

CONTRACT #10

RFS # NA

FA # NA

Edison # NA

**Department of Finance and
Administration
Office for Information
Resources (OIR)**

VENDORS:

**Commodities Contracts relative
to hardware and software
maintenance on the State's
mainframe**



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DEPARTMENT OF FINANCE AND ADMINISTRATION
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LARRY B. MARTIN
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MARK BENDEL
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October 4, 2013

Mr. Lucian Geise
Executive Director
Fiscal Review Committee
8th Floor, Rachel Jackson Bldg.
Nashville, TN

Dear Sir:

Please find attached, for the Fiscal Review Committee's consideration, documentation requesting extension, during FY2014, of seven (7) commodities contracts that provide hardware and software maintenance on the State's mainframe. The Department of Finance and Administration respectfully requests to be placed on the agenda to present this request at the next Fiscal Review Committee meeting.

To facilitate the Committee's review, we present the following summary of the amendment:

The Office for Information Resources (OIR) released RFP 31701-03071 on 10/30/2012 to outsource the State's mainframe services. The resulting mainframe services contract should have transferred responsibility for the State's mainframe hardware and software maintenance to the contractor before the State's contracts for the required maintenance expired. However, due to a protest on the RFP, the mainframe services contract has been delayed. Given the current date and the transition tasks that must be completed before the mainframe services contractor can assume responsibility for mainframe services, OIR anticipates the need to continue mainframe hardware and software maintenance payments over the next few months, or possibly longer, depending on the outcome of the protest.

Since these mainframe-related contracts will not be needed after mainframe services are transferred to a contractor, it is not in the State's best interest to expend the resources to establish new contracts for the required maintenance coverage. OIR only intends to extend the contracts that will expire prior to the mainframe services being transferred to a contractor. Furthermore, if mainframe services are transferred to a contractor before a paid maintenance period expires, the contractor is required to reimburse OIR for any remaining portion of the maintenance period, pro-rated from the transfer date.

Thank you for your consideration of this request. We look forward to appearing before the Committee at its next scheduled meeting.

Sincerely,

Mark Bendel
Chief Information Officer

FY2014 Mainframe Contracts for Fiscal Review Committee Consideration

Agency #	Edison Contract #	Contract Description	Vendor Number	Vendor Name	Maximum Liability	Contract Start Date	System Expiration Date	Original # of Renewals	# of Renewals Remaining	Request Type	NOTES
A3311	32873	IBM Monthly Charge Licenses (MCL)	267	IBM	\$0	9/1/2012	12/31/2013	0	0	1 year extension	Extensions required for all listed contracts due to delays caused by the protest on RFP 31701-03071 Mainframe Services, which will transition and migrate mainframe services from OIR to the awarded Contractor.
A3823	32865	IBM Softwareexcel	267	IBM	\$0	9/1/2012	12/31/2013	0	0	1 year extension	
RSWC 394	1056	IBM Hardware Maintenance	267	IBM	\$0	7/2/2008	12/31/2013	0	0	1 year extension	
B3540	24301	Allen Systems Group (ASG) Mobias	820	ASG	\$395,025	2/1/2011	1/31/2014	0	0	1 year extension	
B3779	19302	Computer Associates (CA)	281	CA	\$12,406,118	2/28/2010	2/27/2014	0	0	1 year extension	
B3592	19691 & NV19691	BMC	1397 & 137491	BMC	\$1,746,000	3/31/2010	3/30/2014	0	0	1 year extension	
B3496	20730	Circle Computer Group	1488	Circle Computer Group	\$265,473	6/1/2010	5/31/2014	0	0	1 year extension	

Agency A3311: IBM Monthly Charge Licenses (MCL) - Edison # 32873

Contract Start Date: 09/01/2012

System Expiration Date: 12/31/2013

Original Number of Renewals: 0 (established as one (1) year contract; previously extended for four (4) months)

Renewals Remaining: 0

Competitively Bid: Yes/No/Sole Source/Proprietary, No, Sole Source

of Bid Invitations Sent: 1

of Bids Received: 1

Requested Action & Notes: Extend for one (1) year due to delays caused by the protest on RFP 31701-03071 Mainframe Services, which will transition and migrate mainframe services from the Office for Information Resources (OIR) to a Contractor.

Vendor Name and Location: IBM, 150 4th Avenue N Ste 450, Nashville, TN. 37219

Main User Agencies: Office for Information Resources on behalf of all agencies using the mainframe

Estimated Annual Volume: \$4,164,445.00

Spend to Date: \$4,871,295.00

Original Estimated Annual Cost Savings (if any): NA

Background: This contract is required for maintenance and upgrades of the State's approximately forty (40) IBM mainframe software products, including the State's mainframe operating system, z/OS, and IMS and DB2 databases. IBM software products are used by all State agencies accessing the mainframe.

Contract Line Items:

<u>Line</u>	<u>Type</u>	<u>Type ID</u>	<u>Description</u>	<u>UOM</u>	<u>Base Price</u>
1	Item	1000102256	Mainframe Software, (Year 1) IBM, Monthly usage, maintenance, program services and growth agreement, Location: Data Center, 901 5th Ave N., Nashville, TN 37243	MO	399386.00
2	Item	1000102257	Mainframe Software, (Year 1) IBM, Yearly license cycle products, Location: Data Center, 901 5th Ave N., Nashville, TN 37243	YR	249941.00

Agency A3823: IBM Softwarexcel - Edison # 32865

Contract Start Date: 09/01/2012

System Expiration Date: 12/31/2013

Original Number of Renewals: 0 (established as one (1) year contract; previously extended for four (4) months)

Renewals Remaining: 0

Competitively Bid: Yes/No/Sole Source/Proprietary, No, Sole Source

of Bid Invitations Sent: 1

of Bids Received: 1

Requested Action & Notes: Extend for one (1) year due to delays caused by the protest on RFP 31701-03071 Mainframe Services, which will transition and migrate mainframe services from the Office for Information Resources (OIR) to a Contractor.

Vendor Name and Location: IBM, 150 4th Avenue N Ste 450, Nashville, TN. 37219

Main User Agencies: Office for Information Resources on behalf of all agencies using the mainframe.

Estimated Annual Volume: \$177,111.84

Spend to Date: \$186,021.84

Original Estimated Annual Cost Savings (if any): NA

Background: IBM provides support for mainframe software through an offering called Softwarexcel. This contract for Softwarexcel allows the State of Tennessee to have access to IBM software support centers on a 24x7 basis. This support is critical to diagnosis and resolve problems encountered with the IBM software that runs on the State's mainframe system.

Contract Line Items:

<u>Line</u>	<u>Type</u>	<u>Type ID</u>	<u>Description</u>	<u>UOM</u>	<u>Base Price</u>
1	Item	1000102255	Mainframe Software, (Year 1) IBM, Monthly Softwarexcel support, upgrades, electronic questions and answers, Location: Data Center, 901 5th Ave N., Nashville, TN 37243	MO	14759.32
2	Item		Special Item Request for MIPS increases and applies to all lines. Mainframe software, Year 1, Location: Data Center, 901 5th Ave N. Nashville, Tn 37243	P1 (catalog %)	0.01

Restricted Statewide Contract (RSWC) 394: IBM Mainframe Hardware Maintenance - Edison # 1056

Contract Start Date: 07/02/2008

System Expiration Date: 12/31/2013

Original Number of Renewals: 0 (established as five (5) year contract; previously extended for six (6) months)

Renewals Remaining: 0

Competitively Bid: Yes/No/Sole Source/Proprietary, No, Sole Source

of Bid Invitations Sent: 1

of Bids Received: 1

Requested Action & Notes: Extend for one (1) year due to delays caused by the protest on RFP 31701-03071 Mainframe Services, which will transition and migrate mainframe services from the Office for Information Resources (OIR) to a Contractor.

Vendor Name and Location: IBM, 150 4th Avenue N Ste 450, Nashville, TN. 37219

Main User Agencies: Office for Information Resources on behalf of all agencies using the mainframe

Estimated Annual Volume: \$518,390.00

Spend to Date: \$2,218,002.80

Original Estimated Annual Cost Savings (if any): NA

Background: This contract provides maintenance and support on IBM mainframe hardware and associated peripherals.

Contract Line Items:

<u>Line</u>	<u>Type</u>	<u>Type ID</u>	<u>Description</u>	<u>UOM</u>	<u>Base Price</u>
1	Item	8000042575	MAINTENANCE (QUARTERLY PREVENTIVE AND REMEDIAL), SUPPORT, SERVICES FOR TAPE CONFIGURATION AND RELATED DEVICES UNIT 'APCAT' AS PER CATALOG	UN	Per Catalog
2	Item	8000042576	MAINTENANCE (QUARTERLY PREVENTIVE AND REMEDIAL), SUPPORT & SERVICES FOR DIRECT ACCESS STORAGE AND RELATED DEVICES	UN	Per Catalog
3	Item	8000042577	MAINTENANCE (QUARTERLY PREVENTIVE AND REMEDIAL), SUPPORT, SERVICES FOR SYSPLEX TIMERS AND OTHER MAINFRAME PERIPHERALS	UN	Per Catalog
4	Item	8000042578	MAINTENANCE (QUARTERLY PREVENTIVE AND REMEDIAL), SUPPORT, SERVICES FOR IBM PROCESSORS AND RELATED DEVICES	UN	Per Catalog
5	Item	8000042579	TECHNICAL HARDWARE SERVICES	UN	Per Catalog

Agency B3540: ASG Mobias - Edison # 24301

Contract Start Date: 02/01/2011

System Expiration Date: 01/31/2014

Original Number of Renewals: 0 (established as three (3) year contract)

Renewals Remaining: 0

Competitively Bid: Yes/No/Sole Source/Proprietary, No, Sole Source

of Bid Invitations Sent: 1

of Bids Received: 1

Requested Action & Notes: Extend for one (1) year due to delays caused by the protest on RFP 31701-03071 Mainframe Services, which will transition and migrate mainframe services from the Office for Information Resources (OIR) to a Contractor.

Vendor Name and Location: Allen Systems Group, 134 3rd Avenue S, Naples, FL 34102

Main User Agencies: Office for Information Resources on behalf of all agencies using the mainframe

Estimated Annual Volume: \$131,675.00

Spend to Date: \$395,025.00

Original Estimated Annual Cost Savings (if any): NA

Background: This contract provides continued usage, maintenance, upgrades, and support of ASG Viewdirect MVS, more commonly known at the State as Infopac. This product provides for long term electronic storage of reports and information, thereby, eliminating the need to print these files; users can view reports and information electronically and only print when needed. Infopac is used by almost all State agencies, including State agencies that do not have applications installed on the mainframe.

Contract Line Items:

<u>Line</u>	<u>Type</u>	<u>Type ID</u>	<u>Description</u>	<u>UOM</u>	<u>Base Price</u>
1	Item	1000126059	Mobius mainframe software (Year 1), Allen Systems Group Inc. (ASG), Location: Data Center, 901 5th Ave N., Nashville, TN 37243	YR	131675.00
2	Item	1000126060	Mobius mainframe software (Year 2), Allen Systems Group Inc. (ASG), Location: Data Center, 901 5th Ave N., Nashville, TN 37244	YR	131675.00
3	Item	1000126061	Mobius mainframe software (Year 3), Allen Systems Group Inc. (ASG), Location: Data Center, 901 5th Ave N., Nashville, TN 37245	YR	131675.00

Agency B3779: Computer Associates (CA) - Edison # 19302

Contract Start Date: 02/28/2010

System Expiration Date: 02/27/2014

Original Number of Renewals: 0 (established as three (3) year contract; previously extended for one (1) year)

Renewals Remaining: 0

Competitively Bid: Yes/No/Sole Source/Proprietary, No, Sole Source

of Bid Invitations Sent: 1

of Bids Received: 1

Requested Action & Notes: Extend for one (1) year due to delays caused by the protest on RFP 31701-03071 Mainframe Services, which will transition and migrate mainframe services from the Office for Information Resources (OIR) to a Contractor.

Vendor Name and Location: Computer Associates, One Computer Associates Plaza, Islandia, NY 11749

Main User Agencies: Office for Information Resources on behalf of all agencies using the mainframe

Estimated Annual Volume: See yearly amounts in Contract Line Items

Spend to Date: \$12,046,118.00

Original Estimated Annual Cost Savings (if any): NA

Background: This contract is required to provide continued usage, maintenance, and support for CA mainframe software products. The capabilities provided by these products include mainframe computer automation, automatic job scheduling, tape management system, virtual tape subsystem, DB2 utilities to assist in managing DB2 data bases, COBOL code generators, and report generators. These products are used by all State agencies that access the mainframe.

Contract Line Items:

<u>Line</u>	<u>Type</u>	<u>Type ID</u>	<u>Description</u>	<u>UOM</u>	<u>Base Price</u>
1	Item	1000008573	Mainframe software, Computer Associates, software maintenance license (Year 1) as per attached specifications.	YR	2989968.00
2	Item	1000028537	Mainframe software, Computer Associates, software maintenance license (Year 2) as per attached specifications.	YR	2952480.00
3	Item	1000028538	Mainframe software, Computer Associates, software maintenance license (Year 3) as per attached specifications.	YR	2952480.00
4	Item	1000107460	Mainframe software, Computer Associates, software maintenance license, (Year 4)	YR	3188678.00

Agency B3592: BMC - Edison # 19691 & NV19691

Contract Start Date: 03/31/2010

System Expiration Date: 03/30/2014

Original Number of Renewals: 0 (established as three (3) year contract; previously extended for one (1) year)

Renewals Remaining: 0

Competitively Bid: Yes/No/Sole Source/Proprietary, No, Sole Source

of Bid Invitations Sent: 1

of Bids Received: 1

Requested Action & Notes: Extend for one (1) year due to delays caused by the protest on RFP 31701-03071 Mainframe Services, which will transition and migrate mainframe services from the Office for Information Resources (OIR) to a Contractor.

Vendor Name and Location: BMC, 2101 Citywest Blvd, Houston, TX 77042

Main User Agencies: Office for Information Resources on behalf of all agencies using the mainframe

Estimated Annual Volume: See yearly amounts in Contract Line Items

Spend to Date: \$1,746,000.00

Original Estimated Annual Cost Savings (if any): NA

Background: This contract is required to provide continued usage, maintenance, and upgrades for BMC mainframe software. The capabilities provided by these products include optimization of data streams for CICS and IMS, definition of virtual terminals for IMS, and utilities for handling IMS data bases. These products are used by all state agencies that access the mainframe.

Contract Line Items:

<u>Line</u>	<u>Type</u>	<u>Type ID</u>	<u>Description</u>	<u>UOM</u>	<u>Base Price</u>
1	Item	1000008598	Mainframe Software, BMC, maintenance for 2550 MIPS as per attached specification for Year 1 products: Delta IMS Virtual Terminal, MAXM Reorg/EP for IMS, 3270 Superoptimizer/CICS, Ultraopt IMS, Location: Data Center, 901 5th Ave N., Nashville, TN 37243	YR	300000.00
2	Item	1000028060	Mainframe Software, BMC, maintenance for 2550 MIPS as per attached specification for Year 2 products: Delta IMS Virtual Terminal, MAXM Reorg/EP for IMS, 3270 Superoptimizer/CICS, Ultraopt IMS, Location: Data Center, 901 5th Ave N., Nashville, TN 37243	YR	398000.00
3	Item	1000028061	Mainframe Software, BMC, maintenance for 2550 MIPS as per attached specification for Year 3 products: Delta IMS Virtual Terminal, MAXM Reorg/EP for IMS, 3270 Superoptimizer/CICS, Ultraopt IMS, Location: Data Center, 901 5th Ave N., Nashville, TN 37243	YR	498000.00
4	Item	1000155106	Mainframe software, BMC, software maintenance license, products: Delta IMS Virtual Terminal, MAXM Reorg/EP for IMS, 3270 Superoptimizer/CICS, Ultraopt IMS, (Year 4)	YR	550000.00

Agency B3496: Circle Computer Group - Edison # 20730

Contract Start Date: 06/01/2010

System Expiration Date: 05/31/2014

Original Number of Renewals: 0 (established as four (4) year contract)

Renewals Remaining: 0

Competitively Bid: Yes/No/Sole Source/Proprietary, No, Sole Source

of Bid Invitations Sent: 1

of Bids Received: 1

Requested Action & Notes: Extend for one (1) year due to delays caused by the protest on RFP 31701-03071 Mainframe Services, which will transition and migrate mainframe services from the Office for Information Resources (OIR) to a Contractor.

Vendor Name and Location: Circle Computer Group, Harrow House 23 West St, Haslemere, Surrey GU27 2AG

Main User Agencies: Office for Information Resources on behalf of all agencies using the mainframe

Estimated Annual Volume: See yearly amounts in Contract Line Items

Spend to Date: \$265,473.00

Original Estimated Annual Cost Savings (if any): NA

Background: This contract is required to provide continued usage, maintenance, and upgrades for Circle Computer Group DL/2 mainframe software. The DL/2 software product allows the State to migrate from IMS data bases to DB2 data bases without having to rewrite or modify application programs. The product is currently being used by Revenue for the Motor Vehicle Registration System.

Contract Line Items:

<u>Line</u>	<u>Type</u>	<u>Type ID</u>	<u>Description</u>	<u>UOM</u>	<u>Base Price</u>
1	Item	1000108884	Mainframe software, Circle Computer Group, software maintenance license (Year 1) as per attached specifications, Location: Data Center, 901 5th Ave N., Nashville, TN 37243	YR	182127.00000
2	Item	1000108885	Mainframe software, Circle Computer Group, software maintenance license (Year 2) as per attached specifications, Location: Data Center, 901 5th Ave N., Nashville, TN 37243	YR	27782.00000
3	Item	1000108886	Mainframe software, Circle Computer Group, software maintenance license (Year 3) as per attached specifications, Location: Data Center, 901 5th Ave N., Nashville, TN 37243	YR	27782.00000
4	Item	1000123145	Mainframe software, Circle Computer Group, software maintenance license (Year 4) as per attached specifications, Location: Data Center, 901 5th Ave N., Nashville, TN 37243	YR	27782.00000