

Texas to Rebid Data Center Contract

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The Texas Department of Information Resources (DIR) will begin looking into rebidding the data center outsourcing contract it has with IBM Corporation. The contract, which was established almost four years ago, is worth \$863 million over the course of seven years. At this time, IBM's day-to-day obligations remain the same; however, the state is now taking the lead with the project and a spokesman for DIR confirmed plans to rebid all of the services within the contract.

This shift in project management signals the likely end of the IBM contract, which was originally established to merge data centers of 28 state agencies into two streamlined and secure facilities. Originally, the project was touted as a way to save money and improve operations and security by housing the agencies' servers and mainframes in state-of-the-art facilities. This consolidation was to be finished by the end of 2009, but is only 12 percent complete at this time.

Both sides seem to be readying their respective cases should this end up in court. The state contends that the contract was violated several times with "chronic failures," perpetual deadlines missed, and the project constantly plagued by equipment failures and service complaints. On the other hand, IBM ran into problems from the start, which slowed progress and fueled frustration among state agencies. The company believes the data center was unpopular with the respective agencies and in turn, they either failed to cooperate or actively resisted the project. IBM also criticized the state for aging equipment and technology causing strain and delayed progress when trying to meet deadlines. At this time, all signs point to a termination of the contract by the state. This opportunity can be followed in the GovWin database [here](#).