



STATE OF CALIFORNIA  
**Franchise Tax Board**

06.03.2026

To: Selvi Stanislaus  
From: Michael A. Banelos

## Memorandum

### **Subject: Request for Approval – Contracts Exceeding \$2 Million**

This memorandum provides information for your notification to the Board pursuant to the Board's resolution requiring approval for any procurement activity which would result in the award of a contract exceeding \$2 million.

#### **Software AG Software Maintenance Renewal**

This request seeks approval to renew our software maintenance contract with Software AG to use their software products on FTB's mainframe computer. These products are critical within FTB's operating system platform and provide support for FTB's mission critical applications. The existing contract, which expires in September, is for 5 years at \$11 million. Depending on the outcome of price discussions, we anticipate another five-year contract.

#### **Interagency Agreement with the California Department of Community Services and Development**

This request seeks approval to enter into an Interagency Agreement with the California Department of Community Services and Development (CSD). In order to help educate taxpayers about the California Earned Income Tax Credit (CalEITC) Program and to encourage participation in claiming the CalEITC, \$10 million has been allocated in the proposed budget for outreach activities by nonprofit and community-based organizations. CSD acts as FTB's agent in disbursing the funds, through their existing grant processes, to nonprofits. The total estimated cost of the agreement is \$10,969,000 million, which includes the \$10 million to be distributed, as well as reimbursement for CSD's operational costs during the 2026-2027 fiscal year.

If you have any questions regarding the above items, please contact me at 916-845- 6110.

Michael A. Banelos  
Director, Procurement Bureau

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