

**BRAND NAME JUSTIFICATION FOR
THE STATE'S INTENDED USE OF
REMEDY SERVICE MANAGEMENT PRODUCTS
MANUFACTURED BY BMC SOFTWARE, INC.**

December 14, 2005

I. FACTS

A. Legislative Mandate and Statewide Policy.

1. In 2001, the State of Oregon Legislature promulgated new law in ORS Chapter 184 (ORS 184.473 through 184.477) to direct DAS to take appropriate measures to ensure effective management of the State's IT resources, including without limitation:

- a. Developing state government-wide standards, processes and procedures for the management of the state government-wide information technology portfolio and conducting and maintaining a continuous inventory of each state agency's information technology (IT), a compilation of information about those assets and the total life-cycle cost of those assets;
- b. Conducting and subsequently maintaining that state government-wide inventory;
- c. Integrating state agency strategic and business planning, technology planning and budgeting, and project expenditure processes into the department's information technology portfolio-based management program; and
- d. Ensuring that state agencies implement portfolio-based management of information technology resources in accordance with ORS 184.473 through 184.477 and with rules adopted by the DAS Director.

2. In order to help implement the new law, by April 2004 DAS had developed a statewide IT Asset Inventory and Management Policy (IRM 107-004-010) that set out selected requirements for state agencies regarding ITAM, including without limitation:

- a. Establish IT Asset Management programs and procedures for acquiring, deploying, tracking/managing, and disposing of IT-related assets under its control.
- b. Periodically collect and report a compilation of information about its current IT Assets and its planned IT investments to DAS IRMD following a published state government-wide schedule.
- c. Establish (at their discretion) additional written policies, standards, processes, and procedures as necessary to accomplish agency business objectives.

B. Current State IT Management and Operational Needs.

1. In order to comply with the law and policy applicable to ITAM, at this time the State has the following critical management and operational needs that must be satisfied through acquisition of a suite of Information Technology Infrastructure Library (“ITIL”)-compliant integrated software tools:

- a. Manage IT asset information in a manner that provides for: (i) knowledge of what IT assets are deployed and how those items are configured (related), (ii) management support of the day-to-day operations involving IT services, and (iii) the assessment and measurement of the performance of the State’s IT investments over time. In addition, the acquired tools should enable the State to meet the following requirement
- b. Law and policy require collection and reporting of IT asset data at the enterprise level (all state agencies), including licensure compliance information, and to have the ability to monitor deployed IT assets for audit and security purposes.
- c. The majority of the State's IT assets to be tracked and managed are LAN/Desktop-related assets within state agencies.
- d. The IT assets located or hosted within the new State Data Center (“SDC”), *i.e.*, high value mainframe, servers, and network related assets, such as routers, switches, hubs, etc., also require tracking.

C. Requirements for Software Tools to Meet Management and Operational Needs.

1. The IT management and operational needs set out in Section B., above, require tools that feature a configuration management database (“CMDB”) to house the subject IT data and relationships; and that must fully integrate with IT service management process tools, including without limitation:

- a. configuration and asset management,
- b. topology and discovery,
- c. service desk, and
- d. change management.

2. The required tools must also meet all of the functionality and features for IT asset management services listed in the specifications attached to this notice (**Attachment #1, Mandatories and Desirables Worksheet**). The State requires satisfaction of all specifications, both mandatory and desirable, in order to acquire and integrate tools that

will enable the SDC to meet all agency needs and to move toward an enterprise model for ITAM.

3. Over time, the State has conducted extensive market research, including at least one prior solicitation, through which it has been exposed to and examined multiple ITAM products manufactured by diverse suppliers. Through the course of this extensive market experience, the State has determined that only Remedy Service Management Products (Remedy Brand Products) manufactured by BMC Software, Inc. meet all listed specifications. The Remedy Brand Products that the State seeks to acquire are listed in **Attachment #2, BMC Service Management Products**. The State believes that there are multiple resellers of Remedy Brand Products.

D. The State’s Current Investment in Remedy Brand Products.

1. The State has a substantial investment in ITIL-compliant Remedy Brand Products. Over time, the BMC Remedy Service Management products have become deeply embedded in four (4) large state agencies: DAS, the Department of Corrections (“DOC”), the Department of Human Services (“DHS”), and the Department of Transportation (“ODOT”). They all utilize the Remedy Help Desk application, supported by the Remedy Action Request System (“ARS”). Some of these agencies also own additional Remedy modules for Asset, Change, and Service Level Agreement. All modules are built around the ARS and are fully integrated with each other module. Together, these four (4) agencies comprise 72.49% of the total State's IT PC hardware assets.

2. Additional investments in the ITAM-related line of Remedy Brand Products include implementation project costs. ODOT's share of such costs, alone, has totaled nearly \$1 million. The majority of this cost was for internal staff time. DHS' initial implementation project cost approximately \$300,000.00; excluding DHS staff time, the investment in hardware, and the subsequent purchase of additional licenses.

3. Refer to **Attachment #3, State-owned Remedy Brand Products**

4. Annual support and maintenance costs for current Remedy Brand Product installations include:

- a. DAS: \$20,000.00 for Action Request and Help Desk
- b. DOC: \$28,000.00 for Action Request and Help Desk
- c. DHS: \$50,000.00 for Action Request, Help Desk and SLA
- d. ODOT: \$74,000.00 for Action Request, Help Desk, Asset Management and Change Management.
- e. TOTAL: \$172,000.00

5. This installed Remedy Brand Product base represents a multi-million dollar investment in an enterprise class infrastructure of IT service management tools. Each of the agencies deploying the Remedy Brand Products in their system environments has invested additional resources in training costs for users and administrators for those systems. The State owns an extensive base of personnel knowledge and skills related to the use of the Remedy ITAM product line in each IT environment where the tools are implemented and deployed. Refer to **Attachment #4, User Metrics** (this attachment depicts the State's metrics regarding knowledge and skill base for remedy brand products).

6. The exercise of wise stewardship calls for the State to attempt to leverage this existing base of products, knowledge and skills for extension throughout its agencies.

a. Merging existing contracts and user licenses under one statewide enterprise solution could reduce current and future investment costs through optimizing contracting efforts and distribution and management of user licenses.

b. The acquisition of additional Remedy Brand Products would lead to the efficient maintenance, support and further utilization of the State's substantial existing product and service investments in the Remedy Brand Products line.

c. BMC Remedy Service Management products can be rapidly deployed without extensive reengineering of the State's business and network infrastructure. Integration efforts would be minimal because the tools in the BMC Remedy Service Management suite are fully integrated out-of-the-box.

d. This overall strategy would comply with the "best practices" trend growing among State IT departments for the effective and efficient use of information systems as outlined by the ITIL, an internationally recognized set of processes for IT service management.

E. The State's Planned Procurement of ITAM Tools and Related Services

1. By the first of the New Year, the State plans to release a Request for Proposals that will lead to the award of a price and services agreement to a single supplier through which the State will acquire (i) the products and services needed to properly maintain and support its existing investment in Remedy Brand ITAM products, (ii) new Remedy Brand ITAM products and related services for additional agencies, and (iii) consultant services to facilitate the development of a plan to take the State to an enterprise solution for ITAM.

2. This planned solicitation will allow the State to cultivate competition in the pool of suppliers who are authorized to sell Remedy Brand Products and related services. An integral part of this notice is to fully identify this pool of suppliers.

II. FINDINGS

The State's intended use of Remedy Brand IT Service Management Products complies with ORS 279B.215 and OAR 125-247-0288 (3) (c) as follows:

1. The naming of the Remedy Brand Product line in the upcoming solicitation will:
 - a. Generate competition in a pool of diverse suppliers who are authorized to sell Remedy Brand Products and related services;
 - b. Lead to a substantial cost savings in the State's required action to comply with the legislative mandate reflected in ORS 184.473 to 184.477; and
 - c. Result in the efficient utilization of existing equipment and supplies.

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