

chair **John Chiang**
member **Jerome E. Horton**
member **Michael Cohen**



State of California
Franchise Tax Board

06.17.14

To: Selvi Stanislaus

From: Susan Borgman

Subject: Board Approval for Contract Exceeding \$1 Million -
Mainframe Virtual Storage System Upgrade

Memorandum

This memorandum provides information for your notification to the Board pursuant to the Board's resolution requiring approval for purchases exceeding \$1 million.

This request seeks approval to replace our Mainframe Virtual Storage System at a cost of approximately \$1.3 million, which includes two years of maintenance. The Mainframe Virtual Storage System is a hardware and software solution that allows FTB to store and process its critical personal income and business entity tax accounting system information.

The current storage contract expires March 30, 2015. Based on historical information and workload growth, we estimate that it will not have enough capacity to support the storage needs of the enterprise for the April 2015 filing season. Further, the current system cannot be expanded as some of the critical components have become obsolete. The newer Mainframe Virtual Storage System will improve performance, increase capacity, and provide scalability.


Director, Procurement Bureau