

chair John Chiang
member Jerome E. Horton
member Ana J. Matosantos



State of California
Franchise Tax Board

11.07.12

To: Selvi Stanislaus

From: Jeanne Harriman

Subject: Board Approval for Contracts Exceeding \$1 Million - Computer Associates, Inc.

Memorandum

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

Computer Associates, Inc.

This contract is for the renewal of a 51-month contract for existing software products from Computer Associates, Inc. The existing contract, which is a joint contract between the Franchise Tax Board (FTB), the California Technology Agency (Technology Agency), and Computer Associates, expires on March 30, 2013. FTB's share of the existing 51-month contract is \$6.2 million.

The renewal of this maintenance contract is critical to the department's operations as Computer Associate's products are used enterprise-wide and assist in supporting mission-critical tax collection systems, such as our Taxpayer Information System and Business Entities Tax System. FTB's ability to administer our tax programs and generate revenue would be negatively affected without the use of these software products.

FTB anticipates entering into another joint multi-year contract with the Technology Agency and Computer Associates; however, the exact dollar amount and term will depend on the outcome of the negotiations. FTB and the Technology Agency, under the leadership of the Department of General Services, will engage Computer Associates in a formal negotiation process during the November 2012 - February 2013 timeframe. The results of the negotiation process will determine the term and cost of the new contract.

If you have any questions regarding any of the above items, please contact me at 845-6431.

A handwritten signature in cursive script that reads "Jeanne Harriman".

Director
Financial Management Bureau