:** \$31,890,010.00

**PREVIOUS OPTION YEARS/EXTENSIONS:**

	<b>PERIOD</b> (Option/Extension start date - end date and state length in years)	<b>SAB APPROVAL DATE</b>	<b>\$ Value</b>
<input checked="" type="checkbox"/> Option 1 CN # 2	1/1/11 to 12/31/11 (one-year)	5/5/09	\$9,485,000.00
<input type="checkbox"/> Option 2 CN #			
<input type="checkbox"/> Option 3 CN #			
<input type="checkbox"/> Extension CN #			
		<b>Total</b>	<b>\$9,485,000.00</b>

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

	<b>TYPE OF CHANGE:</b>	<b>SAB APPROVAL DATE</b> (if applicable)	<b>VALUE OF CHANGE:</b>
<b>First CN</b>	Funding increase	1/15/08	\$200,000.00
<b>Last CN</b>	Funding increase	8/13/10	\$4,255,010.00

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

<b>FUNDING SOURCE:</b>	<b>PERCENTAGE</b>	<b>COMMENTS</b>
Restricted Fund	100	Delinquent Tax Collection Revenue

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

<b>FY</b>	<b>Dollar Amount</b>
2011	\$3,000,000.00

**PURCHASE JUSTIFICATION:**

**Description of Product/Service Modification Requested and Process Explanation:** This request is add funding for consulting and SAP software services for the Michigan Department of Treasury Michigan Integrated Tax Administration System (MITAS) and Michigan Business Tax Project (MBT) system. SAP software services include maintenance, support, and training. The hourly rates used to price the scope of work are already in the contract Article 1, Section 1.6.

**Purpose/Business Case of Amendment or Extension, and Expected Outcomes:** The purpose of this request is to have the SAP MBT system changed to facilitate the recovery of MBT revenue under the new Amnesty Bill Public Act 198 of 2010. The purpose of the bill is to enhance tax revenue by \$60 million.

**Risk Assessment:** Without these changes the MBT system will not be able to process MBT returns submitted under the Amnesty bill and any associated tax revenue would be forgone for Amnesty. Therefore, the Michigan Department of Treasury would not be able to fulfill their legal mandate to collect the Michigan Business Tax and would prevent loss of MBT revenue.

**PRICE CLAUSE:** Firm, Fixed Price

CS-138 #: 084S3000018

**COST REDUCTION/SAVINGS CONSIDERATIONS:**

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

**RECOVERY ACT FUNDS**

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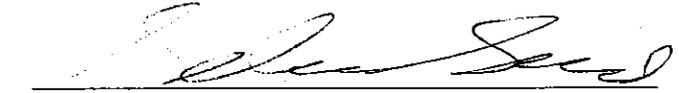
**AGENCY APPROVALS**

Authorized Agency Representative (printed)
Authorized Agency Representative Signature

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

**PURCHASING APPROVALS**

  
\_\_\_\_\_  
Barb Suska  
Contract Administrator

  
\_\_\_\_\_  
Seleana Samuel  
Acting Manager  
Contract Administration Unit

  
\_\_\_\_\_  
Anthony J. Des Chenes  
Acting Director,  
DTMB-Purchasing Operations