

**DEPARTMENT OF BUDGET AND MANAGEMENT  
ACTION AGENDA**

**INFORMATION TECHNOLOGY CONTRACT**

**ITEM:** 18-IT **Agency Contact:** Ellis Kitchen  
(410) 260-2994  
ekitchen@dbm.state.md.us

**DEPARTMENT/PROGRAM:** Budget and Management (DBM)  
Office of Information Technology (OIT)

**CONTRACT ID:** Microsoft Select and Enterprise Software Re-seller  
Contract  
ADPICS NO. 050B7800011

**CONTRACT DESCRIPTION:** Contract to provide for Microsoft software products  
and services through a Large Account Re-seller (LAR) at a firm fixed percentage discount off of  
the applicable Microsoft Select and Enterprise Price Lists.

**AWARD:** Software House International, Inc.  
Somerset, NJ

**TERM:** 8/1/2007 - 7/31/2012

**AMOUNT:** \$55,000,000

**PROCUREMENT METHOD:** Competitive Sealed Bidding

**BIDS OR PROPOSALS:** See Attachment

**MBE PARTICIPATION:** 1%

**MBE WAIVER:** 24% (See Requesting Agency Remarks)

**PERFORMANCE SECURITY:** None

**INCUMBENT:** Same

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**ITEM:** 18-IT (Cont)

**REQUESTING AGENCY REMARKS:** A notice of the availability of the Invitation For Bids (IFB) was advertised on *eMarylandMarketplace.com* and on DBM's website. A copy was also sent to the Governor's Office of Minority Affairs. Copies of the solicitation notice were e-mailed directly to 18 prospective vendors, none of which were Maryland firms or MBEs.

Five bids were received in response to the solicitation. Software House International, Inc. ("SHI") is recommended for contract award as the lowest bidder (see Attachment). SHI's bid is responsive and SHI has also been deemed a responsible bidder.

Under separate agreement with Microsoft, DBM has access to Microsoft prices (called Level D prices) that are only available to a limited number of organizations. This pricing level is typically based on volume licenses usage. Under this solicitation, DBM sought a company with the ability to offer all Microsoft products and services at a firm fixed 'percentage discount off' of the current Microsoft Level D Select and Enterprise Price Lists. DBM will manage the contract resulting from this IFB, but services may be purchased by individual State agencies. This contract may also be used by local governmental entities such as school systems, counties/municipalities and all of Maryland's public higher education institutions.

SHI has submitted a request to waive 24% of the original 25% MBE goal in the solicitation. The contractor has committed to a 1% participation to provide support services related to certain types of software licensing that can be provided under the resulting contract. SHI provided evidence that it has made a good faith effort to achieve the goal but due to a lack of positive response from the firms solicited, SHI could not meet the goal established within the solicitation.

The *Award Amount* shown above is estimated and is based upon firm-fixed discount percentages established in the contract. Payments will be made only for the actual amount of licenses and related services provided.

**HANDCARRY**  
56B  
BPW /8/1/2007

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**ITEM:** 18-IT (Cont)

**FUND SOURCE:** Various

**APPROP. CODE:** Various Agencies

**RESIDENT BUSINESS:** No

**MD TAX CLEARANCE:** 07-1370-1110

Note: This Item appeared as Item 7-IT on the DBM BPW Agenda on 6/20/2007 and was deferred. This Item also appeared as Item 14-IT on the DBM BPW Agenda on 7/11/2007 and was withdrawn.

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Board of Public Works Action - The above referenced Item was:

APPROVED

DISAPPROVED

DEFERRED

WITHDRAWN

WITH DISCUSSION

WITHOUT DISCUSSION

**ITEM:** 18-IT (Cont)

**ATTACHMENT**

<u>Bidder</u>	<u>Evaluated Select Discount %</u>	<u>Evaluated Enterprise Discount</u>	<u>Total Evaluated Discount %</u>	
Software House International, Inc. Somerset, NJ	16.44%	4.00%	20.44%	(1)
Dell, Inc. Round Rock, TX	15.81%	4.36%	20.17%	(2)
PC Mall Gov, Inc. Manassas, VA	15.76%	3.94%	19.7%	(3)
ASAP Software Express, Inc. Chantilly, VA	15.82%	3.61%	19.43%	(4)
Insight Public Sector, Inc. Tempe, AZ	13.43%	3.68%	17.11%	(5)

\*Note: Discount is off Microsoft Select and Enterprise Level D Price Lists