

chair **John Chiang**  
member **Betty T. Yee**  
member **Michael C. Genest**

State of California  
**Franchise Tax Board**

Date: 5.20.2009

To: Selvi Stanislaus

From: Jeanne Harriman

**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 regarding approval for purchases exceeding \$1 million.

This request seeks approval to award a contract to upgrade Franchise Tax Board's (FTB) current mainframe and storage capacity through the non-competitive bid (NCB) process. The estimated total cost for the acquisition for the proprietary products is \$1,040,000. The NCB was previously approved by the State and Consumer Services Agency and is pending approval by the Department of General Services.

The success of FTB's critical programs and processes depends on departmental users having mainframe access and the appropriate operating capacity. The mainframe activity is dependent on sufficient processing capacity and central storage memory to process these workloads. Current processing demands are approaching mainframe capacity limits.

FTB's projections document the need for additional mainframe capacity to ensure the department maintains service levels required to support critical business programs and processes. Without ample mainframe capacity, FTB's efficiency and effectiveness associated with collecting revenue and responding to taxpayers will be negatively impacted.

The Feasibility Study Report (FTB FSR 08-04) for Workload Growth was approved by the department's Governance Council on July 14, 2008 and the office of the Chief Information Officer on January 10, 2009.

If you have any questions, please feel free to contact me at (916) 845-6431.



Director

Financial Management Bureau

chair **John Chiang**  
member **Betty T. Yee**  
member **Michael C. Genest**

State of California  
**Franchise Tax Board**

Date: 05.26.2009

To: Selvi Stanislaus

From: Jeanne Harriman

**Subject: Board Approval for Contracts Exceeding \$1 million**

## Memorandum

This memorandum provides information for your notification to the Board of a pending purchase for \$1.4 million. This notification is pursuant to the Board's resolution requiring approval for purchases exceeding \$1 million.

FTB is requesting Board approval to award an agreement to purchase approximately 4,500 Microsoft Office 2007 software licenses through the DGS approved Microsoft Select License Program using the Request for Offer (RFO) process. The estimated total cost for the acquisition of this product is \$1,445,000. This purchase will update all critical systems which currently have expiring Microsoft Office 2000 licenses.

Currently, a portion of FTB's staff is licensed for Microsoft Office 2007 use, while other staff continues to use the older Microsoft Office 2000. Microsoft Office 2000 was retired (no longer available for purchase) in 2004. Effective July 2009, Microsoft will discontinue providing support or security updates for the Microsoft 2000 product.

The success of FTB's internal and external processes depends, in part, on departmental users having consistent and currently supported versions of Microsoft Office for their use.

If you have any questions, please feel free to contact me at (916) 845-6431.



Director  
Financial Management Bureau