

**DECEMBER
STATEWIDE CONTRACT #2
SWC # 399
Edison # 37243**

**Department of General Services
Central Procurement Office
(CPO)**

**VENDOR:
Microsoft Corporation**



STATE OF TENNESSEE
DEPARTMENT OF GENERAL SERVICES

BILL HASLAM
GOVERNOR

ROBERT E. OGLESBY, AIA
COMMISSIONER

MEMORANDUM

TO: Fiscal Review Committee

FROM: Chris Benson, Category Specialist

SUBJECT: Sole-Source Statewide Contract #399, Microsoft Premier Support

DATE: November 21, 2014

The Category Specialist recommends adding three (3) lines to the current statewide contract for Microsoft Premier Support. The three lines to be added are Application Development Management, Enterprise Services Senior Consultant, and Local Onsite Services Resource Site Visits. TDOT has permitted their agency term contract to expire and would like to take advantage of the favorable pricing that the statewide contract provides. They require all three proposed lines to make the transition to the statewide contract. Education also requires two of the proposed contract lines for an agency initiative. This amendment allows TDOT and Education to purchase all of the needed services on the statewide contract.

CENTRAL PROCUREMENT OFFICE

312 ROSA L. PARKS AVENUE, 3RD FLOOR • NASHVILLE, TENNESSEE 37243
(615) 741-1035 • FAX: (615) 741-0684 • WWW.TN.GOV/GENERALSERV/

Supplemental Documentation Required for
Fiscal Review Committee

*Contact Name:	Chris Benson	*Contact Phone:	(615) 741-0942		
*Presenter's name(s):	Chris Benson / Shay Oliphant				
Edison Contract Number: <i>(if applicable)</i>	37243	RFS Number: <i>(if applicable)</i>	N/A		
*Original or Proposed Contract Begin Date:	06/15/2013	*Current or Proposed End Date:	06/14/2015		
Current Request Amendment Number: <i>(if applicable)</i>	CY14-4331				
Proposed Amendment Effective Date: <i>(if applicable)</i>	01/21/2015				
*Department Submitting:	General Services				
*Division:	Central Procurement Office				
*Date Submitted:	11/21/2014				
*Submitted Within Sixty (60) days:	Yes				
<i>If not, explain:</i>					
*Contract Vendor Name:	Microsoft Corporation				
*Current or Proposed Maximum Liability:	Statewide Contract #399				
*Estimated Total Spend for Commodities:	\$ 369,000.00				
*Current or Proposed Contract Allocation by Fiscal Year: (as Shown on Most Current Fully Executed Contract Summary Sheet)					
FY: 2015	FY: 2016	FY: 2017	FY: 2018	FY: 2019	FY: 2020
\$555,650	\$123,000	N/A	N/A	N/A	N/A
*Current Total Expenditures by Fiscal Year of Contract: (attach backup documentation from Edison)					
FY:2014	FY: 2015	FY: N/A	FY: N/A	FY: N/A	FY: N/A
\$ 298,830	\$ 92,110	\$ N/A	\$ N/A	\$ N/A	\$ N/A
IF Contract Allocation has been greater than Contract Expenditures, please give the reasons and explain where surplus funds were spent:	N/A				
IF surplus funds have been carried forward, please give the reasons and provide the authority for the carry forward provision:	N/A				
IF Contract Expenditures exceeded Contract Allocation, please give the reasons and explain how funding was acquired to pay the overage:	N/A				

Supplemental Documentation Required for
Fiscal Review Committee

*Contract Funding Source/Amount:			
State:	100%	Federal:	
<i>Interdepartmental:</i>		<i>Other:</i>	
If " <i>other</i> " please define:			
If " <i>interdepartmental</i> " please define:			
Dates of All Previous Amendments or Revisions: <i>(if applicable)</i>		Brief Description of Actions in Previous Amendments or Revisions: <i>(if applicable)</i>	
None			
Method of Original Award: <i>(if applicable)</i>		Sole-Source ITB	
*What were the projected costs of the service for the entire term of the contract prior to contract award? How was this cost determined?		\$ 369,000. Previous spend data and agency projections.	
*List number of other potential vendors who could provide this good or service; efforts to identify other competitive procurement alternatives; and the reason(s) a sole-source contract is in the best interest of the State.		1. There are not any other vendors that supply or perform Microsoft Premier services. Several agencies, including TDOT, COT, and TBI utilize and depend on this contract.	

SWC# 399 – Microsoft Premier Support – Edison #37243

Contract Start Date: June 15, 2013

System Expiration Date: June 14, 2015

Original Number of Renewals: Two (2)

Renewals Remaining: One (1)

Competitively Procured: Sole Source

of Invitations Sent: 1

of Responses Received: 1

Requested Action: Approve Amendment adding 3 lines to the contract

Vendor Name and Location: Microsoft Corporation
One Microsoft Way
Redmond, WA 98052

Main User Agencies: Department of Transportation (TDOT)
Tennessee Bureau of Investigation (TBI)
Comptroller of the Treasury (COT)

Estimated Annual Volume: \$ 123,000.00

Spend to Date: \$ 328,980.00 (06/15/2013 – 09/30/2014)

Original Estimated Annual Cost Savings (if any): N/A

Background: The State is currently on a three-year sole-source contract with Microsoft for Premier Support Services. This service is used by TDOT, TBI, COT, and other agencies and local purchasing entities to utilize high-level Microsoft technical and developmental support. CPO would like to amend the current contract with Microsoft and add three (3) lines to the current statewide contract for Microsoft Premier Support. The three lines to be added are Application Development Management, Enterprise Services Senior Consultant, and Local Onsite Services Resource Site Visits. TDOT has permitted their agency term contract to expire and would like to take advantage of the favorable pricing that the statewide contract provides. They require all three proposed lines to make the transition to the statewide contract. Education also requires two of the proposed contract lines for an agency initiative. This amendment allows TDOT and Education to purchase all of the needed services on the statewide contract.

Contract Line Items: 3

Item ID's	Line Description
1000159570	Microsoft Premier Support – Annual Engagement
1000159571	Support Assistance (SA) and Problem Resolution Support (PRS)
1000159572	Premier Field Engineer



CONTRACT AMENDMENT

Agency Tracking # 32110-4331	Edison ID 37243	Contract # Statewide Contract #399	Amendment # 1		
Contractor Legal Entity Name Microsoft Corporation			Edison Vendor ID 70430		
Amendment Purpose & Effect(s) To add contract lines to enable the purchase of Microsoft Premier Support services.					
Amendment Changes Contract End Date: <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO		End Date: 06/14/2015			
TOTAL Contract Amount INCREASE or DECREASE per this Amendment (zero if N/A):			\$ 434,454		
Funding —					
FY	State	Federal	Interdepartmental	Other	TOTAL Contract Amount
TOTAL:					
American Recovery and Reinvestment Act (ARRA) Funding: <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO					
Budget Officer Confirmation: There is a balance in the appropriation from which obligations hereunder are required to be paid that is not already encumbered to pay other obligations.			OCR USE		
			Speed Chart (optional)		Account Code (optional)

**AMENDMENT ONE
OF CONTRACT NUMBER SWC 399, EDISON 37243**

This Amendment is made and entered by and between the State of Tennessee, Department of General Services, Central Procurement Office, hereinafter referred to as the "State" and Microsoft Corporation, hereinafter referred to as the "Contractor/Grantee." It is mutually understood and agreed by and between said, undersigned contracting parties that the subject contract is hereby amended to include the additional contract lines and pricing listed below:

Line#	Line Description	Price
4	Application Development Management, Per Hour, No Minimum	\$253.00
5	Enterprise Services, Senior Consultant, Per Hour, No Minimum, Includes Travel & Expenses	\$300.00
6	Local Onsite Services Resource Site Visit, Per Visit	\$32.00

Required Approvals. The State is not bound by this Amendment until it is signed by the contract parties and approved by appropriate officials in accordance with applicable Tennessee laws and regulations (depending upon the specifics of this contract, said officials may include, but are not limited to, the Commissioner of Finance and Administration, the Commissioner of Human Resources, and the Comptroller of the Treasury).

Amendment Effective Date. The revisions set forth herein shall be effective January 21, 2015. All other terms and conditions of this Contract not expressly amended herein shall remain in full force and effect.

IN WITNESS WHEREOF,

Microsoft Corporation:

C5F4FFFE6A2E45D
David T. Gallagher
DocuSigned By: David T. Gallagher

11/14/2014

SIGNATURE

DATE

David T. Gallagher

Director of Contracts

PRINTED NAME AND TITLE OF SIGNATORY (above)

Department of General Services, Central Procurement Office:

Mike F. Perry, Chief Procurement Officer

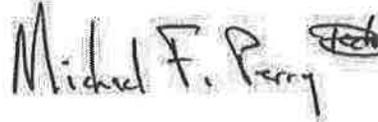
DATE

cy14-4331

Amendment Request

Route a completed request, as one file in PDF format, via e-mail attachment sent to: AgSprs.Agspr@tn.gov

APPROVED



CHIEF PROCUREMENT OFFICER

DATE

Request Tracking #	
1. Procuring Agency	General Services
2. Contractor	Microsoft Corporation
3. Contract #	37243
4. Proposed Amendment #	1
5. Edison ID #	70430
6. Contract Begin Date	06/15/2013
7. Current Contract End Date - with ALL options to extend exercised	06/14/2016
8. Proposed Contract End Date - with ALL options to extend exercised	06/14/2016
9. Current Maximum Contract Cost - with ALL options to extend exercised	\$ 369,000
10. Proposed Maximum Contract Cost - with ALL options to extend exercised	\$ 801,650
11. Office for Information Resources Pre-Approval Endorsement Request - information technology service (N/A to THDA)	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached
12. eHealth Pre-Approval Endorsement Request - health-related professional, pharmaceutical, laboratory, or imaging	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached
13. Human Resources Pre-Approval Endorsement Request - state employee training service	<input checked="" type="checkbox"/> Not Applicable <input type="checkbox"/> Attached
14. Explanation Need for the Proposed Amendment Multiple agencies (TDOT, Education, TBI) have plans to purchase Microsoft Premier support services in the upcoming year. This amendment will add additional lines to the current contract to enable the purchase of Microsoft Premier support services.	
15. Name & Address of the Contractor's Principal Owner(s) - NOT required for a TN state education institution Microsoft Corporation, One Microsoft Way, Redmond, WA 98052	

Request Tracking #	
16. Evidence Contractor's Experience & Length Of Experience Providing the Goods or Services Microsoft is the only provider of this service. They have been the current statewide contract holder since 06/15/2013.	
17. Efforts to Identify Reasonable, Competitive, Procurement Alternatives Sole-Source	
18. Justification The State is currently on a three-year sole-source contract with Microsoft for Premier Support Services. This service is used by TDOT, TBI, Education, and other agencies and local purchasing entities to utilize high-level Microsoft technical and developmental support. CPO would like to amend the current contract with Microsoft and add three (3) line items to allow the State agencies to utilize the statewide contract. TDOT has permitted their agency term contract to expire and would like to take advantage of the favorable pricing that the statewide contract provides. Education also requires two of the proposed contract lines for an agency initiative. This amendment allows TDOT and Education to purchase all of the needed services on the statewide contract.	
Agency Head Signature and Date – MUST be signed by the ACTUAL agency head as detailed on the current Signature Certification. Signature by an authorized signatory is acceptable only in documented circumstances <i>Paul D. Kincaid</i> Director of Category Management and Legal Team 11/18/14	



**STATE OF TENNESSEE, DEPARTMENT OF GENERAL SERVICES
CENTRAL PROCUREMENT OFFICE**

Statewide Multi-Year Contract Issued to:

Microsoft Corp
One Microsoft Way
Dept 1120
Redmond, WA 98052-6393

Vendor ID: 0000070430

Contract Number: 0000000000000000000037243

Title: Microsoft Premier Support

Start Date : June 15, 2014
End Date: June 14, 2015

Is this contract available to local government agencies in addition to State agencies?: Yes

Purchases by Local Government and Authorized Non-Profit Agencies (SWC) - T500
Authorized Users: Local Governments, Private Non-Profit Institutions of Higher Education and Eligible Non-Profit Agencies

The purpose of this Invitation to Bid/Sourcing Event is to establish a source or sources of supply for all state agencies, local governmental units within the geographic limits of the State of Tennessee, any private nonprofit institution of higher education chartered in Tennessee, and any corporation which is exempted from taxation under 26 U.S.C. Section 501(c) (3) as amended and which contracts with the Department of Mental Health and Mental Retardation to provide services to the public (T.C.A. 33-2-401 et seq.). The resulting contract will be open to these governments unless a letter is attached to your bid, addressed to the Chief Procurement Officer, requesting exemption to this allowance.

Purchases by local governmental units, private institutions of higher education, and authorized corporations are encouraged but are optional with those agencies, private institutions of higher education, and corporations.

Contract Contact Information:

State of Tennessee
Department of General Services, Central Procurement Office
Contract Administrator: Chris Benson
3rd Floor, William R Snodgrass, Tennessee Tower
312 Rosa L. Parks Avenue
Nashville, TN 37243-1102
Phone: 615-741-0942
Fax: 615-741-0684

Line Information

Line 1

Item ID: 1000159570

Microsoft Premier Support - (Per Contract Specifications) The fee for this line is based on a full annual engagement, however, will be pro-rated based on the commencement date of engagements beginning 30-days after the contract start date

Unit of Measure: EA

Vendor Item/Part #: PS-1

Manufacturer Item #: PS-1

Unit Price: \$ 61960

Line 2

Item ID: 1000159571

Support Assistance (SA) and Problem Resolution Support (PRS) (Per Contract Specifications) Applied only after all hours specified for a completed Premier Support Services Annual Engagement or Pro-Rated Engagement have been consumed

Unit of Measure: EA

Vendor Item/Part #: PS-2

Manufacturer Item #: PS-2

Unit Price: \$ 15100

Line 3

Item ID: 1000159572

Premier Field Engineer (Daily Rate, Includes all T&E)

Unit of Measure: DA

Vendor Item/Part #: PFE-3

Manufacturer Item #: PFE-3

Unit Price: \$ 2775

APPROVED:

Michael J. Perry
CHIEF PROCUREMENT OFFICER

BY:

W. B. Bar
PURCHASING AGENT

06/05/14
DATE

Microsoft Corporation
12012 Sunset Hills Road
Reston, VA 20190

Tel 703 673 7600
Fax 425 936 7329
<http://www.microsoft.com/>



February 20, 2013

State of Tennessee
Department of General Services
Central Procurement Office

ATTENTION: Donovan Morgan

SUBJECT: Microsoft Premier Support Service

Dear Mr. Morgan:

Microsoft is pleased to provide the following clarification regarding its Premier services offering(s) to assist the State of Tennessee in making a determination relative to a sole source justification.

"Premier" is Microsoft's primary enterprise-level product support offering. As such, Premier support services are performed only by Microsoft Corporation, and can only be sold by Microsoft Corporation in the State of Tennessee.

We appreciate the opportunity to provide this clarification. Should you have any questions concerning this letter, please contact Patricia Krajeski at (703) 943-5709, or via email at patkraj@microsoft.com

Sincerely,

A handwritten signature in black ink, appearing to read "Noel G. Mamplata".

Noel G. Mamplata
Contracts Manager, SLG/E
U.S. Public Sector Services

Invoice Date	Item	Merchandise A	Ship To Descr	Contract ID on PO
6/29/2013	1000159570	61960.000	PROPERTY SERVICES MANAGEMENT	37243
9/28/2013	1000159570	61960.000	TBI - RECEIVING DOCK	37243
11/22/2013	1000159570	61960.000	EDU- EDUCATOR LICENSING	37243
11/22/2013	1000159571	15100.000	EDU- EDUCATOR LICENSING	37243
2/13/2014	1000159570	61960.000	OFFICE OF PROCUREMENT	37243
3/21/2014	1000159571	35890.000	TBI - RECEIVING DOCK	37243
7/11/2014	1000159570	30150.000	PROPERTY SERVICES MANAGEMENT	37243
10/15/2014	1000159570	61960.000	TBI - RECEIVING DOCK	37243

