



**DEPARTMENT OF GENERAL SERVICES  
OFFICE OF STATE PROCUREMENT  
ACTION AGENDA  
July 2, 2025**



**SUPPLEMENTAL**

*Contact: Kareen Davis 410-260-7552  
kareendavis@maryland.gov*

**38-IT-MOD. INFORMATION TECHNOLOGY MODIFICATION**  
*Department of General Services, Office of State Procurement*

**Contract ID:** Microsoft Licensing Packages; CTR012098 / 001B3600339  
ADPICS No.: COL02441

**Contract Approved:** DGS 41-IT, 04/19/2023

**Contract Description:** *RETROACTIVE* approval to purchase Microsoft Licensing Packages via the National Intergovernmental Purchasing Alliance Company (National IPA), now OMNIA Partners, led by the City of Mesa, Arizona.

**Modification Description:** Increase contract spending authority and provide justification for the retroactive nature of this action, in alignment with the contract extension approved on May 30, 2024, under OMNIA Partners' Master Agreement No. 2018011-02, led by the City of Mesa, Arizona.

**Award:** SHI International Corporation; Somerset, NJ

**Original Contract Term:** 03/01/2023 - 02/28/2025

**Modification Term :** 10/24/2024 - 07/02/2025 (**Retroactive**)  
07/03/2025 - 09/28/2025 (Proactive)

**Original Contract Amount:** \$40,411,548.90

**Modification Amount**      \$18,072,384.55 (Retroactive)  
                                     \$ 7,500,000.00 (Proactive)  
                                     \$25,572,384.55

**Prior Options/Mods:**      \$0.00 (MOD #1: Extension 03/01/2025 - 04/03/2025: Delegated Authority - DGS, 02/28/2025  
                                     \$0.00 (MOD #2: Extension 04/04/2025 – 09/28/2025: Delegated Authority - DGS, 4/ 1/ 2025

**Total Contract Amount:** \$65,983,933.45

**Percent +/- (This Item):** 63.28%

**Total Percent Change:** 63.28%



**DEPARTMENT OF GENERAL SERVICES**  
**OFFICE OF STATE PROCUREMENT**  
**ACTION AGENDA**  
**July 2, 2025**



**SUPPLEMENTAL**

**38-IT-MOD. INFORMATION TECHNOLOGY MODIFICATION (cont'd)**

**Original Procurement Method:** Intergovernmental Cooperative Purchasing Agreement (ICPA) City of Mesa, AZ, 2018011-02

**MBE/VSBE Participation:** 0% / 0%

**MBE/VSBE Compliance:** 0% / 0%

**Requesting Agency Remarks:** During the initiation of new contracts to purchase Microsoft Licensing Packages under an Intergovernmental Cooperative Purchasing Agreement with CDW-G and SHI (Master Agreements 2024056-01 and 2024056-02), it was discovered that the current BPO had been overdrawn by \$18,072,384.55, despite showing a remaining balance in FMIS and ANSWERS. The overspending resulted from discrepancies between encumbrances and actual expenditures, as these systems reflect payment activity, not obligated amounts, and do not adjust balances when payments are processed outside FMIS for agencies such as MDOT. This led to inaccurate reporting of available funds and ultimately caused the BPO to be overspent.

In accordance with COMAR 21.03.01.03.01, we acknowledge the financial discrepancies resulting from the challenges MDOT and DGS have faced in accessing each other's financial systems. While DGS and MDOT have not yet been able to resolve these challenges due to technical limitations of the FMIS system, both agencies are aware of the situation and are working towards a resolution. We will continue to monitor the situation and take necessary steps as appropriate to help ensure these matters are resolved.

The State is satisfied with the services provided by the contractor and believes it is in the state's best interest to modify the contract to increase spending authority due to an approximate forecast of purchase orders of approximately \$7,500,000 by the end of the remaining contract term.

An MBE participation goal or VSBE participation goal was not established for this contract because this contract is solely for the purchase of software licenses and software license renewals. There are no services provided under this contract, therefore no subcontracting opportunities exist.

In accordance with the guidelines established by COMAR 21.05.09.02, the Department of General Services (DGS), Office of State Procurement (OSP), is empowered to sponsor, renew, modify, or administer an Intergovernmental Cooperative Purchasing Agreement (ICPA) on its own behalf or on behalf of other agencies. As a result, the proposed modification to the existing contract is in line with the regulatory framework and seeks to provide clear, demonstrable benefits to the State.



**DEPARTMENT OF GENERAL SERVICES  
OFFICE OF STATE PROCUREMENT  
ACTION AGENDA  
July 2, 2025**



**SUPPLEMENTAL**

### **38-IT-MOD. INFORMATION TECHNOLOGY MODIFICATION (cont'd)**

#### ***Agency Remarks (cont'd):***

The primary justification for the modification is to ensure that critically required software functionality remains available for State agency use. A comparative pricing analysis between the current contract and alternative pricing options, including those available through the General Services Administration (GSA), reveals that the State is receiving competitive and favorable pricing under the existing ICPA, specifically with SHI International Corporation's offering of software licenses. The determination that OMNIA's prices are lower in multiple instances further underscores the financial advantage of continuing with this ICPA. The continuation of this agreement, therefore, ensures that the State will avoid potential cost increases and continue to benefit from these favorable terms.

Furthermore, the retroactive and proactive adjustments to the contract value ensure that both past discrepancies and ongoing procurement needs are addressed appropriately. By increasing the contract value and extending the contract term, DGS is ensuring that the State remains in compliance with procurement requirements while also providing sufficient time to resolve any outstanding issues and finalize the upcoming contract.

In conclusion, based on the comparative analysis of costs, the need for continuous service provision, and the corrective actions taken to resolve financial discrepancies, it is determined that modifying the ICPA is in the best interest of the State. The modification aligns with the principles set forth in COMAR 21.05.09 and serves to promote administrative efficiency, avoid procurement delays, and maximize cost avoidance across state agencies.

**DGS OSP Remarks: RETROACTIVE** approval requested pursuant to § 11-204( c) State Finance & Procurement Article. DGS OSP has determined that this contract should be treated as voidable rather than void because: (1) all parties have acted in good faith; (2) ratification for the procurement contract would not undermine the purposes of the Procurement Law; and (3) the violation, or series of violations, was insignificant or otherwise did not prevent substantial compliance with the Procurement Law.

**Fund Source:** Various

**Approp. Code:** Various

**Resident Business:** No

**BOARD OF PUBLIC WORKS**

**THIS ITEM WAS:**

**APPROVED**

**DISAPPROVED**

**DEFERRED**

**WITHDRAWN**

**WITH DISCUSSION**

**WITHOUT DISCUSSION**