



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

Required by Section 809 of Public Act 63 of 2011

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

Department of Technology, Management and Budget
State Administrative Board
June 19, 2012

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

AGENCY SUBMITTAL

DTMB PURCHASING SUBMITTAL

CONTRACT DESCRIPTION: 071B1300022 Enterprise Licensing System; Department of Technology, Management and Budget-Statewide

CHANGE NOTICE NUMBER: 2

CONTRACTOR:

System Automation Corp, Columbia MD

**MICHIGAN
BUSINESS**

INCREASE

\$1,751,342.50

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: 10/1/2010-9/30/2015

Value: \$2,820,293.14

of Base Years: five

CURRENT CONTRACT VALUE: \$2,820,293.14

NEW TOTAL CONTRACT VALUE: \$4,571,635.64

PREVIOUS OPTION YEARS/EXTENSIONS:

	PERIOD (Option/Extension start date - end date and state length in years)	SAB APPROVAL DATE	\$ Value
<input type="checkbox"/> Option 1 CN #			
<input type="checkbox"/> Option 2 CN #			
<input type="checkbox"/> Option 3 CN #			
<input type="checkbox"/> Extension CN #			
		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	Addition of spending authority	1/18/2011	\$1,577,600.00
Last CN	same		

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

FUNDING SOURCE:	PERCENTAGE	COMMENTS
General Fund	18%	
Restricted Funds	82%	Corporation Fees

ESTIMATED INCREASE DETAILED BY FISCAL YEAR(S):

FY	Dollar Amount
2012	\$1,733,342.00

PURCHASE JUSTIFICATION:

Description of Product/Service Modification Requested and Process Explanation: This request is to provide funding under the Contract for Dept. of Agriculture and Rural Development (DARD) and Dept. of Licensing And Regulatory Affairs (LARA) for MyLicense 2000, which provides regulatory agencies with an end-to-end credentialing management solution, licensee administration, enforcement management, examination tracking and scheduling, reporting and automated renewal processing to Michigan citizens and businesses. This will allow DARD to become a user of the Statewide licensing system; and will allow LARA to implement the second part of the system technology refresh commenced in 2011. The Contract allows for new users (new development and new interfaces) to be added to the Statewide system and for enhancements to the current system (application adjustments, interoperability development, system interface adjustments), per Section 1.104 Work and Deliverables.

Purpose/Business Case of Amendment or Extension, and Expected Outcomes: By adding funds to the contract for services that were in scope but not included in the original contract value, the State will be able to add DARD as a new system user and implement the second part of the technology refresh project, the first part of which was under CCN#1 of the Contract.

Risk Assessment: The Licensing systems currently utilized by State agencies are at risk of failure due to outdated technology. Many of these systems are expensive and difficult to maintain: If problems occur with these old systems, extended downtime and loss of data can be expected, and license issuance and payments can be delayed, which will have a direct impact to Michigan citizens and businesses. Revenue will be lost without the ability to continue to fund the contract with this vendor.

PRICE CLAUSE: Firm-Fixed Price

CS-138 #: Preauthorized by Agency (PA)

COST REDUCTION/SAVINGS CONSIDERATIONS: N/A

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

RECOVERY ACT FUNDS

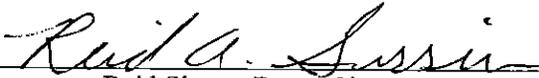
Percent of Total	0%	Amount	\$0
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AGENCY APPROVALS

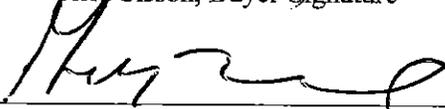
Authorized Agency Representative (printed)
Authorized Agency Representative Signature

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

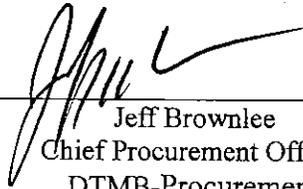
PURCHASING APPROVALS



Reid Sisson, Buyer Signature



Greg Faremouth, Division Director Signature



Jeff Brownlee
Chief Procurement Officer
DTMB-Procurement