

**SUPPLEMENT D
DEPARTMENT OF INFORMATION TECHNOLOGY
ACTION AGENDA**

ITEM 6-IT (cont.)

REMARKS: (cont'd.)

Microsoft products will not be purchased through this contract since a separate Large Account Reseller contract was previously awarded for these products. The current Commercial Off-the-Shelf Software (COTS) Master Contract expires September 30, 2012, DBM Item 2-IT (9/12/2007). This Master Contract encompasses the following three functional areas:

Functional Area I – COTS Software

Functional Area II – Installation and Training Services

Functional Area III – Manufacturer's Software Maintenance

There will be a second level of competition through a Purchase Order Request for Proposal (PORFP) process for all COTS software and services offered under this contract. A PORFP will be sent to all Master Contractors awarded a Master Contract within the appropriate functional area who are authorized to provide the software and/or services for the requested manufacturer's product line.

For PORFPS designated as Small Business Reserve, only Master Contractors that are certified as small businesses by the Department of General Services will be able to compete within its approved functional area.

Functional Area II provides the only potential for subcontracting opportunities; however, opportunities are very limited due to the proprietary nature of most of the software purchased. Therefore, the overall MBE subcontractor participation goal of 0% has been established for this Master Contract by DoIT in conjunction with the Governor's Office of Minority Affairs.

Master Contractors affirmed that their prices for the PORFPs will not exceed the manufacturer's suggested retail price for the software being purchased for the term of the Master Contract. Via the competitive PORFP process, prices should be lower than proposed Master Contractor pricing.

This procurement vehicle was designed to provide State agencies with a wide selection of Master Contractors who offer an extensive variety of COTS software. As a result of the awards from this solicitation, State agencies will obtain COTS software, installation, training and maintenance services quickly and efficiently by issuing PORFPs specific to each agency's needs. This contracting vehicle is also available to local and county Maryland government jurisdictions.

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ITEM 6-IT (cont.)

REMARKS: (cont.)

In an effort to improve the efficiency of the previous COTS Master Contract, DoIT has increased the contract term to 15 years. Through constructive feedback, DoIT determined that a shorter contract term posed problems for COTS purchases, specifically in regard to software maintenance agreements. Since a maintenance agreement typically lasts for multiple years, but simultaneously cannot extend beyond the contract expiration date, the State was unable to take full advantage of these maintenance agreements. By increasing the contract term to 15 years, the State will receive the full benefit of any maintenance agreement associated with PORFPs from the COTS Master Contract.

DoIT recommends a \$36,000,000 ceiling for contract years one through three with the understanding that DoIT will return to the Board every three years, in conjunction with an advertised Expansion Window of the Master Contract, for approval of any additional successful Offerors and / or a ceiling increase if necessary. This amount was determined by using prior COTS purchasing statistics and agencies' anticipated purchasing needs. Purchases will be funded by the requesting agency.

FUND SOURCE:	Various
APPROP. CODE:	Various
RESIDENT BUSINESS:	See Pages 15D-16D
MD TAX CLEARANCE:	See Pages 15D-16D

The Board of Public Works deferred this Item as DoIT Item 2-IT (8-22-12).

Board of Public Works Action - The above referenced Item was:

APPROVED	DISAPPROVED	DEFERRED	WITHDRAWN
WITH DISCUSSION		WITHOUT DISCUSSION	