



**DEPARTMENT OF BUDGET AND MANAGEMENT**  
**ACTION AGENDA**

**ITEM:** 4-IT (Cont)

**AWARDS:**

**Verizon Maryland, Inc.**  
Baltimore, MD  
**Verizon Select Services, Inc.**  
Irving, TX  
(Local address in Linthicum, MD)

**INCUMBENTS:**

Verizon, Inc.  
(DBM-9817-HCS; 9/2/98 - 10/12/2004;  
\$85,505,916)  
AT&T and MCI, Inc.  
(DBM-9911-IHCS; 10/13/99 - 10/12/2004;  
\$15,000,000)  
(See Requesting Agency Remarks below)

**FUND SOURCES:** Various Agencies

**APPROP. CODES:** Various

**AMOUNTS:**

\$ 41,000,000 Est. (3 Years; Base Contract)  
\$ 26,600,000 Est. (2 Years; 1<sup>st</sup> Renewal  
Option)  
\$ 25,200,000 Est. (2 Years; 2nd Renewal  
Option)  
\$ 23,900,000 Est. (2 Years; 3rd Renewal  
Option)  
\$ 22,700,000 Est. (2 Years; 4th Renewal  
Option)  

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**\$139,400,000** Est. Total (11Years ; see  
Requesting Agency  
Remarks below)

**PERFORMANCE BOND:**

None.

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**REQUESTING AGENCY REMARKS:** A notice of the availability of the Request For Proposals (RFP) was advertised in the *Maryland Contract Weekly*, on the DBM website and at *eMarylandMarketplace.com*. Copies of the solicitation notice were mailed directly to 5 prospective vendors, all of which were Maryland firms, and included no MBEs. A copy was also sent to the Governor's Office of Minority Affairs. There is no MBE goal established for this contract because no sub-contracting opportunities exist for these services.

The services provided under this contract will support the State's requirements for transporting electronic information across the State in a high capacity manner. This includes voice, video and data and will be used by all State agencies in support of their various applications and business needs and to meet present and future communications needs in the most cost effective manner possible.

These Statewide high capacity circuit services are in two service areas:

1. Digital Data System (DDS) for inter/intra Local Access and Transport Area (LATA) circuit services. DDS employs various private line digital services technologies.
2. Frame Relay /Asynchronous Transfer Mode (FR/ATM) circuit services. FR services use packet switching technology and ATM services use fast, cell-switched technology.

The solicitation invited vendors to provide offers for either or both of these service areas.

Three offerors submitted a total of five proposals for these services. After one offeror was permitted to withdraw its offer, two offerors remained with three proposals being evaluated for these services (see Attachment). As indicated in the Attachment, the Verizon Corporation's ("Verizon") two subsidiaries were the only remaining offerors proposing in both service areas, with MCI WorldCom Communications, Inc. (MCI) proposing only DDS services.

Based upon the Evaluation Committee's proposal evaluations, the recommended awardees, Verizon Maryland, Inc. ("Verizon Maryland") and Verizon Select Services Inc. ("VSSI"), are able to provide services in both the areas required by the RFP. These Verizon subsidiaries had the best technical and price proposals for both service areas and are recommended for award in a single consolidated contract. For this contract, Verizon Maryland will act as a single point of contact for all services provided to the State.



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By approving this contract, the Board grants DBM the authority to approve the unilateral exercise of the renewal option(s) at the scheduled times as provided for in the contract, and directs that the exercise of each option renewal be reported on a DBM PAAR.

Approval recommended.

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

APPROVED

DISAPPROVED

DEFERRED

WITHDRAWN

WITH DISCUSSION

WITHOUT DISCUSSION

**ITEM:** 4-IT (Cont)

**ATTACHMENT**

BPW 1/7/2004

**BIDS OR PROPOSALS (Cont):**

*For DDS Services*

<u>Offeror</u>	<u>Tech. Rank</u>	<u>Three-Year * Financial Offer (Rank)</u>	<u>Overall Rank</u>
<b>Verizon Maryland Inc. **</b> Baltimore, MD and <b>Verizon Select Services Inc.</b> Irving, TX (Local address in Linthicum, MD)	1	\$ 29,328,388 (1)	1
<b>MCI WorldCom Communications, Inc.</b> Vienna,VA	2	\$114,014,486 (2)	2

*For FR/ATM Services*

<u>Offeror</u>	<u>Tech. Rank</u>	<u>Three-Year * Financial Offer (Rank)</u>	<u>Overall Rank</u>
<b>Verizon Maryland , Inc. **</b> Baltimore, MD	1	\$ 10,006,857 (1)	1

**\*Note:** Offer amount was based upon a financial model in the RFP for evaluation purposes.

**\*\*Note:** Total Verizon Maryland Inc. and Verizon Select Services Inc. offer values for both services is \$39,335,245.