



State of California
Franchise Tax Board

02.18.16

To: Selvi Stanislaus

From: Michael Banuelos

Subject: Board Approval for Contracts Exceeding \$1 Million

Memorandum

This memorandum provides information for your notification to the Board pursuant to the Board's resolution requiring approval for contracts exceeding \$1 million. All of the proposed contracts below are for software renewals that are critical to FTB's revenue generating functions and various collection related or administrative tasks. The final contract amounts will be determined through the appropriate procurement or negotiation process.

Compuware Software Maintenance Renewal

This request seeks approval to renew our software maintenance with Compuware to use their software products on FTB's mainframe computer. These software products are used by mainframe developers as productivity tools and are critical within FTB's mainframe environment. The estimated cost for a five year renewal is \$1.175 million.

IBM Passport Advantage Software Subscription and Support Renewal

This request seeks approval to renew our software subscription and support contract for certain IBM products. These software products are critical to our tax systems and software developers within FTB. The estimated cost for a one year renewal is \$1.2 million.

IBM Software Maintenance Renewal for FTB Mainframe

This request seeks approval to renew our software maintenance with IBM to use their proprietary software products on the department's mainframe computer. These software products are critical pieces within our department's operating system platform and provide enterprise operation solutions ranging from security to vital tax processing systems. The existing contract, which is a three year joint contract with the California Department of Technology (CDT), is valued at \$59 million of which FTB's share is approximately \$10 million. FTB will work jointly with the CDT to negotiate a new contract.

Software AG Software Maintenance Renewal

This request seeks approval to renew our software maintenance renewal with Software AG to use their software products on FTB's mainframe computer. These software products are critical within FTB's operating system platform and provide support for some of FTB's mission critical applications. The existing contract is for five years at \$5.1 million. Depending on the outcome of price negotiations, we anticipate a multi-year renewal.

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

Michael Banuelos, Director
Procurement Bureau