

A RESOLUTION OF THE LEGISLATIVE FINANCE COMMITTEE OF THE MONTANA LEGISLATURE PROVIDING FOR A VOTE OF NO CONFIDENCE IN XEROX CORPORATION'S ABILITY TO DELIVER THE MEDICAID MANAGEMENT INFORMATION SYSTEM (MMIS) ON TIME AND ON BUDGET:

WHEREAS, prior to the "re-plan", Xerox missed every major deliverable, which triggered the liquidated damages provision in the contract; and

WHEREAS, Xerox has had significant cost overruns (tens of millions of dollars) and delays (several years) in other states in installing MMIS system replacements, including but not limited to, New Hampshire, Alaska, North Dakota, and California; and

WHEREAS, Xerox is in litigation, threatened litigation, or had contracts canceled recently in Nevada, Texas, and Alaska; and

WHEREAS, Xerox promised to build a center for excellence in Helena at or around the time of the MMIS contract procurement but has only a few fully dedicated resources/jobs currently on the project; and

WHEREAS, Xerox has had a difficult time retaining quality vendor personnel, with several key resources leaving the company since the MMIS system replacement project started; and

WHEREAS, due to Xerox' failures, the MMIS project is projected to cost the State of Montana more to complete and is 27 months behind schedule;

NOW, THEREFORE, BE IT RESOLVED BY THE LEGISLATIVE FINANCE COMMITTEE OF THE MONTANA LEGISLATURE:

That the members of this Committee have no confidence in Xerox Corporation's ability to deliver an MMIS system which meets Montana's needs as set forth in the RFP and related documents at the price Xerox quoted the State. It is clear that Xerox' delays will cost the State and its taxpayers millions of dollars, while pushing the implementation date out 27 months. Regardless of the time delays and cost increases, this Committee remains skeptical as to whether Xerox has or can deliver a robust fully functional MMIS system.

Legislative Finance Committee  
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