

**STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 PURCHASING OPERATIONS
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933**

February 5, 2009

**CHANGE NOTICE NO. 15
 TO
 CONTRACT NO. 071B4200147
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF VENDOR		TELEPHONE Lewis Jones III (517) 272-5657
Electronic Data Systems Corporation 905 Southland – Mail Stop 1014 Lansing, MI 48910 Lewis.jones@eds.com		VENDOR NUMBER/MAIL CODE
		BUYER/CA (517) 373-3993 Dale Reif
Contract Compliance Inspector: Joel Storchan Michigan Master Computing Contract (MMCC) Master Contract for Hardware, Software & Service		
CONTRACT PERIOD: From: February 10, 2004 To: April 9, 2009		
TERMS	SHIPMENT	
Net 45 Days	30 Days ARO	
F.O.B.	SHIPPED FROM	
Delivered	N/A	
MINIMUM DELIVERY REQUIREMENTS N/A		

NATURE OF CHANGE (S):

Effective immediately, this contract is hereby EXTENDED to April 9, 2009. All other specifications, prices, terms, and conditions remain the same.

AUTHORITY/REASON:

Per DMB Purchasing Operations and Ad Board approval on 02/03/2009.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$271,531,396.24

STATE OF MICHIGAN
DEPARTMENT OF MANAGEMENT AND BUDGET
PURCHASING OPERATIONS
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

November 20, 2008

CHANGE NOTICE NO. 14
TO
CONTRACT NO. 071B4200147
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR		TELEPHONE Lewis Jones III (517) 272-5657
Electronic Data Systems Corporation 905 Southland – Mail Stop 1014 Lansing, MI 48910 Lewis.jones@eds.com		VENDOR NUMBER/MAIL CODE
		BUYER/CA (517) 373-3993 Dale Reif
Contract Compliance Inspector: Joel Storchan Michigan Master Computing Contract (MMCC) Master Contract for Hardware, Software & Service		
CONTRACT PERIOD: From: February 10, 2004 To: February 9, 2009		
TERMS	SHIPMENT	
Net 45 Days	30 Days ARO	
F.O.B.	SHIPPED FROM	
Delivered	N/A	
MINIMUM DELIVERY REQUIREMENTS N/A		

NATURE OF CHANGE (S):

Effective immediately, this contract is hereby **INCREASED** by \$23,000,000.00. All other specifications, prices, terms, and conditions remain the same.

AUTHORITY/REASON:

Per DMB Purchasing Operations and Ad Board approval on 11/18/2008.

INCREASE: \$23,000,000.00

TOTAL REVISED CONTRACT VALUE: \$271,531,396.24

STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 PURCHASING OPERATIONS
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

September 4, 2008

CHANGE NOTICE NO. 13
TO
CONTRACT NO. 071B4200147
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Electronic Data Systems Corporation 905 Southland – Mail Stop 1014 Lansing, MI 48910 Lewis.jones@eds.com	TELEPHONE Lewis Jones III (517) 272-5657
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 373-3993 Dale Reif
Contract Compliance Inspector: Joel Storchan Michigan Master Computing Contract (MMCC) Master Contract for Hardware, Software & Service	
CONTRACT PERIOD: From: February 10, 2004 To: February 9, 2009	
TERMS Net 45 Days	SHIPMENT 30 Days ARO
F.O.B. Delivered	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	

NATURE OF CHANGE (S):

Effective immediately, this contract is hereby INCREASED by \$45,000,000.00. All other specifications, prices, terms, and conditions remain the same.

AUTHORITY/REASON:

Per DMB Purchasing Operations and Ad Board approval on 9/2/2008.

INCREASE: \$45,000,000.00

TOTAL REVISED CONTRACT VALUE: \$248,531,396.24

**STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 PURCHASING OPERATIONS
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933**

June 20, 2008

**CHANGE NOTICE NO. 12
 TO
 CONTRACT NO. 071B4200147
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF VENDOR Electronic Data Systems Corporation 905 Southland – Mail Stop 1014 Lansing, MI 48910 <p style="text-align: right;">Lewis.jones@eds.com</p>	TELEPHONE Lewis Jones III (517) 272-5657 VENDOR NUMBER/MAIL CODE (2) 75-2548221 (010) BUYER/CA (517) 373-3993 Dale Reif
Contract Compliance Inspector: Joel Storchan <p style="text-align: center;">Michigan Master Computing Contract (MMCC) Master Contract for Hardware, Software & Service</p>	
CONTRACT PERIOD: From: February 10, 2004 To: February 9, 2009	
TERMS <p style="text-align: center;">Net 45 Days</p>	SHIPMENT <p style="text-align: center;">30 Days ARO</p>
F.O.B. <p style="text-align: center;">Delivered</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	

NATURE OF CHANGE (S):

Please Note the following Changes:

- 1. State Administrative Fee address for checks and reports has been changed to the following:**

**Department of Management and Budget
 Financial Services – Cashier Unit
 Lewis Cass Building
 320 South Walnut Street
 P.O. Box 30681
 Lansing, MI 48909**

Make all checks payable to: State of Michigan

All other specifications, prices, terms, and conditions remain the same.

AUTHORITY/REASON:

Per DMB Purchasing Operations

TOTAL CONTRACT VALUE REMAINS: \$203,531,396.24

STATE OF MICHIGAN
DEPARTMENT OF MANAGEMENT AND BUDGET
PURCHASING OPERATIONS
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

December 19, 2007

CHANGE NOTICE NO. 11
TO
CONTRACT NO. 071B4200147
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Electronic Data Systems Corporation 905 Southland – Mail Stop 1014 Lansing, MI 48910 Lewis.jones@eds.com	TELEPHONE Lewis Jones III (517) 272-5657
	VENDOR NUMBER/MAIL CODE (2) 75-2548221 (010)
	BUYER/CA (517) 373-3993 Dale Reif
Contract Compliance Inspector: Joel Storchan Michigan Master Computing Contract (MMCC) Master Contract for Hardware, Software & Service	
CONTRACT PERIOD: From: February 10, 2004 To: February 9, 2009	
TERMS Net 45 Days	SHIPMENT 30 Days ARO
F.O.B. Delivered	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	

NATURE OF CHANGE (S):

Effective immediately, 1) the remaining option to EXTEND this Contract for one year to February 9, 2009 is hereby mutually exercised, and 2) the Vendor is replacing the following Key personnel:

- * Bob Bartholomew is now the Executive Program Manager and Project Manager
- * Beth Rhode is now the Services Manager
- * Lewis Jones III remains as the Commodities Manager and assumes additional duties previously performed by Mike Kinsler.

All other terms, conditions, specifications and pricing remain unchanged.

AUTHORITY/REASON:

Per agency request and vendor concurrence.

TOTAL CONTRACT VALUE REMAINS: \$203,531,396.24



December 20, 2007

Dale N. Reif
Purchasing Operations
Department of Management and Budget
530 West Allegan Street, 2nd Floor
P.O. Box 30026
Lansing MI 48909
reifd@michigan.gov

Dear Mr. Reif:

EDS will agree with the State of Michigan's proposal to exercise Option Year Two of the Michigan Master Computing Contract (#071B4200147). The same terms and conditions that are in place under contract # 071B4200147 will remain in effect. This extension will be from February 10, 2008 to February 10, 2009.

Sincerely,

A handwritten signature in cursive script that reads "Lewis D. Jones III".

Lewis D. Jones III
EDS Contract Manager
Michigan Master Computing Contract
930 W. Holmes Road
MS 1014
Lansing, MI 48910



Bob Bartholomew
Delivery Manager
State of Michigan Account

MS 1014
930 West Holmes
Lansing, MI 48910

December 13, 2007

Mr. Greg Faremouth
Stevens T. Mason Building - 2nd Floor
530 W. Allegan
PO Box 30026
Lansing, MI 48909

Dear Mr. Faremouth,

Due to recent retirements, please accept this letter as notification that effective immediately EDS is replacing the following Key personnel in the Michigan Master Computing contract #071B4200147:

- Bob Bartholomew will replace Gary LaRoy as EDS Executive Program Manager and Project Manager
- Beth Rohde will replace Mike Kapuscinski as EDS Services Manager
- Lewis Jones III will continue to perform the role of Commodities Manager and assume the additional responsibilities of Mike Kinsler

The above changes will ensure that the State of Michigan continues to receive the highest quality of services from EDS. Please contact me if you have any questions or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read "Bob Bartholomew", with a long, sweeping horizontal line extending to the right.

Bob Bartholomew
EDS/State of Michigan
517-272-5939
Email: bob.bartholomew@eds.com

**MICHIGAN MASTER COMPUTING CONTRACT FOR
Desktop And Portable Hardware And Microsoft Software
Server And Local Area Network Hardware, Peripherals, And Operating Systems
Desktop, Enterprise And Network Software**

- The Contractor shall not remove or reassign, without the State's prior written approval, any of the Key Personnel associated with this contract, until such time as the Key Personnel have completed all of their planned and assigned responsibilities in connection with performance of the Contractor's obligations under this Contract. Approval for removal or reassignment of Contractor Key Personnel shall not be unreasonably withheld by the State.
- The Contractor agrees that the continuity of Key Personnel is critical and agrees to the continuity of Key Personnel. Removal of Key Personnel without the written consent of the State may be considered by the State to be a breach of this Contract. The prohibition against removal or reassignment shall not apply where Key Personnel must be replaced for reasons beyond the reasonable control of the Contractor including but not limited to illness, disability, resignation or termination of the Key Personnel's employment.
- The State reserves the right to interview and approve of the Contractor's additional assignment of any Key Personnel to the Project team after Contract initiation.

The State and the Contractor agree that the following positions (and individuals) are Key Personnel for purposes of this Contract:

- Gary LaRoy, EDS Executive Program Manager and Project Manager
- Lewis Jones III, EDS Commodities Manager
- Mike Kapuscinski, EDS Services Manager
- Barb Garry, EDS Financial Manager
- Mike Kinsler, EDS Commodities Manager
- Chad Bockert, WWT Implementation & Training Manager – for initial implementation only. After task 35 of the project plan this person's responsibilities as it relates to the Key Staff requirements are complete.

C. On-Site Contractual Project Manager

The Contractor shall provide a Project Manager to work with the State as needed for the implementation of this contract and its on-going management of the contract. At a later time, the State and Contractor may find it more conducive to its business needs to have the project manager located at the State's site at a mutually agreed upon location.

D. Work Locations For Contractor Personnel

At the State's request, selected contractor team members may work at the State's Lansing, MI location or at a mutually agreed upon facility. The team should be

STATE OF MICHIGAN
DEPARTMENT OF MANAGEMENT AND BUDGET
PURCHASING OPERATIONS
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

December 21, 2006

CHANGE NOTICE NO. 10
TO
CONTRACT NO. 071B4200147
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR		TELEPHONE Lewis Jones III (517) 272-5657
Electronic Data Systems Corporation 905 Southland – Mail Stop 1014 Lansing, MI 48910 Lewis.jones@eds.com		VENDOR NUMBER/MAIL CODE (2) 75-2548221 (010)
		BUYER/CA (517) 373-3993 Dale Reif
Contract Compliance Inspector: Joel Storchan Michigan Master Computing Contract (MMCC) Master Contract for Hardware, Software & Service		
CONTRACT PERIOD: From: February 10, 2004 To: February 10, 2008		
TERMS Net 45 Days	SHIPMENT 30 Days ARO	
F.O.B. Delivered	SHIPPED FROM N/A	
MINIMUM DELIVERY REQUIREMENTS N/A		

NATURE OF CHANGE (S):

Effective immediately this Contract is hereby INCREASED by \$64,550,601.11 and EXTENDED to February 10, 2008.

All other terms, conditions, specifications and pricing remain unchanged.

AUTHORITY/REASON:

Per agency request State Administrative Board approval.

INCREASE: \$64,550,601.11

TOTAL REVISED CONTRACT VALUE: \$203,531,396.24

**STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 ACQUISITION SERVICES
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933**

November 9, 2006

**CHANGE NOTICE NO. 9
 TO
 CONTRACT NO. 071B4200147
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF VENDOR		TELEPHONE Gary Anthony (517) 885-3440
Electronic Data Systems Corporation 905 Southland – Mail Stop 1014 Lansing, MI 48910		VENDOR NUMBER/MAIL CODE (2) 75-2548221 (010)
		BUYER/CA (517) 373-3993 Dale Reif
Gary.Anthony@eds.com		
Contract Compliance Inspector: Joel Storchan Michigan Master Computing Contract (MMCC) Master Contract for Hardware, Software & Service		
CONTRACT PERIOD: From: February 10, 2004 To: February 10, 2007		
TERMS	Net 45 Days	SHIPMENT 30 Days ARO
F.O.B.	Delivered	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A		

NATURE OF CHANGE (S):

Effective immediately this Contract is hereby **INCREASED** by \$21,656,874.13.

All other terms, conditions, specifications and pricing remain unchanged.

AUTHORITY/REASON:

Per agency request State Administrative Board approval on November 8, 2006.

INCREASE: \$21,656,874.13

TOTAL REVISED CONTRACT VALUE: \$138,980,795.13

**STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 ACQUISITION SERVICES
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933**

September 7, 2006

**CHANGE NOTICE NO. 8
 TO
 CONTRACT NO. 071B4200147
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF VENDOR		TELEPHONE Gary Anthony (517) 885-3440
Electronic Data Systems Corporation 905 Southland – Mail Stop 1014 Lansing, MI 48910		VENDOR NUMBER/MAIL CODE (2) 75-2548221 (010)
		BUYER/CA (517) 373-3993 Dale Reif
Contract Compliance Inspector: Norm Buckwalter Michigan Master Computing Contract (MMCC) Master Contract for Hardware, Software & Service		
CONTRACT PERIOD: From: February 10, 2004		To: February 10, 2007
TERMS	Net 45 Days	SHIPMENT 30 Days ARO
F.O.B.	Delivered	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A		

NATURE OF CHANGE (S):

Effective immediately this Contract is hereby INCREASED by \$6,700,000.00.

All other terms, conditions, specifications and pricing remain unchanged.

AUTHORITY/REASON:

Per agency request State Administrative Board approval on September 5, 2006.

INCREASE: \$6,700,000.00

TOTAL REVISED CONTRACT VALUE: \$117,323,921.00

**STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 ACQUISITION SERVICES
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933**

April 24, 2006

**CHANGE NOTICE NO. 7
 TO
 CONTRACT NO. 071B4200147
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF VENDOR		TELEPHONE Gary Anthony (517) 885-3440
Electronic Data Systems Corporation 905 Southland – Mail Stop 1014 Lansing, MI 48910		VENDOR NUMBER/MAIL CODE (2) 75-2548221 (010)
		BUYER/CA (517) 241-1646 Greg Faremouth, CPPB
Contract Compliance Inspector: Norm Buckwalter Michigan Master Computing Contract (MMCC) Master Contract for Hardware, Software & Service		
CONTRACT PERIOD:		From: February 10, 2004 To: February 10, 2007
TERMS	Net 45 Days	SHIPMENT 30 Days ARO
F.O.B.	Delivered	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A		

NATURE OF CHANGE (S):

Effective immediately this Contract is hereby INCREASED by \$623,921.00.

All other terms, conditions, specifications and pricing remain unchanged.

AUTHORITY/REASON:

Per agency request (Jay Roorbach) dated April 4, 2006 and State Administrative Board approval on April 18, 2006.

INCREASE: \$623,921.00

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$110,623,921.00

STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 ACQUISITION SERVICES
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

February 28, 2006

CHANGE NOTICE NO. 6
TO
CONTRACT NO. 071B4200147
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR		TELEPHONE Gary Anthony (517) 885-3440
Electronic Data Systems Corporation 905 Southland – Mail Stop 1014 Lansing, MI 48910 Gary.Anthony@eds.com		VENDOR NUMBER/MAIL CODE (2) 75-2548221 (010)
		BUYER/CA (517) 241-1646 Greg Faremouth, CPPB
Contract Compliance Inspector: Norm Buckwalter Michigan Master Computing Contract (MMCC) Master Contract for Hardware, Software & Service		
CONTRACT PERIOD: From: February 10, 2004 To: February 10, 2007		
TERMS	SHIPMENT	
Net 45 Days	30 Days ARO	
F.O.B.	SHIPPED FROM	
Delivered	N/A	
MINIMUM DELIVERY REQUIREMENTS N/A		

NATURE OF CHANGE (S):

Effective immediately this contract is hereby amended to incorporate the revised agreement regarding revised Dell desktop and laptop pricing, per the attached letter from the vendor. All other terms, conditions, specifications and pricing remain unchanged.

AUTHORITY/REASON:

Per agency and vendor agreement and DMB/Acquisition Services approval.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$110,000,000.00



Gary M. LaRoy Client Delivery Executive
State and Local Government

RECEIVED
DMB OFFICE OF PURCHASING

Mail stop 1014
930 West Holmes Road
Lansing, Michigan 48910

2006 FEB 24 PM 12:40

February 21, 2006

Greg Faremouth
Acquisition Services
Stevens T. Mason Building - 2nd Floor
530 W. Allegan
P.O. Box 30026
Lansing, MI 48909

Carol Steffanni
Department of Information Technology
Director's Office George W. Romney Bldg.,
8th floor 111 S. Capitol Bldg.
Lansing, MI 48913

Dear Greg and Carol:

This is to confirm our final agreements regarding revised Dell desktop and laptop pricing under MMCC:

- EDS' discount from list for Dell CCA-H Desktop computers will increase from 28% to 33%.
- EDS' discount from list for Dell CCA-H Laptop computers will increase from 22% to 27%.
- EDS' discount from list for Dell CCA-H standard 17" flat-panel monitors will increase from 15% to 20%.
- EDS' discount from list for other Dell peripherals will remain at 15%
- EDS' discount from list for non-CCA-H Desktop and Laptop computers (full catalog) will remain at 17%
- Laptop docking stations will receive the same discount as CCA-H Laptop computers.
- EDS mark-ups will remain unchanged.

Please incorporate these price reductions in a Contract Change Notice for MMCC.

Sincerely,

Gary M. LaRoy
Client Delivery Executive,
State of Michigan Account

**STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 ACQUISITION SERVICES
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933**

August 5, 2005

**CHANGE NOTICE NO. 5
 TO
 CONTRACT NO. 071B4200147
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF VENDOR		TELEPHONE Gary Anthony (517) 885-3440
Electronic Data Systems Corporation 905 Southland – Mail Stop 1014 Lansing, MI 48910		VENDOR NUMBER/MAIL CODE (2) 75-2548221 (010)
		BUYER/CA (517) 241-1646 Greg Faremouth, CPPB
Contract Compliance Inspector: Norm Buckwalter Michigan Master Computing Contract (MMCC) Master Contract for Hardware, Software & Service		
CONTRACT PERIOD: From: February 10, 2004		To: February 10, 2007
TERMS	Net 45 Days	SHIPMENT 30 Days ARO
F.O.B.	Delivered	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A		

NATURE OF CHANGE (S):

Effective immediately this contract is hereby INCREASED by \$52,105,488.00. All other terms, conditions, specifications and pricing remain unchanged.

AUTHORITY/REASON:

Per agency and vendor agreement and DMB/Acquisition Services approval.

INCREASE: 52,105,488.00

TOTAL REVISED ESTIMATED CONTRACT VALUE: \$110,000,000.00

STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 ACQUISITION SERVICES
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

October 20, 2004

CHANGE NOTICE NO. 4
TO
CONTRACT NO. 071B4200147
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR		TELEPHONE Gary Anthony (517) 885-3440
Electronic Data Systems Corporation 905 Southland – Mail Stop 1014 Lansing, MI 48910 Gary.Anthony@eds.com		VENDOR NUMBER/MAIL CODE (2) 75-2548221 (010)
		BUYER/CA (517) 241-1646 Greg Faremouth, CPPB
Contract Compliance Inspector: Norm Buckwalter Michigan Master Computing Contract (MMCC) Master Contract for Hardware, Software & Service		
CONTRACT PERIOD: From: February 10, 2004 To: February 10, 2007		
TERMS	SHIPMENT	
Net 45 Days	30 Days ARO	
F.O.B.	SHIPPED FROM	
Delivered	N/A	
MINIMUM DELIVERY REQUIREMENTS N/A		

NATURE OF CHANGE (S):

Corrections to Change Notice #3, MiDEAL rates should have read as follows:

The following services are available only through the MiDEAL program:

Services Categories	Junior	Journey	Senior	Expert	Project Manager
Data Warehouse	100.00	135.00	150.00	170.00	210.00
Security	90.00	100.00	120.00	190.00	155.00
Business Requirements/Assessment	65.00	75.00	85.00	95.00	125.00
Project Development Services	65.00	75.00	85.00	95.00	125.00

All other terms, conditions, specifications, and pricing remain unchanged.

Contract 071B4200147

AUTHORITY/REASON:

Per DMB and vendor compliance.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$57,894,512.00

STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 ACQUISITION SERVICES
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

August 13, 2004

CHANGE NOTICE NO. 3
TO
CONTRACT NO. 071B4200147
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR		TELEPHONE Gary Anthony (517) 885-3440
Electronic Data Systems Corporation 905 Southland – Mail Stop 1014 Lansing, MI 48910 Gary.Anthony@eds.com		VENDOR NUMBER/MAIL CODE (2) 75-2548221 (010)
		BUYER/CA (517) 241-1646 Greg Faremouth, CPPB
Contract Compliance Inspector: Norm Buckwalter Michigan Master Computing Contract (MMCC) Master Contract for Hardware, Software & Service		
CONTRACT PERIOD: From: February 10, 2004 To: February 10, 2007		
TERMS	SHIPMENT	
Net 45 Days	30 Days ARO	
F.O.B.	SHIPPED FROM	
Delivered	N/A	
MINIMUM DELIVERY REQUIREMENTS N/A		

NATURE OF CHANGE (S):

The following language has been added to the MMCC contract regarding Service Rates available only to the MiDEAL program.

Correction to Section I, paragraph 10.3, the State 1% Administrative Fee: the paragraph should read:

The Contract must collect an Administrative Fee on the commodity sales transacted under this Contract and on services sold through the MiDEAL program. The Contract must remit the Administrative Fee in U.S. dollars within thirty (30) days after the end of the quarterly sales reporting period. The Administrative Fee equals 1% of the total quarterly commodity sales reported and ¼% of the total MiDEAL services reported. Contractor must include the Administrative Fee in their prices. The Administrative Fee is funded in part by the Contract through a separate ¼% price reduction as described in Section 1.4.

Addition of the following to the end of Appendix D, “Service Rates for Desktops, Servers, and Software”:

The following services are available only through the MiDEAL program:

Service Categories	Junior	Journey	Senior	Expert	Project Manager
Data Warehouse	90.00	125.00	140.00	170.00	200.00
Security	90.00	100.00	120.00	190.00	155.00
Business Requirements/Assessment	65.00	75.00	85.00	95.00	125.00
Project Development Services	65.00	75.00	85.00	95.00	125.00

All other terms, conditions, specifications and pricing remain unchanged.

AUTHORITY/REASON:

Per DMB and vendor compliance.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$57,894,512.00

STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 ACQUISITION SERVICES
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

July 2, 2004

CHANGE NOTICE NO. 2
TO
CONTRACT NO. 071B4200147
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR	TELEPHONE Gary Anthony (517) 885-3440
Electronic Data Systems Corporation 905 Southland – Mail Stop 1014 Lansing, MI 48910	VENDOR NUMBER/MAIL CODE (2) 75-2548221 (010)
	BUYER/CA (517) 241-1646 Greg Faremouth, CPPB
Contract Compliance Inspector: Norm Buckwalter Michigan Master Computing Contract (MMCC) Master Contract for Hardware, Software & Service	
CONTRACT PERIOD: From: February 10, 2004 To: February 10, 2007	
TERMS Net 45 Days	SHIPMENT 30 Days ARO
F.O.B. Delivered	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	

NATURE OF CHANGE (S):

The following language changes to the MMCC contract regarding price increases to the web catalog is in replacement of the current language:

Current Language:

Any price increase to the Produce Web Catalog must be reviewed and approved by the MMCC Contract Administrator.

Replacement Language:

Any price increase to products currently in the Product Web Catalog will be updated immediately, but will be subject to final approval by the MMCC Contract Administrator as follows:

- Within two business days of the increase, contractor will provide notification of the increase to the MMCC Contract Administrator.

- **Within ten business days of the increase, contractor will provide an analysis to the MMCC Contract Administrator identifying the price increase, verifying that the new pricing is compliant with the agreed upon manufacturer's discount from MSRP and the contract mark-up, and recommending alternative products if appropriate.**
- **Within ten business days of the receipt of this analysis, the MMCC Contract Administrator will either approve the increase, approve the increase with direction to pursue alternative products, or reject the increase if it is non-compliant with the terms of the contract. If the increase is found to be non-compliant, the Contractor will reverse the increase on the Product Web Catalog and adjust the invoice price**

All other terms, conditions, specifications and pricing of this Contract remain unchanged.

AUTHORITY/REASON:

Per agency request (Diana Quintero) and vendor compliance.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$57,894,512.00

STATE OF MICHIGAN
DEPARTMENT OF MANAGEMENT AND BUDGET
ACQUISITION SERVICES
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

May 21, 2004

CHANGE NOTICE NO. 1 - REVISED
TO
CONTRACT NO. 071B4200147
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Electronic Data Systems Corporation 905 Southland – Mail Stop 1014 Lansing, MI 48910	TELEPHONE Gary Anthony (517) 885-3440
	VENDOR NUMBER/MAIL CODE (2) 75-2548221 (010)
	BUYER/CA (517) 241-1646 Greg Faremouth, CPPB
Contract Compliance Inspector: Norm Buckwalter Michigan Master Computing Contract (MMCC) Master Contract for Hardware, Software & Service	
CONTRACT PERIOD: From: February 10, 2004 To: February 10, 2007	
TERMS Net 45 Days	SHIPMENT 30 Days ARO
F.O.B. Delivered	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	

NATURE OF CHANGE (S):

Correction to Greg Faremouth's telephone number from 571-241-1218 to 517-241-1646.

All other terms, conditions, specifications, and pricing of this Contract remain unchanged.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$57,894,512.00

STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 ACQUISITION SERVICES
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

April 23, 2004

CHANGE NOTICE NO. 1
TO
CONTRACT NO. 071B4200147
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Electronic Data Systems Corporation 905 Southland – Mail Stop 1014 Lansing, MI 48910	TELEPHONE Gary Anthony (517) 885-3440
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	BUYER/CA (517) 241-1646 Greg Faremouth, CPPB
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TERMS Net 45 Days	SHIPMENT 30 Days ARO
F.O.B. Delivered	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	

NATURE OF CHANGE (S):

Correction to Section I, paragraph 10.3, The State 1% Administrative Fee: The paragraph should read:

The Contract must collect an Administrative Fee on the commodity sales transacted under this Contract. The Contract must remit the Administrative Fee in U.S. dollars within thirty (30) days after the end of the quarterly sales reporting period. The Administrative Fee equals 1% of the total quarterly commodity sales reported. Contractor must include the Administrative Fee in their prices. The Administrative Fee is funded in part by Contractor through a separate ¼% price reduction as described in Section 1.4.

All other terms, conditions, specifications, and pricing of this Contract remain unchanged.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$57,894,512.00

**STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 ACQUISITION SERVICES
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933**

February 12, 2004

**NOTICE
 TO
 CONTRACT NO. 071B4200147
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF VENDOR Electronic Data Systems Corporation 905 Southland – Mail Stop 1014 Lansing, MI 48910	TELEPHONE Gary Anthony (517) 885-3440
	VENDOR NUMBER/MAIL CODE (2) 75-2548221 (010)
	BUYER (517) 241-1646 Greg Faremouth, CPPB
Contract Compliance Inspector: Norm Buckwalter Michigan Master Computing Contract (MMCC) Master Contract for Hardware, Software & Service	
CONTRACT PERIOD: From: February 10, 2004 To: February 10, 2007	
TERMS Net 45 Days	SHIPMENT 30 Days ARO
F.O.B. Delivered	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	

The terms and conditions of this Contract are enclosed.

Estimated Contract Value: **\$57,894,512.00**

STATE OF MICHIGAN
DEPARTMENT OF MANAGEMENT AND BUDGET
ACQUISITION SERVICES
P.O. BOX 30026, LANSING, MI 48909
 OR
530 W. ALLEGAN, LANSING, MI 48933

CONTRACT NO. 071B4200147
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Electronic Data Systems Corporation 905 Southland – Mail Stop 1014 Lansing, MI 48910	TELEPHONE Gary Anthony (517) 885-3440 VENDOR NUMBER/MAIL CODE (2) 75-2548221 (010) BUYER (517) 241-1646 Greg Faremouth, CPPB
Contract Compliance Inspector: Norm Buckwalter Michigan Master Computing Contract (MMCC) Master Contract for Hardware, Software & Service	
CONTRACT PERIOD: From: February 10, 2004 To: February 10, 2007	
TERMS <p style="text-align: center;">Net 45 Days</p>	SHIPMENT <p style="text-align: center;">30 Days ARO</p>
F.O.B. <p style="text-align: center;">Delivered</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	
MISCELLANEOUS INFORMATION: <p>The terms and conditions of this Contract are enclosed.</p> <p>Estimated Contract Value: \$57,894,512.00</p>	

FOR THE VENDOR: Electronic Data Systems Corporation _____ Firm Name	FOR THE STATE: _____ Signature
_____ Authorized Agent Signature	Sean Carlson, Director _____ Name
_____ Authorized Agent (Print or Type)	Acquisition Services _____ Title
_____ Date	_____ Date

**MICHIGAN MASTER COMPUTING CONTRACT FOR
Desktop And Portable Hardware And Microsoft Software
Server And Local Area Network Hardware, Peripherals, And Operating Systems
Desktop, Enterprise And Network Software**

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Desktop, Enterprise And Network Software**

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**MICHIGAN MASTER COMPUTING CONTRACT FOR
Desktop And Portable Hardware And Microsoft Software
Server And Local Area Network Hardware, Peripherals, And Operating Systems
Desktop, Enterprise And Network Software**

INTRODUCTION

In 1995 the State of Michigan entered into a Master Contract for end user computing (EUC). The Contract provided hardware, software, training, and services for end user computing and included items such as desktop computers, printers, laptop computers, training for desktop software applications such as Word, Excel, etc. A single contract was initiated to replace numerous small contracts for individual agencies for the same type of items. This concept allowed the State to take advantage of its enterprise buying power and reduce the administrative costs of maintaining numerous contracts. At the same time, a separate master contract was in place to address the network hardware, software, training, and services. In 1998, the Network Contract expired and the network items were incorporated into the EUC Contract, and then known as the EUCN Contract. The Contractor was the contract holder for the EUCN Contract and that contract expires on February 8, 2004.

During the term of the EUCN Contract, some significant changes were initiated which include the adoption of the Consistent Client Architecture – Hardware standards (CCA – H) in October of 1997. The web catalog was launched in January 1998 with a major revision in June 1999 to make the site e-commerce ready. In 2003, the State issued a RFP designed to cover the majority of information technology services. The program is called Master Vendor Program (MVP) and covers the following categories – Data Warehouse, Security, Business Requirements/Needs Assessment and Project Development.

Since the IT services were incorporated in the MVP contract, another RFP was issued in 2003 to address the purchase of commodities and limited services concerning the aggregation of statewide information technology client needs. Contracts resulting from this RFP, referred to as the Michigan Master Computer Contract (MMCC), are to be mandatory use contracts for all State agencies with oversight by DIT Contract Administration. However, the State shall reserve the right to purchase software/hardware products outside of the contracts when either it determines that an item's pricing is not competitive with the open market or if the State determines the need is an emergency. All State Departments and Agencies within the Legislative and Judicial branches of the State will have the option of procuring under the MMCC. The Contractor and the State must also make the contract available to all members of the State's Extended Purchasing Program (EPP).

The goals and expectations of the MMCC RFP were to:

- Provide the State a vehicle to procure products and limited services for Desktop Hardware, Server Hardware, Software, Training, and Local Area Network Equipment (LAN).
- Form a cooperative team between the State and the Contractor to deliver needed IT products and limited services to the State.

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- Provide the State and its agencies the flexibility to implement programs without technology restrictions by fostering Relationships to obtain assistance from the Contractor. In Relationship, the State can obtain assistance from each Contractor for a variety of IT technologies, allowing the State and its agencies the flexibility to implement programs without technology restrictions.
- Provide reliable IT Hardware/Software and Training to the information technology clients in the most cost-effective manner and under terms that are in the best interests of the State and its citizens.
- Provide an assortment of IT hardware options from which State clients may choose.
- Provide the State with oversight and verification capabilities in ordering of product, provisioning of services, program management and billing.
- Provide for a clear accounting trail with reference to services rendered to the State.
- Reduce to an absolute minimum any disruptions or other situations that may negatively impact the Information Technology clients.
- Incorporate the shortest lead-times possible in delivering products and services to the State.
- Integrate support and delivery of existing products and solutions with expansion into new technologies that offer greater capabilities at less cost.
- Establish the State as the anchor tenant to facilitate better pricing to Extended Purchasing members.
- Maintain a collaborative effort with the Contractor to continually obtain consistency, reduce costs, reduce cycle time and provide better and faster service.

Contractors were able to bid on individual categories or a combination of the categories. However a Contractor who choose to bid on section 2.2 Server and Local Area Network Hardware, Peripherals, and Operating Systems, must have a relationship with all State identified OEM's. This relationship may be attained through a prime/sub-contractor arrangement.

In December 2003, the MMCC Joint Evaluation Committee completed the evaluation of the bids from the MMCC RFP resulting in the following contract awards:

MMCC RFP Category 2.1 for Desktop and Portable, Hardware and Microsoft Software was awarded to: Electronic Data Systems Corporation (EDS).

MMCC RFP Category 2.2 for Server and Local Area Network Hardware, Peripherals, And Operating Systems was awarded to: Electronic Data Systems Corporation (EDS).

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MMCC RFP Category 2.3 for Desktop, Enterprise And Network Software was awarded to: Electronic Data Systems Corporation (EDS).

MMCC RFP Category 2.4 for training was awarded to: Professional Technical Development.

This contract document contains four sections:

SECTION I, CONTRACTUAL TERMS AND CONDITIONS. This section describes the general Contractual terms and conditions that will be a part of this Contract.

SECTION II, STATEMENT OF WORK. This section is a detailed description of the commodities and services to be contracted for, including the background and objectives of the work.

SECTION III, APPENDICES. This section describes the negotiated pricing that resulted from the award of this Contract, and any miscellaneous documents not within the Statement of Work itself.

SECTION IV, DEFINITION OF TERMS. This section provides a definition of terms used in this contract.

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SECTION I

TERMS AND CONDITIONS

1. RESERVED

2. CONTRACT STRUCTURE AND ADMINISTRATION

2.1 APPENDICES

All Appendices attached to this Contract are incorporated in their entirety into, and form part of, the resulting Contract(s).

2.2 STATEMENTS OF WORK

- (a) The parties agree that any Services to be rendered by Contractor(s) pursuant to this Contract (and any future amendments of it) will be defined and described in detail in separate Statements of Work executed under this Contract(s). Contractor(s) shall not be obliged or authorized to commence any work to implement a Statement of Work until both parties sign it. Contractor(s) shall perform the Services in accordance with the ensuing resulting Contract(s), including the Statements of Work executed under it.
- (b) Unless otherwise agreed by the parties, each Statement of Work will include, or incorporate by reference to the appropriate Contract(s) Exhibit containing, the following information:
- A description of the Services to be performed by Contractor under the Statement of Work;
 - A project schedule (including the commencement and completion dates for all tasks, subtasks and Deliverables);
 - A list of the Deliverables to be provided, if any, including any particular specifications and acceptance criteria for such Deliverables, and the dates on which the Deliverables are scheduled to be completed and delivered to the State;
 - All Deliverable prices and other charges associated with the Statement of Work, the overall fixed price for such Statement of Work and any other appropriate pricing and payment terms;

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- A specification of Contractor's and the State's respective performance responsibilities with respect to the performance or completion of all tasks, subtasks and Deliverables;
- A listing of any Key Personnel of Contractor and/or its Subcontractors for that Statement of Work and any future Statements of Work.
- Any other information or provisions the parties agree to include.

(c) Reserved.

(d) Reserved.

2.3 ISSUING OFFICE

This Contract is issued by the State of Michigan DMB, Office of Acquisition Services ("Office of Acquisition Services") and DIT (collectively, including all other relevant State of Michigan departments and agencies, the "State"). The Office of Acquisition Services is the sole point of contact in the State with regard to all Contractual matters relating to the Services described. **The Office of Acquisition Services is the only State office authorized to change, modify, negotiate, amend, alter or clarify the prices, specifications, terms and conditions of any ensuing Contract(s).** The Contract Administrator within the Office of Acquisition Services for this Contract(s) is:

Greg Faremouth, Buyer Specialist
Office of Acquisition Services
Department of Management and Budget
Mason Bldg, 2nd Floor
PO Box 30026
Lansing, MI 48909
faremouthg@michigan.gov
(517) 241-1646

2.4 CONTRACT COMPLIANCE INSPECTOR

Upon receipt at the Office of Acquisition Services of the properly executed Contract(s), it is anticipated that the Director of Acquisition Services, DMB will direct that the person named below, or any other person so designated, be authorized to administer the Contract(s) on a day-to-day basis during its term. However, administration of any resulting Contract(s) implies no authority to change, modify, clarify, amend, or otherwise alter the prices, terms, conditions and specifications of such Contract(s). The Office of Acquisition Services retains that authority. The Contract Compliance Inspector for this Contract(s) is:

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Norm Buckwalter,
Department of Information Technology
116 West Allegan,
Hollister Building
Lansing, MI 48909
517 335-5046
buckwaltern@michigan.gov

2.5 REFERENCE TO DAYS

All references in this Contract to days shall be Business days unless otherwise specified.

2.6 ORDERING

- (a) Reserved
- (b) Any services to be furnished under this Contract(s) shall be ordered by issuance of written Purchase Orders/Blanket Purchase Order by the State after approval by the Contract(s) Administrator or his/her designee. Such orders may be issued from the Effective Date through three years and any subsequent renewals. All orders are subject to the terms and conditions of any ensuing Contract(s). In the event of conflict between an order and the ensuing Contract(s), the Contract(s) shall take precedence as stated in **Section 25.3**. In no event shall any additional terms and conditions contained on a Purchase Order/Blanket Purchase Order be applicable, unless specifically contained in that Purchase Order/Blanket Purchase Order's accompanying Statement of Work.
- (c) Contractor and the State will work to develop an electronic ordering process, which may include an interactive website.
- (d) DIT will continue to oversee the use of this Contract(s) by Information technology clients. DIT may, in writing, delegate to agencies the authority to submit requests for certain products/services directly to the Contractor(s). DIT may also designate, in writing, some services as non-delegated and require DIT review and approval before agency acquisition. DIT will use Contractor(s) provided management reports and periodic random agency audits to monitor and administer any resulting Contract(s) usage for delegated services.

3. RESERVED

4. LEGAL EFFECT AND TERM

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4.1 LEGAL EFFECT

Except as otherwise agreed in writing by the parties, the State assumes no liability for costs incurred by Contractor or payment under any ensuing Contract until Contractor is notified in writing that the Contract has been approved by the State Administrative Board and the Michigan Department of Attorney General, approved and signed by all the parties. The total liability of the State under any Contract is limited in accordance with the terms and conditions of any ensuing Contract.

4.2 CONTRACT TERM

The Contract will be for a period of three (3) years commencing on February 10, 2004. The Contract may be renewed for up to two (2) additional one (1) year periods. The Contract may be renewed in writing by mutual agreement of the parties' not less than forty (40)-business days before its expiration.

4.3 SEVERABILITY

Each provision of the Contract shall be deemed to be severable from all other provisions of the Contract and, if one or more of the provisions of the Contract shall be declared invalid, the remaining provisions of the Contract shall remain in full force and effect. If the removal of an invalid provision would strike at the heart of the Services to be provided under the Contract, then the parties will negotiate in good faith to substitute for such invalid provision a mutually acceptable provision consistent with the original intention of the parties.

4.4 RELATIONSHIP OF THE PARTIES

The relationship between the State and the Contractor is that of client and independent Contractor. No agent, employee, or servant of the Contractor or, nor any of its subcontractors, shall be deemed to be an employee, agent, or servant of the State for any reason. The Contractor will be solely and entirely responsible for its acts and the acts of its agents, employees, servants and subcontractors during the performance of the Contract.

Each party will be responsible for the management, direction and control of its employees and such employees will not be employees of the other party. Accordingly, each party will be responsible for all federal, state, and local taxes and assessments related to its employees, such as taxes associated with social security, unemployment compensation, and workers' compensation.

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5. CONTRACTOR PERSONNEL AND THIRD PARTIES

5.1 CONTRACTOR PERSONNEL

- (a) Personnel Qualifications. All persons assigned by Contractor to the performance of Services under the Contract shall be employees of Contractor or its majority-owned (directly or indirectly, at any tier) subsidiaries (or a State-approved Subcontractor) and shall be fully qualified to perform the work assigned to them. Contractor shall include a similar provision in any subcontract entered into with a Subcontractor. For the purposes of the Contract, independent Contractors engaged by Contractor solely in a staff augmentation role shall be treated by the State as if they were employees of Contractor for the Contract only; however, the State understands that the relationship between Contractor and Subcontractor is an independent Contractor relationship.
- (b) Key Personnel.
- (i) In discharging its obligations under the Contract, Contractor shall provide the named Key Personnel on the terms indicated.
 - (ii) Key Personnel shall be dedicated to the Project for its duration in the applicable Statement of Work with respect to other individuals designated as Key Personnel for that Statement of Work.
 - (iii) The State will have the right to recommend and approve in writing the initial assignment, as well as any proposed reassignment or replacement, of any Key Personnel. Before assigning an individual to any Key Personnel position, Contractor will notify the State of the proposed assignment, will introduce the individual to the appropriate State representatives, and will provide the State with a resume and any other information about the individual reasonably requested by the State. The State reserves the right to interview the individual before granting written approval. The State reserves the right to direct the Contractor to remove Contractor personnel at any time during the Contract, the State's request shall be written with reasonable detail outlining the reasons for the removal request. Additionally, the State's request shall be based on legitimate, good faith reasons. Replacement personnel for the removed person shall be fully qualified for the position.
 - (iv) Contractor shall not remove any Key Personnel from their assigned roles or the Contract without the prior written consent of the State. If the Contractor does remove Key Personnel without the prior written consent of the State, it shall be considered an unauthorized removal ("Unauthorized Removal"). It shall not be considered an Unauthorized Removal if Key Personnel must be replaced for reasons beyond the reasonable control of Contractor, including illness,

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disability, leave of absence, personal emergency circumstances, resignation or for cause termination of the Key Personnel's employment. The Contractor with the State shall review any Key Personnel replacements, and appropriate transition planning will be established. Any Unauthorized Removal may be considered by the State to be a material breach of the Contract, in respect of which the State may elect to exercise its rights under **Section 19.1**.

- (c) Re-assignment of non-Key Personnel. Prior to re-deploying to other projects, at the completion of their assigned tasks on the Project, teams of its non-Key Personnel who are performing Services on-site at State facilities or who are otherwise dedicated primarily to the Project, Contractor will give the State at least ten (10) Business Days notice of the proposed re-deployment to give the State an opportunity to object to the re-deployment if the State reasonably believes such team's Contract responsibilities are not likely to be completed and approved by the State prior to the proposed date of re-deployment.

- (d) Re-assignment of Personnel at the State's Request. The State reserves the right to require the removal of personnel found, in the judgment of the State, to be unacceptable. The State's request shall be written with reasonable detail outlining the reasons for the removal request. Additionally, the State's request shall be based on legitimate, good faith reasons. Replacement personnel for the removed person shall be fully qualified for the position. If the State exercises this right, and the Contractor cannot immediately replace the removed personnel, the State agrees to an equitable adjustment in schedule or other terms that may be affected by the State's required removal. If any such incident with removed personnel results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Work will not be counted in **Section 7.6** for a time as agreed to by the parties.

- (e) Staffing Levels.
 - (i) All staff requirements not specified in the applicable Statement of Work or State-approved project plan as State personnel will be supplied by Contractor. This includes secretarial, clerical and contract administration support staff necessary for Contractor to perform its obligations hereunder.

 - (ii) Contractor shall provide sufficient personnel resources for the completion of Contract tasks indicated in Contractor's project plan approved by the State. If the level of personnel resources is insufficient to complete any Contractor Contract tasks in accordance with the Contract time schedule as demonstrated by Contractor's failure to meet mutually agreed to time schedules, Contractor shall promptly add additional qualified personnel resources to the performance of the affected tasks, at no additional charge to the State, in an amount sufficient to complete performance of Contractor's tasks in accordance with the Contract time schedule.

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- (f) Personnel Turnover. The Parties agree that it is in their best interests to keep the turnover rate of employees of Contractor and its Subcontractors who are performing the Services to a reasonable minimum. Accordingly, if the State determines that the turnover rate of such employees is excessive and so notifies Contractor, Contractor will meet with the State to discuss the reasons for the turnover rate and otherwise use commercially reasonable efforts to minimize such turnover rate. If requested to do so by the State, Contractor will submit to the State its proposals for reducing the turnover rate to an acceptable level. In any event, notwithstanding the turnover of personnel, Contractor remains obligated to perform the Services without degradation and in accordance with the State-approved Contract schedule.
- (g) Location. All staff assigned by Contractor to work on the Contract will perform their duties either primarily at Contractor's offices and facilities or at State facilities. Without limiting the generality of the foregoing,
- (h) Personnel.

If requested as a part of the Statement of Work, before assigning any person to work on a Statement of Work issued under the Contract, the Contractor shall submit a resume for that individual attesting that the person meets the stated qualifications and the individual must pass the State's security background checks before the individual can report to the work site or work with State information. ANY additions or changes to the personnel once the Statement of Work has been approved or is in process must also pass the State's security background checks before the individual can report to the work site or work with State information in accordance with paragraph 11.

DIT may require the Contractor to include among the personnel to be assigned to perform under Statement of Work individuals designated as Key Personnel. The Key Personnel so identified should be considered essential to the work. Prior to directing any of the Key Personnel to other programs or assigning duties not directly related to the Statement of Work, the Contractor shall provide advanced written notification of at least twenty (20) business days to DIT and shall submit justification in sufficient detail to permit evaluation of the impact of the proposed changes on the Statement of Work or its schedule. No deviation shall be made by the Contractor without the written consent of DIT. Key Personnel shall be committed for the full duration of the Statement of Work. The Contractor must demonstrate that the qualifications of the proposed substitutes are equal to or better than the qualifications of the Key Personnel being replaced.

5.2 CONTRACTOR IDENTIFICATION

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Contractor employees shall be clearly identifiable while on State property by wearing a State-issued badge, as required. Contractor employees are required to clearly identify themselves and the company they work for whenever making contact with State personnel by telephone or other means.

5.3 COOPERATION WITH THIRD PARTIES

Contractor agrees to cause its personnel and the personnel of any Subcontractors to cooperate with the State and its agents and other Contractors including the State's Quality Assurance personnel, and, as reasonably requested by the State, to provide to the State's agents and other Contractors with reasonable access to Contractor's Project personnel, systems and facilities to the extent they relate to activities specifically associated with the Contract and will not interfere or jeopardize the safety or operation of the systems or facilities and provided Contractor receives reasonable prior written notice of such request. The State acknowledges that Contractor's time schedule for the Contract is very specific and agrees not to unnecessarily or unreasonably interfere with, delay or otherwise impeded Contractor's performance under the Contract with such requests for access.

5.4 SUBCONTRACTING BY CONTRACTOR

- (a) Contractor shall have full responsibility for the successful performance and completion of all of the Services. The State will consider Contractor to be the sole point of contact with regard to all Contractual matters under the Contract, including payment of any and all charges for Services.
- (b) Contractor shall not delegate any duties under the Contract to a Subcontractor unless the Office of Acquisition Services has given written consent to such delegation. The State shall have the right of prior written approval of all Subcontractors and to require Contractor to replace any Subcontractors found, in the reasonable judgment of the State, to be unacceptable. The State's request shall be written with reasonable detail outlining the reasons for the removal request. Additionally, the State's request shall be based on legitimate, good faith reasons. Replacement Subcontractor(s) for the removed Subcontractor shall be fully qualified for the position. If the State exercises this right, and the Contractor cannot immediately replace the removed Subcontractor, the State will agree to an equitable adjustment in schedule or other terms that may be affected by the State's required removal. If any such incident with a removed Subcontractor results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Work will not be counted in **Section 7.6** for a time agreed upon by the parties. The Contractor will be responsible for the performance of any Sub Contractor(s) it may utilize under this Contract. The State reserves the right to receive copies of and review all subcontracts, although

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Contractor may delete or mask any proprietary information, including pricing contained in such Contracts prior to providing them to the State. The management of any Subcontractor will be the responsibility of Contractor, and Contractor shall remain responsible for the performance of its Subcontractors to the same extent as if Contractor had not subcontracted such performance. Contractor shall make all payments to Subcontractors or suppliers of Contractor. Except as otherwise agreed in writing by the State and Contractor, the State will not be obligated to direct payments for the Services other than to Contractor. The State's written approval of any Subcontractor engaged by Contractor to perform any obligation under the Contract shall not relieve Contractor of any obligations or performance required under the Contract.

- (c) Except where specifically approved in writing by the State on a case-by-case basis, Contractor shall flow down the obligations in **Sections 5.1, 7, 8.8, 13, 14, 15.1, 15.3, 16, 24.1, 24.4, and 25.7** in all of its agreements with any Subcontractors.

5.5 CONTRACTOR RESPONSIBILITY FOR PERSONNEL

Contractor shall be responsible for all acts and omissions of its employees, as well as the acts and omissions of any other personnel furnished by Contractor to perform the Services.

6. DELIVERY AND ACCEPTANCE OF DELIVERABLES; HOLDBACK

6.1 DELIVERY RESPONSIBILITIES

Unless otherwise specified within an individual order, the following shall be applicable to all orders issued under this Contract.

- (a) SHIPMENT RESPONSIBILITIES - Services performed under this contract shall be delivered "F.O.B. Destination, within Government Premises." The Contractor shall have complete responsibility for providing all contracted services to all site(s). Actual delivery dates will be specified on the individual purchase order.
- (b) DELIVERY LOCATIONS - Services will be performed at every State of Michigan office location within Michigan. Specific locations will be provided by the State or upon issuance of individual purchase orders.

6.2 DELIVERY OF DELIVERABLES

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- (a) Where applicable the Statements of Work contain lists of the Deliverables to be prepared and delivered by Contractor including, for each Deliverable, the scheduled delivery date and a designation of whether the Deliverable is a document (“Written Deliverable”), a good (“Physical Deliverable”) or a service (“Service Deliverable”). All Deliverables shall be completed and delivered for State review and written approval and, where applicable, installed in accordance with the State-approved delivery schedule and any other applicable terms and conditions of the Contract.

6.3 TESTING

- (a) Prior to delivering any of the above-mentioned Statement of Work Physical Deliverables or Service Deliverables to the State, Contractor will first perform all required quality assurance activities and System Testing to verify that the Physical or Service Deliverable is complete and in conformance with its specifications listed in the applicable Statement of Work or Purchase Order. Before delivering a Physical or Service Deliverable to the State, Contractor shall certify to the State that (1) it has performed such quality assurance activities, (2) it has performed any applicable testing, (3) it has corrected all material deficiencies discovered during such quality assurance activities and testing, and (4) the Deliverable is in a suitable state of readiness for the State’s review and approval.
- (b) If a Deliverable includes installation at a State Location, then Contractor shall (1) perform any applicable testing, (2) correct all material deficiencies discovered during such quality assurance activities and testing, and (3) inform the State that the Deliverable is in a suitable state of readiness for the State’s review and approval. To the extent that testing occurs at State Locations, the State shall be entitled to observe or otherwise participate in testing.

6.4 APPROVAL OF DELIVERABLES, IN GENERAL

- (a) All Deliverables (Physical Deliverables, Written Deliverables, and Service Deliverables) require formal written approval by the State, in accordance with the following procedures. Formal approval by the State requires that the Deliverable be confirmed in writing by the State to meet its specifications, which will include the successful completion of Testing as applicable in Section 6.3, to be led by the State with the support and assistance of Contractor. The parties acknowledge that the approval process set forth herein will be facilitated by ongoing consultation between the parties, visibility of interim and intermediate Deliverables and collaboration on key decisions.
- (b) The State’s obligation to comply with any State Review Period is conditioned on the timely delivery of Deliverables being reviewed.

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- (c) Prior to commencement of its review or testing of a Deliverable, the State may inspect the Deliverable to confirm that all components of the Deliverable have been delivered without material deficiencies. If the State determines that the Deliverable has material deficiencies, the State may refuse delivery of the Deliverable without performing any further inspection or testing of the Deliverable. Otherwise, the review period will be deemed to have started on the day the State receives the Deliverable, and the State and Contractor agree that the Deliverable is ready for use and, where applicable, certification by Contractor in accordance with Section 6.3(a).
- (d) The State will approve in writing a Deliverable upon confirming that it conforms to and, performs in accordance with, its specifications without material deficiency. The State may, but shall not be required to, conditionally approve in writing a Deliverable that contains material deficiencies if the State elects to permit Contractor to rectify them post-approval. In any case, Contractor will be responsible for working diligently to correct within a reasonable time at Contractor's expense all deficiencies in the Deliverable that remain outstanding at the time of State approval.
- (e) If, after three (3) opportunities (the original and two repeat efforts), Contractor is unable to correct all deficiencies preventing Final Acceptance of a Deliverable, the State may: (i) demand that Contractor cure the failure and give Contractor additional time to cure the failure at the sole expense of Contractor; or (ii) keep the Contract in force and do, either itself or through other parties, whatever Contractor has failed to do, in which event Contractor shall bear any excess expenditure incurred by the State in so doing beyond the Contract price for such Deliverable and will pay the State an additional sum equal to ten percent (10%) of such excess expenditure to cover the State's general expenses provided the State can furnish proof of such general expenses; or (iii) terminate the particular Statement of Work for default, either in whole or in part by notice to Contractor provided Contractor is unable to cure such breach. Notwithstanding the foregoing, the State shall not use, as a basis for exercising its termination rights under this Section, deficiencies discovered in a repeat State Review Period that could reasonably have been discovered during a prior State Review Period.
- (f) The State, at any time and in its reasonable discretion, may halt the testing or approval process if such process reveals deficiencies in or problems with a Deliverable in a sufficient quantity or of a sufficient severity as to make the continuation of such process unproductive or unworkable. In such case, the State may return the applicable Deliverable to Contractor for correction and re-delivery prior to resuming the testing or approval process.

6.5 PROCESS FOR APPROVAL OF WRITTEN DELIVERABLES

The State Review Period for Written Deliverables will be the number of days set forth in the applicable Statement of Work following delivery of the final version of the

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Deliverable (failing which the State Review Period, by default, shall be five (5) Business Days for Written Deliverables of one hundred (100) pages or less and ten (10) Business Days for Written Deliverables of more than one hundred (100) pages). The duration of the State Review Periods will be doubled if the State has not had an opportunity to review an interim draft of the Written Deliverable prior to its submission to the State. The State agrees to notify Contractor in writing by the end of the State Review Period either stating that the Deliverable is approved in the form delivered by Contractor or describing any deficiencies that must be corrected prior to approval of the Deliverable (or at the State's election, subsequent to approval of the Deliverable). If the State delivers to Contractor a notice of deficiencies, Contractor will correct the described deficiencies and within thirty (30) Business Days resubmit the Deliverable in a form that shows all revisions made to the original version delivered to the State. Contractor's correction efforts will be made at no additional charge. Upon receipt of a corrected Deliverable from Contractor, the State will have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Deliverable to confirm that the identified deficiencies have been corrected.

6.6 PROCESS FOR APPROVAL OF SERVICE DELIVERABLES

The State Review Period for approval of Service Deliverables is governed by the applicable Statement of Work (failing which the State Review Period, by default, shall be thirty (30) Business Days for a Service Deliverable). The State agrees to notify Contractor in writing by the end of the State Review Period either stating that the Deliverable is approved in the form delivered by Contractor or describing any deficiencies that must be corrected prior to approval of the Deliverable (or at the State's election, subsequent to approval of the Deliverable). If the State delivers to Contractor a notice of deficiencies, Contractor will correct the described deficiencies and within thirty (30) Business Days resubmit the Deliverable in a form that shows all revisions made to the original version delivered to the State. Contractor's correction efforts will be made at no additional charge. Upon receipt of a corrected Deliverable from Contractor, the State will have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Deliverable to confirm that the identified deficiencies have been corrected.

6.7 PROCESS FOR APPROVAL OF PHYSICAL DELIVERABLES

The State Review Period for approval of Physical Deliverables is governed by the applicable Statement of Work (failing which the State Review Period, by default, shall be thirty (30) continuous Business Days for a Physical Deliverable). The State agrees to notify Contractor in writing by the end of the State Review Period either stating that the Deliverable is approved in the form delivered by Contractor or describing any deficiencies that must be corrected prior to approval of the Deliverable (or at the State's election, subsequent to approval of the Deliverable). If the State delivers to Contractor

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a notice of deficiencies, Contractor will correct the described deficiencies and within thirty (30) Business Days resubmit the Deliverable in a form that shows all revisions made to the original version delivered to the State. Contractor's correction efforts will be made at no additional charge. Upon receipt of a corrected Deliverable from Contractor, the State will have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Deliverable to confirm that the identified deficiencies have been corrected.

6.8 FINAL ACCEPTANCE

"Final Acceptance" of each Deliverable shall occur when each Deliverable has been approved by the State following the State Review Periods identified in Section 6. Payment will be made for Deliverables installed and accepted. Upon acceptance of a Service Deliverable, the State will pay for all Services provided during the State Review Period that conformed to the acceptance criteria.

7. PERFORMANCE

7.1 PERFORMANCE, IN GENERAL

The State hereby engages Contractor to execute the Contract and perform the Services, and Contractor undertakes to execute and complete the Contract and Services in their entirety in accordance with the terms and conditions of the Contract and with the participation of State representatives as specified in the Contract.

7.2 TIME OF PERFORMANCE

- (a) Contractor shall use commercially reasonable efforts to provide the resources necessary to complete all Services and Deliverables in accordance with the time schedules contained in the Statements of Work and other Exhibits governing the work, and with professional quality.
- (b) Without limiting the generality of **Section 7.2(a)**, Contractor shall notify the State in a timely manner upon becoming aware of any circumstances that may reasonably be expected to jeopardize the timely and successful completion of any Contract Deliverables or tasks on the scheduled due dates set forth in the latest State-approved delivery schedule and, in such event, shall inform the State of the projected actual delivery date.
- (c) If Contractor believes that a delay in performance by the State has caused or will cause Contractor to be unable to perform its obligations in accordance with specified

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Contract time periods, Contractor shall notify the State in a timely manner and shall use commercially reasonable efforts to perform its obligations in accordance with such Contract time periods notwithstanding the State's failure. Contractor will not be in default for a delay in performance to the extent such delay is caused by the State.

7.3 LIQUIDATED DAMAGES.

Set forth below are liquidated damages specific to the MMCC Contract for (1) failure by the Contractor to make timely delivery of deliverables listed below in 7.3a (any such failure being referred to below as a "Late Delivery"), (2) software provide by the Contractor to the State containing or introducing a software virus that results in contamination or damage to the State's equipment or its mainframe, network, personal computing or other operating environments (any such item of software being referred to below as "Contaminated Software").

In these cases it is agreed that it would be impractical and extremely difficult to fix the actual amount of damages sustained by the State as a result of any such Late Delivery, Unauthorized Removal or Contaminated Software. Therefore, the Contractor and the State agree that, in the event of any such Late Delivery or Contaminated Software, the liquidated damage amounts specified below are a reasonable approximation of the damages that will be suffered by the State as the result thereof.

Accordingly, in the event of such Late Delivery or Contaminated Software, at the written direction of the State Office of Acquisition Services, the Contractor agrees to pay the indicated amount to the State as liquidated damages, and not as a penalty. Liquidated damages shall be payable with fifteen (15) business days after notification of assessment by the State. In its discretion, the State may deduct any liquidated damages assessed by the State from any charges payable to the Contractor pursuant to the Contract. No delay by the State in assessing or collecting liquidated damages shall be construed as a waiver of such right.

For the purpose of determining when liquidated damages are due to the State under this Section, the date on which the Contractor shall be considered to have delivered a deliverable to the State is the date on which the Contractor delivers the deliverable to the State in a form that is subsequently determined by the State to meet the acceptance criteria for such deliverable, **provided, however, that the Contractor shall not be liable for liquidated damages for the period in which the State is determining whether such deliverables are acceptable.**

1. Late Delivery of Products and Services

The delivery and/or installation dates of products (hardware & software) and services set forth by the Purchase Order submitted by the State will be fixed so that the utilization of the products and services will be consistent with the timing

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schedules of the State's programs. If any of the above mentioned products or services are not delivered and/or installed to the State within the time specified by the Agency in the Purchase Order or signed work statement, the delay will interfere with the proper implementation of the State's programs utilizing the products or services pursuant to the Contract, to the lost and damage of the State.

- (a) If the Contractor does not install or deliver each of the products, quotes, Statement of Work, Warranty Service, Maintenance Service, or other services as required in the Agency Purchase order (hardware/software) or the signed Statement of Work, (but not to exceed the general terms & conditions of the MMCC Contract without mutual agreement of the Contractor and the State) ready for use, on or before the required date specified in that Agency Purchase Order or Statement of Work, the State Office of Acquisition Services, in its sole discretion, may require the Contractor to pay the State liquidated damages for each calendar day between the required date specified on the Agency Purchase order or signed Statement of Work and the date of actual delivery and/or installation for such products or services, (but not more than 180 calendar days see 1-C below) in lieu of all other damages due to such late delivery or late performance in a amount calculated as follows for each unit of equipment or software package:

Late Installation/Delivery – Desktop Equipment	\$25/day
Late Installation/Delivery – Software Package	\$13/day
Late Delivery – Services	\$63/day
Late Installation/Delivery – LAN Equipment	\$63/day
Late Installation/Delivery – Server Equipment	\$63/day

If the Contractor supplies substitute products or services acceptable as indicated by the MMCC Contract Administrator, liquidated damages will not apply, provided, however, liquidated damages will apply if such substitute hardware or software package is provided later than the delivery or installation date specified on the Agency Purchase Order.

- (b) If the delay is more than twenty (20) business days, then by written notice to the Contractor, the State may terminate the right of the Contractor to deliver or install, and may obtain substitute products or services. In this event, the Contractor shall be liable for liquidated damages in the amount specified above until acceptable substitute products or services are delivered or installed, ready for use, or for 120 business days from the installation date, whichever occurs first. The Contractor shall also be liable for outbound preparation and shipping costs for Contracted items returned under this clause; and for any additional cost incurred by the State for products and/or services provided by an alternative source resulting from the delay.

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- (c) Contractor shall not be assessed liquidated damages for late delivery or installation if the equipment or software is a “constrained” product. A “constrained” product is a product that is not available from the manufacturer within the desired time frame. The Prime Contractor may be required to furnish documents from the manufacturer to validate that a product is constrained. If Contractor reasonably determines that a product is “constrained”, Contractor will identify a functionally equivalent product or component as a temporary substitution and will make a request to for the MMCC Contract Administrator and Office of Acquisition Services to authorize shipment of such substitution. The involved Agency will also retain the option to receive the product originally requested with delivery as soon as the product becomes available from the manufacturer. Authorization will be deemed valid if received from either the MMCC Contract Administrator or Office of Acquisition Services. If the manufacturer is unable to correct the delivery-related problem, or consistently misses its delivery promises, Contractor will request approval from the State that the functionally equivalent product or component be added to the Product Web Catalog as a permanent replacement.

2. Contaminated Software.

If any software provided by the Contractor contains or introduces a software virus that results in contamination or damage to the State’s equipment or its server, network, personal computing or other operating environments, the Contractor will pay the State, as liquidated damages, the following amounts:

- (a) \$5,000 for each or fraction of an hour in excess of one (1) hour, up to a cap of \$15,000.00 per day that any server computer function or operation available prior to the introduction of the Contaminated Software is unavailable to one or more persons in the State’s user community; and
- (b) \$200 for each hour or fraction of an hour in excess of one (1) hour for each piece of equipment in the State’s network or personal computing environment unable to perform any function or operation which it was able to perform prior to the introduction of the Contaminated Software.

The liquidated damages set forth herein shall be in addition to the Contractor’s obligation to remove the software virus from all of the State’s operating environments, to restore all operations and functionality in all such operating environments, and to recover or recreate all damaged files, all at no additional charge to the State. The State may, however, at its option, elect to restore or recreate damaged or lost data files at Contractor’s expense, in which event Contractor shall pay the State \$50 for each hour or fraction of an hour multiplied by the total number of staff hours that State personnel expend to recover or recreate damaged State data files.

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7.4 RESERVED

7.5 RESERVED

7.6 SERVICE LEVEL AGREEMENTS (SLAS)

Please see Statement of Work for SLA requirements.

If the Contractor misses any of the Service Level Agreements in this Contract more than two quarters in a calendar year, the Contractor will be responsible for assembling a remediation plan in 10 business days to resolve the issues impairing metric performance. The remediation plan will be submitted to the MMCC Contract Administrator. Upon State approval, the Contractor will form a project team to resolve the inadequacies.

The State and the Contractor will monitor the remediation plan. If the metrics do not improve in the next calendar month, then the State reserves the right to assess liquidated damages up to and including cancellation of the Contract.

7.7 BANKRUPTCY

If Contractor shall file for protection under the bankruptcy laws, or if an involuntary petition shall be filed against Contractor and not removed within thirty (30) calendar days, or if the Contractor becomes insolvent, be adjudicated bankrupt, or if it should make a general assignment for the benefit of creditors, or if a receiver shall be appointed due to its insolvency, and Contractor and/or its affiliates are unable to provide reasonable assurances that Contractor and/or its affiliates can deliver the services provided herein, the State may, without prejudice to any other right or remedy, terminate the Contract, in whole or in part, and, at its option, may take possession of the "Work in Process" and finish such Works in Process by whatever appropriate method the State may deem expedient. Contractor will fix appropriate notices or labels on the Work in Process to indicate ownership by the State. To the extent reasonably possible, materials and Work in Process shall be stored separately from other stock and marked conspicuously with labels indicating ownership by the State.

To secure the State's progress payments prior to the delivery of any services or materials required for the execution of Contractor's obligations hereunder, and any work which Contractor may sub Contract in the support of the performance of its obligations hereunder, Deliverable shall vest in the State to the extent the State has made progress payments hereunder.

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8. PROJECT AND CONTRACT MANAGEMENT

8.1 CONTRACT MANAGEMENT RESPONSIBILITY

- (a) Contractor shall have overall responsibility for managing and successfully performing and completing the Services, subject to the overall direction and supervision of the State and with the participation and support of the State as specified in the Contract. Contractor's duties will include monitoring and reporting the State's performance of its participation and support responsibilities (as well as Contractor's own responsibilities) and providing timely notice to the State in Contractor's reasonable opinion if the State's failure to perform its responsibilities in accordance with the (Project Plan) is likely to delay the timely achievement of any Contract tasks.
- (b) The Services will be provided by the Contractor, either directly or through its affiliates, subsidiaries, subcontractors or resellers. Regardless of the entity providing the Service, the Contractor will act as a single point of contact coordinating these entities to meet the State's need for Services. Nothing in the Contract, however, shall be construed to authorize or require any party to violate any applicable law or regulation in its performance of the Contract.

8.2 RESERVED

8.3 REPORTS AND MEETINGS

- (a) Reports are defined in the work statement in Section II.
- (b) Meetings. In addition to the Joint Operations Meeting, within twenty (20) business days after the Effective Date, the parties shall determine an appropriate set of meetings to be held between representatives of the State and Contractor. Contractor shall prepare and circulate an agenda sufficiently in advance of each such meeting to give participants an opportunity to prepare for the meeting. Contractor shall incorporate into such agenda items that the State desires to discuss. At the State's request, Contractor shall prepare and circulate minutes promptly after a meeting.

8.4 SYSTEM CHANGES

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Contractor is not responsible for and not authorized to make changes to any State systems without express written authorization from the State. Any changes Contractor makes to State systems with the State's approval shall be done in accordance with applicable State procedures, including security, access and configuration management procedures.

8.5 MODIFICATION OF SERVICE

The State reserves the right to request from time to time, any changes to the requirements and specifications of the Contract and the work to be performed by the Contractor under the Contract. During the course of ordinary business, it may become necessary for the State to discontinue certain business practices or create Additional Services. The Contractor shall provide a change order process and all requisite forms. At a minimum, to the extent applicable, the State would like the Contractor to provide a detailed outline of all work to be done, including tasks necessary to accomplish the deliverables, timeframes, listing of key personnel assigned, estimated hours for each individual per task, and a complete and detailed cost justification.

- (a) Within five (5) Business Days of receipt of a request by the State for any such change, or such other period of time as to which the parties may agree mutually in writing, the Contractor shall submit to the State a proposal describing any changes in products, services, timing of delivery, assignment of personnel, and the like, and any associated price adjustment. The price adjustment shall be based on a good faith determination and calculation by the Contractor of the additional or reduced cost to the Contractor in implementing the Change Request less any savings realized by the Contractor as a result of implementing the Change Request. To the extent applicable, Contractor's proposal shall describe in reasonable detail the basis for the Contractor's proposed price adjustment, including the estimated number of hours by task by labor category required to implement the Change Request and the reason for any deviation from the rates listed in the Contract.
- (b) If the State accepts the Contractor's proposal, it will issue a change notice and the Contractor will implement the Change Request described therein. The Contractor will not implement any Change Request until a change notice has been issued validly. The Contractor shall not be entitled to any compensation for implementing any Change Request or change notice except as provided explicitly in an approved change notice.
- (c) If the State does not accept the Contractor's proposal, the State may:
 - (i) Withdraw its Change Request; or

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- (ii) Modify its Change Request, in which case the procedures set forth above will apply to the modified Change Request.

If the State requests or directs the Contractor to perform any activities that are outside the scope of the Contractor's responsibilities under the Contract ("New Work"), the Contractor must notify the State promptly, and before commencing performance of the requested activities, that it believes the requested activities are New Work. If the Contractor fails to so notify the State before commencing performance of the requested activities, any such activities performed before the Contractor gives notice shall be conclusively considered to be In-scope Services, not New Work.

If the State requests or directs the Contractor to perform any services or functions that are consistent with and similar to the services being provided by the Contractor under the Contract, but which the Contractor reasonably and in good faith believes are not included within the Statements of Work, then prior to performing such services or function, the Contractor shall promptly notify the State in writing that it considers the services or function to be an "Additional Service" for which the Contractor should receive additional compensation. If the Contractor does not so notify the State, the Contractor shall have no right to claim thereafter that it is entitled to additional compensation for performing that service or function. If the Contractor does so notify the State, then such a service or function shall be governed by the Change Request procedure set forth in the preceding paragraph. In the event prices or service levels are not acceptable to the State, the additional work shall be subject to competitive bidding based upon the specifications.

- (d) If the State proposes to acquire New Work or Additional Services that fall under the Contract, Contractor will have the first right to provide a proposal under this Section before the State seeks other proposals.

8.6 CHANGE REQUESTS

- (a) State Change Requests.

- (i) If the State should require Contractor to perform New Services or make changes to the Services that would affect the Contract completion schedule or the amount of compensation due Contractor (a "Change"), the State shall submit a written request for Contractor to furnish a proposal for carrying out the requested Change (a "Change Request").
- (ii) Upon receipt of a Change Request, Contractor shall examine the implications of the requested Change on the technical specifications, Contract schedule and price of the Services and shall submit to the State without undue delay a written proposal for carrying out the Change. Contractor's proposal will include any

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associated changes in the technical specifications, Contract schedule and price and method of pricing of the Services. If the Change is to be performed on a time and materials basis, the Amendment Labor Rates shall apply to the provision of such Services. If Contractor provides a written proposal and should Contractor be of the opinion that a requested Change is not to be recommended, it shall communicate its opinion to the State but shall nevertheless carry out the Change as specified in the written proposal if the State directs it to do so.

- (iii) By giving Contractor written notice within a reasonable time, the State shall be entitled to accept a Contractor proposal for Change, to reject it or to reach another agreement with Contractor. Should the parties agree on carrying out a Change, a written Contract Change Notice shall be prepared and issued under the Contract, describing the Change and its effects on the Services and any affected components of the Contract (a "Contract Change Notice").
- (iv) No proposed Change shall be performed until the proposed Change has been specified in a duly executed Contract Change Notice.
- (v) If the State requests or directs Contractor to perform any activities that Contractor believes constitute a Change, Contractor must notify the State that it believes the requested activities are a change prior to commencing the performance of the requested activities. If Contractor fails to so notify the State prior to commencing performance of the requested activities, such activities shall be considered to be performed gratuitously by Contractor, and Contractor shall not have any right thereafter to assert any claim for additional compensation or time for the performance of such activities. If Contractor commences performance of gratuitous services outside the scope of the Contract and subsequently elects to stop performing such out-of-scope services, Contractor must, at the request of the State, back out or reverse any changes resulting from such performance that would adversely affect the Contract.

(b) Contractor Change Requests.

- (i) Contractor shall be entitled to propose a Change to the State, on its own initiative, should it be of the opinion that this would benefit the Contract. Contractor's proposal for such Change shall be in writing and reasonably detailed. The procedures described in this Section shall apply to any such proposal.
- (ii) Upon receipt of a Change Request from the Contractor, the State shall examine the implications of the requested Change on the technical specifications, Contract schedule and price of the Services. Contractor's proposal will include any associated changes in the technical specifications, Contract schedule and price and method of pricing of the Services. If the Change is to be performed on a time and materials basis, the Amendment Labor Rates shall apply to the provision of such Services.

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- (iii) By giving Contractor written notice within a reasonable time, the State shall be entitled to accept a Contractor proposal for Change, to reject it or to reach another agreement with Contractor. Should the parties agree on carrying out a Change, a written Contract Change Notice shall be prepared and issued under the Contract, describing the Change and its effects on the Services and any affected components of the Contract (a "Contract Change Notice").
- (iv) No proposed Change shall be performed until the proposed Change has been specified in a duly executed Contract Change Notice.

8.7 MANAGEMENT TOOLS

Contractor will use an automated tool for planning, monitoring and tracking the Contract's progress and the level of effort of any Contractor personnel spent performing Services under the Contract. In addition, Contractor shall use automated project management tools as reasonably necessary to perform the Services, which tools shall include the capability to produce through the end of the Contract:

- (1) Staffing tables with names of personnel assigned to Contract tasks;
- (2) Project plans showing tasks, subtasks, Deliverables and the resources required and allocated to each (including detailed plans for all Services to be performed within the next sixty (60) calendar days, updated semi-monthly); and
- (3) Graphs showing critical events, dependencies and decision points during the course of the Contract. Any tool(s) used by Contractor for such purposes must produce information of a type and in a manner and format that will support reporting in compliance with the State's standard to the extent such standard is described with reasonable detail in the Statements of Work.

8.8 RECORDS AND INSPECTIONS

- (a) Inspection of Work Performed. The State's authorized representatives shall at all reasonable times and with fifteen (15) Business Days prior written request, have the right to enter Contractor's premises, or any other places, where the Services are being performed, and shall have access, upon reasonable request, to interim drafts of Deliverables or work-in-progress. Upon Fifteen (15) Business Days prior written notice and during business hours, the State's representatives shall be allowed to inspect, monitor, or otherwise evaluate the work being performed and to the extent that such access will not interfere or jeopardize the safety or operation of the systems or facilities. Contractor must provide all reasonable facilities and assistance for the State's representatives, so long as no security, labor relations policies and propriety information policies are violated.

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- (b) Examination of Records. No more than once per year, Contractor agrees that the State, including its duly authorized representatives, until the expiration of three (3) years after final payment of all amounts due under the Contract and all pending matters are closed (collectively, the "Audit Period"), shall, upon twenty (20) business days prior written notice, have access to and the right to examine and copy any of Contractor's books, records, documents and papers pertinent to establishing Contractor's compliance with the terms and conditions of the Contract and with applicable laws and rules, including the State's procurement rules, regulations and procedures, and actual performance of the Contract for the purpose of conducting an audit, examination, excerpt and/or transcription but the State shall not have access to any information deemed confidential to Contractor to the extent such access would require such confidential information to become publicly available. This provision also applies to the books, records, accounts, documents and papers, in print or electronic form, of any parent, affiliated or subsidiary organization of Contractor, or any Subcontractor of Contractor performing services in connection with the Contract.
- (c) Retention of Records. Contractor shall maintain at least until the end of the Audit Period all pertinent financial and accounting records (including time sheets and payroll records, and information pertaining to the Contract and to the Services, equipment, and commodities provided under the Contract) pertaining to the Contract in accordance with generally accepted accounting principles and other procedures specified in this Section. Financial and accounting records shall be made available, upon request, to the State at any time during the Audit Period. If an audit, litigation, or other action involving

Contractor's records is initiated before the end of the Audit Period, the records must be retained until all issues arising out of the audit, litigation, or other action are resolved or until the end of the Audit Period, whichever is later.

8.9 BINDING COMMITMENTS

Representatives of Contractor identified in the Required Contractor Information Section I 1.6 shall have the authority to make binding commitments on Contractor's behalf within the bounds set forth in this section. Contractor may change such representatives from time to time upon written notice.

9. STATE RESPONSIBILITIES

9.1 STATE PERFORMANCE OBLIGATIONS

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- (a) Personnel. The State shall provide adequate resources to perform the State's tasks described herein. If the State, or any of its Contractor(s) or agents, fails to provide such personnel resources, Contractor will use commercially reasonable efforts (subject to **Section 9.2**) to perform its obligations notwithstanding such failure and to otherwise work around and mitigate the adverse effects of such failure. If Contractor reasonably believes that the State's failure to comply with this **Section 9.1** has interfered with, delayed or impeded Contractor's performance, Contractor may propose to the State a Change pursuant to **Section 8.6**. Contractor will not be in default for a delay in performance to the extent such delay is caused by the State.
- (b) Equipment and Other Resources. To facilitate Contractor's performance of the Services, the State shall provide to Contractor such equipment and resources as identified in the Statements of Work or other Contract Exhibits as items to be provided by the State.
- (c) Facilities. The State shall designate space as long as it is available, to house Contractor's personnel whom the parties agree will perform the Services at State facilities (collectively, the "State Facilities"). Such State Facilities shall be of the same or similar kind and quality provided to the State's own employees. Contractor shall have reasonable access to, and unless agreed otherwise by the parties in writing shall observe and comply with all rules and regulations relating to, each of the State Facilities (including hours of operation) used by Contractor in the course of providing the Services. Contractor agrees that it will not, without the prior written consent of the State, use any State Facilities or access any State information systems provided for Contractor's use, or to which Contractor otherwise gains access in the course of performing the Services, for any purpose other than providing the Services to the State.
- (d) Return. Contractor shall be responsible for returning to the State any State-furnished equipment, facilities and other resources when no longer required for the Contract in the same condition as when provided by the State, reasonable wear and tear excepted.

9.2 SAVINGS CLAUSE

Except as otherwise provided in **Section 20**, the State's failure to perform its responsibilities set forth in the Contract shall not be deemed to be grounds for termination by Contractor. However, Contractor will not be liable for any default or delay in the performance of its obligations under the Contract to the extent such default or delay is caused by nonperformance of the State's obligations under the Contract, provided Contractor provides the State with reasonable written notice of such nonperformance and Contractor uses commercially reasonable efforts to perform notwithstanding the State's failure to perform. In addition, if the State's nonperformance of its responsibilities under the Contract materially increases the time required for

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Contractor's performance or Contractor's cost of performance, Contractor shall be entitled to seek an equitable extension via the Change Request process described in **Section 8.6**.

9.3 RESERVED

9.4 RESERVED

10. FINANCIAL

10.1 PRICING

- (a) Fixed Prices for Services. Each Statement of Work issued under the Contract shall specify (or indicate by reference to the appropriate Contract Exhibit) the firm, fixed prices for all Services and items to be provided hereunder, and the associated payment milestones and payment amounts. To the extent the parties agree that certain specific Services will be provided on a time and materials basis, such Services shall be provided within the Contractors pricing section.
- (b) Adjustments for Reductions in Scope of Services. If the scope of the Services under any Statement of Work issued under the Contract is subsequently reduced by the State, the parties shall negotiate an equitable reduction in Contractor's charges under such Statement of Work commensurate with the reduction in scope, using the rates in Contractors pricing Section unless specifically identified in an applicable Statement of Work.
- (c) Services Covered. For all Services, functions and items provided or to be provided by Contractor (and its Subcontractors, if any) under the Contract, the State shall not be obligated to pay any amounts in addition to the charges specified in the Contract.
- (d) Labor Rates. All time and material charges will be at the rates specified in the Contractors pricing section.
- (e) Reserved.
- (f) Fraud. Except as provided by Contractor's standard and applicable fraud policies, as published from time-to-time, and as otherwise stated in the Contract, the State is responsible and agrees to pay Contractor for all Services furnished under the Contract. This responsibility is not changed by virtue of any use, misuse, or abuse of the service, which may be occasioned by the State or third parties, including employees of the State or other members of the public.

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(g) Reserved.

10.2 INVOICING AND PAYMENT PROCEDURES AND TERMS

(a) Invoicing and Payment – In General.

Invoices will be accepted after product(s) are shipped or services received. Each invoice must be sent to the specific address listed on the purchase order. Where possible, invoices should indicate whether they are partial or complete invoices for the referenced purchase order. Invoice for services must include the service dates and, where applicable, the exact number of hours billed by resource for the period. Each invoice must include the State's purchase order number. The State is exempt from State sales tax and such taxes may not be applied to any purchase order. The invoice price should be based upon the current price at the time of order.

(b) Invoicing and Payment

(i) Each Statement of Work issued under the Contract shall list (or indicate by reference to the appropriate Contract Exhibit) the prices for all Services, equipment and commodities to be provided hereunder, and the associated payment milestones and payment amounts.

(ii) Each invoice will show the details of the work that was done for the period of time the invoice is covering.

(iii) Correct invoices will be due and payable by the State, in accordance with the State's standard payment procedure as specified in 1984, Public Act No. 279, MCL 17.51 et seq., within forty-five (45) calendar days after receipt, provided the State determines that the invoice was properly rendered. By mutual agreement between Contractor and the State, the State may utilize procurement cards (P-Card) as a method of payment.

(iv) Invoice Format – Invoices must be submitted by the Contractor(s) in the form specified by the State. The invoice will show details as to cost by equipment, software and service provided at a level of detail specified by the State, which level of detail shall be as reasonably necessary to satisfy the State's accounting and charge back requirements. At the State's option, and in addition to, and not in lieu of, printed invoices, the Contractor may be required by the State to render invoices via electronic media.

Notwithstanding the forgoing, the parties agree that nothing in this Contract permits the State to access, nor shall Contractor provide access to, Contractor's internal cost records, including without limitation, profit and loss statements and other underling costs of this nature.

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- (c) Taxes. The State is exempt from Federal Excise Tax, State and Local Sales Taxes, and Use Tax with respect to the sale to and use by it of tangible personal property. Such taxes shall not be included in Contract prices as long as the State maintains such exemptions. Excise Tax exemption certificates will be furnished with purchase order if requested. Copies of all tax exemption certificates shall be supplied to Contractor.
- (d) Out-of-Pocket Expenses. Contractor acknowledges that the out-of-pocket expenses that Contractor expects to incur in performing the Services (such as, but not limited to, travel and lodging, document reproduction and shipping, and long distance telephone) are included in Contractor's fixed price for each Statement of Work. Accordingly, Contractor's out-of-pocket expenses are not separately reimbursable by the State unless, on a case-by-case basis for unusual expenses, the State has agreed in advance and in writing to reimburse Contractor for such an expense at the State's current travel reimbursement rates. Such reimbursement will be limited to reasonable and actual expenses incurred which, in the case of air travel, shall be limited to coach-class fare.
- (e) Reserved.
- (f) Reserved.
- (g) Pro-ration. To the extent there are any Services that are to be paid for on a monthly basis, the cost of such Services shall be pro-rated for any partial month.
- (h) Antitrust Assignment. The Contractor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to the Contractor, toward fulfillment of the Contract.
- (i) Final Payment. The making of final payment by the State to Contractor does not constitute a waiver by either party of any rights or other claims as to the other party's continuing obligations under the Contract, nor will it constitute a waiver of any claims by one party against the other arising from unsettled claims or failure by a party to comply with the Contract, including claims for Services and Deliverables not reasonably known until after acceptance to be defective or substandard. Contractor's acceptance of final payment by the State under the Contract shall constitute a waiver of all claims by Contractor against the State for payment under the Contract, other than those claims previously filed in writing on a timely basis and still unsettled.

10.3 STATE ADMINISTRATIVE FEE

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The Contractor must collect an Administrative Fee on the sales transacted under this Contract. The Contractor must remit the Administrative Fee in U.S. dollars within thirty (30) days after the end of the quarterly sales reporting period. The Administrative Fee equals 1% of the total quarterly sales reported. Contractor must include the Administrative Fee in their prices. The Administrative Fee is funded in part by Contractor through a separate 1/4% price reduction as described in Section 1.4.

The Contractor must remit any monies due as a result of the close - out report at the time the close - out report is submitted to Acquisition Services.

The Contractor must pay the Administrative Fee collected by check. To ensure the payment is credited properly, the Contractor must identify the check as a "Administrative Fee" and include the following information with the payment:

Applicable State BPO Number, report amount(s), and reporting period covered.

Contractor must forward the check to the following address:

Acquisition Services (subject to change)
530 West Allegan
Lansing, MI 48933

Please make check payable to: Treasurer, State of Michigan

11. BACKGROUND CHECKS

The Contractor will be required to authorize the investigation of its personnel proposed to have access to State facilities and systems on a case by case basis. The scope of the background check is at the discretion of the State and the results will be used to determine Contractor personnel eligibility for working within State facilities and systems. Such investigations may include Michigan State Police Background checks (ICHAT) as well as the National Crime Information Center (NCIC) Finger Prints. Proposed Contractor personnel may be required to complete and submit an RI-8 Fingerprint Card for the NCIC Finger Print Check. Any request for background checks will be initiated by the State through the P.O. or SOW process and will be reasonable related to the type of work requested.

All Contractor personnel will also be expected to comply with the State's acceptable use policies for State IT equipment and resources. Furthermore, Contractor personnel will be expected to sign an annual State of Michigan Contractor Security Agreement before

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the Contractor personnel will be accepted as a resource to perform work for the State. It is expected the Contractor will present these documents to the prospective employee before the Contractor presents the individual to the State as a proposed resource. Contractor staff will be expected to comply with all Physical Security procedures in place within the facilities where they are working.

12. EQUIPMENT

12.1 RESERVED

12.2 RESERVED

12.3 RISK OF LOSS

Risk of loss for each item of equipment provided under the Contract by Contractor shall pass upon written acknowledgement of receipt (*i.e.*, signature on delivery) of such item by the State at State Locations.

12.4 DAMAGE DISPUTES

At the time of delivery to State Locations, the State shall examine all packages. The quantity of packages delivered shall be recorded and any obvious visible or suspected damage shall be noted at time of delivery using the shipper's delivery document(s) and appropriate procedures to record such. The State shall provide a copy of all shippers' receipts to the Contractor of any items that are damaged or suspected of being damaged at the time of delivery and the Contractor shall make arrangements for the return of such equipment. To not make such a note of actual or suspected damage at time of delivery means the receiving party accepts the delivery as is. If later it is determined the delivery is damaged, the cure for such damaged deliveries shall transfer to the delivery signing party.

If the Contractor is responsible for installation and delivery is made to a State Location; at the time of delivery, the State shall examine all packages. The quantity of packages delivered shall be recorded and any obvious visible or suspected damage shall be noted at time of delivery using the shipper's delivery document(s) and appropriate procedures to record such and a copy of this document provided to the Contractor. To not make such a note of actual or suspected damage at time of delivery means the receiving party accepts the delivery as is. If later it is determined the delivery is

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damaged, the cure for such damaged deliveries shall transfer to the delivery signing party.

Where there is no obvious or suspected damage, all deliveries to a State Location must be opened by the State and the contents inspected for possible physical damage within twenty (20) business days of receipt. Any damage must be reported to the Contractor.

13. CONFIDENTIALITY

13.1 CONFIDENTIAL INFORMATION

Contractor and the State each acknowledge that the other possesses and will continue to possess confidential information that has been developed or received by it. As used in this Section, "Confidential Information" of Contractor shall mean all non-public proprietary information of Contractor (other than Confidential Information of the State as defined below) or which is marked or otherwise identified as confidential, restricted, proprietary or with a similar designation. "Confidential Information" of the State shall mean any information which is retained in confidence by the State (or otherwise required to be held in confidence by the State pursuant to applicable federal, state and local laws and regulations) or which, in the case of tangible materials provided to Contractor by the State pursuant to its performance under the Contract, is marked as confidential, proprietary or with a similar or identified designation by the State.

13.2 PROTECTION OF CONFIDENTIAL INFORMATION

The State and Contractor will each use at least the same degree of care to prevent disclosing to third parties the Confidential Information of the other as it employs to avoid unauthorized disclosure, publication or dissemination of its own confidential information of like character, but in no event less than reasonable care. Neither Contractor nor the State will (i) make any use of the Confidential Information of the other except as contemplated by the Contract, (ii) acquire any right in or assert any lien against the Confidential Information of the other, or (iii) if requested to do so, refuse for any reason to promptly return or destroy (with written verification of destruction) the other party's Confidential Information to the other party, except as otherwise provided by law. Each party will limit disclosure of the other party's Confidential Information to employees and Subcontractors who must have access in order to fulfill the purposes of the Contract. Disclosure to, and use by, a Subcontractor is permissible where (A) use of a Subcontractor is authorized under the Contract, (B) such disclosure is necessary or otherwise naturally occurs in connection with work that is within such Subcontractor's scope of responsibility, and (C) Contractor obligates the Subcontractor in a written Contract to protect the State's Confidential Information in confidence. At the State's request, any employee of Contractor and of any Subcontractor having access or

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continued access to the State's Confidential Information may be required to execute an acknowledgment that the employee has been advised of Contractor's and the Subcontractor's obligations under this Section and of the employee's obligation to Contractor or Subcontractor, as the case may be, to protect such Confidential Information from unauthorized use or disclosure.

13.3 EXCLUSIONS

Notwithstanding the foregoing, the provisions of **Section 13** will not apply to any particular information which the State or Contractor can demonstrate (i) was, at the time of disclosure of it, in the public domain; (ii) after disclosure of it, is published or otherwise becomes part of the public domain through no fault of the receiving party; (iii) was in the possession of the receiving party at the time of disclosure of it without an obligation of confidentiality; (iv) was received after disclosure of it from a third party who had a lawful right to disclose such information without any obligation to restrict its further disclosure; or (v) was independently developed by the receiving party without reference to Confidential Information of the furnishing party.

Further, the provisions of **Section 13** will not apply to any particular Confidential Information to the extent the receiving party is required by law to disclose such Confidential Information, provided that the receiving party (i) promptly provides the furnishing party with notice of the legal request, and (ii) assists the furnishing party in resisting or limiting the scope of such disclosure as reasonably requested by the furnishing party. In the case of information of either Contractor or the State "Confidential Information" shall exclude any information (including the Contract) that is publicly available pursuant to the Michigan Freedom of Information Act, 1976 Public Act No. 442, as amended, MCL 15.231, *et seq.* Notwithstanding the foregoing, neither party waives its rights to pursue actions to protect and/or keep its information confidential.

13.4 NO IMPLIED RIGHTS

Nothing contained in this **Section 13** (Confidentiality) shall be construed as obligating a party to disclose any particular Confidential Information to the other party, or as granting to or conferring on a party, expressly or impliedly, any right or license to the Confidential Information of the other party.

13.5 REMEDIES

Each party acknowledges that, if it breaches (or attempts or threatens to breach) its obligations under **Section 13**, the other party may be irreparably harmed. Accordingly, if a court of competent jurisdiction should find that a party has breached (or attempted

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or threatened to breach) any such obligations, the non-breaching party shall be entitled to seek an injunction preventing such breach (or attempted or threatened breach) unless such injunction would create an unreasonable risk for the safety and security of the public and/or State employees.

13.6 SURVIVAL

The parties' respective obligations under this **Section 13** shall survive the termination or expiration of the Contract for any reason.

14. PROPRIETARY RIGHTS AND SOFTWARE

14.1 RIGHTS IN DATA

(a) The State will be and remain the owner of all data made available by the State to Contractor or its agents, Subcontractors or representatives pursuant to the Contract. Contractor will not use the State's data for any purpose other than providing the Services, nor will any part of the State's data be disclosed, sold, assigned, leased or otherwise disposed of to the general public or to specific third parties or commercially exploited by or on behalf of Contractor, nor will any employee of Contractor other than those on a strictly need to know basis have access to the State's data. Contractor will not possess or assert any lien or other right against the State's data. Without limiting the generality of this Section, Contractor shall only use personally identifiable information as strictly necessary to provide the Services and shall disclose such information only to its employees who have a strict need to know such information. Contractor shall comply at all times with all laws and regulations applicable to such personally identifiable information.

(b) The State is and shall remain the owner of all State-specific data pursuant to the Contract. The State will not use the Contractor's data for any purpose other than receiving the Services, nor will any part of the Contractor's data be disclosed, sold, assigned, leased or otherwise disposed of to the general public or to specific third parties or commercially exploited by or on behalf of the State, nor will any employee of the State other than those on a strictly need to know basis have access to the Contractor's data, except as provided by law. The State will not possess or assert any lien or other right against the Contractor's data. Without limiting the generality of this Section, the State shall only use personally identifiable information as strictly necessary to utilize the Services and shall disclose such information only to its employees who have a strict need to know such information, except as provided by law. The State shall comply at all times with all laws and regulations applicable to such personally identifiable information. Other material developed and provided by the State shall remain the State's sole and exclusive property.

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14.2 OWNERSHIP OF MATERIALS

State and Contractor will continue to own their respective proprietary technologies developed prior to entering into the Contract. Any hardware bought through the Contractor by the State, and paid for by the State, will be owned by the State. Any software licensing purchased through the Contractor and sold to the State, will be licensed directly to the State.

14.3 STANDARD SOFTWARE

If applicable and necessary, all Standard Software used in performing the Services shall be provided to the State under a separate license agreement between the State and the owner (or authorized licensor) of such software.

14.4 RESERVED

14.5 GENERAL SKILLS

Notwithstanding anything to the contrary in this Section, each party, its Subcontractors and their personnel shall be free to use and employ its and their general skills, know-how and expertise, and to use, disclose and employ any generalized ideas, concepts, know-how, methods, techniques or skills gained or learned during the course of performing the Services, so long as it or they acquire and apply the foregoing without disclosure of any confidential or proprietary information of the other party.

15. REPRESENTATIONS AND WARRANTIES

15.1 CONTRACTOR'S REPRESENTATION AND WARRANTIES

- (a) Contractor represents and warrants that it is capable in all respects of fulfilling and shall fulfill all of its obligations under this Contract. Contractor further represents and warrants that the performance of all obligations under this Contract shall be provided in a timely, professional, and workman-like manner and shall meet the performance and operational standards required under this Contract, subject to paragraph 18.2.
- (b) Contractor represents and warrants that the Appendices and Exhibits to a Statement of Work (SOW) identify all equipment and software and services necessary for the SOW Deliverable(s) to perform and operate in compliance with the requirements and other standards of performance contained in the SOW.

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- (c) Contractor represents and warrants that it is the lawful owner or licensee of any Deliverable licensed or sold to the State by Contractor or developed by Contractor under this Contract, and Contractor has all of the rights necessary to convey to the State the ownership rights or licensed use, as applicable, of any and all Deliverables. None of the Deliverables provided by Contractor to the State under this Contract, nor their use by the State, will infringe the patent, copyright, trade secret, or other proprietary rights of any third party.
- (d) If, under this Contract, Contractor procures any equipment, software or other Deliverable for the State (including equipment, software and other Deliverables manufactured, re-marketed or otherwise sold by Contractor under Contractor's name), then in addition to and not in lieu of Contractor's other responsibilities with respect to such items as set forth in this Contract, Contractor represents and warrants that it shall assign or otherwise transfer to the State or its designees, or afford the State the benefits of, any manufacturer's warranty for such Deliverable.
- (e) Contractor represents and warrants that the contract signatory has the power and authority, including any necessary corporate authorizations, necessary to enter into this Contract, on behalf of Contractor.
- (f) Contractor represents and warrants that it is qualified and registered to transact business in all locations where required.
- (g) Contractor represents and warrants that neither the Contractor nor any Affiliates, nor any employee of either, has, shall have, or shall acquire, any contractual, financial, business, or other interest, direct or indirect, that would conflict in any manner or degree with Contractor's performance of its duties and responsibilities to the State under this Contract or otherwise create an appearance of impropriety with respect to the award or performance of this Agreement. Contractor shall notify the State within two (2) business days of any such interest that may be incompatible with the interests of the State.
- (h) Contractor represents and warrants that neither Contractor nor any Affiliates, nor any employee of either has accepted or shall accept anything of value based on an understanding that the actions of the Contractor or Affiliates or employee on behalf of the State would be influenced. Contractor shall not attempt to influence any State employee by the direct or indirect offer of anything of value.
- (i) Contractor represents and warrants that neither Contractor nor any Affiliates, nor any employee of either has paid or agreed to pay any person, other than bona fide employees and consultants working solely for Contractor or such Affiliate, any fee, commission, percentage, brokerage fee, gift, or any other consideration, contingent upon or resulting from the award or making of this Contract.

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- (j) Contractor represents and warrants that the prices proposed by Contractor were arrived at independently, without consultation, communication, or agreement with any other bidder for the purpose of restricting competition; the prices quoted were not knowingly disclosed by Contractor to any other bidder; and no attempt was made by Contractor to induce any other person to submit or not submit a proposal for the purpose of restricting competition.
- (k) Contractor represents and warrants that all financial statements, reports, and other information furnished by Contractor to the State as part of its response to the RFP or otherwise in connection with the award of this Contract fairly and accurately represent the business, properties, financial condition, and results of operations of Contractor as of the respective dates, or for the respective periods, covered by such financial statements, reports, other information. Since the respective dates or periods covered by such financial statements, reports, or other information, there have been no material adverse change in the business, properties, financial condition, or results of operations of Contractor.
- (l) Contractor represents and warrants that all written information furnished to the State by or behalf of Contractor in connection with this Contract, including its bid, is true, accurate, and complete, and contains no untrue statement of material fact or omits any material fact necessary to make such information not misleading.
- (m) Contractor represents and warrants that it is not in material default or breach of any other contract or agreement that it may have with the State or any of its departments, commissions, boards, or agencies. Contractor further represents and warrants that it has not been a party to any contract with the State or any of its departments that was terminated by the State or such department within the previous five (5) years for the reason that Contractor failed to perform or otherwise breached an obligation of such contract.
- (n) Except as otherwise expressly provided in Section 15.1 Contractor makes no representations or warranties, express or implied, regarding any matter, including the merchantability, suitability, originality, fitness for a particular use or purpose, or results to be derived from the use, of any information technology service, software, hardware or other material provided under this agreement or that the operation of any such services, software, hardware or other materials will be uninterrupted or error-free.

15.2 SOFTWARE WARRANTIES

(a) Performance Warranty

The Contractor represents and warrants that Deliverables, after Final Acceptance, will perform and operate in compliance with the requirements and other standards of

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performance contained in this Contract (including all descriptions, specifications and drawings made a part of the Contract) for a period of sixty (60) business days unless otherwise specified in the applicable Sections. In the event of a breach of the foregoing warranty, Contractor will promptly correct the affected Deliverable(s) at no charge to the State.

(b) No Surreptitious Code Warranty

The Contractor represents and warrants that no copy of Contractor "owned" Software provided to the State contains or will contain any Self-Help Code or any Unauthorized Code as defined below. This warranty is referred to in this Contract as the "No Surreptitious Code Warranty." Contractor agrees to flow down the No Surreptitious code warranty in all of its agreements with SubContractors.

As used in this Contract, "Self-Help Code" means any back door, time bomb, drop dead device, or other software routine designed to disable a computer program automatically with the passage of time or under the positive control of a person other than the licensee of the software. Self-Help Code does not include Software routines in a computer program, if any, designed to permit an owner of the computer program (or other person acting by authority of the owner) to obtain access to a licensee's computer system(s) (e.g. remote access via modem) for purposes of maintenance or technical support.

As used in this Contract, "Unauthorized Code" means any virus, Trojan horse, spyware, worm or other Software routines or components designed to permit unauthorized access to disable, erase, or otherwise harm software, equipment, or data; or to perform any other such actions. The term Unauthorized Code does not include Self-Help Code.

In addition, Contractor will use up-to-date commercial virus detection software to detect the presence of and remove any viruses from any software prior to delivering it to the State.

(c) Calendar Warranty

The Contractor represents and warrants that all software for which the Contractor either sells or licenses to the State of Michigan and used by the State prior to, during or after the calendar year 2000, includes or shall include, at no added cost to the State, design and performance so the State shall not experience software abnormality and/or the generation of incorrect results from the software, due to date oriented processing, in the operation of the business of the State of Michigan.

The software design, to insure calendar year rollover compatibility, shall include, but is not limited to: data structures (databases, data files, etc.) that provide 4-digit date century; stored data that contain date century recognition, including, but not limited

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to, data stored in databases and hardware device internal system dates; calculations and program logic (e.g., sort algorithms, calendar generation, event recognition, and all processing actions that use or produce date values) that accommodates same century and multi-century formulas and date values; interfaces that supply data to and receive data from other systems or organizations that prevent non-compliant dates and data from entering any State system; user interfaces (i.e., screens, reports, etc.) that accurately show 4 digit years; and assurance that the year 2000 shall be correctly treated as a leap year within all calculation and calendar logic.

(d) Third-party Software Warranty

The Contractor represents and warrants that it will disclose the use or incorporation of any third-party software into the Deliverables. At the time of Delivery, the Contractor shall provide in writing the name and use of any Third-party Software, including information regarding the Contractor's authorization to include and utilize such software. The notice shall include a copy of any ownership agreement or license that authorizes the Contractor to use the Third-party Software.

15.3 EQUIPMENT WARRANTY

To the extent Contractor is responsible under this Contract for maintaining equipment/system(s), Contractor represents and warrants that it will maintain such equipment/system(s) in good operating condition and will undertake all repairs and preventive maintenance in accordance with the applicable manufacturer's recommendations for the period specified in this Contract.

The Contractor represents and warrants that the equipment/system(s) shall be in good operating condition and shall operate and perform to the requirements and other standards of performance contained in this Contract, when installed, at the time of Final Acceptance by the State, and for a period of one (1) year, unless otherwise specified in the applicable Sections, commencing upon the first day following Final Acceptance.

Within [15] business days of notification from the State, the Contractor shall adjust, repair or replace all equipment that is defective or not performing in compliance with the Contract. The Contractor shall assume all costs for replacing parts or units and their installation including transportation and delivery fees, if any.

The Contractor shall provide a toll-free telephone number to allow the State to report equipment failures and problems to be remedied by the Contractor.

The Contractor agrees that all warranty service it provides under this Contract shall be performed by original equipment manufacturer (OEM) trained, certified and authorized technicians.

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The Contractor further agrees to act as the sole point of contact for warranty service. The Contractor warrants that it has and will obtain and pass through to the State any and all warranties obtained or available from the original equipment manufacturer, including any replacement, upgraded, or additional equipment warranties.

All warranty work shall be performed on the State of Michigan worksite.

15.4 PHYSICAL MEDIA WARRANTY

Contractor represents and warrants that each licensed copy of the Software provided by the Contractor is free from physical defects in the media that tangibly embodies the copy. This warranty does not apply to defects discovered more than twenty (20) business days after that date of Final Acceptance of the Software by the State. This warranty does not apply to defects arising from acts of Excusable Failure. If the Contractor breaches this warranty, then the State shall be entitled to replacement of the non-compliant copy by Contractor, at Contractor's expense (including shipping and handling).

15.5 DISCLAIMER

The foregoing express warranties are in lieu of all other warranties and each party expressly disclaims all other warranties, express or implied, by operation of law or otherwise, including, but not limited to, the implied warranties of merchantability and fitness for a particular purpose.

15.6 CONSEQUENCES FOR BREACH

In addition to any remedies available in law, if the Contractor breaches any of the warranties contained in this section, such breach may be considered as a default in the performance of a material obligation of this Contract.

15.7 RESERVED

15.8 RESERVED

15.9 RESERVED

16. INSURANCE

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16.1 COVERAGE

The Contractor is required to provide proof of the minimum levels of insurance coverage as indicated below. The purpose of this coverage shall be to protect the State from claims which may arise out of or result from the Contractor's performance of services under the terms of this Contract, whether such services are performed by the Contractor, or by any subcontractor, or by anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable.

The Contractor waives all rights against the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents for recovery of damages to the extent these damages are covered by the insurance policies the Contractor is required to maintain pursuant to this Contract. The Contractor also agrees to provide evidence that all applicable insurance policies contain a waiver of subrogation by the insurance company.

All insurance coverage's provided relative to this Contract/Purchase Order is PRIMARY and NON-CONTRIBUTING to any comparable liability insurance (including self-insurances) carried by the State.

The Insurance shall be written for not less than any minimum coverage herein specified or required by law, whichever is greater. All deductible amounts for any of the required policies are subject to approval by the State.

The State reserves the right to reject insurance written by an insurer the State deems unacceptable.

Before both parties sign the contract or before the purchase order is issued by the state, the contractor must furnish to the director of acquisition services, certificate(s) of insurance verifying insurance coverage. The certificate must be on the standard "accord" form. The contract or purchase order no. Must be shown on the certificate of insurance to assure correct filing. All such Certificate(s) are to be prepared and submitted by the Insurance Provider and not by the Contractor. All such Certificate(s) shall contain a provision indicating that coverage's afforded under the policies WILL NOT BE CANCELLED, MATERIALLY CHANGED, OR NOT RENEWED without THIRTY (30) days prior written notice, except for 10 days for non-payment of premium, having been given to the Director of Acquisition Services, Department of Management and Budget. Such NOTICE must include the CONTRACT NUMBER affected and be mailed to: Director, Acquisition Services, Department of Management and Budget, P.O. Box 30026, Lansing, Michigan 48909.

The Contractor is required to provide the type and amount of insurance checked () below:

- 1. Commercial General Liability with the following minimum coverage's:

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\$2,000,000 General Aggregate Limit other than Products/Completed Operations
\$2,000,000 Products/Completed Operations Aggregate Limit
\$1,000,000 Personal & Advertising Injury Limit
\$1,000,000 Each Occurrence Limit
\$500,000 Fire Damage Limit (any one fire)

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSUREDS on the Commercial General Liability policy.

2. If a motor vehicle is used to provide services or products under this Contract, the Contractor must have vehicle liability insurance on any auto including owned, hired and non-owned vehicles used in Contractor's business for bodily injury and property damage as required by law.

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSUREDS on the vehicle liability policy.

3. Worker's disability compensation, disability benefit or other similar employee benefit act with minimum statutory limits. NOTE: (1) If coverage is provided by a State fund or if Contractor has qualified as a self-insurer, separate certification must be furnished that coverage is in the state fund or that Contractor has approval to be a self-insurer; (2) Any citing of a policy of insurance must include a listing of the States where that policy's coverage is applicable; and (3) Any policy of insurance must contain a provision or endorsement providing that the insurers' rights of subrogation are waived. This provision shall not be applicable where prohibited or limited by the laws of the jurisdiction in which the work is to be performed.
4. For contracts providing temporary staff personnel to the State, the Contractor shall provide an Alternate Employer Endorsement with minimum coverage of \$1,000,000.
5. Employers liability insurance with the following minimum limits:
- \$100,000 each accident
 - \$100,000 each employee by disease
 - \$500,000 aggregate disease
6. Professional Liability Insurance (Errors and Omissions coverage) with the following minimum coverage:
- \$1,000,000 each occurrence and \$3,000,000 annual aggregate

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- \$3,000,000 each occurrence and \$5,000,000 annual aggregate
- \$5,000,000 each occurrence and \$10,000,000 annual aggregate

16.2 SUBCONTRACTORS

Except where the State has approved in writing a Contractor subcontracts with other insurance provisions, Contractor shall require all of its Subcontractors hereunder to purchase and maintain the insurance coverage as described in **Section 16.1** for each Contractor in connection with the performance of work by such Subcontractors. Alternatively, Contractor may include any Subcontractors under Contractor's insurance on each coverage required in **Section 16.1**.

16.3 CERTIFICATES OF INSURANCE AND OTHER REQUIREMENTS

Within thirty (30) calendar days after the Effective Date of the Contract, Contractor shall furnish to the Office of Acquisition Services certificate(s) of insurance verifying insurance coverage or providing satisfactory evidence of self-insurance as required in this Section (the "Certificates"). The Contract number must be shown on each Certificate. The Certificates shall provide that the Office of Acquisition Services shall be given at least thirty (30) calendar days prior written notice (bearing the Contract number) of termination, non-renewal or reduction in limit below the amounts specified herein or in material scope of coverage of such policies. Within thirty (30) calendar days following the execution of the Contract, and every year thereafter, the Contractor shall provide evidence that the State and its agents, officers and employees are listed as additional insured's, but only to the extent of liabilities assumed by Contractor as set forth in **Section 17** of the Contract, under each commercial general liability and commercial automobile liability policy. Insurance policies listing the State as an additional insured, to the extent of liabilities assumed by Contractor as set forth in **Section 17** of the Contract, are required to contain language in the certificate which provides that, "Any litigation activity on behalf of the State of Michigan, or any of its subdivisions, as additional insured must be coordinated with the Department of Attorney General." In the event the insurer's attorney is asked to represent the State, the insurer's attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan. Contractor shall maintain all required insurance coverage throughout the term of the Contract and any extensions thereto and, in the case of claims-made Commercial General Liability policies, shall secure tail coverage for at least three (3) years following the expiration or termination for any reason of the Contract. The minimum limits of coverage specified above are not intended, and shall not be construed, to limit any liability or indemnity of Contractor under the Contract to any indemnified party or other persons. Contractor shall be responsible for all deductibles with regard to such insurance. If Contractor fails to pay any premium for required insurance as specified herein, or if any insurer cancels or significantly reduces any required insurance as specified herein without the State's

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written consent, at the State's election (but without any obligation to do so) after the State has given Contractor at least thirty (30) calendar days written notice, the State may pay such premium or procure similar insurance coverage from another company or companies; and at the State's election, the State may deduct the entire cost (or part thereof) from any payment due Contractor, or Contractor shall pay the entire cost (or any part thereof) upon demand by the State.

17. INDEMNIFICATION

(a) General Indemnification

To the extent permitted by law, the Contractor shall indemnify, defend and hold harmless the State from liability of any kind, including all claims and losses, and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties), accruing or resulting to any person, firm or corporation that may be injured or damaged by the Contractor in the performance of this Contract and that are attributable to the negligence or tortious acts of the Contractor or any of its subcontractors, or by anyone else for whose acts any of them may be liable provided that the Contractor is notified in writing within thirty (30) calendar days from the time that the State has knowledge of such claims. The Contractor shall not be liable to the State for consequential damages arising out of claims brought by third parties except for claims for infringement of any United States patent, copyright, trademark or trade secret.

(b) Code Indemnification

To the extent permitted by law, the Contractor shall indemnify, defend and hold harmless the State from any claim, loss, or expense arising from Contractor's breach of the No Surreptitious Code Warranty.

(c) Indemnification Not Limited

In any and all claims against the State of Michigan, its departments, divisions, agencies, sections, commissions, officers, employees and agents, by any employee of the Contractor or any of its subcontractors, the indemnification obligation under the Contract shall not be limited in any way by the amount or type of damages, compensation or benefits payable by or for the Contractor or any of its subcontractors under worker's disability compensation acts, disability benefit acts or other employee benefit acts. This indemnification clause is intended to be comprehensive. Any overlap in sub clauses, or the fact that greater specificity is provided as to some categories of risk, is not intended to limit the scope of indemnification under any other sub clauses.

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(d) Patent/Copyright Infringement Indemnification

To the extent permitted by law, the Contractor shall indemnify, defend and hold harmless the State from and against all losses, liabilities, damages (including taxes), and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties) incurred in connection with any action or proceeding threatened or brought against the State to the extent that such action or proceeding is based on a claim that any piece of equipment, software, commodity or service supplied by the Contractor or its subcontractors, or the operation of such equipment, software, commodity or service, or the use or reproduction of any documentation provided with such equipment, software, commodity or service infringes any United States patent, copyright, trademark or trade secret of any person or entity, which is enforceable under the laws of the United States.

In addition, should the equipment, software, commodity, or service, or its operation, become or in the State's or Contractor's opinion be likely to become the subject of a claim of infringement, the Contractor shall at the Contractor's sole expense (i) procure for the State the right to continue using the equipment, software, commodity or service or, if such option is not reasonably available to the Contractor, (ii) replace or modify to the State's satisfaction the same with equipment, software, commodity or service of equivalent function and performance so that it becomes non-infringing, or, if such option is not reasonably available to Contractor, (iii) accept its return by the State with appropriate credits to the State against the Contractor's charges and reimburse the State for any losses or costs incurred as a consequence of the State ceasing its use and returning it.

Notwithstanding the foregoing, the Contractor shall have no obligation to indemnify or defend the State for, or to pay any costs, damages or attorneys' fees related to, any claim based upon (i) equipment developed based on written specifications of the State; or (ii) use of the equipment in a configuration other than implemented or approved in writing by the Contractor, including, but not limited to, any modification of the equipment by the State; or (iii) the combination, operation, or use of the equipment with equipment or software not supplied by the Contractor under this Contract.

(e) Continuation of Indemnification Obligations

The Contractor's duty to indemnify pursuant to Sections I-A and I-B continues in full force and effect, notwithstanding the expiration or early cancellation of the Contract, with respect to any claims based on facts or conditions that occurred prior to expiration or cancellation.

(f) Indemnification Procedures

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The procedures set forth below shall apply to all indemnity obligations under this Contract.

- (i) After receipt by the State of notice of the action or proceeding involving a claim in respect of which it will seek indemnification, the State shall promptly notify Contractor of such claim in writing and take or assist Contractor in taking, as the case may be, any reasonable action to avoid the imposition of a default judgment against Contractor. No failure to so notify Contractor shall relieve Contractor of its indemnification obligations except to the extent that Contractor can demonstrate damages attributable to such failure. Within ten (10) business days following receipt of written notice from the State relating to any claim, Contractor shall notify the State in writing whether Contractor agrees to assume control of the defense and settlement of that claim (a "Notice of Election"). After notifying Contractor of a claim and prior to the State receiving Contractor's Notice of Election, the State shall be entitled to defend against the claim, at Contractor's expense, and Contractor will be responsible for any reasonable costs incurred by the State in defending against the claim during such period.

- (ii) If Contractor delivers a Notice of Election relating to any claim:
 - (i) The State shall be entitled to participate in the defense of such claim and to employ counsel at its own expense to assist in the handling of such claim and to monitor and advise the State about the status and progress of the Defense;
 - (ii) Contractor shall, at the request of the State, demonstrate to the reasonable satisfaction of the State, Contractor's financial ability to carry out its defense and indemnity obligations under this Contract;
 - (iii) Contractor shall periodically advise the State about the status and progress of the defense and shall obtain the prior written approval of the State before entering into any settlement of such claim or ceasing to defend against such claim and
 - (iv) to the extent that any principles of Michigan governmental or public law may be involved or challenged, the State shall have the right, at its own expense, to control the defense of that portion of such claim involving the principles of Michigan governmental or public law. Notwithstanding the foregoing, the State may retain control of the defense and settlement of a claim by written notice to Contractor given within ten (10) business days after the State's receipt of Contractor's information requested by the State pursuant to clause (ii) of this paragraph if the State determines that Contractor has failed to demonstrate to the reasonable satisfaction of the State Contractor's financial ability to carry out its defense and indemnity obligations under this Section. Any litigation activity on behalf of the State of Michigan, or any of its subdivisions pursuant to this Section, must be coordinated with the Department of Attorney General. In the event the insurer's attorney represents the State pursuant to this Section, the insurer's attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.

- (iii) If Contractor does not deliver a Notice of Election relating to any claim of which it is notified by the State as provided above, the State shall have the right to defend

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the claim in such manner as it may deem appropriate, at the cost and expense of Contractor. If it is determined that the claim was one against which Contractor was required to indemnify the State, upon request of the State, Contractor shall promptly reimburse the State for all such reasonable costs and expenses.

18. LIMITATION OF LIABILITY AND EXCUSABLE FAILURE

18.1 LIMITATION OF LIABILITY

The Contractor's liability for damages to the State shall be limited to the value of the Contract. The foregoing limitation of liability shall not apply to claims for infringement of United States patent, copyright, trademarks or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor; to claims covered by other specific provisions of this Contract calling for liquidated damages; or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on this Contract.

The State's liability for damages to the Contractor shall be limited to the value of the Contract. The foregoing limitation of liability shall not apply to claims caused by the gross negligence or willful misconduct of the State.

The parties agree that neither the Contractor nor the State shall be liable to each other, regardless of the form of action, for consequential, incidental, indirect, or special damages. The foregoing limitation of liability shall not apply to claims for infringement of United States patent, copyright, trademark or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor or the State; to claims covered by other specific provisions of this Contract calling for liquidated damages; or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on this Contract.

18.2 EXCUSABLE FAILURE

Neither party will be liable for any default, damage or delay in the performance of its obligations under the Contract to the extent such default, damage or delay is caused by government regulations or requirements (executive, legislative, judicial, military or otherwise), power failure, electrical surges or current fluctuations, lightning, earthquake, war, water or other forces of nature or acts of God, delays or failures of transportation, equipment shortages, suppliers' failures, or acts or omissions of common carriers, fire; riots, civil disorders, rebellions or revolutions in any country; strikes or other labor disputes, embargoes; injunctions (provided the injunction was not issued as a result of any fault or negligence of the party seeking to have its default or delay excused); or any other cause beyond the reasonable control of such party; provided the non-performing

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party and its Subcontractors are without fault in causing such default or delay, and such default or delay could not have been prevented by reasonable precautions and cannot reasonably be circumvented by the non-performing party through the use of alternate sources, workaround plans or other means, including disaster recovery plans. In such event, the non-performing party will be excused from any further performance or observance of the obligation(s) so affected for as long as such circumstances prevail and such party continues to use its commercially reasonable efforts to recommence performance or observance whenever and to whatever extent possible without delay and provided further that such party promptly notifies the other party in writing of the inception of the excusable failure occurrence, and also of its abatement or cessation. If any of the above-enumerated circumstances substantially prevent, hinder, or delay Contractor's performance of the Services for more than ten (10) business days, and the State determines that performance is not likely to be resumed within a period of time that is satisfactory to the State in its reasonable discretion, then at the State's option: (a) the State may procure the affected Services from an alternate source, and the State shall not be liable for payment for the unperformed Services under the Contract for so long as the delay in performance shall continue; (b) the State may terminate any portion of the Contract so affected and the charges payable there under shall be equitably adjusted to reflect those Services terminated; or (c) the State may terminate the affected Statement of Work without liability to Contractor as of a date specified by the State in a written notice of termination to Contractor, except to the extent that the State shall pay for products and services provided through the date of termination. Contractor will not have the right to any additional payments from the State as a result of any excusable failure occurrence or to payments for Services not rendered as a result of the excusable failure condition. Defaults or delays in performance by Contractor which are caused by acts or omissions of its Subcontractors will not relieve Contractor of its obligations under the Contract except to the extent that a Subcontractor is itself subject to an excusable failure condition described above and Contractor cannot reasonably circumvent the effect of the Subcontractor's default or delay in performance through the use of alternate sources, workaround plans or other means.

18.3 DISASTER RECOVERY

Contractor and the State recognize that the State provides essential services in times of natural or man-made disasters. Therefore, except as so mandated by Federal disaster response requirements, Contractor personal dedicated to providing services under this Contract will provide to the State priority service for repair and work around in the event of a natural or manmade disaster. The State will identify a priority list of those functions that must be returned to service as soon as possible following a disaster.

19. TERMINATION BY THE STATE

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The State may terminate the Contract without further liability or penalty to the State, its departments, divisions, agencies, offices, commissions, officers, agents and employees, unless otherwise specified below, for any of the following reasons:

19.1 TERMINATION FOR CAUSE

- (a) In the event that Contractor breaches any of its material duties or obligations under the Contract (including a Chronic Failure to meet any particular SLA as defined in **Section 7.6**), which are either not capable of or subject to being cured, or are not cured within the time period specified in the written notice of breach provided by the State (such time period not to be less than thirty (30) calendar days), or pose a serious and imminent threat to the health and safety of any person, or the imminent loss, damage or destruction of any real or tangible personal property, the State may, having provided written notice of termination to Contractor, terminate the Contract in whole or in part, for cause, as of the date specified in the notice of termination.
- (b) In the event that the Contract is terminated for cause, in addition to any legal remedies otherwise available to the State by law or equity, Contractor shall be responsible for all costs incurred by the State in terminating the Contract, including but not limited to, State administrative costs, reasonable attorneys' fees and court costs, and any reasonable additional costs the State may incur to procure the Services required by the Contract from other sources. Re-procurement costs shall not be considered by the parties to be consequential, indirect or incidental damages, and shall not be excluded by any other terms otherwise included in the Contract, provided such costs are not in excess of twenty-five percent (25%) more than the prices for such Service provided under the Contract; provided, however, that any such costs recovered by the State under this paragraph shall otherwise be treated as damages recovered by the State for the purposes of **Section 18.1**.
- (c) In the event the State chooses to partially terminate the Contract for cause, charges payable under the Contract will be equitably adjusted to reflect those Services that are terminated and the State shall pay for all Services provided up to the termination date. Services and related provisions of the Contract that are terminated for cause shall cease on the effective date of the termination.
- (d) In the event the Contract is terminated for cause pursuant to this section, and it is determined, for any reason, that Contractor was not in breach of Contract pursuant to the provisions of this section, that termination for cause shall be deemed to have been a termination for convenience, effective as of the same date, and the rights and obligations of the parties shall be limited to that otherwise provided in the Contract for a termination for convenience.

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19.2 TERMINATION FOR CONVENIENCE BY THE STATE –

The State may terminate the Contract for its convenience, in whole or part, if the State determines that such a termination is in the State's best interest. Reasons for such termination shall be left to the sole discretion of the State and may include, but not necessarily be limited to (a) the State no longer needs the Services or products specified in the Contract, (b) relocation of office, program changes, changes in laws, rules, or regulations make implementation of the Services no longer practical or feasible, or (c) unacceptable prices for Additional Services requested by the State. The State may terminate the Contract for its convenience, in whole or in part, by giving Contractor written notice at least one hundred twenty (120) calendar days prior to the date of termination. If the State chooses to terminate the Contract in part, the charges payable under the Contract shall be equitably adjusted to reflect those Services that are terminated. Services and related provisions of the Contract that are terminated for convenience shall cease on the effective date of the termination.

19.3 NON-APPROPRIATION

- (a) Contractor acknowledges that, if this Contract extends for several fiscal years, continuation of this Contract is subject to appropriation or availability of funds for this Contract. If funds to enable the State to effect continued payment under this Contract are not appropriated or otherwise made available, the State shall have the right to terminate this Contract and all affected Statements of Work, in whole or in part, at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of termination to Contractor. The State shall give Contractor at least thirty (30)-calendar days advance written notice of termination for non-appropriation or unavailability (or such time as is available if the State receives notice of the final decision less than thirty (30) calendar days before the funding cutoff).
- (b) If funding for the Contract is reduced by law, or funds to pay Contractor for the agreed-to level of the Services to be provided by Contractor are not appropriated or otherwise made available, the State may, upon thirty (30) calendar days written notice to Contractor, reduce the level of the Services in such manner and for such periods of time as the State may elect. The charges payable under this Contract will be equitably adjusted to reflect any equipment, services or commodities not provided by reason of such reduction.
- (c) In the event the State terminates this Contract or reduces the level of Services to be provided by Contractor pursuant to this Section 14.3, the State shall pay Contractor for all work-in-progress performed through the effective date of the termination or reduction in level, as the case may be, to the extent funds are available. For the avoidance of doubt, this Section 14.3 will not preclude Contractor from raising

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against the State in a court of competent jurisdiction, any claim for a shortfall in payment for Services performed prior to the effective date of termination.

19.4 CRIMINAL CONVICTION

The State may terminate the Contract immediately and without further liability or penalty in the event Contractor, an officer of Contractor, or an owner of a 25% or greater share of Contractor is convicted of a criminal offense incident to the application for, or performance of, a State, public or private Contract or subContract; convicted of a criminal offense, including any of the following: embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, attempting to influence a public employee to breach the ethical conduct standards for State of Michigan employees; convicted under State or federal antitrust statutes; or convicted of any other criminal offense which in the sole discretion of the State reflects upon Contractor's business integrity.

19.5 APPROVALS RESCINDED

The State may terminate the Contract without further liability or penalty in the event any final administrative or judicial decision or adjudication disapproves a previously approved request for purchase of personal services pursuant to Constitution 1963, Article 11, section 5, and Civil Service Rule 7-1. Termination may be in whole or in part and may be immediate as of the date of the written notice to Contractor or may be effective as of the date stated in such written notice.

19.6 RIGHTS AND OBLIGATIONS UPON TERMINATION

(a) If the Contract is terminated by the State for any reason, Contractor shall (a) stop all work as specified in the notice of termination, (b) take any action that may be necessary, or that the State may direct, for preservation and protection of Deliverables or other property derived or resulting from the Contract that may be in Contractor's possession, (c) return all materials and property provided directly or indirectly to Contractor by any entity, agent or employee of the State, (d) in the event that the Contractor maintains title in equipment and software that is intended to be transferred to the State at the termination of the Contract, Contractor will transfer title in, and deliver to, the State, unless otherwise directed, all Deliverables and other Developed Materials intended to be transferred to the State at the termination of the Contract and which are resulting from the Contract (which shall be provided to the State on an "As-Is" basis except to the extent the amounts paid by the State in respect of such items included compensation to Contractor for the provision of warranty services in respect of such materials), and (e) take any action to mitigate and limit any potential damages, or requests for Contractor adjustment or

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termination settlement costs, to the maximum practical extent, including terminating or limiting as otherwise applicable those subcontracts and outstanding orders for material and supplies resulting from the terminated Contract.

- (b) In the event the State terminates the Contract prior to its expiration for its own convenience, the State shall pay Contractor for all charges due for Services provided prior to the date of termination and, if applicable, as a separate item of payment pursuant to the Contract, for partially completed Deliverables, on a percentage of completion basis. All completed or partially completed Deliverables prepared by Contractor pursuant to the Contract shall, at the option of the State, become the State's property, and Contractor shall be entitled to receive equitable fair compensation for such Deliverables. Regardless of the basis for the termination, the State shall not be obligated to pay, or otherwise compensate, Contractor for any lost expected future profits, costs or expenses incurred with respect to Services not actually performed for the State.
- (c) Reserved.
- (d) Upon a good faith termination, the State shall have the right to assume, at its option, any and all subcontracts and agreements for services and materials provided under the Contract, and may further pursue completion of the Services under the Contract by replacement Contract or otherwise as the State may in its sole judgment deem expedient.

19.7 TERMINATION ASSISTANCE

If the Contract (or any Statement of Work issued under it) is terminated for any reason before completion, Contractor agrees to provide for up to two-hundred seventy (270) calendar days after the termination all reasonable termination assistance requested by the State to facilitate the orderly transfer of such Services to the State or its designees in a manner designed to minimize interruption and adverse effect. Such termination assistance will be deemed by the parties to be governed by the terms and conditions of the Contract (notwithstanding its termination) other than any terms or conditions that do not reasonably apply to such termination assistance. The State shall compensate Contractor for such termination assistance at the same rates and charges set forth in the Contract on a time and materials basis in accordance with the Labor Rates indicated within Contractors pricing section. If the Contract is terminated by Contractor under **Section 20**, then Contractor may condition its provision of termination assistance under this Section on reasonable assurances of payment by the State for such assistance, and any other amounts owed under the Contract.

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19.8 RESERVATION OF RIGHTS

Any termination of the Contract or any Statement of Work issued under it by a party shall be with full reservation of, and without prejudice to, any rights or remedies otherwise available to such party with respect to any claims arising prior to or as a result of such termination.

19.9 END OF CONTRACT TRANSITION

In the event the Contract is terminated, for convenience or cause, or upon expiration, the Contractor agrees to comply with direction provided by the State to assist in the orderly transition of equipment, services, software, leases, etc. to the State or a third party designated by the State. In the event of termination or the expiration of the Contract, the Contractor agrees to make all reasonable efforts to effect an orderly transition of services within a reasonable period of time that in no event will exceed 270 calendar days. These efforts shall include, but are not limited to, the following:

- (a) Personnel - The Contractor shall work with the State, or a specified third party, to develop a transition plan setting forth the specific tasks and schedule to be accomplished by the parties, to effect an orderly transition. The Contractor shall allow as many personnel as practicable to remain on the job to help the State, or a specified third party, maintain the continuity and consistency of the services required by the Contract. In addition, during or following the transition period, in the event the State requires the Services of the Contractor's subcontractors, as necessary to meet its needs, Contractor agrees to reasonably, and with good-faith, work with the State to use the Services of Contractor's subcontractors.
- (b) Knowledgeable Personnel. Contractor will make available to the State or a Third Party Provider knowledgeable personnel familiar with the operational processes and procedures used to deliver products and services to the State. The Contractor personnel will work with the State or third party to help develop a mutually agreeable transition plan, work to transition the process of ordering, shipping and invoicing equipment and services to the State.
- (c) Information - The Contractor agrees to provide reasonable detailed specifications for all Services needed by the State, or specified third party, to properly provide the services required under the Contract. The Contractor will also provide any licenses required to perform the Services under the Contract.
- (d) Software. - The Contractor shall reasonably assist the State in the acquisition of any Contractor software required to perform the Services under the Contract. This shall include any documentation being used by the Contractor to perform the Services

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under the Contract. If the State transfers any software licenses to the Contractor, those licenses shall, upon expiration of the Contract, transfer back to the State at their current revision level.

- (e) Payment - If the transition results from a termination for any reason, reimbursement shall be governed by the termination provisions of the Contract. If the transition results from expiration, the Contractor will be reimbursed for all reasonable transition costs (i.e. costs incurred within the agreed period after Contract expiration that result from transition operations). The hourly rates or fixed price to be charged will be agreed upon prior to the work commencing.
- (f) Single Point of Contact. Contractor will maintain a Single Point of Contact (SPOC) for the State after termination of the Contract until all product and service obligations have expired.

19.10 TRANSITION OUT OF THE CONTRACT

- (a) In the event that the Contract is terminated, dissolved, voided, rescinded, nullified, or otherwise rendered unenforceable, the Contractor agrees to perform the following obligations, and any others upon which the State and the Contractor agree:
- (i) Cooperating with any Sub contractors, or other entities with whom the State contracts to meet its needs as it relates to the described products and services described herein, for at least two hundred and seventy (270) calendar days after the termination of the Contract;
 - (ii) Reserved.
 - (iii) Providing the State with all asset management data generated from the inception of the Contract through the date on which the Contract is terminated, in a comma-delimited format unless otherwise required by the Program Office;
 - (iv) Reconciling all accounts between the State and the Contractor;
 - (viii) Allowing the State to request the winding up of any pending or ongoing projects at the price to which the State and the Contractor agreed at the inception of the project;
 - (ix) Reserved.
 - (x) Notifying all of the Contractor's subcontractors of procedures to be followed during the transition out phase.
 - (xv) Reserved

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- (xvi) Reserved
 - (xvii) Reserved
 - (xviii) Delivering to the State any remaining owed reports and documentation still in the Contractor's possession.
- (b) In the event that the Contract is terminated, dissolved, voided, rescinded, nullified, or otherwise rendered unenforceable, the State agrees to perform the following obligations, and any others upon which the State and the Contractor agree:
- (i) Reconciling all accounts between the State and the Contractor;
 - (ii) Completing any pending post-project reviews.

20. TERMINATION BY THE CONTRACTOR

If the State materially breaches its obligation to pay Contractor undisputed amounts due and owing under the Contract in accordance with **Section 10**, or if the State breaches its other obligations under the Contract to an extent that makes it impossible or commercially impractical for Contractor to perform the Services, and if the State does not cure the breach within the time period specified in a written notice of breach provided to the State by Contractor (such time period not to be less than thirty (30) calendar days), then Contractor may terminate the Contract for cause, as of the date specified in the notice of termination; provided, however, that Contractor must discharge its obligations under **Section 23.2** prior to any such termination.

21. TITLE

Title to equipment, accessories and devices leased or purchased under the Contract shall remain with the Contractor until the State makes final payment; at that time, title will pass to the State.

22. STOP WORK

22.1 ISSUANCE OF STOP WORK ORDER

The State may, at any time, by written stop work order to Contractor, require that Contractor stop all, or any part, of the work called for by the Contract for a period of up to ninety (90) calendar days after the stop work order is delivered to Contractor, and for any further period to which the parties may agree. The stop work order shall be specifically identified as such and shall indicate that it is issued under this **Section 22**.

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Upon receipt of the stop work order, Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the stop work order during the period of work stoppage. Within the period of the stop work order, the State shall either: (a) cancel the stop work order; or (b) terminate the work covered by the stop work order as provided in **Section 19** of the Contract.

22.2 CANCELLATION OR EXPIRATION OF STOP WORK ORDER

If a stop work order issued under this **Section 22** is canceled or the period of the stop work order or any extension thereof expires, Contractor shall resume work. The parties shall agree upon an equitable adjustment in the delivery schedule, the Contract price, or both, and the Contract shall be modified, in writing, accordingly, if: (a) the stop work order results in an increase in the time required for, or in Contractor's costs properly allocable to, the performance of any part of the Contract; and (b) Contractor asserts its right to an equitable adjustment within thirty (30) calendar days after the end of the period of work stoppage; provided that, if the State decides the facts justify the action, the State may receive and act upon a Contractor proposal submitted at any time before final payment under the Contract.

22.3 ALLOWANCE OF CONTRACTOR COSTS

If the stop work order is not canceled and the work covered by the stop work order is terminated for reasons other than material breach, such termination shall be deemed to be a termination for convenience under **Section 19.2**, and the State shall allow reasonable costs resulting from the stop work order in arriving at the termination settlement. For the avoidance of doubt, the State shall not be liable to Contractor for loss of profits because of a stop work order issued under this **Section 22**.

23. DISPUTE RESOLUTION

23.1 IN GENERAL

- (a) Any claim, counterclaim, or dispute between the State and Contractor arising out of or relating to the Contract or any Statement of Work shall be resolved as set forth herein.
- (b) For all Contractor claims seeking an increase in the amounts payable to Contractor under the Contract, or the time for Contractor's performance, Contractor shall submit

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a letter executed by Contractor's Contract Administrator or his designee certifying that (i) the claim is made in good faith, (ii) the amount claimed accurately reflects the adjustments in the amounts payable to Contractor or the time for Contractor's performance for which Contractor believes the State is liable and covers all costs of every type to which Contractor is entitled from the occurrence of the claimed event, and (iii) the supporting data provided with such an affidavit are current and complete to Contractor's best knowledge and belief.

23.2 INFORMAL DISPUTE RESOLUTION

- (a) All operational disputes between the parties shall be resolved under the Contract Management procedures developed pursuant to **Section 8.2**. If the parties are unable to resolve any disputes after compliance with such processes, the parties shall meet with the Director of Acquisition Services, DMB, or designee, for the purpose of attempting to resolve such dispute without the need for formal legal proceedings, as follows:
- (i) The representatives of Contractor and the State shall meet as often as the parties reasonably deem necessary in order to gather and furnish to each other all information with respect to the matter in issue which the parties believe to be appropriate and germane in connection with its resolution. The representatives shall discuss the problem and negotiate in good faith in an effort to resolve the dispute without the necessity of any formal proceeding.
 - (ii) During the course of negotiations, all reasonable requests made by one party to another for non-privileged information reasonably related to the Contract will be honored in order that each of the parties may be fully advised of the other's position.
 - (iii) The specific format for the discussions will be left to the discretion of the designated State and Contractor representatives, but may include the preparation of agreed upon statements of fact or written statements of position.
 - (iv) Following the completion of this process within sixty (60) calendar days, the Director of Acquisition Services, DMB, or designee, shall issue a written opinion regarding the issue(s) in dispute within thirty (30) calendar days. The opinion regarding the dispute shall be considered the State's final action and the exhaustion of administrative remedies.
- (b) This **Section 23.2** will not be construed to prevent either party from instituting, and a party is authorized to institute, formal proceedings earlier to avoid the expiration of any applicable limitations period, to preserve a superior position with respect to other creditors, or pursuant to **Section 23.3**.

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- (c) The State will not mediate disputes between the Contractor and any other entity, except state agencies, concerning responsibility for performance of work pursuant to the Contract.

23.3 INJUNCTIVE RELIEF

The only circumstance in which disputes between the State and Contractor will not be subject to the provisions of **Section 23.2** is where a party makes a good faith determination that a breach of the terms of the Contract by the other party is such that the damages to such party resulting from the breach will be so immediate, so large or severe and so incapable of adequate redress after the fact that a temporary restraining order or other immediate injunctive relief is the only adequate remedy.

23.4 CONTINUED PERFORMANCE

Each party agrees to continue performing its obligations under the Contract while a dispute is being resolved except to the extent the issue in dispute precludes performance (dispute over payment shall not be deemed to preclude performance) and without limiting either party's right to terminate the Contract as provided in **Section 19 and 20**, as the case may be.

23.5 GOVERNING LAW

The Contract shall in all respects be governed by, and construed in accordance with, the substantive laws of the State of Michigan without regard to any Michigan choice of law rules that would apply the substantive law of any other jurisdiction to the extent not inconsistent with, or pre-empted by federal law.

23.6 JURISDICTION

Any dispute arising from the Contract shall be resolved in the State of Michigan. With respect to any claim between the parties, Contractor consents to venue in Ingham County, Michigan, and irrevocably waives any objections it may have to such jurisdiction on the grounds of lack of personal jurisdiction of such court or the laying of venue of such court or on the basis of *forum non conveniens* or otherwise. Contractor agrees to appoint agents in the State of Michigan to receive service of process.

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24. FEDERAL AND STATE CONTRACTUAL REQUIREMENTS

24.1 NONDISCRIMINATION

In the performance of the Contract, Contractor agrees not to discriminate against any employee or applicant for employment, with respect to his or her hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, national origin, ancestry, age, sex, height, weight, marital status, physical or mental disability. Contractor further agrees that every subcontract entered into for the performance of any Contract or purchase order resulting here from will contain a provision requiring non-discrimination in employment, as herein specified, binding upon each Subcontractor. This covenant is required pursuant to the Elliot Larsen Civil Rights Act, 1976 Public Act 453, as amended, MCL 37.2101, *et seq.* and the Persons with Disabilities Civil Rights Act, 1976 Public Act 220, as amended, MCL 37.1101, *et seq.*, and any breach thereof may be regarded as a material breach of the Contract.

24.2 UNFAIR LABOR PRACTICES

Pursuant to 1980 Public Act 278, as amended, MCL 423.231, *et seq.*, the State shall not award a Contract or subContract to an employer whose name appears in the current register of employers failing to correct an unfair labor practice compiled pursuant to section 2 of the Act. This information is compiled by the United States National Labor Relations Board. A Contractor of the State, in relation to the Contract, shall not enter into a Contract with a Subcontractor, manufacturer, or supplier whose name appears in this register. Pursuant to section 4 of 1980 Public Act 278, MCL 423.324, the State may void any Contract if, subsequent to award of the Contract, the name of Contractor as an employer or the name of the Subcontractor, manufacturer or supplier of Contractor appears in the register.

24.3 DISCLOSURE OF LITIGATION

(a) Disclosure. Contractor must disclose any material criminal litigation, investigations or proceedings involving the Contractor (and each Subcontractor) or any of its officers or directors. In addition, each Contractor (and each Subcontractor) must notify the State of any material civil litigation, arbitration or proceeding which arises during the term of the Contract and extensions thereto, to which Contractor (or, to the extent Contractor is aware, any Subcontractor hereunder) is a party, and which involves: (i) disputes that might reasonably be expected to adversely affect the viability or financial stability of Contractor or any Subcontractor hereunder; or (ii) a

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claim or written allegation of fraud against Contractor or, to the extent Contractor is aware, any Subcontractor hereunder by a governmental or public entity arising out of their business dealings with governmental or public entities. Any such litigation, investigation, arbitration or other proceeding (collectively, "Proceeding") must be disclosed in a written statement to the Contract Administrator within thirty (30) calendar days of its occurrence. Details of settlements which are prevented from disclosure by the terms of the settlement may be annotated as such. Information provided to the State from Contractor's publicly filed documents referencing its material litigation will be deemed to satisfy the requirements of this **Section 24.3(a)**.

(b) Assurances. In the event that any such Proceeding disclosed to the State pursuant to this Section, or of which the State otherwise becomes aware, during the term of the Contract would cause a reasonable party to be concerned about:

- (i) The ability of Contractor (or a Subcontractor hereunder) to continue to perform the Contract in accordance with its terms and conditions, or
- (ii) Whether Contractor (or a Subcontractor hereunder) in performing Services for the State is engaged in conduct which is similar in nature to conduct alleged in such Proceeding, which conduct would constitute a breach of the Contract or a violation of Michigan law, regulations or public policy, then Contractor shall be required to provide the State all reasonable assurances requested by the State to demonstrate that: (A) Contractor and/or its Subcontractors hereunder will be able to continue to perform the Contract and any Statements of Work in accordance with its terms and conditions, and (B) Contractor and/or its Subcontractors hereunder have not and will not engage in conduct in performing the Services which is similar in nature to the conduct alleged in such Proceeding.

24.4 COMPLIANCE WITH LAWS

Contractor shall comply with all applicable state, federal, and local laws and ordinances ("Applicable Laws") in providing the Services.

25. GENERAL

25.1 AMENDMENTS

The Contract may not be modified, amended, extended, or augmented, except by a writing executed by the parties hereto, and any breach or default by a party shall not be waived or released other than in a writing signed by the other party.

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25.2 ASSIGNMENT

- (a) Neither party shall have the right to assign the Contract, or to assign or delegate any of its duties or obligations under the Contract, to any other party (whether by operation of law or otherwise), without the prior written consent of the other party; provided, however, that the State may assign the Contract to any other State agency, department, division or department without the prior consent of Contractor and Contractor may assign the Contract to an affiliate so long as such affiliate is adequately capitalized and can provide adequate assurances that such affiliate can perform the Contract. Any purported assignment in violation of this Section shall be null and void. It is the policy of the State of Michigan to withhold consent from proposed assignments, subcontracts, or novations when such transfer of responsibility would operate to decrease the State's likelihood of receiving performance on the Contract or the State's ability to recover damages.
- (b) Contractor may not, without the prior written approval of the State, assign its right to receive payments due under the Contract. In the event of any such permitted assignment, Contractor shall not be relieved of its responsibility to perform any duty imposed upon it herein, and the requirement under the Contract that all payments shall be made to one entity shall continue.

25.3 ENTIRE CONTRACT; ORDER OF PRECEDENCE

- (a) The Contract, including any Statements of Work and Exhibits referred to herein and attached hereto, to the extent not contrary to the Contract, each of which is incorporated herein for all purposes, constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements, whether written or oral, with respect to such subject matter and as additional terms and conditions on the purchase order shall apply as limited by Section 2.6.
- (b) In the event of any inconsistency between the terms of the Contract and a Statement of Work, the terms of the Statement of Work will take precedence (as to that Statement of Work only); provided, however, that a Statement of Work may not modify or amend the terms of **Sections 12 through 23** of the Contract, which may be modified or amended only by a formal Contract amendment. In the event of an inconsistency between the terms and conditions of the Contract and any regulatory filing, the terms and conditions of the Contract will prevail. If necessary, Contractor, after the Effective Date, shall make a regulatory filing which shall include the rates and charges for service and any terms and conditions that affect the rates and charges paid by the State. These shall conform to those set forth in the Contract.

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25.4 HEADINGS

Captions and headings used in the Contract are for information and organization purposes. Captions and headings, including inaccurate references, do not, in any way, define or limit the requirements or terms and conditions of the Contract.

25.5 RELATIONSHIP OF THE PARTIES (INDEPENDENT CONTRACTOR RELATIONSHIP)

The relationship between the State and Contractor is that of client and independent Contractor. No agent, employee, or servant of Contractor or any of its Subcontractors shall be or shall be deemed to be an employee, agent or servant of the State for any reason, except as indicated in **paragraph 25.16**. Contractor will be solely and entirely responsible for its acts and the acts of its agents, employees, servants and Subcontractors during the performance of the Contract.

25.6 NOTICES

Any notice given to a party under the Contract shall be deemed effective, if addressed to such party as addressed below, upon: (i) delivery, if hand delivered; (ii) receipt of a confirmed transmission by facsimile if a copy of the notice is sent by another means specified in this Section; (iii) the third (3rd) Business Day after being sent by U.S. mail, postage pre-paid, return receipt requested; or (iv) the next Business Day after being sent by a nationally recognized overnight express courier with a reliable tracking system.

State:

State of Michigan
Office of Acquisition Services
Attention: Greg Faremouth, Buyer Specialist
PO Box 30026
530 West Allegan
Lansing, Michigan 48909

with a copy to:

State of Michigan
Department of Information Technology
Attention: Norm Buckwalter
116 West Allegan
Hollister Building
Lansing, Michigan 48909

Contractor(s):

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Electronic Data Systems
Attention: Gary LaRoy
905 Southland – Mail Stop 1014
Lansing, MI 48910

Either party may change its address where notices are to be sent by giving notice in accordance with this Section.

25.7 MEDIA RELEASES

Neither Contractor nor the State will make any news releases, public announcements or public disclosures, nor will they have any conversations with representatives of the news media, pertaining to the Contract, the Services or the Contract without the prior written approval of the other party, and then only in accordance with explicit written instructions provided by that party. In addition, neither Contractor nor the State will use the name, trademarks or other proprietary identifying symbol of the other party or its affiliates without such party's prior written consent. Prior written consent of the Contractor must be obtained from authorized representatives.

25.8 REFORMATION AND SEVERABILITY

Each provision of the Contract shall be deemed to be severable from all other provisions of the Contract and, if one or more of the provisions of the Contract shall be declared invalid, the remaining provisions of the Contract shall remain in full force and effect.

25.9 CONSENTS AND APPROVALS

Except as expressly provided otherwise in the Contract, if either party requires the consent or approval of the other party for the taking of any action under the Contract, such consent or approval shall be in writing and shall not be unreasonably withheld or delayed.

25.10 NO WAIVER OF DEFAULT

The failure of a party to insist upon strict adherence to any term of the Contract shall not be considered a waiver or deprive the party of the right thereafter to insist upon strict adherence to that term, or any other term, of the Contract.

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25.11 SURVIVAL

Any provisions of the Contract that impose continuing obligations on the parties including the parties' respective warranty, indemnity and confidentiality obligations, shall survive the expiration or termination of the Contract for any reason. Specific references to survival in the Contract are solely for identification purposes and not meant to limit or prevent the survival of any other section.

25.12 COVENANT OF GOOD FAITH

Each party agrees that, in its dealings with the other party or in connection with the Contract, it shall act reasonably and in good faith. Unless stated otherwise in the Contract, the parties will not unreasonably delay, condition or withhold the giving of any consent, decision or approval that is either requested or reasonably required of them in order for the other party to perform its responsibilities under the Contract.

25.13 APPROVAL

The State assumes no liability for payment under the Contract or the terms of any Contract Change Notice or Statement of Work issued under the Contract until Contractor is notified in writing that the Statement of Work has been approved by the DMB Office of Acquisition Services and, if required, the State Administrative Board and the Michigan Office of Attorney General. Execution of the Contract by State authorities indicates approval by the State.

25.14 PERMITS

Contractor shall obtain and pay any associated costs for all required governmental permits, licenses and approvals for the delivery, installation and performance of the Services. The State shall pay for all costs and expenses incurred in obtaining and maintaining any necessary easements or right of way.

25.15 ENVIRONMENTAL PROVISION

(a) If, during contract performance, the Contractor unexpectedly encounters a material, which is hazardous or suspected to be hazardous, the Contractor shall advise DIT immediately. The Contractor shall cease performance immediately and shall take measures to cover the exposed area, post warning signs, and cover any debris. The Contractor shall wait for further instruction from DIT before commencing work in the affected area. At all times, the Contractor shall comply with all applicable laws, rules, regulations, and guidance.

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(b) The Contractor shall assume full responsibility and liability for compliance with all applicable laws, rules, regulations, and guidance pertaining to the protection of workers, visitors, and persons occupying areas adjacent to affected sites. The Contractor agrees to indemnify the State against, and hold the State harmless from, any and all claims of failure to comply with applicable environmental, safety, or health laws or regulations on the part of the Contractor or any of its employees, Subcontractors, or agents. The State assumes no liability for any exposure of Contractor personnel to asbestos or other hazardous material. The Contractor will provide adequate insurance and assumes full responsibility for ensuring adequate protection of Contractor personnel against exposure to asbestos or other hazardous material while such personnel are performing work in support of this contract.

25.16 APPOINTMENT OF CONTRACTOR AS LIMITED AGENT FOR THE STATE

The State hereby appoints the Contractor as its limited agent to act on the State's behalf, to the extent necessary to provide the Services throughout the term of the Contract. The State will notify all lessors, Contractor(s), suppliers and appropriate third parties of such limited agency appointment as the State or the Contractor determines must be notified pursuant to a third party agreement, or any other agreement to which the State is a party, or applicable law. The State shall execute all necessary or appropriate letters of agency. Upon the expiration of any letter of agency issued hereunder, the Contractor shall immediately cease to act or have any authority to act as the State's agent.

26. RESERVED

27. RESERVED

28. RESERVED

29. EXTENDED PURCHASING PROGRAM

Public Act 431 of 1984 permits the State of Michigan, Department of Management and Budget, to provide purchasing services to any city, village, county, township, school district, intermediate school district, non-profit hospital, and institution of higher education, community, or junior college. A current listing of approved program members is available on the State of Michigan, Department of Management and Budget, Office of Acquisition Services website at: <http://www.michigan.gov/doingbusiness/0,1607,7-146-6586-16656--,00.html>.

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In order to for non-state agencies to participate in the Extended Purchasing Program, the non-state governmental agency must enter into an agreement with the State of Michigan to become authorized to participate, thus ensuring that local units of government secure a greater return for the expenditure of public funds. It is the responsibility of the Contractor to ensure that the non-state agency is an authorized Extended Purchasing Program member before extending the Contract pricing. Orders received from non-approved local units of government shall not be considered unless prior approval is granted by DMB-Office of Acquisition Services.

It is the policy of the Office of Acquisition Services, Department of Management and Budget, that the final approval to utilize the Contract in this manner must come from the Contractor. In such cases, the Contractor will supply Contract Services and equipment at the established State of Michigan Contract prices and terms to the extent applicable and where available. Inasmuch as these are non-state agencies, all invoices will be submitted to and payment remitted by the local unit of government on a direct and individual basis.

To the extent that authorized local units of government purchase quantities of Services and/or equipment under the Contract, the quantities of Services and/or equipment purchased will be included in determining the appropriate rate wherever tiered pricing based on quantity is provided.

Commodities and/or Services under the Contract will be supplied to State of Michigan departments and agencies, and authorized Extended Purchasing Program members in accordance with the terms and prices quoted to the extent applicable and where available.

Using the Request to Add (RTA) process, the Contractor will offer to Extended Purchasing Program members products that may be different from State standard products. For products not specifically quoted for State use that are made available to Extended Purchasing Program members, the Contractor will apply markups consistent to those quoted on the State's comparable standard products. For commercial off-the-shelf (COTS) software products, the Contractor will apply a mark-up of no more than 2.7% for Microsoft products and no more than 7.6% for all other products.

The State will provide the capability for EPP members to utilize procurement/credit cards to procure products and services under the MMCC Contract. EPP members will be responsible for paying the applicable card transaction fee that will not exceed one and a half (1 1/2) percent per transaction.

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II. STATEMENT OF WORK

This Statement of Work (SOW) is subject to the terms and conditions described in this document as agreed between the State of Michigan and Electronic Data Systems (EDS) dated February 9th, 2004. This SOW defines the scope of work to be accomplished by the Contractor for the Michigan Master Computing Contract (MMCC) for Desktops, Portables, Hardware Microsoft Software, Servers and Local Area Network Hardware, Peripherals and Operating Systems, and Desktop, Enterprise and Network Software. This document:

- 1.1 Describes the scope of work to be performed by the Contractor.
- 1.2 Describes the Change process for this contract
- 1.3 Describes Expectations of this Contract
- 1.4 Details the responsibilities of the Contractor and the State of Michigan (referred to herein as "the State")
- 1.5 Lists the key Requirements on which the scope of work was developed
- 1.6 Describes the Project and implementation Plan
- 1.7 Describes what is excluded from this contract
- 1.8 Describes the processes and tools that the State will use in conjunction with this contract i.e., Work Statement Process, Exception Process, Web Catalog, Return (RTA) process, Quotation Process, Ordering Process, Invoicing, and Payment etc.
- 1.9 Describes Service Level Agreement (SLA) Metrics the State will use to measure the Contractor's performance.
- 1.10 Describes the Reports required by the State from this Contract
- 1.11 Describes Desktop and Portable Hardware, Microsoft Software, and limited desktop services available to the State from this contract.
- 1.12 Describes Server and Local Area Network (LAN) Hardware, Peripherals, and Operating Systems, and limited server/LAN services available to the State from this contract.
- 1.13 Describes the Desktop, Enterprise and Network software and limited software services available to the State from this contract.

1.1. SCOPE OF WORK

The intent is to provide a Contract from which all Desktop and Portable hardware and Microsoft Software, Server and Local Area Network Hardware, Peripherals and Operating Systems, Desktop, Enterprise and Network Software, related to information technology may be purchased.

The Contract will provide information technology products and support to all DIT Clients within the Executive Branch. The Legislative and Judicial branches of the State will

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have the option of procuring MMCC information technology products through the Contract. The Contractor and the State will also make the Contract available to all members of the State's Extended Purchasing Program (EPP).

At a set time, mutually agreed to by the State and the Contractor the Contractor will provide an e-Commerce solution that will integrate this contract into the State's financial systems. The cost will be bore, at that time, by both parties.

The MMCC RFP was designed to address the purchase of commodities and limited services concerning the aggregation of statewide information technology client needs. The contracts negotiated as a result of this RFP are mandatory use contracts for all State agencies with oversight by DIT Contract Administration and DMB Acquisition Services. Acquisition Services or designee will periodically audit Purchasing card transactions and other purchasing mechanisms used by Executive Branch agencies to actively monitor IT spending for compliance with this contract. However, the State shall reserve the right to purchase software or hardware products outside of this contract when, DMB Acquisition Services or designee determines that an item's contract pricing is not competitive under similar terms, conditions or delivery with the open market. In addition, the State reserves the right to acquire from other sources those purchases that are deemed emergency purchases as determined by Acquisition Services. The State Contract Administrator will notify the contractor of any of such purchases at the next scheduled Joint Operations meeting in keeping with the goals of continuous improvement.

The legislative and Judicial branches of the State will have the option of procuring commodities and Services under the MMCC. The Contractor and the State will also make the Contract available to all members of the State's Extended Purchasing Program (EPP), and will advocate the use of such consortium purchasing to EPP members.

1.2 CHANGES TO THE CONTRACT

Any changes to these underlying assumptions and responsibilities, or any additional work outside the scope described herein, may result in changes to the estimated schedule, fees, or other terms of this SOW or the Agreement. This SOW may be amended during the term of the Agreement, to change processes and procedures and administrative functions relating to the Contract, by following the Contract Change Control Procedure described below:

A. Contract Change Control Procedure

The following change control process shall be followed if a change to this Contract is required.

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DMB Acquisition Services is the sole authority to change, modify, clarify, amend or otherwise alter the terms, conditions and specifications of the MMCC. Before DMB Acquisition Services can consider a change to the contract, the following Contract Change Control Procedures must be adhered to.

All proposed changes to the Contract must first be submitted to the MMCC Contract Administrator for review and approval. A Contract Change Request describing the requested change, the rationale for the change and how the change will impact or effect the Contract must be submitted for all proposed contract changes.

The Contractor, clients or consumers of this Contract must present change requests to the MMCC Contract Administrator.

The Contractor Administrator and the MMCC Contract Administrator shall review the proposed change and mutually approve it or reject it. They may also request further investigation to determine the effect that the implementation of the Contract Change Request will have on price, schedule and other terms and conditions of the Statement of Work.

Once approved by the Contractor Administrator and the MMCC Contract Administrator, the MMCC Contract Administrator will submit the Contract Change Request to DMB Acquisition Services.

1.3 GOALS AND EXPECTATIONS

A. Quality Products and Support

Acquire quality products and support in a timely manner that is current with the latest available technology and at the best possible price. This Contract will emphasize value to the State. Value consists of reliable and proven products, effective support, timely deliveries, professional customer support services and fair market prices for products and support.

B. Manage Total Cost of Ownership

Establish a dynamic pricing arrangement; one that fluctuates with the market trends within State managed programs. Manage information technology acquisitions at an enterprise level in order to reduce direct and hidden costs associated with information technology ownership. This Contract will capture information, provide reports, and incorporate tools to facilitate the management of the enterprise. Standardize information technology products and programs throughout the State, which will make State employees more mobile, by not requiring them to learn different products if they change jobs. Pave the way for statewide technology

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integration. Reduce support, maintenance and repair time for technicians. Provide a better pricing structure based upon the management of the State as an enterprise.

C. Relationship

Establish and promote a Relationship between the State of Michigan and the Contractor for the management of the State's computing needs on an enterprise and long-term basis.

D. Consistent Client Architecture

The State is continuing with its Consistent Client Architecture (CCA) program, which is aimed at standardizing information technology products procured by the State. Initially, the program focused on providing desktop and portable system standards. The intent is to expand the program to include software solutions to provide Department of Information Technology clients with a comprehensive and uniform desktop/network managed solution including hardware, software, and support.

1.4. RESPONSIBILITIES OF THE STATE AND THE CONTRACTOR

A. The Contractor is responsible for providing the following services:

- Provide independent industry knowledgeable advice in the areas of desktop computing, server, local area networking equipment, network software, and enterprise software for the Department of Information Technology.
- The Contractor will work with the State to identify emerging technologies such as tablet PCs. As appropriate, the information technology product(s) will be added to the contract through the Request to Add process.
- Provide a single point of contact (SPOC) for the DIT/EPP Authorized Personnel to call to obtain order & delivery issues (ex: configurations, price, returns, inquiries, delivery status questions, etc.), billing/invoicing issues, warranty work, technical advice, and remedial maintenance. This will be provided through a toll free line to the State and the EPP clients as defined in Section 1.8 K in this document. This SPOC will be available after business hours for warranty and maintenance agreements requiring after business hour support up to 7x24x365 coverage.
- The Contractor shall have a process in place with the manufacturers whereby the State can directly contact the OEM's so that the State may uniquely configure hardware, obtain technical or warranty support, obtain technical

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guidance or expertise, and obtain information for the basis of the quotes as defined in Section 1.8 K in this document.

- The Contractor shall have a process in place where the State can obtain technical support services from the server(s) and CCH-A desktop equipment manufacturers on the contract (example: toll free technical support lines). Traditionally these companies offer specific telephone support services to companies that purchase hardware. These services will usually involve technical support questions about a specific configuration requirement or technical support that will be in place that will assist in the support of the hardware purchased from this contract as defined in Section 1.8 K in this document.
- Designate a Project Manager to oversee all aspects of the Statewide MMCC for all Desktop and Portable Hardware and Microsoft Software, Server and Local Area Network Hardware, peripherals and Operating Systems, Desktop, Enterprise and Network Software, related to information technology including the management of all Account Representatives (Customer Representatives), the Financial Manager, the Chief Technology officer, the Project Manager, Commodities Manager and the Services Manager as defined in Section 1.5 B in this document.
- The Project Manager is considered to be a key to the Contract and must have experience in the area of coordination of a project of this size and also be capable of addressing the State's diverse needs. This person should have at least 3-4 years of experience in Project Management. Other desirable qualifications include experience in marketing computing equipment and software; supporting and/or managing computing; and developing and implementing procedures for problem identification reporting, tracking and resolution pertaining to orders, product delivery and warranty services as defined in Section 1.5 B in this document.
- Maintain current pricing for all products on the contract on a daily basis as a minimum within the Product Web Catalog. The pricing arrangement should be based on the Product Web Catalog and allow the State of Michigan to take advantage of price reductions in a timely manner.
- Ensure the product invoicing is correct and based upon current price at the time of the order as defined in Section 1.8 S.
- Verify the receipt of a purchase order via email notification prior to the processing of any order covered under the Contract.

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- The Contractor shall host the annual two (2) day “Tech Days” forum that showcases technologies, support, and business practices provided through the MMCC. The Contractor will include the State’s training vendor in the coordination of this event.
- The Contractor will host vendor presentations on the new events taking place within the OEM companies Research & Development, Sales and Customer Service Organizations that will showcase innovative, thought leadership in the technology industry and provide participants with a varied education and awareness of industry activities.
- The Contractor will host on a quarterly basis a series of briefing sessions entitled, “Innovation Days”. These briefings focus on technology-related issues of interest to the State as approved by the MMCC Contract Administrator.
- Monitor and work with DIT to proactively resolve issues with delivery dates, quality of products/services, mean time between failure after repairs, billing/invoicing, and other service level agreements.
- The Contractor and upon state’s request any OEM personal shall participate as active members of the DIT’s CCA Advisory Committee as defined in the Section IV Definition of Terms.
- The Contractor shall have sufficient support staff located in the Lansing metropolitan area to provide contracted products and services necessary to meet the requirement of this Contract.
- The Contractor shall immediately notify the MMCC Contract Administrator when products are constrained or otherwise unavailable so that the MMCC Contract Administrator can work with the Contractor to find an appropriate means to resolve these issues.
- The Contractor shall maintain an electronic inventory of hardware and software purchased off this Contract. The data is the property of the State and will be available to the State upon request or termination/expiration of the Contract.

The following is the minimum data required:

- Purchase Order Number
- Ship to Data (from the Purchase Order)
- Bill to Data (from the Purchase Order)
- Item Description (include make, model, type and version)
- Serial Number
- Order Date

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- Date Shipped
- State of Michigan (SOM) price

- Ensure the technology and prices are current and competitive. The Contractor will certify pricing offered by the Contractor to other customers under similar Terms and Conditions are competitive. The process is defined below. In addition, the Contractor will compare 20 State-selected commodities to Western State Contracting Alliance, General Service Agreement, and Regional Educational Master Contract, and other contracts as mutually agreed to between the State and the Contractor. This comparison will be done semi-annually unless mutually agreed by the MMCC Contract Administrator and Contractor due to changing market conditions. Contractor will report the results to the State Contract Administrator. If any of those three contracts has more favorable pricing, then the Contractor will enter into negotiations with the manufacturer of the commodity for price reductions under similar Terms and Conditions.

- **EDS “Most Favored Customer” Certification Process**

I. Process Overview

During the fourth calendar quarter of each year, the EDS Project Manager (PM) will communicate with each EDS Client Delivery Executive with responsibility for State and local accounts in the U.S. The communication will describe products, types of services, comparable purchase levels, contractual terms and pricing under the contract and will require that the Client Delivery Executive notify the EDS PM of any pricing exceptions. The EDS PM will promptly notify the State’s Contract Administrator of any exceptions (excluding any State administered fees), immediately adjust pricing, and issue a credit to the State as soon as practical. Prior to February 15 of each year, an officer of EDS will certify that this process has been executed by the PM to verify compliance with the Most Favored Customer Process

Process Details

Product and Service Details

The PM will provide detailed information regarding the major products offered under the contract, including CCA-H standard desktops and laptops, servers, and Microsoft software. The PM will specify the comparable levels and types of services and products the State purchases under this contract. Major products are defined those for which the State spent at least \$3M in

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the most recent fiscal year. The information will include bundled services and service level requirements that are included in the pricing, such as delivery times, asset tagging and imaging. The PM will also provide detailed position descriptions for all hourly services offered under this contract.

Pricing Details

The PM will provide pricing details for each product and service described above. The pricing detail will include cost to the State and/or hourly rates as appropriate.

Response Required

Each Client Delivery Executive will be required to identify each account under his or her oversight that engages in sale of similar products and services, and commence a comparison of pricing of such services with the pricing detail provided. The Client Delivery Executive will report any pricing for the same products or services that is more favorable than this contract pricing.

Response Follow-up

Upon receipt of exception information from a Client Delivery Executive, or upon being made aware of a potential pricing exception from any other source at any time, the EDS Project Manager will verify that the product or service offered is comparable to that offered under this contract. If the product or service is the same, he will take the following actions:

1. Notify the State's Contact Administrator of the exception.
2. Immediately adjust the pricing to match the exception pricing.
3. Perform an analysis of the purchase history, price history, and exception price history to determine the credit due the State.
4. Review the exception data and credit analysis with the Contract Administrator for concurrence.
5. Issue a credit to the State as soon as is practical.

Record Keeping

EDS will keep a record of the detailed product and service information provided to the Client Delivery Executives. The pricing detail information provided, the responses from each account responding, and any follow-up actions will be documented and maintained for contract period plus 3 years.

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- At the direction of the MMCC Contract Administrator, the Contractor shall add a fixed percentage to the mark-up for all commodities as a State Administrative Fee. The Contractor shall provide a record of all such fees collected on behalf of the State, accumulate these fees, and remit the total amount collected on a quarterly basis to the State.

- The Contractor agrees to provide price reductions which result in a minimum savings of .025% from the Contractor's MMCC commodity bid pricing based on actual quarterly purchases, less the State Administrative Fee, to be administered as follows:
 - The Contractor will work with suppliers to achieve cost reductions and will pass those to the State as soon as they are effective.
 - The Contractor will provide a quarterly report to the MMCC Contract Administrator documenting all price reductions implemented and the actual resulting dollar and percentage savings to the State. If the documented savings are less than .025% (.0025) of the State's total commodity purchases, the Contractor will refund the difference to the State.
 - Market pricing fluctuations will not affect this computation.

This quarterly reporting and reconciliation process will begin with the second full quarter of operation under MMCC pricing, but will be retroactive to the beginning of operations under final MMCC pricing. This reporting and reconciliation process will end when the MMCC Contract Administrator determines that this price reduction requirement has been satisfied. Please see attachment E.

B. The State is responsible for providing the following services:

- Manage the contract as a Relationship with the Contractor.
- Provide a central point of contact and advocacy for DIT Clients.
- Monitor and track the performance of the Contractor to insure DIT Client satisfaction.
- Chair monthly Joint Operations Meeting with key Contractor staff.
- Administer the Consistent Client Architecture Program.
- Review and approve Product Web Catalog price increases and new product lines.

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- Review and approve Contract product and support offerings including service levels, delivery times, performance metrics, cost basis and price.
- Approve and coordinate the purchase of products and services from the Contract including the delivery of a valid purchase order to the Contractor prior to the request for any product or the initiation of any support under the Contract.
- Coordinate Billings and Payment with the Contractor.
- DIT will develop and submit Statement of Work for services procured through the Contract and submit the Statement of Work to the Contractor.
- The MMCC Contract Administrator will designate a DIT Project Manager to oversee the implementation of the contract transition processes and on-going processes.
- The State will also designate a standing advisory committee for each of the major areas of this contract such as the Desktop, Server, and the Software areas. This group will provide expert advice and guidance to the DIT Project Manager and the MMCC Contract Administrator.

1.5 KEY REQUIREMENTS

A. Availability of Knowledgeable Personnel

The State and the Contractor shall provide knowledgeable personnel for the Contract Implementation project team that shall work throughout the duration of this project. Staff must be available on a timely basis so as not to delay implementation of the Project.

B. Staffing

The State reserves the right to approve the Contractor's assignment of Key Personnel to this project and to recommend reassignment of personnel deemed unsatisfactory by the State.

- The Contractor shall designate a Project Manager to oversee all aspects of the Statewide MMCC for all Desktop and Portable Hardware and Microsoft Software, Server and Local Area Network Hardware, Peripherals and Operating Systems, Desktop, Enterprise and Network Software, including the management of all Account Representatives (Customer Representatives), the Financial Manager, the Chief Technology officer, the Project Manager, Commodities Manager and the Services Manager.

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- The Contractor shall not remove or reassign, without the State's prior written approval, any of the Key Personnel associated with this contract, until such time as the Key Personnel have completed all of their planned and assigned responsibilities in connection with performance of the Contractor's obligations under this Contract. Approval for removal or reassignment of Contractor Key Personnel shall not be unreasonably withheld by the State.
- The Contractor agrees that the continuity of Key Personnel is critical and agrees to the continuity of Key Personnel. Removal of Key Personnel without the written consent of the State may be considered by the State to be a breach of this Contract. The prohibition against removal or reassignment shall not apply where Key Personnel must be replaced for reasons beyond the reasonable control of the Contractor including but not limited to illness, disability, resignation or termination of the Key Personnel's employment.
- The State reserves the right to interview and approve of the Contractor's additional assignment of any Key Personnel to the Project team after Contract initiation.

The State and the Contractor agree that the following positions (and individuals) are Key Personnel for purposes of this Contract:

- Gary LaRoy, EDS Executive Program Manager and Project Manager
- Lewis Jones III, EDS Commodities Manager
- Mike Kapuscinski, EDS Services Manager
- Barb Garry, EDS Financial Manager
- Mike Kinsler, EDS Commodities Manager
- Chad Bockert, WWT Implementation & Training Manager – for initial implementation only. After task 35 of the project plan this person's responsibilities as it relates to the Key Staff requirements are complete.

C. On-Site Contractual Project Manager

The Contractor shall provide a Project Manager to work with the State as needed for the implementation of this contract and its on-going management of the contract. At a later time, the State and Contractor may find it more conducive to its business needs to have the project manager located at the State's site at a mutually agreed upon location.

D. Work Locations For Contractor Personnel

At the State's request, selected contractor team members may work at the State's Lansing, MI location or at a mutually agreed upon facility. The team should be

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expected to be available to work Monday through Friday, 8 a.m. – 5 p.m. EST. However, the Contractor shall maintain a site in the Lansing Metropolitan area sufficient resources to carry out the commitments within this Contract.

E. Format For Contract Deliverables

All Contract Deliverables shall be provided in both hard copy and softcopy formats in accordance with the State's current applicable standards. The current standard is Microsoft Office 2000 Suite of products (Word, Excel, PowerPoint, Project).

1.6 PROJECT AND IMPLEMENTATION PLAN

The Contract will start February 10, 2004. The objective of this task is to establish a framework for project communications, reporting, procedural and contractual activity. The Contractor shall provide a Project Manager who shall have explicit responsibility for the administration of this contract along with responsibility for planning all contract transition start up activities, day-to-day contract processes, and the subsequent transitional activities at the end of this contract.

The first deliverable, due 5 business days after contract execution, includes the following work products:

- Contract goals and objectives of Transition plan.
- Responsibility matrix
- Communication Plan
- Assemble and define team to define web catalog requirements
- Draft Risk assessment and mitigation plan

Deliverable, due 20 business days after contract execution, includes the following products. The State is willing to work with the Contractor team on these products:

- Detailed work plan (Included as an exhibit to the contract)
- Resource Requirements
- Risk assessment and mitigation plan
- Present phased-in design for the web catalog

A. Contractor Project Manager Responsibilities

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The Contractor Project Manager will provide a single point of contact for all project communications. The Contractor Project Manager shall:

- Full responsibility for all Communication to the State and the Extended Purchasing Partners.
- Prepare and maintain a project plan, roles and responsibility definition document, communications plan, risk management plan and issue management process
- Measure and evaluate progress against the project plan
- Track issues and monitor closure
- Identify project risks and containment actions
- Coordinate and manage the activities of the Contractor project personnel
- Coordinate and manage the activities of the Contractor's subcontractors
- With the State Project Manager, resolve deviations from the Project Plan
- With the State Project Manager, administer Project Change Control procedures
- With the MMCC Contract Administrator, administer the Contract Change Request Process.
- Prepare and submit Status Reports

B. State Project Manager Responsibilities

The State shall assign a Project Manager as a single point of contact for all Project communications. The State Project Manager shall:

- Serve as the Point of Contact between the Contractor Project Manager and all other individuals participating in this Project.
- Gain the participation and commitment of all personnel affected by the project, and escalates issues within the State as may be necessary to maintain timely progress of the project.
- With the Contractor Project Manager, administer Project Change Control in accordance with the Agreement and this SOW.
- Attend project status meetings.
- Obtain and provide information, data, decisions and approvals as it relates to the implementation of MMCC.
- Resolve deviations from the project plan caused by State personnel or activities.

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- Provide subject matter experts as needed to achieve project goals and schedules.
- Coordinate and manage the activities of the State Project personnel.
- With the Contractor Project Manager, mutually agree on a method of communications for written information for this project.
- Monitor and report project status on a regular basis to the State management.
- Provide timely approvals as proposed in the project plan.

C. Contract Implementation

The project plan to implement the MMCC contract, should include, at the minimum the following tasks:

- Communication Plan for Transition for State and Contractor
 - DIT
 - Contractor
 - Extended Purchasing Partners
 - Define Process for Authorizing “News” Updates
- Define Resource requirements for transition for State and Contractor
 - Subject Matter Experts
 - Project Transition Team
- Single Point of Contact (SPOC) requirements
 - Coverage requirements
 - IVR Specifications for SPOC
 - Communication requirements for SPOC
 - Remedy Interface
- Web Catalog Requirements
 - Web Catalog Security
 - Web Catalog Views
 - Web Catalog Design
 - Customization will follow State of Michigan Web Standards for “look and feel”.
 - Testing Plan
 - Implementation Plan
 - Scrub Data from Old Catalog
 - Load Data into MMCC Product Web Catalog
 - Training
- Procurement Processes
 - Order Approval
 - Order Status
 - Order Processing

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- Return Processes
- Invoice Process
- Define Request to Add (RTA) process
- Define Quoting Process
- Define Exception to State Standards Process
- Define Statement of Work Process
- Define Reporting Requirements
- Service Level Agreements (SLA)
- Define Escalation Process for Service/warranty issues and Contract issues
- Define Delivery Process (Standard and Expedited)
 - Locations
 - Procedures
- Define Packaging Requirements
 - Hardware
 - Software
- Define MMCC Joint Operations Meeting
- Define Evaluation Hardware and Software Process for the DIT Model Office
- Define process for Defective Hard Drives
- Define process for OEM Server Configuration and Technical Support Assistance
 - 1-800 numbers and process for technical Support from OEM's.
- Define process for Security Background Checks of Contractor staff.
- Define Training Requirements
 - Web Catalog
 - SPOC
 - Procurement Process Changes
- Schedule Project Meetings

- The Contractor will develop a simplified pricing approach for MMCC commodities for review and approval by the MMCC Contract Administrator. This approach will make MMCC commodity pricing easier for Agency and EPP clients to understand by providing for standard, fixed mark-ups to Contractor's cost for appropriate groupings of commodities. The Contractor will provide detailed cost data based upon actual historical purchases to ensure that the

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simplified pricing will result in neutral cost to the State compared to the Contractor's MMCC bid pricing. The Contractor and the MMCC Contract Administrator will separately monitor the Contractor's cost to ensure the Contractor's discounts from MSRP remain at or above levels committed in the Contractor's MMCC bid.

- Transition for pricing from EUCN contract to the MMCC contract. Upon the start of production order processing on the new MMCC web site, or April 5, 2004, whichever is earlier, all MMCC pricing will be effective, including any Administrative Fees to be collected by the Contractor on behalf of the State. If it is impractical to load MMCC pricing to the interim MMCC web site during any delay, the Contractor will rebate the price difference to the State.

D. Steady State (Day to Day Administration) Plan

- Communication Plan
 - DIT
 - Contractor
 - Extended Purchasing Partners
- Define Resource requirements for on-going administration
 - Subject Matter Experts
 - Contract Administration Team
- Web Catalog Maintenance
 - Web Catalog Security
 - Web Catalog Views
- Reporting Process
- Management of Service Level Agreements (SLA)
- Contract Quality Control Process
- Contract Change Control Process
- Work of Advisory Committees
 - CCA Advisory Committee
 - Desktop Advisory Committee
 - Server Advisory Committee
 - Software Advisory Committee
- Pricing Review Process
- Schedule Project Meetings

E. Continuous Improvement Plans (Annual Evaluation and Setting of Goals and Objectives Future Goals)

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A. Continuous Improvement

1. Updates and Reviews.

The Contractor shall promptly update all written plans, procedures, web catalog and schedules to reflect changes to the MMCC Contract. In addition, at least four times each year at the Joint Operations meeting during the term of the Contract, senior representatives of the Contractor shall meet with the Acquisition Services, MMCC Contract Administrator and other representatives of the State, to review changes implemented during the previous quarter and discuss possible changes to be implemented during the coming quarter. At such meetings, the Contractor should present recommendations to the State on the direction of MMCC that the Contractor believes would significantly reduce costs, improve service or enhance operability or reliability.

2. Customer Satisfaction Survey

At least once every twelve (12) months during the term of the Contract, the Contractor shall conduct a Customer Satisfaction Survey. The survey shall include selected representatives associated with the day-to-day activities from State of Michigan Agencies and key senior management. The MMCC Contract Administrator will determine the final list of participants. The Contractor Project Manager will work with the MMCC Contract Administrator to determine the appropriate timing for future surveys.

The results of the Annual Customer Satisfaction Survey will be used to improve the overall performance of the MMCC contract. An action plan will be jointly developed and approved within forty (40) business days after the results of the survey have been provided to the MMCC Contract Administrator and the Contractor Project Manager.

3. New Project Initiatives

The State and Contractor agree that from time-to-time it will be necessary to take corrective action or process improvement, both proactively and reactively, to improve the delivery and quality of Service to the State or to meet the changing business needs of the Contractor. These corrective actions and/or process improvements may be in response to the availability of new and emerging technologies, issues arising from the normal, ongoing delivery of services under the Contract, action plans as a result of the annual Customer Satisfaction Survey, or fundamental changes in how the State delivers its services.

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When the State and Contractor mutually agree that a business issue or opportunity needs to be addressed, a New Project Initiative (“Initiative”) will be created. The Contractor will be responsible for developing a New Project Initiative Work Statement (“Work Statement”). Both parties will be responsible for clearly defining the purpose, objectives and activities to be performed under the Initiative Work Statement. Activities include, but are not limited to: (i) an analysis of the business issue or opportunity, (ii) development of a remedy or business improvement plan, (iii) an impact study to determine the mutual value of incorporating any portion of the remedy or business improvement plan into the Contract, and (iv) a project plan and timeline for completing the Initiative. Both parties will mutually agree, prior to commencing work on the Initiative, whether either party will be compensated or credited for the work to be performed.

F. Transition Plan at the end of the Contract

In connection with the normal expiration of this Contract on the Expiration Date or termination as defined under Section I of this Contract, the Contractor will comply with the State’s reasonable requests to cause the orderly transition and migration from the Contractor to the State (or to a third party services provider undertaking, on behalf of the State, to provide the Services (the “Third Party Provider”)) of all Services then being performed by the Contractor (the “Transition”). The Transition will be provided for a reasonable period of time, which in no event will exceed six months. The State will cooperate in good faith with the Contractor in connection with the Contractor’s obligations under Section 19.10 in the Terms and Conditions – Termination and will perform its obligations under the Transition Plan described below. If the Transition extends beyond the date of expiration of this Contract, the provisions of this Contract will remain in effect for the duration of the Transition and will apply to all transition assistance services provided by the Contractor during such period (subject to subsection (iii) below)). The Contractor will perform the following obligations (and such other obligations as may be contained in the Transition Plan) at the State’s expense, unless otherwise stated below or in the Transition Plan. The State acknowledges and agrees that the Contractor will have no obligation to provide any form of Transition if the State at any time defaults in its payment obligations to the Contractor.

- (i) Transition Plan. The Contractor will work together with the State and/or a Third Party Provider to develop a transition plan (the “Transition Plan”) setting forth the respective tasks to be accomplished by each Party in connection with the Transition and a schedule pursuant to which such tasks are to be completed. The Contractor will also participate in the execution of the Transition Plan by performing tasks mutually agreed upon in the development of the Transition Plan. The Contractor will provide copies of standard reports,

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provider and subcontractor lists, and catalog data to assist in the development and execution of the Transition Plan.

- (ii) Knowledgeable Personnel. The Contractor will make available to the State or the Third Party Provider knowledgeable personnel familiar with the operational processes and procedures used to develop products and services to the State. The Contractor personnel will work with the State or third party to help develop a mutually agreeable transition plan, work to transition the process of ordering, shipping, and invoicing equipment and services to the State.
- (iii) Single Point of Contact. The Contractor will maintain a Single Point of Contact (SPOC) for the State after termination of the contract until all product and service obligations have expired.
- (iv) Payment. If the Transition provided by the Contractor under this Section 19.10 in the Terms and Conditions requires additional personnel or other resources in excess of those resources needed to deliver services to the State, the State under this Agreement will pay the Contractor for such additional resources using appropriate classifications and rates listed in the Product Web Catalog. Notwithstanding anything to the contrary in this Agreement, all charges to be paid by the State to the Contractor during the Transition will be paid on a monthly basis.

1.7 EXCLUDED FROM THIS CONTRACT

At this time, the State acquires the following list of items from alternative contracts. These items will not be included in this contract.

- Hummingbird products
- Core Technology products
- Sybase products
- Oracle products
- Seibel CRM
- Open Text Live Link
- Document Output Management Service (DOMS) equipment
- Staff Augmentation as it relates to consultants and specific tool sets not mentioned within this Contract.
- GIS Devices and Associated Services

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1.8 PROCESS AND TOOLS

A. Procurement Process

The Contractor will develop and implement a procurement solution that provides the State with an order-to-delivery solution that will provide the State an electronic order entry system, electronic approval, and a simple end-to-end order tracking capability for all State users.

The procurement process has the following goals and objectives:

- Web-based, self-service purchasing environment that extends product selection and order initiation to DIT employees and DIT Clients.
- Industry standard “shopping cart” features commonly found in consumer Web sites
- Web page log-in with unique features based upon State specified controls specific to job functions.
- Ability to communicate “News-like” information on the MMCC web page to improve communication with DIT Clients.
- Ability to integrate to the State’s enterprise and legacy systems (MAIN, etc.) as a future goal of the State.
- Online help on how to use the procurement process.
- Incorporate links to each OEM’s on-line configuration tools.
- The ability to return the selected configuration to the shopping cart (This will be provided to the State when it becomes available at no additional cost).

B. Product Web Catalog

The Contractor is responsible for providing an electronic, web-based catalog available via the public Internet. This site must use SSL certificates on the web servers. These should be class 3 Digital ID's issued by Verisign or equivalent. The site should use 1024-bit strength or better in the generation of the public keys web-based catalog available via the public Internet. The State will work with the Contractor to determine the requirements for the Product Web Catalog including access levels, views, and appropriate security. The State Portal will be www.michigan.gov/ditservice where the State will provide a hot link to the Contractor’s Product Web Catalog. The product web catalog will be accessible on a 24 X 7 X 365 basis as proposed in the SLA section 1.9.

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The web-based catalog will describe all of the products and support available from Contract with multiple views. For the Executive Branch catalog view, only approved products meeting the State's standards will be available. At the non-Executive Branch catalog view, only products appropriate to the contract may be included.

Web Site non-Product Updates

The Contractor and the MMCC Contract Administrator will mutually agree upon the specific information placed on the product web catalog. Review and approval of the Product Web Catalog will be the responsibility of the MMCC Contract Administrator. Potential information would include the Request To Add Process, Exception Process, News items, etc.

The MMCC portal will provide a single point of online access to the MMCC program for those MMCC functions that the Contractor is responsible for. The MMCC portal will be accessible through the public Internet and will enable users to access a catalog via multiple views based on log-in describing all items available under the MMCC program that are awarded to Contractor. The user will be able to browse the MMCC product catalog and build an order by filling a "shopping cart" with products. For each product, the system will provide a quoted State price in effect at the time the order is created. The MMCC portal will provide the following order entry features:

- Multiple shopping carts with flexible State defined entry fields for administrative purposes
- Unique Cart Identifier
- Side-by-side product comparisons when available
- Extensive search capabilities
 - Full MMCC product catalog per selected view
 - Existing shopping carts
 - Previous orders
- Punch-out to OEM supplier catalogs on the Contract to obtain detailed product specifications, FAQ's, problem resolution, etc., when offered by the OEM.
- Copy and modification of previous orders
- Ability to add notes or special instructions
- The ability for the State to generate predefined reports from the Web catalog database as needed.
- Information on the web site regarding rules surrounding software maintenance.
- Supply and Spare part items relating to retired State standard products.
- Where possible user views of the catalog will include peripheral items that are compatible with each system (e.g. NT compatible mice, 2000 compatible mice, available laptop cases for standard models, printer cables required for specific printers, etc.)

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When the user submits the order, the system saves the shopping cart and begins the “Order Approval” process.

Note: The State requires that State approved Server and Local Area Network (LAN) types/brands of product be available to the State and included in the Product Web Catalog. The State will not require full product lines be available and placed in the product web catalog for miscellaneous hardware, but will want the associated cables, supplies etc included for these products.

C. Order Approval

The solution will implement an automated workflow process designed by the State to support the approval process for each of the State’s agencies/departments and the Extended Purchasing Partners. DIT will approve each State agency/department’s workflow process prior to implementation. The platform will have an integrated approval workflow management system designed specifically to facilitate the electronic request and approval process. Each user will have a defined role, spending authority, and designated approver within the State, in accordance with the Department of Information Technology (DIT) procurement process and each agency’s approval policy. As the user builds an order, the system determines whether or not the order can be processed or if it needs to be routed based on the information provided in the user profile. If the system determines that the order needs to be routed for approval, it will convert the contents of the shopping cart into an electronic version of the DIT-15 form, which will be the primary vehicle for approval. The system will pass the DIT-15 request to the appropriate approver defined in the profile.

Once the request has been submitted for approval, the system will automatically generate e-mail to multiple addresses as defined in the current profile. Any status changes made to the shopping cart will trigger additional e-mails with the latest information with the cart status. Likewise, the system will always reflect the current status of each cart.

Once the highest-level approver has approved the order, it will enter the “Order Processing” stage.

The Contractor will design and, if approved by the State, implement electronic interfaces with State systems required to automate the order approval process in an e-commerce environment. The Contractor will work with the State after contract award to validate the design and finalize the implementation plan. Design features include electronic workflow routing of the DIT-15, with secure electronic signatures from authorized approvers, as an alternative to entering each order into the MAIN system for approval.

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However, if the State desires to continue using MAIN as an approval mechanism, the Contractor will provide the order information in an appropriate electronic format so that MAIN can return an electronic purchase order as the order approval document.

The Contractor's automated, order-approval process will provide better controls and immediate administrative cost savings for the State, with the potential for significant additional savings once e-commerce interfaces are implemented. This innovation and automation is offered at no additional cost to the State.

D. Order Status

The procurement solution will provide the State with the ability to quickly and easily determine the status of any order at any time. The system will automatically generate e-mail notifications to multiple e-mail addresses when a user's order changes status. These e-mails can be generated at multiple points in the process and the Contractor will customize them to meet the needs of the State. This information will be available to the State through the web site as well.

The contractor will provide an Order tracking process that allows users to quickly and conveniently track orders without having to navigate among multiple systems. It will provide for on-going automated communication from order entry through the delivery of the product. Each order in the process will be classified as pending approval, approved, ordered, and shipped. Once an order has been shipped, users will be able to click on the order, see the quantity that shipped, and all of the tracking information associated with each line shipped. For major carriers, users can click on the tracking number and the system will punch out to the appropriate carriers' shipment tracking site and display the current tracking information.

The following are highlights of order management and tracking capabilities provided through the MMCC portal:

- Track order status easily with "My Orders" tab on the MMCC portal page
- Track requisition status through approval process as a future goal
- Track orders and promise dates
- Change or cancel orders for designated Staff
- View complete order history
- E-mail alerts to keep users informed
- Access complete online returns process

E. Order Processing

Upon receipt of an approved order by fax or any other approved means by the State from the State/EPP Member, the order processing process will fully validate the

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order to make sure that each product is still valid and that each price is correct. If the product is valid but the catalog price is lower than the price quoted on the original order, the lower price will be substituted. If the catalog price is higher than an active quoted price, the quoted price will be applied to the order.

After the order is validated, the order processing process will send an acknowledgement to the original requester(s).

F. Return Process

The Contractor will provide a return policy that protects the State from any liability in the case that the contractor or its suppliers have incorrectly ordered products, shipped damaged products or wrongly shipped products to the State. The State will denote obvious damage to the packaging on the shipping receipt. If it is determined that the State has incorrectly ordered products, the State will be responsible for the shipping and handling costs to return the products. If it is determined that the State has incorrectly ordered products, the state will be responsible for the shipping and handling costs to return the products within 20 business days of delivery.

1. All equipment dead on arrivals (DOAs) will be replaced with new equipment and treated as a Second Day Rush order delivery at no additional cost to the State, or at the State's option the contractor will repair the equipment per the terms of the equipment warranty.
2. All Software dead on arrivals (DOAs) will be replaced with new software and treated as a Second Day Rush order delivery at no additional cost to the State.
3. The Contractor will pay all shipping and handling costs for mistakes made by the vendor or its suppliers. If a mistake has been made by the State, the State will only pay for shipping and handling costs to return the product.
4. No restocking fees will be charged to the State for returns except for Sun servers which the restocking fee will be equal to or less than 10% of the purchase price.

G. Request To Add (RTA) Process

The Request To Add Process (RTA) for the **Executive Branch** clients is a process where the clients or DIT can make a request to have desktop hardware, hardware peripherals, software, and LAN/Server equipment added to the MMCC Contract. DIT is the process owner of the RTA process for this Contract. All requests will be initially sent or routed to DIT Authorized Personnel for processing. DIT evaluates the request and will send those approved RTA requests and associated documentation to the Contractor for quoting. All RTA's, for the **Executive Branch**, will be submitted by authorized DIT personnel only.

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DIT shall have the option to request additional products to the Contract and/or Product Web Catalog or exceptions to existing standards. The MMCC Contract Administrator may request the following in processing of the RTA:

- Contractor must respond within five (5)-business days providing a price quote for Request To Add requests. If the price quote or offering is not acceptable to the MMCC Contract Administrator, the State may purchase outside the Contract.
- Upon receiving the Contractor's recommendation, the MMCC Contract Administrator will make the final decision to purchase. Approval will be to add the product, purchase as a one-time buy, or allow the State to purchase outside of the Contract. In the case of a Catalog addition, the updated information shall be included within five (5) business days in the Product Web Catalog.
- Non-Executive Branch Request To Add's will be handled by the Contractor. All RTA's must still be specific to the intent of the contract – i.e. Desktop Hardware and Software and Server/LAN equipment and software. The Contractor must respond within 5 business days providing a price quote for Request To Add and send the RTA request and associated documentation to DIT. Upon receiving the Contractor's recommendation, the MMCC Contract Administrator will make the final approval decision to add the product. In the case of a Catalog addition, the updated information shall be included within five (5) business days in the Product Web Catalog.

H. Process for Obtaining Quotes

Contractor will provide a Quote Desk, Monday through Friday from 8:00 to 5:00 pm ESDT to assist the State with orders for complex products, nonstandard items, or user support as needed. The Quote Desk will be staffed with the Contractor personnel who have experience in providing such service. The Contractor's Quote Desk will be located in the Lansing Metropolitan Area. All Executive Branch request for quotes will be requested by DIT authorized personnel. The Contractor will provide quotes 80% of the time within 2 business days, in all cases not to exceed 7 business days of the submitted request, this SLA will be measured quarterly. All quotes except quotes for servers and or server components from the major manufacturers will be valid for a period of 20 business days from the date the quote is received. Quotes for servers and server components from the major manufacturers will be valid for a period of 40 business days from the date the quote is received, subject to the following:

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- Contractor will obtain agreement from each major manufacturer within 60 days of contract signing and will advise the State during that time of any major manufacturer who refuses to comply with this requirement. Quotes will be subject to change if during the last 20 days of the quote period any quoted component becomes unavailable. For any quote request, where the manufacturer requires the State to sign a licensing agreement, the Contractor must furnish the licensing agreement as an attachment to the quote.

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I. Exception Process to the State Standards

The exception process is a method by which DIT is able to receive and process requests from Executive Branch clients for exceptions to the State hardware and software standards. DIT will, after its review, schedule a meeting to be held within five business days involving the appropriate DIT personnel, Contractor and/or the requestor to approve, deny, or modify the request.

Approved Request: The Contractor will have five business day's time to research and return the quote to DIT.

Denies Request: The DIT Exception Committee chair will draft a response as to why the request was denied and inform the requestor.

Modify Request: The Contractor will have five business day's time to research and return the quote to DIT.

J. Statement Of Work Process

Any services listed herein, with the exception of standard Warranty/Maintenance services, will be secured through the MMCC Statement of Work process. All services requested must be specific to this Contract.

The DIT Statement of Work form (See DIT service web site www.michigan.gov/DIT service) will be submitted to the Contractor by DIT Contracts and Procurement Services. The request should detail the following dependent on the complexity of the Statement of Work:

- Background information regarding the request
- Project Objective
- Scope of Work
- Tasks
- Deliverables
- Project Control and Reports
- Specific Department Standards
- Payment Schedule
- Project Contacts
- Work to be performed by the Contractor
- Work to be performed by the State
- Expected delivery of services
- Location of work to be performed
- Performance measures
- Evaluation measures

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DIT Contracts and Procurement Services will issue the completed Statement of Work to the Contractor. The Contractor will develop and propose in writing a solution including price that shall be valid for 20 business days. The signed proposed solution will be submitted to DIT Contracts and Procurement Services in ten (10) business days, reviewed and, if acceptable, DIT Contract and Procurement Services will submit it to the DIT Client for signature.

Unless other arrangements have been mutually agreed upon between DIT and the Contractor, the Contractor shall provide all materials; computer support services and equipment necessary to complete each approved Statement of Work.

K. Single Point of Contact (SPOC)

- Provide a single point of contact (SPOC) for the DIT/EPP Authorized Personnel to call to obtain order & delivery issues (ex: configurations, price, returns, inquiries, delivery status questions, etc.), billing/invoicing issues, warranty work, technical advice, and remedial maintenance. This will be provided through a toll free line to the State and the EPP clients. This SPOC will be available after business hours for warranty and maintenance agreements requiring after business hour support up to 7x24x365 coverage.

The SPOC will provide the following services to the State.

- If mutually agreed to by the Contractor and the State the State will work with the Contractor to establish warranty and maintenance case data transfer directly online by use of the Remedy Distributed Server Option (DSO) software between the State and the Contractor Remedy systems (Servers). After the diagnosis has been completed by the Client Service Center, the cases would be transferred to the Contractor's Remedy system where the Contractor would then take ownership of the cases. The Contractor would maintain status information within the case log and transfer the case back to the Client Service Center when repair is completed. This method would provide an integrated approach that would provide quicker problem reporting, improved ability to track open issues, immediate access to current status information, improved escalation of issues, and better beginning-to-end metrics reporting. The Contractor will cover the costs of licenses and associated expenses required for the Contractor to receive case transfers from the State Remedy system.
- The Contractor shall have a process in place with the manufacturers whereby the State can directly contact the OEM's so that the State may uniquely configure hardware, obtain technical or warranty support, obtain technical guidance or expertise, and obtain information for the basis of the quotes.

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- The Contractor shall have a process in place where the State can obtain technical support services from the server(s) and CCH-A desktop equipment manufacturers on the contract (example: toll free technical support lines). Traditionally these companies offer specific telephone support services to companies that purchase hardware. These services will usually involve technical support questions about a specific configuration requirement or technical support that will be in place that will assist in the support of the hardware purchased from this contract.
- The Contractor shall have a process in place where the State can escalate Contract issues or service delivery issues.

L. Escalation Process

As a part of the service package, the Contractor must have a management support plan that provides for the orderly escalation of service problems to the next highest level of support, including third party hardware and software resources as deemed necessary to resolve a problem.

As a part of the problem escalation process, the Contractor shall have a written procedure to notify the State at regular intervals of the progress made in resolving problems.

The State will work with the Contractor to define and improve the escalation process and the escalation metrics.

M. Standard Delivery

The Contractor will send e-mail notifications to multiple State e-mail addresses concerning shipment and expected delivery dates. The State will use this information to enable DIT teams to schedule installation in advance of equipment receipt. E-mail notification will also be used to schedule receiving functions at the State's receiving locations.

1. Desktop Equipment and Software

The Contractor must deliver the product(s) as listed on the Product Web Catalog within ten (10) business days of receipt of valid purchase order. Standard delivery will be included in the price of the product(s). The Contractor will deliver to locations requested and furnished by DIT. The State will be responsible for the majority of the installation and implementation of all hardware and software at the site, unless otherwise noted in a Statement of Work. If Contractor finds that products are "constrained", obsolete or otherwise not available, they should make every attempt possible to find an appropriate

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substitute for the State so that product can be delivered within the above mentioned timeframe. All substitutions must be approved by the State prior to shipment. The expectation is the substitute will be of an equal or better value product.

Only new, unused equipment and parts, free from defects in material and workmanship may be sold to the State unless specifically authorized by the MMCC Contract Administrator.

2. Server and LAN Equipment and Software

The Contractor will deliver the SERVER product(s) as listed in the Product Web Catalog within 40 business days of receipt of a valid purchase order. The Contractor will deliver the LAN product(s) within 20 business days of receipt of a valid purchase order. Contractor should make every attempt possible to insure that products are delivered on time. If the Contractor finds that products are “constrained”, obsolete or otherwise not available, they should make every attempt possible to find an appropriate substitute for the State so that product can be delivered within the above mentioned timeframe. All substitutions must be approved by the State prior to shipment. The expectation is the substitute will be of an equal or better value product.

Standard delivery charges will be the responsibility of the Contractor.

Server systems may be quoted with or without operating system software. If servers are quoted with operating system software, the State must have the option of choosing an Operating System (OS) with or without the addition of bundled client licenses.

The Contractor will deliver only manufacturer authorized packages within 40 business days of receipt of a valid purchase order for servers, and 20 business days for LAN equipment if the software is bundled with hardware. If the software is not bundled, the Contractor will deliver within ten (10) business days of receipt of a valid purchase order.

Contractor will pay all shipping and handling costs. Contractor will deliver to location(s) requested by State on the purchase order.

3. Software

The Contractor must deliver only manufacturer-authorized packages. The Contractor must deliver the requested software within 8 business days of receipt of a valid purchase order. If Contractor finds that products are “constrained”, obsolete or otherwise not available, they should make every attempt possible to find an appropriate substitute for the State so that product

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can be delivered within the above mentioned timeframe. All substitutions must be approved by the State prior to shipment. The expectation is the substitute will be of an equal or better value product.

The Contractor will pay all standard shipping and handling costs on all products purchased.

N. Expedited Delivery

The State may submit rush orders via facsimile or any other means to the Contractor up until a 2 P.M. Eastern Standard Daylight Time cut-off. The orders will be placed through DIT Procurement via facsimile or any other means at the sole election of DIT and delivered in one of the following time frames: Overnight or Second Day. The State will only pay the difference between Standard shipping and Expedited Shipping.

O. Packaging

Contractor will ensure that all shipped packages are supplied with an outside label. The label shall display the State Purchase Order Number and a general description of the package content and for all manufacturer-shipping packages. For desktop, server, and LAN equipment, the outside label shall also include the hardware equipment serial number(s).

Contractor shall provide a packing slip within each shipped package and/or order that contains the State purchase order number, package contents, including manufacturer part number, and the equipment serial number. Where applicable, the packing slip should also contain a specification sheet that lists hard drive size and manufacturer, video card/chip manufacturer and specifications, memory size, CD-ROM and floppy drive manufacturer and size.

The Contractor must provide to the State with the delivery of each item ordered, the option of a complete set of the manufacturer's original documentation necessary to maintain and utilize the equipment ordered. The Contractor must provide an acceptable manufacturer proof of purchase. If installation keys are required, the Contractor must supply the installation keys to the DIT Authorized Personnel.

All serial numbers will be listed on packing slips and on the outside of the box excluding software.

The Contractor will supply the State with Software in any of the following requested methods:

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- Complete package on CD ROM including full documentation and non-exclusive and perpetual license acceptable to the State.
- Complete package on DVD including full documentation and non-exclusive and perpetual license acceptable to the State.
- Authorized, non-exclusive and perpetual license certificate acceptable to the State, only, no manuals, DVDs or CD's.
- Manuals only.
- Downloads from the Internet as required by the State.
- License only.
- Alternate methods, as new technology delivery methods are introduced and as agreed to by the Contractor and the MMCC Contract Administrator

Software shall be offered in user packs as available from the specified manufacturer. Example: 1 user / 5 user / 10 user / 50 user / 100 user / 500 user / 1000 user packages and enterprise licenses.

P. State Standards

The State has adopted a Consistent Client Architecture - Hardware (CCA-H) that provides standard desktop and portable **business class** systems bundles/solutions. For desktop and portable Models A and B, CCA-H solutions will be based upon configurations recommended by the Contractor and reviewed and approved by the MMCC Contractor Administrator as well as the CCA Advisory Group.

Recommendations to the CCA Advisory Committee (configuration, cost basis, and price) will be submitted by the Contractor at least quarterly. Specific configurations and pricing will be negotiated by the Contractor and MMCC Contract Administrator. The intent is to have CCA-H solutions in place for a minimum of three months with a maximum of three configuration changes per year. With improving technology, it is the State's goal to increase the length of the configuration life to six to nine months with a maximum change of two configuration changes per year.

Q. Invoices

Moved to Terms and Conditions Section.

R. Leasing Options

At any point during the term of this contract the State may require a leasing alternative for each of the 3 categories of commodities. This process will be initiated by the RTA process. The contractor shall furnish a leasing alternative that addresses the total cost of ownership in acquisition, installation, maintenance, removal and disposal of the leased asset. It is understood that the contractor will likely engage an

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external leasing provider(s) approved by the State to provide the financing component of the total cost of ownership lease approach. The State, Contractor, and external leasing provider, shall mutually agree on the term of the lease, residual values, and requirements. The contractor may be required to furnish both Capital and, if available, Operating Lease alternatives. Operating Lease options will be consistent with GASB standards, the term shall not exceed 75% of the useful life of the equipment, nor shall the present value at the beginning of the lease will not equal or exceed 90% of the purchase price. It is understood that Operating Leases are not available for all products or for all terms of use.

S. Dynamic Catalog and Associated Pricing

The Contractor is responsible for providing, as a minimum, nightly batch processing of catalog changes from manufacturer feeds providing real-time products and pricing updates. Approval of all product updates to the catalog is the responsibility of the MMCC Contract Administrator and will be handled in the following manner:

- Any price decrease changes to products currently in the Product Web Catalog will be updated immediately and without prior approval by the MMCC Contract Administrator.
- Any new products released by a manufacturer (not including the CCA models), which replace a product currently in the Product Web Catalog, will be updated immediately and without prior approval by the MMCC Contract Administrator. The obsolete product will also be removed from the catalog immediately and without prior approval by the MMCC Contract Administrator.
- Upon notification to the MMCC Contract Administrator, any products made end of life by a manufacturer and without replacement product will be removed from the catalog by the Contractor without prior approval.
- Any price increase to the Product Web Catalog must be reviewed and approved by the MMCC Contract Administrator.
- Any new product(s) to be added to the Product Web Catalog that is not a direct replacement of a product currently in the catalog must follow the Request to Add procedure.
- At a minimum, the Contractor must provide the following information to the MMCC Contract Administrator:
 - Manufacturer Name
 - Product Name and Description
 - Version (software only)
 - Contractor Part Number (if different from the Manufacturer Part Number)
 - Manufacturer Part Number
 - Contractor Cost Basis
 - Markup

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- MMCC Price

If the product(s) is approved for the Contract, the MMCC Contract Administrator will notify the Contractor that the product(s) must be added to the Contract and published in the catalog.

- Contractor, upon commercial announcement of new components that can be technically and economically substituted or added for/to items listed in the current Product Web Catalog, shall offer said items for addition or substitution to the Product Web Catalog. These item(s) may be accepted at the option of the State, provided at least equivalent performance with economic benefits or significantly enhanced performance at no additional cost per unit of capability accrues to the State. The transaction shall be accomplished by means of an authorized change order to the contract. The decision as to the acceptability of such a proposal shall be at the sole and exclusive discretion of the DMB Acquisition Services and the MMCC Contract Administrator. Any approved changes, revisions, and/or additions to the Product Web Catalog, which are completed in a given month, will be reported monthly by the Contractor to the MMCC Contract Administrator. Report format and data will be mutually agreed upon and be reviewed periodically as a part of the regularly scheduled Joint Operations meetings.

1.9 Service Level Agreement (SLA) Metrics

The Service Level Metrics will be tied to the liquidated damages section of the contract Terms and Conditions (7.3). The Contractor shall meet all of the SLA's identified below, on a quarterly basis. If the Contractor fails to meet the SLA's on a quarterly basis, the State may apply penalties to the Contractor, per section 7.3 in the Terms and Condition section. If the Contractor fails to meet any of the SLA's in two consecutive quarters in addition to the penalties applied per 7.3 of the Terms and Conditions the Contractor will also follow the procedures indicated within section 7.6 in the Terms and Conditions section.

A. Delivery

The expectation is that 95% of the commodities ordered from this Contract will be delivered within the timeframes specified in the Contract.

1. Delivery of shrink-wrap software within 8 business days after receipt of order.
2. Shipment of shrink-wrap software overnight or by second business day for rush orders.
3. The Contractor shall deliver server hardware within 40 business days of receipt of the order for servers, and 20 business days for LAN equipment if

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the software is bundled with hardware. If the software is not bundled, the Contractor shall deliver within ten (10) business days of receipt of the order.

4. Shipment of server or LAN equipment/software overnight or by second business day for rush orders.
5. The Contractor must deliver the desktop product(s) and the Microsoft Software as listed on the Product Web Catalog within ten (10) business days of receipt of the order.
6. Shipment of desktop or portable equipment/software overnight or by second business day for rush orders

B. Warranty Service Calls

The expectation is that 90% of the warranty service calls will be completed by the requirement built into the specific Warranty service the State has purchased for each piece of hardware.

C. Maintenance Services Calls

The expectation is that 90% of the Maintenance Service calls will be completed by the requirement built into the specific Maintenance service the State has purchased for each piece of hardware.

D. Statement of Work

The expectation is that the complete Statement of Work documents submitted by the State to the Contractor will be completed (proposal and price) and returned to the State within 10 business days after submission 95% of the time.

E. Quotes

The expectation is that the request for Quotes documents submitted by the State to the Contractor will be completed (proposal and price) and returned to the State, within 2 business days, 80% of the time and not to exceed 7 business days for the remaining 20%.

F. WEB CATALOG SLA'S

The MMCC web site furnished by the contractor will be available for transactional use 99.0 percent of the time as measured Monday through Friday 7:00 AM – 6:00PM, with a target of 99.5%. The measurement will be measured in a quarterly report to the State. The target rate will be re-evaluated in 6 six months after the web catalog is implemented.

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All system maintenance on the Site, where the system will be not available for transaction processing, will be planned and communicated in writing to the State 2 weeks prior to the maintenance window. Planned maintenance will not count against the SLA Metric, and should be limited to 4 hours within a month.

Emergency maintenance (Not planned with 2 weeks notice) or system outages will count against the SLA Metric.

1.10 Reports

All reports will be submitted to the State in both paper and electronic format except for those reports where only an electronic copy is requested by the State.

A. Annual Reports

The MMCC year end quarterly reports will provide data, based on criteria mutually agreed upon between the MMCC Contract Administrator and the Contractor. The Contractor will work with the MMCC Contract Administrator to review these reports as a part of the regularly scheduled MMCC Joint Operations meeting. The following reports will be provided.

1. Agency Purchases by Dollars – A report showing purchases by the Agencies detailing each quarter (for fiscal year) and a summary for the fiscal year.
2. Annual Sales per Quarter for each fiscal year for the duration of the Contract. (From FY 2004 through the end of the Contract.)
3. The Contractor will provide a report at the close of a fiscal year, in an electronic format and paper report, all products and services purchased in the last fiscal year.
4. Ad Hoc reports – Upon request the Contractor will provide Ad Hock reports or information to the MMCC Contract Administrator as required.

B. Quarterly Reports

The Contractor must provide quarterly reports to the MMCC Contract Administrator. The reports will provide data based upon mutually agreed upon criteria between the MMCC Contract Administrator and each Contractor, which is to be reviewed quarterly as a part of the regularly scheduled monthly Joint Operations meeting. The following reports will be provided

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1. Subcontractors - A report of all subcontractors that CONTRACTOR is using to provide products or services on the contract.
2. Agency Purchases by Dollars – A report showing purchases by the Agencies detailing each quarter (for fiscal year) and fiscal year to date totals in dollars.
3. Annual Sales by Quarter denoting quarters and total by fiscal year for the duration of the Contract. (From FY 2004 through the end of the Contract.)
4. Agency Purchases by Quantity – A report showing the number of purchases and dollars spent for each index code by Agency detailed by the quarter.
5. Purchases by Category – A report listing the amount spent by category in dollars.
6. Top 10 Manufacturers – A report listing the amount spent by manufacturer in dollars for the top 10 manufacturers.
7. A report showing CCA-H desktop and portable models, CCA-H desktop and portable exceptions, servers, ruggedized portables by quantity, invoiced amount, percentage of volume, percentage of dollars and average unit price. A secondary report will show the same information but rolled up into three categories: Desktops, Portables, and Servers.
8. Average Price Trend for CCA-H models. The report should start with the pricing from the 1st quarter of the year 2000 and continue reports for this Contract until the Contract expires.
9. A report showing the breakdown CCAH bundle Options (no monitor, with 17” monitor and with 19” monitor). In addition, a report showing the quantity of CRT’s and flat panels purchased and the invoiced price broken down by screen size.
10. Software Purchases by Manufacturer – A report showing the top 10 manufactures by dollar value (include quantity in the report).
11. Hardware Purchases by Manufacturer.
12. Software Purchases by Category – A report showing the quantity and invoice price spent by the State for the Contract by software category.
13. EPP Report – A report showing the Department/Agency/Unit of Government, quantity purchased, invoiced amount for the quarter.
14. Ad Hoc reports – Upon request the Contractor will provide Ad Hock reports or information to the MMCC Contract Administrator as required
15. Contractor Quarterly Sales Report. The Contractor shall report the quarterly dollar value (in U.S. dollars and rounded to the nearest whole dollar) of the sales under this Contract by State fiscal quarter (i.e., October - December, January - March, April - June, July - September), including all sales to EPP members.
If no sales occur, the Contractor must report zero sales. The report must be submitted thirty (30) days following the completion of the reporting period.

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The Contractor shall also submit a close - out report within one hundred and twenty (120) days after the expiration of this Contract. The close - out report must cover all sales not shown in the final quarterly report and reconcile all errors and credits. If the Contractor reported all contract sales and reconciled all errors and credits on the final quarterly report, then the Contractor should report zero sales in the close - out report.

The report shall be sent to:

Acquisition Services
Mason Building 2nd floor
530 West Allegan, Lansing 48933

and

Department of Information Technology
Romney Building, 10th floor
111 South Capital
Lansing, MI 48933

If the Contractor fails to submit sales reports, falsifies sales reports or fails to submit sales reports in a timely manner, it may be considered a material breach of this Contract.

C. Monthly Reports

The MMCC monthly reports will provide data based on criteria mutually agreed upon between the MMCC Contract Administrator and the Contractor. The Contractor will work with the MMCC Contract Administrator to review these reports as a part of the regularly scheduled monthly MMCC Joint Operations meeting. The following reports will be provided.

1. Total Purchases Report

The Contractor will provide a report on a monthly basis in an electronic format and paper report detailing all products and services purchased in the last month.

Ad Hoc reports – Upon request the Contractor will provide Ad Hoc reports or information to the MMCC Contract Administrator as required

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2. Revisions of the Product Web Catalog

The Contractor will generate and provide to the State (Executive branch and EPP members) on an as needed basis (as determined by the State) a report that will have specific filters to include such criteria as product category, range of change dates, and nature of change.)

3. A report of the mark-up on commodities costs

4. A report of the aged receivables associated with the contract

5. A report on hardware and software ordered and delivered under the contract

6. Reports on the SLA metrics outlined by the contract.

- a Desktop/Portable Ship Dates from Receipt to Delivery – Desktops and Portables that were delivered to the State in the prior calendar month will show the order date and the delivery date with an overall percentage indicating delivered within 10 business days.
- b Software ship dates from receipt to delivery – Software that was delivered to the State in the prior calendar month that shows the order date and the delivery date with an overall percentage indicating delivered within 8 business days.
- c Server ship date from receipt to delivery - Servers that was delivered to the State in the prior calendar month that shows the order date and the delivery date with an overall percentage indicating delivered within 40 business days.
- d LAN equipment ship from receipt to delivery – LAN equipment that was delivered to the State in the prior calendar month that shows the order date and the delivery date with an overall percentage indicating delivered within 20 business days.
- e Delivery time on quotes from receipt to delivery of quote to the State. Report will show all the quotes delivered to the State in the prior calendar month, showing the percentage the quotes delivered within 2 business days, 7 business days, and greater than 7 business days.
- f Delivery time on responses to Statement of Work from receipt to the State. Report will show all the response documents delivered to the State in the prior calendar month. The report will show the percentage of the response documents delivered in less than 10 business days, 10 business days, and greater than 10 business days.
- g OEM Warranty Performance Desktop and Portable with number of calls and percentage completed by next business day. Average calls per day. Data should be presented in graph form as well.

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- h OEM Warranty Performance Server with number of calls and percentage completed by next business day. Average calls per day. Data should be presented in graph form as well.
- i Extended Warranty Performance on Desktops and Portables with number of calls and percent completed by next business day. Average calls per day. Data should be presented in graph form as well.
- j Time and Material Performance on Desktops and Portables with number of calls and percent completed by next business day. Average calls per day. Data should be presented in graph form as well.
- k Extended Warranty Performance on Servers with number of calls and percent completed by the warranty contract service purchased. Data should be presented in graph form as well.
- l Time and Material Performance on Servers with number of calls and percent completed by the contract service purchased. Data should be presented in graph form as well.
- m Ad hock reports – Upon request the Contractor will provide Ad Hock reports or information to the MMCC Contract Administrator as required

D. Start-Up Status Reports

The Contractor shall provide weekly Status Reports advising the State's MMCC Project Manager of the progress and status of the Contractor's activities. After the first 30 days, the frequency of these status reports may be revisited. The report shall outline the Contractor's activities and describe the status of tasks worked on during that period. The report shall consist of the following:

- Activities performed during the reporting period
- Activities planned for the next reporting period
- Project Change Control summary
- Problems, concerns, and recommendations

1.11 Description Of Desktop And Portable Hardware And Microsoft Software And Limited Desktop Services Available Through This Contract

The Contract will provide desktop products and limited support services for desktop computing. In addition, the Contractor must be a Microsoft Large Account Reseller (LARS) for all Microsoft products or offer these through a subcontractor relationship.

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The State owns all equipment at this time and installs the majority of the desktops and portables it procures and expects to continue the same through the MMCC. The Support Services that the State requests, is and would be for large installation / upgrade projects that would over extend State staff or where project time frames are shortened.

The Contractor will furnish the State, at its request, desktop and portable hardware leasing options.

A. Current Desktop Models:

Model A -Lower end system, which employs current technology and is aimed at satisfying information client needs at a competitive price

Model B -High-end system that employs current technology and is aimed at satisfying the needs of information clients with technology requirements, which exceed those of the Model A.

The Contractor must furnish both a Desktop and a Mini Tower case for each Model and both cases must contain the same exact internal hardware components. Desktop Models must be bundled with one of the three (3) monitor options. A. No monitor B. 17" CRT monitor C. 19" CRT monitor. The State reserves the right to change the monitor technology as the market changes.

B. Portable Models (Laptops):

Model A -Lower end system, which employs current technology and is aimed at satisfying a majority of information client portable needs at a competitive price or in the case of laptops a smaller compact version for increased portability.

Model B -High-end system that employs current technology and is aimed at satisfying the portable system needs of information clients with technology requirements which exceeds those of the Model A.

C. Peripherals

Peripherals are too numerous to list and are Manufacturer dependant. However, the percentage discount and markup level prices attached in Section III must be offered on all products within a manufacturing line. The initial and ongoing list of peripherals included in the Product Web Catalog will be agreed upon by the Contractor and the MMCC Contract Administrator such as CD's, CD-RW, CD/DVD combo, mice, keyboards, scanners not on DOMS, multi-media projectors, memory, modems, speakers, hard drives, and mobile computing devices such as PDA's.

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D. Printers

The Document Output Management System (DOMS), Contract 071B2001160, covers printers, copiers, faxes, and scanners. The Contract supplies all these items to State Departments/Agencies running into fiscal year 2005/2006. The Contractor must be able to offer printers for purchase outside Contract 071B2001160. Printers on the MMCC will be in three model groups arranged by monthly output volumes and selected models will be agreed upon by the Contractor and the MMCC Contract Administrator. Any purchases for printers would require only the manufacturer standard warranty.

E. Apple Product Line (Non CCA-H)

The Contractor will furnish the complete Apple product line to the State and its partners (EPP etc)

F. Wireless Technology

The State will furnish the Contractor the appropriate wireless technology standards. All wireless technology capable equipment must adhere to the State's standards for the Executive Branch.

G. Specialized Technical Equipment

Any specialized technical equipment that interacts/interfaces with the State of Michigan's information technology environment (CAD equipment, digital cameras, PDA's, LCD projectors, GPS receivers, etc.) must meet the standards established by DIT.

H. Emerging Technologies

The Contractor will work with the State to identify emerging technologies. As appropriate, the information technology product(s) will be added to the contract through the Request to Add process.

I. Asset Tagging and Asset Management Input File

All CCA-H models must contain an asset tag including serial number and purchasing information affixed to each system at no additional charge to the State. The asset tag requires the system unit's serial number to be identical to the internal serial number. The Contractor or its computer manufacturer is responsible for asset management input file generation in an Excel format and e-mailing it to the State on a weekly basis and at no additional cost to the State. The input file format is in the Appendix for layout requirements for asset tags and file layout.

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The Contractor or its computer manufacturer is required to furnish, create and affix the tag before it arrives at the State site.

The State and the Contractor will negotiate Asset Tagging of non CCA-H hardware purchased from the Contract as the need arises.

J. Factory Loading of State Hard Drive Image

The Contractor or their OEM **must** offer the service to load State supplied image(s) to any requested system hard drive during the build process.

K. Desktop And Portable Warranty And Maintenance.

The State has support staff to provide initial service to State clients in diagnosing technical related issues. Our diagnosis will determine if it is a hardware, software, network, or connectivity problem. The State's support staff has attained Dell Premiere Level Certification.

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1. Warranty of New Equipment

Warranty coverage for all Desktop and Laptop hardware will be a minimum of On Site three-year parts and labor and expense warranty with next business day repair, on-site if the equipment is made available for repair and must be included in the purchase price of all equipment. The Contractor must provide manufacturer certified systems engineers, in adequate numbers, to provide support for the State's infrastructure for warranty service and any support required. These engineers must be able to be reached by phone via the toll free number for problem resolution, and should be able to be on-site within the time frame indicated under the warranty or maintenance service purchased. Contractor or a designated Subcontractor must be a manufacturer's authorized service representative for all equipment on the contract. It will be the responsibility of the Contractor to complete warranty requests, either directly or through a third party provider. The Contractor will serve as an agent for the State in obtaining the best (in terms of coverage, pricing, and duration) warranties available and work with manufacturers so that warranty commitments are met. All standard warranty costs, excluding any upgrades or extensions, are to be included with the equipment prices. Optional desktop maintenance support will also be available through the Contract.

- (a) Principle Period of Maintenance (PPM) will be the same hours as the State's normal working hours (currently Monday through Friday, 8:00 a.m. to 5:00 p.m., excluding a one (1) hour lunch period, excepting State-observed holidays). The principle period of maintenance hours may be changed upon 20 business days written notice by mutual agreement (between the individual State Agency and the Contractor), except that the Contractor shall make every reasonable effort to change its schedule in a shorter period of time, if requested by the State.
- (b) Defective hard drives, regardless warranty or maintenance status, **will not** be returned to the Manufacturer or the Contractor at completion of replacement due to security issues. DIT will provide the procedure for handling defective drives.

2. Warranty and Maintenance of Existing Equipment

- (a) Extended and Time & Materials Warranty. Hardware maintenance support for the desktop equipment in a post-warranty state must be provided. The Contractor will offer optional maintenance support available through the Statement of Work process, requested by DIT, for desktop, laptop, and printer equipment installed within the State. All repairs must be guaranteed for 20 business days. Any subsequent related failure during this 20 business day period will be repaired on-site

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if the equipment is made available for repair at no cost to the State. Support levels and pricing options descriptions will be maintained within the Desktop Services section of the Product Web Catalog.

- (b) At the State's request, the Contractor must furnish Manufacturer Extended Warranties, Warranty Upgrades, and Time and Materials warranty support through the hardware manufacturers or third party providers.
- (c) Principle Period of Maintenance (PPM) will be the same hours as the State's normal working hours (currently Monday through Friday, 8:00 a.m. to 5:00 p.m., excluding a one (1) hour lunch period, excepting State-observed holidays).
- (d) At the State's request, the Contractor will furnish selected refurbished parts for out of warranty printers and equipment as available. Presently re-furbished parts that the State requests is for printer core's on HP and/or Lexmark printers.

3. Warranty Options For Desktop And Laptop Hardware

- (a) The Contractor will furnish the State, at its request, desktop and portable hardware with warranty coverage for four-year parts and labor and expense warranty with next business day repair. The State and Contractor will establish if this will be a option item or included in the purchase price of the equipment. All other provisions of K-1 of this section apply.
- (b) The Contractor will furnish the State, at its request, desktop and portable hardware with warranty coverage for a On site one-year parts and labor and expense warranty with next business day repair. The State and Contractor will establish if this will be a option item or included in the purchase price of the equipment. All other language and responsibilities contained in the standard desktop and portable warranty and maintenance section. All other provisions of K-1 of this section apply.
- (c) The Contractor will furnish the State, at its request, with warranty coverage for parts only coverage for Desktops, Laptops or both. The State and Contractor will establish if this will be a option item or included in the purchase price of the equipment. All other provisions of K-1 of this section apply.
- (d) The Contractor will furnish the State, at its request, desktop and portable hardware equipment with Self Maintainer warranty coverage. Self

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Maintainer coverage for equipment will include parts and warranty expense reimbursement from OEM to the State. It is the State's option to select to what extent it wishes to exercise this option as to equipment and/or regions. The State and Contractor will establish if this will be an option item or included in the purchase price of the equipment.

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L. EVALUATION EQUIPMENT

DIT will maintain a Model Office where DIT will set up and test hardware and software configurations. The Contractor, by mutual agreement between the Contractor and DIT, must provide evaluation CCA-H products that are being recommended to the CCA Advisory Group for inclusion on the Contract. These evaluation products need to be delivered to the Model Office no later than 30 business days prior to Contractor's proposed date to add products to the Contract. The 30 business days will allow DIT to verify the equipment operates on all State platforms and also allows time to prepare needed system images. All costs incurred to supply, deliver, and return evaluation products will be borne by the Contractor. The evaluation products may be sold to DIT at a reduced price or returned to the Contractor upon decision of the DIT.

By mutual agreement between the State and Contractor the Contractor will leverage its non-CCH-A partners to furnish evaluation equipment of their products (Model upgrade/replacement) designated as State Standards to the DIT Model Office. These evaluation products need to be delivered to the Model Office no later than 30 business days prior to Contractor's proposed date to add products to the Contract. The 30 business days will allow DIT to verify the equipment operates on all State platforms and also allows time to prepare needed system images. All costs incurred to supply, deliver, and return evaluation products will be borne by the Contractor. The evaluation products may be sold to DIT at a reduced price or returned to the Contractor upon decision of the DIT.

M. DESKTOP SUPPORT

At the option of the State, through a Statement of Work, the State may purchase Installation, Implementation, and Integration service on an hourly basis or a fixed price through the MMCC. Although this is an option to the State, the Contractor must be able to provide this service.

1. Desktop Installation

Desktop Installation capabilities will be divided into the following parts; the DIT may request any portion to be performed by the Contractor.

(a) Staging / Preparation Hardware

- Unpack system
- Save files from old systems by copying to server or media
- De-install old system
- Remove Hard Drive for destruction if going to salvage or surplus
- Pack old system for shipment to Depot/surplus/salvage

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(b) Site Installations

- Install system unit
- Connect to network
- Test network connection
- Test printer connection
- Test Software

2. Desktop Personnel Descriptions

The Contractor shall provide the following levels of support. Hourly prices quoted for the life of the contract are found in appendix.

(a) Senior Micro Support Technician

The Senior Micro Support Technician will have 2-3 years of experience as a junior technician. He/she will possess A+ certifications for PC hardware repairs or some level of software certification. The following are examples of tasks that may be performed by a senior micro technician:

- Troubleshoots both hardware and software problems
- Connects PC to network and test connectivity
- Loads or moves software upgrades
- Integrate peripherals to system

(b) Junior Micro Support Technician

The Junior Micro Support Technician will have 1-2 years of experience repairing and troubleshooting personal computers and possess skills required for PC hardware repairs and software installations. The following are examples of tasks to be performed by a Junior Micro Support Technician:

- Installation of Software or Software upgrades.
- Connects peripherals to system
- Migration of desktop operating systems
- Troubleshoots basic hardware and software problems

(c) Associate Micro Support Technician

Has experience or training in installing and setting up personal computers and desktop peripherals and possess limited skills, below those required for PC hardware repairs and software installations. The following are

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examples of tasks to be performed by an Associate Micro Support Technician:

- Unpacking equipment
- Connect monitor to CPU
- Connects peripherals to system
- Brings system up to C: prompt or comparable

N. MICROSOFT SOFTWARE

The State has signed a Microsoft Select Software Agreement. This software agreement affords the State special discount pricing based on volume purchases. The State will designate the Contractor to represent the State of Michigan as a Reseller for these agreements from a desktop and portables operating system perspective. The Contractor must have a relationship in place with Microsoft, and be able to provide products to the State.

1. Versions

The Contractor will provide to the State only the latest published and available versions of all software unless otherwise requested. **BETA copies of software are not acceptable.** The Contractor will support, document and distribute all upgrade offers to the State. DIT will request evaluation copies of the latest software version as the manufacturers release them. The State may also need to obtain old versions for specific applications; the Contractor will assist in acquiring these versions.

2. Software Maintenance or Support

If maintenance (software subscriptions, upgrade renewals etc.) are available from the manufacturer, this maintenance must be available to the State to purchase via the Contract. If maintenance is required with the purchase of any manufacturer's software, the terms of this maintenance must be identified in the product web catalog. Example: "2 years of software support must be purchased at the time the product is purchased, and the maintenance will cover free upgrades to all major software upgrades available from the manufacturer during the two year period of maintenance software". If maintenance is purely an option with the purchase, this must be identified in the product web catalog.

3. Software Upgrades

The Contractor will support, document and distribute all manufacturers upgrade or "Special" offers to the State.

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O. DATA RECOVERY

The Contractor shall provide a service to have "lost" data recovered from a PC that runs the Microsoft Windows operating systems, MacOS, or LINUX.

When data is "lost" from a PC, as long as the disk surface itself is reasonably intact, the data can be recovered; it has simply become inaccessible because of a software or equipment problem, such as:

- Data corruption
- Viruses
- A mechanical or electrical malfunction

1.12 Description of Server and Local Area Network Hardware, Peripherals, and Operating Systems and Limited Server/LAN Services Available Through This Contract

A. Server and Local Area Network Hardware

Contractor must maintain full authorization by the manufacturer to sell all of the hardware and software on this contract. Contractor or one of its subcontractors must also be authorized to install and support all hardware, software and peripherals listed on this contract. Contractor must be a manufacturer's authorized service representative or have subcontractor agreements for service representatives for all equipment sold through the contract.

B. Server Major Hardware

- **SUN** - Contractor must be a Strategic or Regional SUN IFORCE partner with a Michigan presence.
- **HP** (including VAX, Compaq, and Tru64/Alpha Servers) - Contractor must be an authorized HP Channel Partner with a Michigan Presence and authorized to sell and provide HP products to the State.
- **Dell** - Contractor must be an authorized DELL reseller, and Service Provider
- **Unisys Enterprise Servers** - Contractor must be an authorized reseller/service provider for enterprise Unisys servers
- **IBM RISC (AIX) Platforms** - Contractor must be an authorized IBM RISC Platform reseller/solution provider (AIX)
- **EMC (Storage)** - Contractor must be an authorized EMC reseller, and service provider

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- **CISCO** – Contractor must be a Certified Cisco Gold Partner

C. Server Miscellaneous Hardware

Contractor must also be fully authorized by the manufacturers to sell miscellaneous or non-major server based hardware on this contract. Contractor or one of its Subcontractors must also be authorized to install and support all of the types of hardware and peripherals identified below.

The brand names on the hardware are the current manufacturers of equipment that the state has purchased in the last year or two, and integrated into its infrastructure. Due to the diverse and complex infrastructure in the State's environment, it is important that Contractor understand that at times specific brands of equipment might not work with other products in our environment.

- **Storage switches:** MCDData, Brocade, Cisco
- **Storage Backup and library solutions:** Examples are: Adic, Exabyte, and StorageTek
- **CD ROM Hardware solutions:** Examples are: IOMEGA, Logcraft, Meridian data, Procom
- **Dial In/Dial Out server hardware:** Cubix, Microdyne
- **Optical Disk storage devices**
- **Server internal/external Modems:** US Robotics, Xircom, Shiva, 3Com
- **Network Interface Cards:** 3Com, Intel, SMC
- **Host Bus Adapter (HBA) cards:** Emulex
- **Storage:** Xiotech
- **Un-interruptible Power Supply Technology:** American Power Conversion (APC), Liebert
- **Other server based solutions:** Blackbox
- **Other manufacturer network hardware components:** (Hubs, routers, switches etc): Brocade, Cisco, SMC, McData, Intel, and Enterasys.
- **Communications Hardware/software:** CSP
- **Network Interface Cards:** 3Com, Intel, SMC, Olicom
- **PCMCIA Adaptor:** Intel (formally Xircom)
- **Network Cables including fiber and copper:** non-vendor specific
- **Network Transceivers:** Allied Telesyn, Lantronix

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- **Wireless Networking Components:** Enterasys, Linksys, Netgear, SMC

D. Server Operating System Bundling

Server systems may be quoted with or without operating system software. If servers are quoted with operating system software, the State must have the option of choosing an Operating System (OS) with or without the addition of bundled client licenses.

E. Asset Tagging

The State and Contractor will negotiate Asset Tagging of Server/LAN hardware purchased from the Contractor as the need arises.

F. Server Current Models/Used Equipment

Equipment that has not yet entered the production phase of the manufacturer may not be included in the Product Web Catalog.

Only new or like new (non-refurbished or not remanufactured), unused equipment and parts, free from defects in material and workmanship will be sold to the State unless a special request from the State indicates otherwise.

At the option of the State, quotes for “used” equipment may be requested. The State requires that any used equipment supplied by the vendor must be noted as such, and the vendor must supply the same warranty and maintenance services for this equipment as if the equipment was new.

The Contractor, upon commercial announcement of new components that can be technically and economically substituted or added for/to items listed in the current Product Web Catalog, shall offer said items for addition or substitution to the Product Web Catalog. These item(s) may be accepted at the option of the State, provided at least equivalent performance with economic benefits or significantly enhanced performance at no additional cost per unit of capability accrues to the State. The transaction shall be accomplished by means of an authorized change order to the contract. The decision as to the acceptability of such a proposal shall be at the sole and exclusive discretion of the DMB Acquisition Services and the MMCC Contract Administrator.

G. Server Hardware Warranty and Maintenance Services

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The State has technical support staff to respond to hardware/software alarms and diagnose the problem. Our diagnosis will determine if it is a hardware, software, network, or connectivity problem. The State's support staff has attained various technical certification levels.

As a part of the service package, the Contractor must have a management support plan that provides for the orderly escalation of service problems to the next highest level of support, including third party hardware and software resources as deemed necessary to resolve a problem.

1. Standard Server Warranty Services:

The Contractor shall provide all Server hardware on the contract priced with a three (3) year, on-site parts, and labor and expenses warranty with next business day repair included in the purchase price. The State will require that all LAN hardware on the contract will be priced with a one (1) year, on-site parts, and labor and expenses warranty included in the purchase price. The State reserves the right to change these requirements at a later date. The State will not be responsible for any additional travel expenses under this warranty agreement. If the Standard manufacturers warranty is greater then the warranty required by the State, Contractor must extend that same standard warranty to the State at no additional charge. If the manufacturer extends the warranty period after delivery, the longer warranty period will apply to all warranty and service requirements. The warranty period will begin from the point the State takes delivery of equipment. Standard warranty service must be provided at the installation site of the equipment. The equipment once repaired will be returned to the State so the State can restore the software operating system version and patch level previously on the hardware.

Contractor shall normally respond by phone within one (1) hour after notification by the State that the equipment is inoperative. The phone call will establish the urgency and time of arrival on-site. Contractor shall arrive within four (4) working hours and the equipment shall be repaired within eight (8) working hours of arrival on-site if the equipment is made available for repair. Standard On-Site Service hours are considered to be Monday through Friday, 8 AM-5 PM *including* State of Michigan Holidays.

The State may at its discretion purchase upgrades to this service for faster response times, or longer support hours.

Maintenance services include labor and expenses but do not include the cost of parts.

The various options are listed below.

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2. Standard Server Maintenance Services

Contractor or a designated Subcontractor must be a manufacturer's authorized service representative for all equipment on the contract. Contractor must provide manufacturer certified systems engineers, in adequate numbers, to provide support to the State's infrastructure for warranty service and any support required. These engineers must be able to be reached by phone via the toll free number for problem resolution, and should be able to be on-site within the time frame indicated under the warranty or maintenance service purchased.

Maintenance service is to cover labor and travel necessary to restore equipment to like-new working condition. Parts will be additional expense and will be quoted at Contractor's cost plus the markup quoted for the particular hardware manufacturer. This maintenance service must be available to the State of Michigan for all products sold under this contract after the Warranty has expired. All repairs must be guaranteed for 20 business days. Any subsequent related failure during this 20-business day period will be repaired at no additional cost to the State.

Contractor shall normally respond by phone within one (1) hour after notification by the State that the equipment is inoperative. The phone call will establish the urgency and time of arrival on-site. Contractor shall arrive within four (4) working hours and the equipment shall be repaired within eight (8) working hours of arrival on-site if the equipment is made available for repair. Standard On-Site Service hours are considered to be Monday through Friday, 8 AM-5 PM *including* State of Michigan Holidays.

Contractor must use repair parts that are functionally equivalent to original manufacturer specifications and are at a minimum, identically warranted.

Contractor must have in its assortment of diagnostic tools, a device capable of analyzing multiple physical topologies and multiple protocols. Contractor must be fully trained in using the tool and must be fully trained to understand all diagnostic results

Examples of the certification levels that will be necessary to provide server warranty and hardware maintenance are:

- Certified Microsoft Windows Server Specialist
- Certified SUN engineers
- IBM certification for RISC (AIX) Platforms at the engineer level
- HP Accredited systems engineers with MS windows Certification
- HP Accredited systems engineers with Netware Certification
- HP accredited Systems engineers with Unix certification

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Examples of the certification levels that will be necessary to provide LAN warranty and hardware maintenance are:

- Cisco CCIE
- Certified Novell Engineer (CNE)
- Certified Novell Administrator
- Certified Microsoft Systems Engineer (MCSE)
- Certified Microsoft Systems Administrator (MCSA)
- Sun Certified Network Administrator
- Sun Certified Security Administrator
- HP Master Accredited Systems Engineer
- HP Accredited Integration Specialist
- IBM Server Certified Specialist pSeries AIX System Support

3. Warranty and Maintenance Service Coverage

A. The following table represents a quick reference guide for items covered under each Service program.

Service	Parts	Labor	Expenses	On-site
Maintenance	No	Yes	Yes	Yes
Warranty	Yes	Yes	Yes	Yes

The following types of upgraded or extended service may also be purchased at the option of the State. The upgrade pricing will reflect one (1) year upgrades. If the State wishes to upgrade a standard manufacturer warranty to a 7 x 24 x 365 same day On-Site Warranty for the three years, they would purchase a quantity of three (3) years of this support.

4. One year Extended Standard On-site Service

The State will have the option of acquiring up to 2 years of extended standard on-site warranty or maintenance service after the Standard warranty service expires. Contractor shall normally respond by phone within one (1) hour after notification by the State that the equipment is inoperative. The phone call will establish the urgency and time of arrival on-site. Contractor shall arrive within four (4) working hours and the equipment shall be repaired within eight (8) working hours of arrival on-site. Standard On-Site Service hours are considered to be Monday through Friday, 8 AM-5 PM *including* State of Michigan Holidays.

5. One year upgrade for 7 x 24 x 365 Same Day On-Site Service

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Contractor shall normally respond by phone within one (1) hour after notification by the State that the equipment is inoperative. The phone call will establish the urgency and time of arrival on-site. Contractor shall arrive within four (4) working hours and the equipment shall be repaired within eight (8) working hours of arrival on-site. 7 x 24 x 365 Same Day On-Site Service hours are considered to be Sunday through Saturday, 12:01 AM - 12:00 PM *including* State of Michigan Holidays.

6. One year upgrade to 7 x 24 x 365 Critical On-Site Service

Contractor shall normally respond by phone within one (1) hour after notification by the State that the equipment is inoperative. The phone call will establish the urgency and time of arrival on-site. Contractor shall arrive within two (2) working hours and the equipment shall be repaired within six (6) working hours of arrival on-site. 7 x 24 x 365 Critical On-Site Service hours are considered to be Sunday through Saturday, 12:01 AM - 12:00 PM *including* State of Michigan Holidays.

7. Time and Material Repair Service

This service will be purchased by the State in advance of any request to perform this service. A bank of hours may be purchased and used as needed for this sort of service. Parts will be additional expense and will be quoted at Contractor's cost plus the markup quoted for the particular manufacturer. Contractor shall normally respond by phone within one business day after notification by the State that equipment is inoperative and the equipment is not covered under a Warranty or purchased maintenance service. The phone call will establish the time of expected arrival on-site. The technician will diagnose the problem and the Contractor will provide the State with a quote for fixing the problem. This quote will include the time necessary to fix the problem as well as any parts cost. With approval from the State the technician will proceed to repair the problem. Normal On-Site Service hours are considered to be Monday through Friday, 8 AM – 5 PM including State Holidays. Time and Materials services provided outside of these hours will be charged at 1.5 times the normal rate.

H. Server/LAN Operating System Software

The State of Michigan has signed a Microsoft Select Software Agreement and a Novell Master License Agreement. These software agreements afford the State special discount pricing based on volume purchases. The State will designate the Contractor to represent the State as a Reseller for these agreements for the server operating systems. Contractor or their subcontractors must have a relationship in place with Microsoft and Novell, and be able to provide products to the State through the State's software agreements.

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All software in the below mentioned manufacturers/categories should be offered in all user packs available from the specified manufacturer. The following operating system software products will be required on the contract.

- Citrix Operating Systems
- Microsoft Operating Systems
- Sun Operating Systems
- IBM AIX
- HP Operating Systems
- Novell Netware Operating Systems
- CISCO Network Management Software: VPN Software, Network security, Content Networking software, Network Security Software.

1. Software Versions

Contractor will provide to the State only the latest published and available manufacturer's version of all Software. BETA copies of software are not acceptable.

The State may need to obtain old versions for specific applications; the Contractor will assist in acquiring these versions when ever possible.

2. Software Maintenance or Support

If maintenance (software subscriptions, upgrade renewals etc.) is available from the manufacturer, this maintenance must be available to the State to purchase via the contract. If maintenance is required with the purchase of any manufacturer's software, the terms of this maintenance must be identified in the product web catalog. Example: "two (2) years of software support must be purchased at the time the product is purchased, and the maintenance will cover free upgrades to all software upgrades available from the manufacturer during the two year period of maintenance software". If maintenance is purely an option with the purchase, this must be identified in the product web catalog.

3. Software Upgrades

Contractor will support, document and distribute all manufacturers upgrade or "Special" offers to the State.

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Services purchased from this Contract must be related to the installation or support of equipment related to Servers, local area networks and their peripherals. These services may be purchased in one of two ways from this contract. The first set of services below will be based on a quote from the Statement of Work process. The second set of services listed below will be purchased through a Statement of Work and will be based upon a particular quantity of hours and a selected skill level.

While these services are an option for the State, Contractor must be able to provide all of the following services at the request of the State of Michigan.

1. Server Work Statement Services

The work to be performed will be defined by a written statement of work issued by the State as defined by the State. These services will be based upon a fixed price based upon a quote from Contractor, and the details provided to Contractor from a Work Statement.

(a) Installation Services for Hardware and Software

The State of Michigan may purchase installation services from Contractor for server-based hardware/software. Installation services may include the installation of any hardware purchased from this contract, or the installation of new or additional hardware components into existing hardware. It may also include installation and configuration of newly purchased software solutions into existing hardware, new hardware or the installation and configuration of software upgrades on servers

All technology must be configured and installed per State instructions to Contractor. The State reserves the right to purchase equipment and software without installation services and fees when qualified State personnel are available.

The State may call upon Contractor to assist with moves and changes and to complete the installation of hardware or software of equipment or software that was not ordered with installation services. For hardware these services include unpacking, assembly, connection, testing and configuration for basic operation. For software, these services include loading the software onto the hard drive or other storage medium and setting configuration options so that it is ready for operation.

(b) Implementation/Integration for Hardware and Software

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Perform the implementation of hardware and related software projects. This will include but is not limited to: Interfacing new hardware solutions with older hardware solutions, hardware configuration, researching and resolving performance issues, implementing new technology hardware/software solutions, implementing cooperative processing or distributive database capabilities as may be used in a client-server environment, integration of UNIX or Windows based applications, and hardware and/or software clustering.

Implementation services may also be those services that assist the State in making effective use of purchased server hardware and software. They include development of procedures for system administration and systems operation. Implementation services may include assistance with the integration of various servers, and host system software.

The State has occasionally had the need to acquire problem resolution/trouble shooting technical support services as it relates to Server Hardware and software. This service may include the need to bring in troubleshooting hardware components to resolve constraints on networks, hardware performance issues, relational database performance issues, etc. This may include:

- Coordinate the addition of new LAN users
- Set node addresses for new users and maintain a log of user node addresses, network addresses and IRQs (interrupt address)
- Establish and maintain login scripts and drive mapping(s)
- Establish and maintain trustee assignments and rights to various directories and subdirectories
- Design, set up, maintain and monitor system security through the use of passwords, trustee assignments, individual and group directory rights, file attributes and login times
- Monitor error logs, statistics and print queues
- Perform system backup of all LAN files
- Maintain LAN directory structures and files

(c) Data Recovery Services

Contractor shall be able to provide a service to have "lost" data recovered from a server and/or an attached storage device.

When data is "lost" from a server, as long as the disk surface itself is

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reasonably intact, the data can be recovered; it has simply become inaccessible because of a software or equipment problem, such as:

- Data corruption
- Viruses
- A mechanical or electrical malfunction

(d) Local Area Network Analysis

The State has a variety of network topologies, protocols and operating systems in use at the present time; although, there is an effort to standardize this cannot reasonably be accomplished in a short period of time.

The State will require local area networks to appropriately support its operations and meet its objectives. These networks are substantial and will require careful planning, design, development and testing. Careful analysis will be required to make the networks operate correctly when it is first installed and as it grows over time. This may also include development of procedures for network administration and user operation of the local area network and related hardware.

Contractor must be able to provide the State with qualified analysts to perform a variety of work associated with network design and analysis. These activities include but are not limited to:

- LAN Design and Implementation
- Recommend the Purchase of Hardware and Software Packages
- Perform LAN Audits
- Perform LAN Performance and Capacity Analysis

(e) Local Area Network Installation/Integration Services

The State may purchase installation/integration services from Contractor. Installation/Integration services will be quoted on an hourly basis. All technology must be configured and installed per State instructions by Contractor. The State reserves the right to purchase equipment and software without installation services and fees when qualified State personnel are available.

The State may call upon the Contractor to assist with moves and changes and to complete the installation of hardware or software. This may include equipment or software that was not ordered with installation services. For hardware these services include unpacking, assembly, connection, testing and configuration for basic operation. For software, these services include

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loading the software onto the hard drive or other storage medium and setting configuration options so that it is ready for user operation.

LAN Installation - a manufacturer certified engineer must review this work. Ex: CCIE (Certified Cisco Engineer).

(f) Local Area Network Implementation/Integration Services (both hardware and software solutions)

Perform the implementation of hardware and related software projects. This will include but is not limited to: Interfacing new LAN hardware solutions with older LAN hardware solutions, hardware configuration, researching and resolving LAN performance issues, and implementing new technology LAN hardware/software solutions.

Implementation services may also be those services that assist the State in making effective use of purchased LAN hardware and software. They include development of procedures for network administration and systems operation.

During installation or implementation the State may have to acquire problem resolution/trouble shooting technical support services as it relates to LAN Hardware and software. This service may include the need to bring in troubleshooting hardware components to resolve constraints on networks, or LAN hardware performance issues, etc. Contractor may be requested to perform the following tasks involved with LAN Administration:

- Coordinate the addition of new LAN users
- Set node addresses for new users and maintain a log of user node addresses, network addresses and IRQs (interrupt address)
- Design, set up, maintain and monitor system security through the use of passwords, trustee assignments, individual and group directory rights, file attributes and login times
- Monitor error logs, statistics and print queues
- Perform system backup of all LAN files

(g) Project Coordination

Performing project coordination tasks as related to server or LAN hardware and related software installation and implementation/integration projects.

(h) Hourly Rate Services

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The State reserves the option to obtain possible Installation, Implementation, and Integration services through the MMCC contract. The State will be managing the Contractors during the project. Examples of this work are: Staging System hardware, upgrading hardware, installing memory, performing System Audits, connecting systems to network infrastructure, testing solutions. While these services are an option for the State, the Contractor must be able to provide these services based upon a request from the State.

These support services will be purchased on an hourly basis, and will be acquired based on a specific skill level as defined below:

1. Senior Server Support Engineer

Must have at least 5 years progressive experience in Server or Network design, management and implementation projects. Must possess highly developed data/telecommunications skills and be able to coordinate and work with other data/telecommunications technicians. Possess skills required for deploying large-scale system installations. Must possess an advanced certification in an industry standard server or network operating system.

Examples are:

- Certified Novell Engineer (CNE)
- Certified Microsoft Systems Engineer (MCSE)
- Certified Microsoft Systems Administrator (MCSA)
- Sun Certified System Administrator
- Sun Certified Network Administrator
- Sun Certified Security Administrator
- HP Master Accredited Systems Engineer
- HP Accredited Integration Specialist
- HP Accredited Systems Engineer
- HP Accredited Platform specialist
- HP Certified Systems Administrator
- HP Certified Systems Engineer
- Dell Certified Server Professional
- IBM Server Certified Advanced Technical Expert – pSeries and AIX 5l
- IBM Server Certified Systems Expert pSeries HACMP for AIX

The following are examples of tasks to be performed by a senior server support technician:

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- Project Leadership, coordination
- Develop and implement implementation and or testing plans.
- Server Architecture Design
- Server Audits
- System Performance and capacity analysis
- Troubleshoots complex hardware and software problems
- Connects server to network and test connectivity
- Loads Server software upgrades or moves software
- Integrate peripherals to system

2. Junior Server Support Engineer

Must have at least 2-4 years progressive experience at the engineering level, in network or server design, and implementation projects. Must possess highly developed data/telecommunications skills and be able to coordinate and work with other data/telecommunications technicians. Possess skills required for large-scale server hardware installations; repairs and software installations. Should have experience with operating systems and database management systems. Must possess certification in an industry standard server or network operating system.

Examples are:

- Certified Novell Engineer (CNE)
- Certified Microsoft Systems Engineer (MCSE)
- Certified Microsoft Systems Administrator (MCSA)
- Sun Certified System Administrator
- Sun Certified Network Administrator
- Sun Certified Security Administrator.
- HP Master Accredited Systems Engineer
- HP Accredited Integration Specialist
- HP Accredited Systems Engineer
- HP Accredited Platform specialist
- HP Certified Systems Administrator
- HP Certified Systems Engineer
- Dell Certified Server Professional
- IBM Certified Specialists pSeries AIX System Administration
- IBM Certified Specialists pSeries AIX System Support

The following are examples of tasks to be performed by a Junior Server Support Technician:

- Execute project plans including rollouts and testing plans.

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- Troubleshoot hardware and software integration or performance issues
- Installation of hardware or hardware upgrades
- Installation of Software or Software upgrades.
- Updating documentation
- Connects peripherals to system
- Migration of server operating systems
- Troubleshoots hardware and software problems
- Possess the necessary certification levels to perform this work.

3. Associate Server Support Technician

Has some experience or training in installing and setting up server based systems. Possesses limited skills, below those required for hardware repairs and software installations.

The following are examples of tasks to be performed by an Associate server Support Technician:

- Unpacking equipment
- Connect monitor to CPU
- Connects peripherals to system
- Brings server system up to C: prompt or comparable
- Updating documentation
- Testing systems

4. Certified Network Engineer Services

Must have at least 5 years progressive experience in systems design, network management and implementation projects. Must possess an advanced certification in an industry standard network operating system or network technologies. Examples are:

- Certified Novell Engineer (CNE)
- Certified Microsoft Systems Engineer (MCSE)
- Certified Microsoft Systems Administrator (MCSA)
- Sun Certified Network Administrator
- Sun Certified Security Administrator
- HP Master Accredited Systems Engineer
- HP Accredited Integration Specialist
- Cisco CCIE

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The following are examples of Tasks to be performed by the Certified Network Engineer:

- LAN Design
- LAN Audits
- LAN Performance and Capacity Analysis
- Network Services Design
- Network Services Integration

5. Senior Network Design Engineer Services

Must have at least 4 years progressive experience at the engineering level, in network systems design, development, and implementation projects. Must possess highly developed data/telecommunications skills and be able to coordinate and work with other data/telecommunications technicians. Should have experience with operating systems and database management systems. Must possess certification in industry standard network technologies. Examples are:

- Certified Novell Engineer (CNE)
- Certified Microsoft Systems Engineer (MCSE)
- Certified Microsoft Systems Administrator (MCSA)
- Sun Certified Network Administrator
- Sun Certified Security Administrator
- HP Accredited Integration Specialist
- Cisco Professional series

The following are examples of tasks to be performed by the Senior Network Design Engineer:

- LAN Design
- LAN Audits
- LAN Performance and Capacity Analysis
- LAN Installations
- Maintenance Tasks

6. Junior Network Engineering Services

Must have at least 2 years progressive experience in network systems design, development, and implementation skills and be able to coordinate and work with other data/telecommunications technicians. Must have experience with operating systems and database management systems. Must possess a beginning network certification. Examples are:

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- Certified Novell Administrator (CNA)
- Certified Microsoft Professional (MCP)
- Sun Certified Network Administrator
- HP Accredited Integration Specialist
- Cisco Associate

The following are examples of tasks to be performed by the Junior Network Engineer:

- LAN Installations
- Maintenance Tasks

7. Citrix Support Services

Provide technical and project leadership for Citrix software implementation across the State. Following are areas of expertise and their associated tasks that may be required:

- Citrix Server installation, configuration, implementation, and integration into the current environment.
- Citrix licensing installation, configuration and implementation.
- Citrix user administration, configuration and implementation

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1.13 Desktop, Enterprise and Network software and Limited Software Services

A. Versions

Contractor will provide to the State only the latest published and available manufacturer's versions of all software unless otherwise requested. **BETA copies of software are not acceptable.**

The product offering should include single-user as well as multi-user versions when available from the manufacturer.

DIT may also request evaluation copies of the latest software version as the manufacturers release them for Model Office review.

DIT will maintain a Model Office where DIT will set up and test software configurations. If available from manufacturer and requested by the State the Contractor, must provide evaluation products that are being recommended to the CCA Advisory Group for inclusion on the Contract. These evaluation products need to be delivered to the Model Office no later than 30 business days prior to Contractor's proposed date to add products to the Contract. The 30 business days will allow DIT to verify the software operates on all State platforms and also allows time to prepare needed system images. All costs incurred to supply, deliver, and return evaluation products will be born by the Contractor. The evaluation products may be sold to DIT at a reduced price or returned to the Contractor upon decision of the DIT.

The State may also need to obtain old versions for specific applications; Contractor will assist in acquiring these versions.

B. Software Upgrades

Contractor will support, document and distribute all manufacturers' upgrade offers to the State. If the upgrade is provided from the manufacturer at no charge, this must be passed on to the State free of charge.

C. Software Return Policy

This section is addressed in section 1.8 return process

D. Enterprise Volume Purchase Programs & Software Agreements

The State will enter into volume purchasing programs with specific software manufacturers when those programs are in the best interest of the State as an enterprise. The State currently has several software agreements with various

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manufacturers. The following is a list of the State's current agreements, relevant to this Contract, effective 12/31/03:

- Desktop Virus Protection: Symantec's Norton Anti-Virus
- Screen Capture/Print: TechSmith's Snagit
- Remote Control/Help Desk Connectivity: Netopia Inc.'s Timbuktu

Contractor will be required to do business with the State within the bounds of these current agreements, as they fall within the scope of the Contracts.

The MMCC Contract Administrator will be contractually responsible for the agreements, while Contractor must administer the programs and serve as the program reseller under the requirements of the specific program. The MMCC Contract Administrator must involve Contractor in all program contract issues and negotiations necessary for Contractor to successfully execute program administration and reseller responsibilities.

E. Software Maintenance

If maintenance (software subscriptions, upgrade renewals etc.) is available from the manufacturer, this maintenance must be available to the State to purchase via Contractor. If maintenance is required with the purchase of any manufacturer's software, the terms of this maintenance must be identified in the catalog. For example; 2 years of software maintenance must be purchased at the time the product is purchased, and the maintenance will cover free upgrades to all major software upgrades available from the manufacturer during the two-year period of maintenance software. If maintenance is purely an option with the purchase, this must be identified in the product web catalog.

F. Software Support

Contractor shall provide the following options, as available from the software manufacturer or internally from Contractor:

1. Basic Software Support

Support for software licenses purchased. This should include automatic upgrades and patches, as they are released, unless otherwise requested by DIT.

Toll free telephone support at graduated service levels of coverage if offered by the manufacturer (5x8, 7x24, etc.)

2. Advanced Software Support

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The State has determined a need to include support for certain State standards as part of this Contract. The State will have the option of requesting certain support types through a Statement of Work to Contractor. Descriptions of the support resources and required personnel are included below.

Contractor will provide Installation, Integration, Configuration & Upgrade support for desktop, enterprise and network software.

Available capabilities shall consist of, but are not limited to:

- Installation, integration, configuration, and upgrade of new software or new versions
- Removing old software versions
- Software testing
- Developing methods for data file conversion
- Restoring user environment
- Reviewing changes with user
- Updating on-site documentation

Contractor shall provide the following levels of support and will include hourly rate information:

(a) **Senior Software Micro Support Technician**

Should have at least 2-3 years of experience as a junior technician troubleshooting software on personal computers and servers. Possess skills required for deploying large-scale software installations. The following are examples of tasks to be performed by a Senior Software Micro Support Technician:

- Project leadership, coordination and end-user interaction
- Develop and implement testing plans
- Troubleshoot complex hardware and software integration issues
- Desktop and Network software installation expertise
- Update software or project documentation
- Appropriate Certification, for example:
 - Certified Microsoft Engineer (MCSC)
 - Certified Novell Engineer (CNE)
 - Project Management Professional (PMP)

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(b) Junior Software Micro Support Technician

Should have 1-2 years of experience troubleshooting personal computer software. Should have experience participating in large-scale software installations. The following are examples of tasks to be performed by a Junior Software Micro Support Technician:

- Execute project plans including rollouts and testing plans
- Troubleshoot hardware and software integration issues
- Desktop software installation expertise
- Update software or project documentation
- Appropriate Certification, for example:
 - Microsoft Certified Professional (MCP)
 - Certified Novell Administrator (CNA)

(c) Associate Software Micro Support Technician

Should have some experience working with and loading personal computer software. The following are examples of tasks to be performed by an Associate Software Micro Support Technician:

- Install desktop software
- Test desktop software
- Update on-site documentation

G. FileNet And Remedy Support Services

The State of Michigan has two complex software packages that will require support services: FileNet and Remedy. Information pertaining to these is listed below. All services will be obtained through the Statement of Work process.

1. FileNet Support Services

(a) FileNet Conversion Support

Provide technical and project leadership for conversion, such as file conversions, required to develop and implement document management solutions. The following are examples of tasks to be performed during conversion of documents:

- Manual processing of documents
- Mail room preparation
- Courier service
- Document destruction

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- Conversion services
- Replication services

(b) FileNet Integration Services

Provide technical and project leadership for the design, customization, integration, implementation and production support of off-the-shelf applications such as FileNET's Panagon and combines these to develop document management solutions. Integrating document management systems include the following:

- Data storage, retrieval, and disposition
- Scanning, imaging and viewing documents
- Legacy integration
- Workflow and process modeling
- Change management
- Revision and version control
- Security and access control
- Publishing
- Storage management
- COLD
- Intelligent data
- System sizing
- Deployment architecture

2. BMC Remedy Support Services

(a) Remedy Project Manager

The person will serve as the first line management representative for all matters related to Remedy consulting engagement responsibilities. The Remedy Project Manager will also verify and confirm project task deliverables with the State Project Manager and the State Management Team. The Remedy Project Manager will maintain ongoing communication regarding project status with management teams. This will include weekly status reports indicating percent complete, budget vs. actual, changes in progress, inventory of issues/problems, and similar data. This person should be very familiar with the Remedy's policies and procedures in general as well as how they relate specifically to case and infrastructure management and the goals of this project.

- Develop and control all aspects of Remedy's project including adherence to consulting project schedules, task assignments, and budgets

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- Verify and confirm project task deliverables with the State Project Manager
- Maintain ongoing communication regarding status with management teams
- Weekly status reports indicating percent complete, budget vs. actual, changes in progress, inventory of issues/problems, and similar data

(b) Remedy Technical Consultant

Remedy Technical Consultants or Senior Technical Consultants will be tasked with the day-to-day accomplishment of the activities required for completion of the tasks laid out in the statement of work. These individuals will be the technical leads from the Remedy team. They will be the focal point for all knowledge transfer during the course of this project.

- Complete all development, testing and deployment activities in the statement of work.
- Work closely with State personnel assigned to the project to ensure the establishment and transference of a knowledge base from the beginning of the project onward
- Maintaining the Remedy Audit Log
- Weekly status reporting to the project team.

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SECTION III

APPENDICES

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APPENDIX B

Desktop Discount Percentages

Product Manufacturer	A Discount Percentage from MSRP	B Mark Up Percentage	C Additional Discount Categories 2.1, 2.2 and 2.3	D Total Discount to the State (A- B) + D
Manufacturer Desktops 10 business day delivery	28%	2.49%	0.50%	26.01%
Manufacturer Laptops 10 business day delivery	22%	2.49%	0.50%	20.01%
Manufacturer Desktops 2 day expedited delivery	28%	2.49%	0.50%	26.01%
Manufacturer Laptops 2 day expedited delivery	22%	2.49%	0.50%	20.01%
Manufacturer Peripherals and parts 10 business day delivery	15%	2.49%	0.50%	13.01%
Manufacturer Peripherals and parts 2 day expedited delivery	15%	2.49%	0.50%	13.01%
Manufacturer Standard 3 year warranty	0%	2.49%	0.00%	2.49%
Manufacture Parts only Warranty	0%	2.49%	0.00%	2.49%
Manufacture Monitors	15%	2.49%	0.50%	13.01%
Microsoft Software	18%	2.49%	0.50%	16.01%
HP Printers	27%	4.49%	0.50%	23.01%
HP Peripherals	27%	4.49%	0.50%	23.01%
Lexmark Printers	10%	5.49%	0.50%	5.01%
Apple Desktops	9%	5.49%	0.50%	4.01%
Apple Peripherals	9%	5.49%	0.50%	4.01%
Sony Monitors	10%	5.49%	0.50%	5.01%
Samsung Monitors	10%	5.49%	0.50%	5.01%
Panasonic Toughbook Model line	20%	5.00%	0.50%	15.50%

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Appendix C

Server Discount Percentages

Product Manufacturer	A Discount Percentage from MSRP	B Mark Up Percentage	C Additional Discount Categories 2.1, 2.2 and 2.3	D Total Discount to the State (A- B) + D
Dell Servers Standard Delivery	22%	4.0%	0.0%	18.0%
Dell Servers Parts/Peripherals	20%	4.0%	0.0%	16.0%
Dell Standard Warranty	9%	4.0%	0.0%	5.0%
Dell Server 7x 24x365 Same Day Warranty	9%	4.0%	0.0%	5.0%
Dell Server 7x24x365 Critical Warranty	9%	4.0%	0.0%	5.0%
Dell Server Standard Maintenance	70%	20.0%	0.0%	50.0%
Dell Server 7x24x365 Same Day Maintenance	65%	20.0%	0.0%	45.0%
Dell Server 7x24x365 Critical Maintenance	55%	20.0%	0.0%	35.0%
SUN Servers Standard Delivery	21%	4.0%	0.0%	16.6%
SUN Servers Parts/Peripherals	21%	4.0%	0.0%	16.6%
SUN Standard Warranty	21%	4.0%	0.0%	16.6%
SUN Server 7x 24x365 Same Day Warranty	50%	4.0%	0.0%	46.0%
SUN Server 7x24x365 Critical Warranty	50%	4.0%	0.0%	46.0%
SUN Server Standard Maintenance	64%	20.0%	0.0%	44.0%
SUN Server 7x24x365 Same Day Maintenance	64%	20.0%	0.0%	44.0%
SUN Server 7x24x365 Critical Maintenance	64%	20.0%	0.0%	44.0%
HP Servers Standard Delivery	35%	4.0%	0.0%	30.7%
HP Servers Parts/Peripherals	35%	4.0%	0.0%	30.7%
HP Standard Warranty	35%	4.0%	0.0%	30.7%
HP Server 7x 24x365 Same Day Warranty	48%	4.0%	0.0%	44.0%
HP Server 7x24x365 Critical Warranty	48%	4.0%	0.0%	44.0%
HP Server Standard Maintenance	48%	20.0%	0.0%	28.0%
HP Server 7x24x365 Same Day Maintenance	48%	20.0%	0.0%	28.0%
HP Server 7x24x365 Critical Maintenance	48%	20.0%	0.0%	28.0%

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Server Discount Percentages

Product Manufacturer	A Discount Percentage from MSRP	B Mark Up Percentage	C Additional Discount Categories 2.1, 2.2 and 2.3	D Total Discount to the State (A- B) + D
IBM Servers Standard Delivery	38%	4.0%	0.0%	33.7%
IBM Servers Parts/Peripherals	38%	4.0%	0.0%	33.7%
IBM Standard Warranty	38%	4.0%	0.0%	33.7%
IBM Server 7x 24x365 Same Day Warranty	33%	4.0%	0.0%	29.0%
IBM Server 7x24x365 Critical Warranty	33%	4.0%	0.0%	29.0%
IBM Server Standard Maintenance	70%	20.0%	0.0%	50.0%
IBM Server 7x24x365 Same Day Maintenance	65%	20.0%	0.0%	45.0%
IBM Server 7x24x365 Critical Maintenance	55%	20.0%	0.0%	35.0%
Unisys Servers Standard Delivery	18%	4.0%	0.0%	13.7%
Unisys Servers Parts/Peripherals	18%	4.0%	0.0%	13.7%
Unisys Standard Warranty	18%	4.0%	0.0%	13.7%
Unisys Server 7x 24x365 Same Day Warranty	18%	4.0%	0.0%	13.7%
Unisys Server 7x24x365 Critical Warranty	18%	4.0%	0.0%	13.7%
Unisys Server Standard Maintenance	45%	12.6%	0.0%	32.4%
Unisys Server 7x24x365 Same Day Maintenance	35%	12.6%	0.0%	22.4%
Unisys Server 7x24x365 Critical Maintenance	30%	12.6%	0.0%	17.4%
EMC Storage Standard Delivery	54%	4.0%	0.0%	49.8%
EMC Storage Parts/Peripherals	63%	4.0%	0.0%	58.5%
EMC Standard Warranty	9%	5.0%	0.0%	4.0%
EMC Storage 7x 24x365 Same Day Warranty	9%	5.0%	0.0%	4.0%
EMC Storage 7x24x365 Critical Warranty	9%	5.0%	0.0%	4.0%
EMC Storage Standard Maintenance	9%	5.0%	0.0%	4.0%
EMC Storage 7x24x365 Same Day Maintenance	9%	5.0%	0.0%	4.0%
EMC Storage 7x24x365 Critical Maintenance	9%	5.0%	0.0%	4.0%

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Server Discount Percentages

Product Manufacturer	A Discount Percentage from MSRP	B Mark Up Percentage	C Additional Discount Categories 2.1, 2.2 and 2.3	D Total Discount to the State (A- B) + D
INTEL Servers Standard Delivery	10%	4.0%	0.0%	6.0%
INTEL Servers Parts/Peripherals	10%	4.0%	0.0%	6.0%
INTEL Standard Warranty	10%	4.0%	0.0%	6.0%
INTEL Server 7x 24x365 Same Day Warranty	10%	4.0%	0.0%	6.0%
INTEL Server 7x24x365 Critical Warranty	10%	4.0%	0.0%	6.0%
INTEL Server Standard Maintenance	70%	20.0%	0.0%	50.0%
INTEL Server 7x24x365 Same Day Maintenance	65%	20.0%	0.0%	45.0%
INTEL Server 7x24x365 Critical Maintenance	55%	20.0%	0.0%	35.0%
EMULEX Equipment Standard Delivery	35%	5.0%	0.0%	30.0%
EMULEX Equipment Servers Parts/Peripherals	35%	5.0%	0.0%	30.0%
EMULEX Equipment Standard Warranty	35%	5.0%	0.0%	30.0%
EMULEX Equipment 7x 24x365 Same Day Warranty	10%	5.0%	0.0%	5.0%
EMULEX Equipment 7x24x365 Critical Warranty	10%	5.0%	0.0%	5.0%
EMULEX Equipment Standard Maintenance	10%	5.0%	0.0%	5.0%
EMULEX Equipment Server 7x24x365 Same Day Maintenance	10%	5.0%	0.0%	5.0%
EMULEX equipment Server 7x24x365 Critical Maintenance	10%	5.0%	0.0%	5.0%
Cisco Equipment	42%	2.9%	0.0%	39.1%
Cisco Standard Warranty	25%	3.8%	0.0%	21.3%
Cisco 7x 24x365 Same Day Warranty	25%	3.8%	0.0%	21.3%
Cisco 7x24x365 Critical Warranty	25%	3.8%	0.0%	21.3%
Cisco Standard Maintenance	55%	12.6%	0.0%	42.4%
Cisco 7x24x365 Same Day Maintenance	55%	12.6%	0.0%	42.4%
Cisco 7x24x365 Critical Maintenance	55%	12.6%	0.0%	42.4%

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Server Discount Percentages

Product Manufacturer	A Discount Percentage from MSRP	B Mark Up Percentage	C Additional Discount Categories 2.1, 2.2 and 2.3	D Total Discount to the State (A- B) + D
Brocade Equipment	38%	5.0%	0.0%	33.0%
Brocade Standard Warranty	38%	5.0%	0.0%	33.0%
Brocade 7x 24x365 Same Day Warranty	10%	5.0%	0.0%	5.0%
Brocade 7x24x365 Critical Warranty	10%	5.0%	0.0%	5.0%
Brocade Standard Maintenance	10%	5.0%	0.0%	5.0%
Brocade 7x24x365 Same Day Maintenance	10%	5.0%	0.0%	5.0%
Brocade 7x24x365 Critical Maintenance	10%	5.0%	0.0%	5.0%
SMC Equipment	28%	5.0%	0.0%	23.0%
SMC Standard Warranty	28%	5.0%	0.0%	23.0%
SMC 7x 24x365 Same Day Warranty	10%	5.0%	0.0%	5.0%
SMC 7x24x365 Critical Warranty	10%	5.0%	0.0%	5.0%
SMC Standard Maintenance	10%	5.0%	0.0%	5.0%
SMC 7x24x365 Same Day Maintenance	10%	5.0%	0.0%	5.0%
SMC 7x24x365 Critical Maintenance	10%	5.0%	0.0%	5.0%
MCDATA Equipment	29%	5.0%	0.0%	23.8%
MCDATA Standard Warranty	29%	5.0%	0.0%	23.8%
MCDATA 7x 24x365 Same Day Warranty	10%	5.0%	0.0%	5.0%
MCDATA 7x24x365 Critical Warranty	10%	5.0%	0.0%	5.0%
MCDATA Standard Maintenance	10%	5.0%	0.0%	5.0%
MCDATA 7x24x365 Same Day Maintenance	10%	5.0%	0.0%	5.0%
MCDATA 7x24x365 Critical Maintenance	10%	5.0%	0.0%	5.0%
Enterasys Equipment	43%	5.0%	0.0%	37.7%
Enterasys Standard Warranty	43%	5.0%	0.0%	37.7%
Enterasys 7x 24x365 Same Day Warranty	13%	5.0%	0.0%	8.0%
Enterasys 7x24x365 Critical Warranty	13%	5.0%	0.0%	8.0%
Enterasys Standard Maintenance	13%	5.0%	0.0%	8.0%
Enterasys 7x24x365 Same Day Maintenance	13%	5.0%	0.0%	8.0%
Enterasys 7x24x365 Critical Maintenance	13%	5.0%	0.0%	8.0%

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Server Discount Percentages

Product Manufacturer	A Discount Percentage from MSRP	B Mark Up Percentage	C Additional Discount Categories 2.1, 2.2 and 2.3	D Total Discount to the State (A- B) + D
Intel Equipment	35%	5.0%	0.0%	29.7%
Intel Standard Warranty	35%	5.0%	0.0%	29.7%
Intel 7x 24x365 Same Day Warranty	10%	5.0%	0.0%	5.0%
Intel 7x24x365 Critical Warranty	10%	5.0%	0.0%	5.0%
Intel Standard Maintenance	70%	20.0%	0.0%	50.0%
Intel 7x24x365 Same Day Maintenance	65%	20.0%	0.0%	45.0%
Intel 7x24x365 Critical Maintenance	55%	20.0%	0.0%	35.0%
CSP Equipment	74%	3.0%	0.0%	71.0%
CSP Standard Warranty	10%	3.0%	0.0%	7.0%
CSP 7x 24x365 Same Day Warranty	10%	3.0%	0.0%	7.0%
CSP 7x24x365 Critical Warranty	10%	3.0%	0.0%	7.0%
CSP Standard Maintenance	10%	3.0%	0.0%	7.0%
CSP 7x24x365 Same Day Maintenance	10%	3.0%	0.0%	7.0%
CSP 7x24x365 Critical Maintenance	10%	3.0%	0.0%	7.0%
US Robotics Equipment	30%	3.0%	0.0%	27.0%
US Robotics Equipment Standard Warranty	10%	3.0%	0.0%	7.0%
US Robotics Equipment 7x 24x365 Same Day Warranty	10%	3.0%	0.0%	7.0%
US Robotics Equipment 7x24x365 Critical Warranty	10%	3.0%	0.0%	7.0%
US Robotics Equipment Standard Maintenance	10%	3.0%	0.0%	7.0%
US Robotics Equipment 7x24x365 Same Day Maintenance	10%	3.0%	0.0%	7.0%
US Robotics Equipment 7x24x365 Critical Maintenance	10%	3.0%	0.0%	7.0%
3COM Equipment Standard Delivery	21%	3.0%	0.0%	18.0%
3COM Equipment Standard Warranty	21%	3.0%	0.0%	18.0%
3COM Equipment 7x 24x365 Same Day Warranty	21%	3.0%	0.0%	18.0%
3COM Equipment 7x24x365 Critical Warranty	21%	3.0%	0.0%	18.0%
3COM Equipment Standard Maintenance	21%	3.0%	0.0%	18.0%

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3COM Equipment 7x24x365 Same Day Maintenance	21%	3.0%	0.0%	18.0%
3COM Equipment 7x24x365 Critical Maintenance	21%	3.0%	0.0%	18.0%

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Server Discount Percentages

Product Manufacturer	A Discount Percentage from MSRP	B Mark Up Percentage	C Additional Discount Categories 2.1, 2.2 and 2.3	D Total Discount to the State (A- B) + D
Lantronix Equipment	10%	3.0%	0.0%	7.0%
Lantronix Equipment Standard Warranty	10%	3.0%	0.0%	7.0%
Lantronix Equipment 7x 24x365 Same Day Warranty	10%	3.0%	0.0%	7.0%
Lantronix Equipment 7x24x365 Critical Warranty	10%	3.0%	0.0%	7.0%
Lantronix Equipment Standard Maintenance	10%	3.0%	0.0%	7.0%
Lantronix Equipment 7x24x365 Same Day Maintenance	10%	3.0%	0.0%	7.0%
Lantronix Equipment 7x24x365 Critical Maintenance	10%	3.0%	0.0%	7.0%
Linksys Equipment Standard Delivery	10%	3.0%	0.0%	7.0%
Linksys Equipment Standard Warranty	10%	3.0%	0.0%	7.0%
Linksys Equipment 7x 24x365 Same Day Warranty	10%	3.0%	0.0%	7.0%
Linksys Equipment 7x24x365 Critical Warranty	10%	3.0%	0.0%	7.0%
Linksys Equipment Standard Maintenance	10%	3.0%	0.0%	7.0%
Linksys Equipment 7x24x365 Same Day Maintenance	10%	3.0%	0.0%	7.0%
Linksys Equipment 7x24x365 Critical Maintenance	10%	3.0%	0.0%	7.0%
Allied Telesys Equipment Standard Delivery	10%	3.0%	0.0%	7.0%
Allied Telesys Equipment Standard Warranty	10%	3.0%	0.0%	7.0%
Allied Telesys Equipment 7x 24x365 Same Day Warranty	10%	3.0%	0.0%	7.0%
Allied Telesys Equipment 7x24x365 Critical Warranty	10%	3.0%	0.0%	7.0%
Allied Telesys Equipment Standard Maintenance	10%	3.0%	0.0%	7.0%
Allied Telesys Equipment 7x24x365 Same Day Maintenance	10%	3.0%	0.0%	7.0%
Allied Telesys Equipment 7x24x365 Critical Maintenance	10%	3.0%	0.0%	7.0%

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Server Discount Percentages

Product Manufacturer	A Discount Percentage from MSRP	B Mark Up Percentage	C Additional Discount Categories 2.1, 2.2 and 2.3	D Total Discount to the State (A- B) + D
Xircom Equipment Standard Delivery	32%	3.0%	0.0%	29.0%
Xircom Equipment Standard Warranty	32%	5.0%	0.0%	27.0%
Xircom Equipment 7x 24x365 Same Day Warranty	10%	5.0%	0.0%	5.0%
Xircom Equipment 7x24x365 Critical Warranty	10%	5.0%	0.0%	5.0%
Xircom Equipment Standard Maintenance	10%	5.0%	0.0%	5.0%
Xircom Equipment 7x24x365 Same Day Maintenance	10%	5.0%	0.0%	5.0%
Xircom Equipment 7x24x365 Critical Maintenance	10%	5.0%	0.0%	5.0%
Olicom Equipment Standard Delivery	10%	3.0%	0.0%	7.0%
Olicom Equipment Standard Warranty	10%	3.0%	0.0%	7.0%
Olicom Equipment 7x 24x365 Same Day Warranty	10%	3.0%	0.0%	7.0%
Olicom Equipment 7x24x365 Critical Warranty	10%	3.0%	0.0%	7.0%
Olicom Equipment Standard Maintenance	10%	3.0%	0.0%	7.0%
Olicom Equipment 7x24x365 Same Day Maintenance	10%	3.0%	0.0%	7.0%
Olicom Equipment 7x24x365 Critical Maintenance	10%	3.0%	0.0%	7.0%
APC Equipment Standard Delivery	17%	3.0%	0.0%	14.0%
APC Equipment Standard Warranty	17%	3.0%	0.0%	14.0%
APC Equipment 7x 24x365 Same Day Warranty	10%	3.0%	0.0%	7.0%
APC Equipment 7x24x365 Critical Warranty	10%	3.0%	0.0%	7.0%
APC Equipment Standard Maintenance	24%	5.0%	0.0%	19.0%
APC Equipment 7x24x365 Same Day Maintenance	10%	3.0%	0.0%	7.0%
APC Equipment 7x24x365 Critical Maintenance	10%	3.0%	0.0%	7.0%

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Appendix C Page 8 Server Discount Percentages

Product Manufacturer	A Discount Percentage from MSRP	B Mark Up Percentage	C Additional Discount Categories 2.1, 2.2 and 2.3	D Total Discount to the State (A- B) + D
Liebert Equipment Standard Delivery	24%	3.0%	0.0%	21.0%
Liebert Equipment Standard Warranty	24%	3.0%	0.0%	21.0%
Liebert Equipment 7x 24x365 Same Day Warranty	24%	3.0%	0.0%	21.0%
Liebert Equipment 7x24x365 Critical Warranty	24%	3.0%	0.0%	21.0%
Liebert Equipment Standard Maintenance	24%	3.0%	0.0%	21.0%
Liebert Equipment 7x24x365 Same Day Maintenance	24%	3.0%	0.0%	21.0%
Liebert Equipment 7x24x365 Critical Maintenance	24%	3.0%	0.0%	21.0%
Netgear Equipment Standard Delivery	44%	5.0%	0.0%	38.5%
Netgear Equipment Standard Warranty	41%	5.0%	0.0%	36.0%
Netgear Equipment 7x 24x365 Same Day Warranty	10%	3.0%	0.0%	7.0%
Netgear Equipment 7x24x365 Critical Warranty	10%	3.0%	0.0%	7.0%
Netgear Equipment Standard Maintenance	10%	3.0%	0.0%	7.0%
Netgear Equipment 7x24x365 Same Day Maintenance	10%	3.0%	0.0%	7.0%
Netgear Equipment 7x24x365 Critical Maintenance	10%	3.0%	0.0%	7.0%

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Appendix D

Services Rates for Desktops, Servers, and Software

Item No.	Service Description	Hourly Rate to State by Year				
		2004	2005	2006	Opt-2007	Opt-2008
1	Senior Micro Support Technician (Hardware)	42.00	42.00	42.00	43.00	43.00
2	Junior Micro Support Technician (Hardware)	28.00	28.00	28.00	29.00	29.00
3	Associate Micro Support Technician (Hardware)	23.00	23.00	23.00	24.00	24.00
4	Senior Software Micro Support Technician (Software)	83.00	83.00	83.00	85.50	83.50
5	Junior Software Micro Support Technician (Software)	63.00	63.00	63.00	64.90	64.90
6	Associate Software Micro Support Technician (Software)	43.00	43.00	43.00	44.30	44.30
7	Remedy Project Manager (Software)	167.00	167.00	167.00	172.00	172.00
8	Remedy Technical Consultant (Software)	128.00	128.00	128.00	131.80	131.80
9	Filenet Technical Consultant (Software)	128.00	128.00	128.00	131.80	131.80
10	Citrix Support Services	115.00	115.00	115.00	118.50	118.50
11	Associate Server Support Technician	55.00	55.00	55.00	56.50	56.50
12	Junior Server Support Engineer	75.00	75.00	75.00	77.25	77.25
13	Senior Server Support Engineer	95.00	95.00	95.00	97.85	97.85
14	Certified Network Engineer Services	150.00	150.00	150.00	154.50	154.50
15	Senior Network Design Engineer Services	95.00	95.00	95.00	97.85	97.85
16	Junior Network Engineering Services	70.00	70.00	70.00	72.10	72.10
17	Local Area Network Analysis	83.00	83.00	83.00	85.50	85.50
18	Local Area Network Installation Services	62.00	62.00	62.00	63.85	63.85
19	Local Area Network Implementation/Integration Services (both hardware and software solutions)	80.00	80.00	80.00	82.40	82.40
20	Project Coordination	105.00	105.00	105.00	108.15	108.15

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Appendix E

MMCC ¼ Percent Savings Calculations

	Qty	MSRP	Discount	Price	Total	Increased Discount	Savings toward 1/4%	Committed Savings (1/4%)	Net Due State
Assume quarterly purchases as follows:									
Dell Desktop "B" with 17" monitor	1000	\$1,234	26.010%	\$913	\$913,037				
Dell Laptop "B"	1000	\$1,647	20.010%	\$1,317	\$1,317,435				
Dell Poweredge Server	100	\$30,078	18.000%	\$24,664	\$2,466,396				
Total Quarterly Purchases					\$4,696,868				
Quarter #1 -- No additional discount, dynamic pricing changes only.									
Dell Desktop "B" with 17" monitor	1000	\$1,134	26.010%	\$839	\$839,047	0.000%	\$0		
Dell Laptop "B"	1000	\$1,547	20.010%	\$1,237	\$1,237,445	0.000%	\$0		
Dell Poweredge Server	100	\$30,078	18.000%	\$24,664	\$2,466,396	0.000%	\$0		
Total Quarterly Purchases					\$4,542,888		\$0	\$11,357	\$11,357
Quarter #2 -- Increased laptop discount, but no further dynamic pricing changes.									
Dell Desktop "B" with 17" monitor	1000	\$1,134	26.010%	\$839	\$839,047	0.000%	\$0		
Dell Laptop "B"	1000	\$1,547	20.510%	\$1,230	\$1,229,710	0.500%	\$6,149		
Dell Poweredge Server	100	\$30,078	18.000%	\$24,664	\$2,466,396	0.000%	\$0		
Total Quarterly Purchases					\$4,535,153		\$6,149	\$11,338	\$5,189
Quarter #3 -- Increased server discount, additional dynamic pricing changes.									
Dell Desktop "B" with 17" monitor	1000	\$1,034	26.010%	\$765	\$765,057	0.000%	\$0		
Dell Laptop "B"	1000	\$1,547	20.510%	\$1,230	\$1,229,710	0.500%	\$6,149		
Dell Poweredge Server	100	\$28,078	18.250%	\$22,954	\$2,295,377	0.250%	\$5,738		
Total Quarterly Purchases					\$4,290,143		\$11,887	\$10,725	\$0

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Software Cost Model

Item No.	Manufacturer and Product Description	A Estimated Quantity	B Manufacturer Suggested Retail Price MSRP	C Contractor Discount from MSRP	D Dollar Markup to State	E Unit Price to State B-C+D=E	F Total Price to State A*E=F
1	<u>Macromedia</u> Flash MX	1	381.74	47.31	19.09	353.52	353.52
2	<u>Macromedia</u> Studio MX	1	687.73	85.20	34.39	636.92	636.92
3	<u>Macromedia</u> Dreamweaver MX	1	305.24	37.83	15.26	282.67	282.67
4	<u>Macromedia</u> ColdFusion	1	909.30	122.03	45.47	832.74	832.74
5	<u>Macromedia</u> Authorware 6.5	1	2,294.24	284.24	114.71	2,124.71	2,124.71
6	<u>Crystal Decisions, Inc.</u> Crystal Reports Professional V9.0	1	495.00	152.72	24.75	367.03	367.03
7	<u>Scansoft</u> Dragon Naturally Speaking Standard 7.0	1	99.95	18.86	5.00	86.09	86.09
8	<u>Scansoft</u> Omnipage Pro	1	507.95	50.80	25.40	482.55	482.55
9	<u>Jasc</u> Paint Shop Pro 8.0	1	109.00	27.35	5.45	87.10	87.10

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Software Cost Model

Item No.	Manufacturer and Product Description	A Estimated Quantity	B Manufacturer Suggested Retail Price MSRP	C Contractor Discount from MSRP	D Dollar Markup to State	E Unit Price to State B-C+D=E	F Total Price to State A*E=F
10	Symantec PC Anywhere Host and Remote V10.5	1	128.95	12.90	6.45	122.50	122.50
11	WinZip Computing WinZip 8.1	1	17.00	3.26	0.85	14.59	14.59
12	Puma Technologies Intellisync Gold 5.1	1	69.96	12.55	3.50	60.91	60.91
13	Quark Quark Xpress 5.0	1	995.00	158.02	49.75		0.00
14	Intuit Quick Books Pro 2003	1	299.95	67.05	15.00	247.90	247.90
15	Intuit Turbo Tax Premier Home and Business for Tax Year 2003	1	79.95	18.53	4.00	65.42	65.42
16	Roxio Easy CD and DVD Creator 6.0	1	99.95	32.60	5.00	72.35	72.35
17	Houghton Mifflin Stedman's Medical Dictionary Subscription	1	55.00	21.67	2.75	36.08	36.08

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Software Cost Model

Item No.	Manufacturer and Product Description	A Estimated Quantity	B Manufacturer Suggested Retail Price MSRP	C Contractor Discount from MSRP	D Dollar Markup to State	E Unit Price to State B-C+D=E	F Total Price to State A*E=F
18	<u>Delorme Mapping</u> Topo USA	1	99.95	22.86	5.00	82.09	82.09
19	<u>Lotus Development Corporation</u> Visualage Java Enterprise	1	2,844.00	346.00	142.20	2,640.20	2,640.20
			SEE NOTES				
20	<u>Elron Software</u> Web Inspector 5.1	1	770.00	94.75	38.50	713.75	713.75
21	<u>IP Switch</u> WS_FTP Pro 8.5	1	45.00	16.54	2.25	30.71	30.71
22	<u>HP</u> Openview Network Node Manager	1	20,395.00	6,730.35	1,019.75	14,684.40	14,684.40
22a	<u>HP</u> Openview Network Node Manager One Year Maintenance	1	850.00	280.50	42.50	612.00	612.00
			SEE NOTES				
23	<u>Mortice Kern Systems</u> Toolkit 7.0	1	479.00	123.61	23.95	379.34	379.34
24	<u>PowerQuest</u> PowerDeploy Suite	1	13.20	2.61	0.66	11.25	11.25

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Software Cost Model

Item No.	Manufacturer and Product Description	A Estimated Quantity	B Manufacturer Suggested Retail Price MSRP	C Contractor Discount from MSRP	D Dollar Markup to State	E Unit Price to State B-C+D=E	F Total Price to State A*E=F
25	Computer Associates BrightStor Arcserve 9.0	1	535.15	202.50	26.76	359.41	359.41
25a	Computer Associates BrightStor Arcserve 9.0 One Year Maintenance	1	139.00	52.60	6.95	93.35	93.35
26	Techsmith Snag-it 6.3	1	29.95	5.76	1.50	25.69	25.69
27	Niku Niku Portfolio Manager 6.0	1	1,515.15	0.00	0.00	1,515.15	1,515.15
27a	Niku Niku Portfolio Manager 6.0 One Year Maintenance	1	303.03	0.00	0.00	303.03	303.03
			SEE NOTES				
28	Quest Software Quest Toad Professional	1	1,325.00	120.45	66.25	1,270.80	1,270.80
29	BMC Remedy 5.0 A/R & HelpDesk Fixed License Part num HD-LC-5FIFU	5	6,400.00	2,560.00	320.00	4,160.00	20,800.00
29a	BMC Remedy 5.0 A/R & HelpDesk Fixed License One Year Premier Maintenance Part Num TS-PR	5	1,408.00	0.00	0.00	1,408.00	7,040.00
30	BMC	5	16,000.00	6,400.00	800.00	10,400.00	52,000.00

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Remedy 5.0 A/R & HelpDesk Floating License Part Num HD-LC-5FLFU							
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Software Cost Model

30a	BMC Remedy 5.0 A/R & HelpDesk Floating License One Year Premier Maintenance Part Num TS-PR	5	3,520.00	0.00	0.00	3,520.00	17,600.00
31	FileNet Enterprise Content Services 5.2 Model #305629	1	20,000.00	8,400.00	1,000.00	12,600.00	12,600.00
32	FileNet Content Services 3.x Shared User Lic Model #304843	1	1,300.00	546.00	65.00	819.00	819.00
33	FileNet eProcess Services 4.x Model #305857	1	30,000.00	12,600.00	1,500.00	18,900.00	18,900.00
34	FileNet eProcess Services Toolkit 4.x Model #305858	1	10,000.00	4,200.00	500.00	6,300.00	6,300.00
35	FileNet eForms 4.x Designer Model #306033	1	5,000.00	2,100.00	250.00	3,150.00	3,150.00
36	FileNet eForms 4.x Shared User License Model #306032	1	900.00	378.00	45.00	567.00	567.00
37	FileNet eForms 4.x Dedicated User License Model #306030	1	600.00	252.00	30.00	378.00	378.00
38	FileNet WorkFlo Services 4.x Dedicated User License Model #305851	1	600.00	252.00	30.00	378.00	378.00
39	FileNet WorkFlor Services 4.x Shared User License Model #305852	1	900.00	378.00	45.00	567.00	567.00
40	FileNet Capture Desktop 3.x Model #305089	1	2,000.00	840.00	100.00	1,260.00	1,260.00
41	FileNet Capture Desktop Medium Volume 4.x Model #306308	1	15,000.00	8,700.00	750.00	7,050.00	7,050.00

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42	<u>FileNet</u> IDM Toolkit 2.x-3.x Upgrade Model #304850	1	7,500.00	3,150.00	375.00	4,725.00	4,725.00
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Software Cost Model

Item No.	Manufacturer and Product Description	A Estimated Quantity	B Manufacturer Suggested Retail Price MSRP	C Contractor Discount from MSRP	D Dollar Markup to State	E Unit Price to State B-C+D=E	F Total Price to State A*E=F
43	<u>FileNet</u> Capture Prof Personal 3.x-4.x Upgrade Model #306298	1	2,000.00	840.00	100.00	1,260.00	1,260.00
44	<u>FileNet</u> Capture Prof Medium Volume 3.x-4.x Upgrade Model #306300	1	15,000.00	6,300.00	750.00	9,450.00	9,450.00
45	<u>FileNet</u> Capture DocProcessing 3.x-4.x Upgrade Model #306303	1	1,500.00	630.00	75.00	945.00	945.00
46	<u>FileNet</u> Fax Inbound 3.x Model #305118	1	6,000.00	2,520.00	300.00	3,780.00	3,780.00
47	<u>FileNet</u> Fax Outbound 2.x Model #304675	1	6,000.00	2,520.00	300.00	3,780.00	3,780.00
48	<u>FileNet</u> Print 4.x Model #304672	1	4,000.00	1,680.00	200.00	2,520.00	2,520.00
49	<u>FileNet</u> Optical Drivers-High Capacity Model #502222	1	12,000.00	5,040.00	600.00	7,560.00	7,560.00
50	<u>FileNet</u> Optical Drivers-Low Capacity Model #502224	1	3,000.00	1,260.00	150.00	1,890.00	1,890.00

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Appendix G Page 1

Start-Up Project Plan Submitted by EDS

ID	Task_Name	Duration	Scheduled Work	Start_Date	Finish_Date	Percent Complete
1	MMCC Implementation Planning	148 days?	9,016.3 hrs	12/16/2003	7/20/2004	7%
2	Contract Award Notification to EDS	0 days	0 hrs	1/6/2004	1/6/2004	100%
3	SoW draft	5 days	40 hrs	1/6/2004	1/12/2004	100%
4	Contract Negotiation	12 days	384 hrs	1/13/2004	1/29/2004	75%
5	Formal Contract Signing	1 hr	2 hrs	1/30/2004	1/30/2004	0%
6	Contract Signed	0 days	0 hrs	1/30/2004	1/30/2004	0%
7	Basic Operations Established	82 days?	3,749.43 hrs	1/6/2004	4/30/2004	2%
8	MMCC Del : Establish MMCC Joint Operations Governance	30 days	192.8 hrs	1/6/2004	2/18/2004	4%
9	Meet informally with MMCC Contract Administrator	1 day	8 hrs	1/6/2004	1/6/2004	100%
10	Schedule kick-off meeting	1 day	8.8 hrs	2/2/2004	2/2/2004	0%
11	Prepare Materials for Kick-Off Meeting	9 days	144 hrs	2/2/2004	2/12/2004	0%
12	Define communication plans	1 day	8 hrs	2/2/2004	2/2/2004	0%
13	Define scope & approach	8 days	64 hrs	2/2/2004	2/11/2004	0%
14	Define project process	8 days	64 hrs	2/2/2004	2/11/2004	0%
15	Define recurring meetings and attendance	1 day	8 hrs	2/12/2004	2/12/2004	0%
16	Distribute materials	1 day	8 hrs	2/13/2004	2/13/2004	0%
17	Facilitate Kick-Off Meeting	1 day	8 hrs	2/17/2004	2/17/2004	0%
18	Obtain State of Michigan approval of implementation plan	1 day	16 hrs	2/18/2004	2/18/2004	0%
19	MMCC Joint Operations Governance Operational	0 days	0 hrs	2/18/2004	2/18/2004	0%
20	MMCC Del: Establish basic ordering capability	57 days?	3,524.63 hrs	1/9/2004	3/31/2004	2%
21	WWT Del: establish ordering website	47 days?	3,364.63 hrs	1/9/2004	3/17/2004	2%
22	website location and linkages	5.5 days	98.4 hrs	1/30/2004	2/6/2004	0%
23	Verify Website URL with WWT (www.wwt.com/michigan)	0.5 days	1 hr	1/30/2004	1/30/2004	0%
24	Inform State of URL	2 days	2 hrs	1/30/2004	2/3/2004	0%
25	Determine if State Portal is only method of accessing web	3 days	3 hrs	2/3/2004	2/6/2004	0%

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Start-Up Project Plan Submitted by EDS

ID	Task_Name	Duration	Scheduled Work	Start_Date	Finish_Date	Percent Complete
26	website look and feel	26.75 days	793.93 hrs	2/3/2004	3/12/2004	0%
27	Create web site graphics and links	15.75 days	252 hrs	2/3/2004	2/26/2004	0%
28	State approves/changes web site graphics and links	3 days	3.9 hrs	2/26/2004	3/2/2004	0%
29	State requested changes made to web site	5 days	80 hrs	3/2/2004	3/9/2004	0%
30	State approves/changes web site graphic changes	3 days	8.63 hrs	3/9/2004	3/12/2004	0%
31	catalog build & customization	34 days?	727.9 hrs	1/9/2004	2/27/2004	15%
32	Send WWT format for catalog uploads to EDS	0.98 days	2 hrs	1/9/2004	1/9/2004	100%
33	Send WWT test information in their format	2 days	16 hrs	2/2/2004	2/4/2004	100%
34	WWT - test passing order data to EDS	2 days	32 hrs	2/4/2004	2/6/2004	100%
35	EDS & WWT determine how to process information that does not pass test	2 days	64 hrs	2/6/2004	2/10/2004	0%
36	Catalog update testing	5 days	80 hrs	2/4/2004	2/11/2004	0%
37	Catalog update correction	3 days	48 hrs	2/11/2004	2/17/2004	0%
38	Estore setup - obtain and set up SoM agency names, user names, addresses...	19 days?	152 hrs	2/2/2004	2/27/2004	0%
39	catalog load	5 days	174.4 hrs	3/1/2004	3/5/2004	0%
40	Full catalog sent to WWT	1 day	8 hrs	3/1/2004	3/1/2004	0%
41	Catalog loaded into WWT system	1 day	8 hrs	3/2/2004	3/2/2004	0%
42	Catalog information verified	3 days	74.4 hrs	3/3/2004	3/5/2004	0%
43	WWT Quoting	27 days?	648 hrs	1/21/2004	2/27/2004	0%
44	Web Qsys - Modify functionality to match WWT client Qsys	27 days?	216 hrs	1/21/2004	2/27/2004	0%
45	Web Qsys - Analyze performance	27 days?	216 hrs	1/21/2004	2/27/2004	0%
46	Web Qsys Setups - Users, Sales Territories, Contract, Price List, Customers	27 days?	216 hrs	1/21/2004	2/27/2004	0%
47	WWT Expediting	14 days?	336 hrs	2/9/2004	2/27/2004	0%
48	Exped Tool - Modify to allow EDS user access	14 days?	112 hrs	2/9/2004	2/27/2004	0%
49	Exped Tool - Add Program Security (EDS can only see SOM orders)	14 days?	112 hrs	2/9/2004	2/27/2004	0%
50	Exped Tool - Modify processing into WWT Oracle ERP for receipts only, no invoices	14 days?	112 hrs	2/9/2004	2/27/2004	0%

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Start-Up Project Plan Submitted by EDS

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	5 5 1/ 7/	
	d 8 2 2	
Order Process	a 6 0 0	
5 Testing and	y hr 0 0 0	
1 Validation	s s 4 4%	
MMCC Del:		
Order	2/ 2/	
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nt from web site	3 4 9/ 3/	
when order is	d 9. 2 2	
placed through e-	a 2 0 0	
5 commerce	y hr 0 0 0	
2 process	s s 4 4%	

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		2/ 2/
		2 2
	3 5	4/ 6/
	d 0.	2 2
MMCC Del: All	a 4	0 0
5 products updated	y hr	0 0 0
3 every 5 days	s s	4 4 %
		2/
		2 3/
MMCC Del:	5	7/ 4/
Automated email	d 8	2 2
notification when	a 4	0 0
5 order status	y hr	0 0 0
4 changes	s s	4 4 %
		2/ 2/
	1	1 2
MMCC Del:	0 1	1/ 5/
Ability to track an	d 6	2 2
order from	a 8	0 0
5 creation to	y hr	0 0 0
5 delivery	s s	4 4 %
MMCC Del:		2/
Information on		2 3/
website	3 5	6/ 1/
regarding rules	d 0.	2 2
surrounding	a 4	0 0
5 software	y hr	0 0 0
6 maintance	s s	4 4 %
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	1	3/ 1
MMCC Del:	0 1	2/ 5/
Information on	d 6	2 2
website detailing	a 8	0 0
5 what has	y hr	0 0 0
7 changed	s s	4 4 %

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		1 1
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5 SoM Final	y hr	0 0 0
8 Approval	s s	4 4 %
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6 Ordering Website	y hr	0 0 0
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MMCC Del: Train	d 6	2 2
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staff on use of	w 0	0 0
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	d	2 2
	a 0	0 0
6 Training	y hr	0 0 0
3 complete	s s	4 4 %
		3/ 3/
		3 3
	0	1/ 1/
	d	2 2
Basic Ordering	a 0	0 0
6 capability	y hr	0 0 0
4 Operational	s s	4 4 %
		4/
	6	2/ 3
	4	2/ 0/
	d 3	2 2
	a 2	0 0
6 Shut down	y hr	0 0 0
5 MIEUC web site	s s	4 4 %
		2/ 2/
		2/ 2/
	1	2 2
Notify ISP of	d 8	0 0
6 discontinuance of	a hr	0 0 0
6 web site support	y s	4 4 %
		2/ 2/
		3/ 3/
	1	2 2
Create re-direct	d 8	0 0
6 from MIEUC to	a hr	0 0 0
7 WWT web site	y s	4 4 %

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		3/ 3/
		3 3
		1/ 1/
Implement re-	1	2 2
direct from	d 8	0 0
6 MIEUC to WWT	a hr	0 0 0
8 web site	y s	4 4 %
		4/ 4/
		3 3
		0/ 0/
	1	2 2
	d 8	0 0
6 Turn off MIEUC	a hr	0 0 0
9 web site	y s	4 4 %
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		0 2 1 1
	d 1.	6/ 3/
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EUCN to MMCC	y 5	0 0
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0 Transition	? s	3 4 %
		1
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	d 4	2 2
EDS Del:	a 0	0 0
7 Financial System	y hr	0 0 0
1 Interfaces	s s	3 4 %
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		1 1
	0	3/ 3/
	d	2 2
Financial System	a 0	0 0
7 Interfaces	y hr	0 0 0
2 Operational	s s	4 4 %

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	3	2/
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	a 3	2 2
Plan for current	y 4	0 0 5
7 EUCN contract	s hr	0 0 3
3 transition	? s	4 4 %
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		1 2
Review and	6	4/ 2/
identify changes	d 4	2 2
needed for	a 8	0 0
7 EUCN to MMCC	y hr	0 0 0
4 migration	s s	4 4 %
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		1 1
	2	4/ 5/
	d 1	2 2
	a 6	0 0
7	y hr	0 0 0
5 Procedures	s s	4 4 %

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Start-Up Project Plan Submitted by EDS

ID	Task_Name	Duration	Scheduled Work	Start_Date	Finish_Date	Percent Complete
76	Documentation	2 days	16 hrs	1/16/2004	1/20/2004	0%
77	Letterhead / Report Headings / Collateral / Bulletins	2 days	16 hrs	1/21/2004	1/22/2004	0%
78	communication plan	31 days	320 hrs	1/5/2004	2/18/2004	78%
79	Internal	31 days	320 hrs	1/5/2004	2/18/2004	78%
80	Establish eRoom repository for transition documents	1 day	8 hrs	1/5/2004	1/5/2004	100%
81	Internal Announcement of Award	1 day	8 hrs	1/7/2004	1/7/2004	100%
82	Develop Account Rollout plan	2 days	16 hrs	1/8/2004	1/9/2004	100%
83	Develop Rollout Materials - Slides, handouts	3 days	24 hrs	1/20/2004	1/22/2004	100%
84	Update Account Communication Plan	2 days	16 hrs	2/17/2004	2/18/2004	0%
85	EUCN site inventory and recommendations	17.38 days	214 hrs	1/6/2004	1/30/2004	96%
86	Inventory existing EUCN web site HTML content	3 days	24 hrs	1/6/2004	1/8/2004	100%
87	Identify HTML content to transition to WWT	2 days	16 hrs	1/9/2004	1/12/2004	100%
88	Identify content to transition to SoM	2 days	16 hrs	1/9/2004	1/12/2004	100%
89	identify content to be deleted	2 days	16 hrs	1/9/2004	1/12/2004	100%
90	Meet with State to determine final disposition of content	0.38 days	3 hrs	1/30/2004	1/30/2004	0%
91	SoM Procurement Processes and Data	1 day?	152 hrs	2/2/2004	2/2/2004	0%
92	Identify Delivery Locations	1 day?	24 hrs	2/2/2004	2/2/2004	0%
93	Identify contacts within State of Michigan	1 day?	24 hrs	2/2/2004	2/2/2004	0%
94	Identify valid Index/Agency codes	1 day?	24 hrs	2/2/2004	2/2/2004	0%
95	Document escalation process/people within the State of Michigan	1 day?	24 hrs	2/2/2004	2/2/2004	0%
96	Identify State of Michigan approval paths	1 day?	24 hrs	2/2/2004	2/2/2004	0%
97	Document State of Michigan standards	1 day?	32 hrs	2/2/2004	2/2/2004	0%
98	EUCN Transition Plan Execution	46.38 days	544.4 hrs	12/16/2003	2/26/2004	0%
99	Internal Account Rollout	1 day	8 hrs	1/23/2004	1/23/2004	0%
100	Execute communications plan	1 day	0 hrs	2/19/2004	2/19/2004	0%

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Start-Up Project Plan Submitted by EDS

ID	Task_Name	Duration	Scheduled Work	Start_Date	Finish_Date	Percent Complete
101	Update text files transferring to WWT	8 days	64 hrs	1/30/2004	2/11/2004	0%
102	Approval of text file updates by State	2 days	17.6 hrs	2/11/2004	2/13/2004	0%
103	Determine WWT has pricing information from all MMCC Suppliers	9 days	72 hrs	1/8/2004	1/21/2004	0%
104	Determine process for updating information for suppliers not on WWT links	3 days	24 hrs	1/22/2004	1/26/2004	0%
105	Determine process for catalog data transfer	1 day	24 hrs	1/27/2004	1/27/2004	0%
106	Text & Catalog transfer from EUCN to WWT	8 days	64 hrs	2/13/2004	2/26/2004	0%
107	Data Transfer from EUCN to SoM	1 day	8.8 hrs	2/13/2004	2/17/2004	0%
108	Data transfer of historical maintenance/warranty/software licenses information to new process	15 days	10 hrs	2/2/2004	2/23/2004	0%
109	Create list of software and software maintenance purchases for last 3 years	10 days	8 hrs	2/2/2004	2/13/2004	0%
110	Determine if State has other Software that requires tracking	5 days	2 hrs	2/17/2004	2/23/2004	0%
111	Create transition web site	35 days	236 hrs	12/16/2003	2/9/2004	0%
112	Determine what must be removed from MIEUC	2 days	16 hrs	12/16/2003	12/17/2003	0%
113	Remove links to areas no longer required	2 days	16 hrs	2/6/2004	2/9/2004	0%
114	Determine Graphics required for interim site	3 days	24 hrs	12/18/2003	12/22/2003	0%
115	Develop graphics for new site	3 days	24 hrs	12/23/2003	12/29/2003	0%
116	Determine pricing for interim site	1 day	8 hrs	12/16/2003	12/16/2003	0%
117	Build upload file with new price for interim site	2 days	16 hrs	12/17/2003	12/18/2003	0%
118	Upload interim information to web site	1 day	8 hrs	12/19/2003	12/19/2003	0%
119	Build text message box for interim site home page	5 days	40 hrs	12/23/2003	1/2/2004	0%
120	Determine text message to enter into interim home page	2 days	16 hrs	1/5/2004	1/6/2004	0%
121	Rewrite Service Sections & Incorporate new pricing	7 days	56 hrs	1/23/2004	2/2/2004	0%
122	Obtain State approval of interim home page	1.5 days	12 hrs	2/6/2004	2/9/2004	0%
123	Implement Interim Order Processing	4 hrs	0 hrs	2/9/2004	2/9/2004	0%
124	Start of Interim Order Processing	0 days	0 hrs	2/9/2004	2/9/2004	0%
125	Travel Logistics	1 day	16 hrs	1/12/2004	1/12/2004	0%

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Start-Up Project Plan Submitted by EDS

ID	Task_Name	Duration	Scheduled Work	Start_Date	Finish_Date	Percent Complete
126	To Lansing	1 day	0 hrs	1/12/2004	1/12/2004	0%
127	To St. Louis	1 day	0 hrs	1/12/2004	1/12/2004	0%
128	Roles and Responsibilities Definition	8 days	40.8 hrs	12/16/2003	12/29/2003	0%
129	Create MMCC Roles Responsibilities Matrix	4 days	32 hrs	12/22/2003	12/29/2003	0%
130	Determine Roles Responsibility Changes from EUCN	1 day	8.8 hrs	12/16/2003	12/16/2003	0%
131	Training	5 days	174.55 hrs	3/18/2004	3/24/2004	0%
132	EDS	5 days	40 hrs	3/18/2004	3/24/2004	0%
133	Ordering Online	1 day	8 hrs	3/18/2004	3/18/2004	0%
134	Tracking Orders	1 day	8 hrs	3/19/2004	3/19/2004	0%
135	Return Policy	1 day	8 hrs	3/22/2004	3/22/2004	0%
136	Quoting	1 day	8 hrs	3/23/2004	3/23/2004	0%
137	Where To Go For Web Help	1 day	8 hrs	3/24/2004	3/24/2004	0%
138	SOM	5 days	47.27 hrs	3/18/2004	3/24/2004	0%
139	Ordering Online	1 day	9.45 hrs	3/18/2004	3/18/2004	0%
140	Tracking Orders	1 day	9.45 hrs	3/19/2004	3/19/2004	0%
141	Return Policy	1 day	9.45 hrs	3/22/2004	3/22/2004	0%
142	Quoting	1 day	9.45 hrs	3/23/2004	3/23/2004	0%
143	Where To Go For Web Help	1 day	9.45 hrs	3/24/2004	3/24/2004	0%
144	Extended Purchasing Partners (EPP)	5 days	47.27 hrs	3/18/2004	3/24/2004	0%
145	Ordering Online	1 day	9.45 hrs	3/18/2004	3/18/2004	0%
146	Tracking Orders	1 day	9.45 hrs	3/19/2004	3/19/2004	0%
147	Return Policy	1 day	9.45 hrs	3/22/2004	3/22/2004	0%
148	Quoting	1 day	9.45 hrs	3/23/2004	3/23/2004	0%
149	Where To Go For Web Help	1 day	9.45 hrs	3/24/2004	3/24/2004	0%
150	WWT	5 days	40 hrs	3/18/2004	3/24/2004	0%

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Start-Up Project Plan Submitted by EDS

ID	Task_Name	Duration	Scheduled Work	Start_Date	Finish_Date	Percent Complete
151	Orientation only	5 days	40 hrs	3/18/2004	3/24/2004	0%
152	Supplier Transition to WWT	39 days	352 hrs	12/16/2003	2/13/2004	18%
153	List of vendors sorted by \$ volume	1 day	16 hrs	1/6/2004	1/6/2004	100%
154	Send vendor list to WWT	1 day	16 hrs	1/7/2004	1/7/2004	100%
155	List of suppliers and what they supply	1 day	16 hrs	12/16/2003	12/16/2003	100%
156	Send supplier/product list to WWT	1 day	16 hrs	1/7/2004	1/7/2004	100%
157	Create letter to Vendors on MMCC & WWT	5 days	80 hrs	1/28/2004	2/3/2004	0%
158	Create distribution list for letter to Vendors	5 days	80 hrs	1/26/2004	1/30/2004	0%
159	Approval of EDS legal on the letter?	5 days	80 hrs	2/4/2004	2/10/2004	0%
160	Send EDS letter to Vendors introducing WWT	1 day	16 hrs	2/11/2004	2/11/2004	0%
161	Follow-up with Joint EDS/WWT team	2 days	32 hrs	2/12/2004	2/13/2004	0%
162	Services Subcontracts review	34.13 days	536 hrs	12/16/2003	2/9/2004	8%
163	New Suppliers	29 days	464 hrs	12/16/2003	1/30/2004	0%
164	World Wide Technology	29 days	240 hrs	12/16/2003	1/30/2004	0%
165	T&C's	10 days	160 hrs	12/16/2003	1/2/2004	0%
166	legal contact review	5 days	80 hrs	1/26/2004	1/30/2004	0%
167	Pyramid Solutions	14 days	224 hrs	1/12/2004	1/30/2004	0%
168	T&C's	9 days	144 hrs	1/12/2004	1/23/2004	0%
169	legal contact review	5 days	80 hrs	1/26/2004	1/30/2004	0%
170	Existing Suppliers	23.13 days	72 hrs	1/6/2004	2/9/2004	33%
171	Create a list of service suppliers under EUCN	1 day	8 hrs	1/6/2004	1/6/2004	100%
172	Verify there is a signed agreement in place between the supplier and EDS	2 days	16 hrs	1/7/2004	1/8/2004	100%
173	Send letter of agreement to suppliers w/changes	1 day	8 hrs	1/30/2004	2/2/2004	0%
174	Legal contract review	5 days	40 hrs	2/2/2004	2/9/2004	0%
175	Ongoing Development Activities	58 days	1,635.12 hrs	1/9/2004	4/1/2004	7%

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Start-Up Project Plan Submitted by EDS

ID	Task_Name	Duration	Scheduled Work	Start_Date	Finish_Date	Percent Complete
176	Technical Development	10 days	240 hrs	2/17/2004	3/1/2004	0%
177	Software Patch Library	10 days	240 hrs	2/17/2004	3/1/2004	0%
178	Reports & Reporting	17.5 days	330.8 hrs	1/9/2004	2/4/2004	29%
179	Identify all required MMCC reports	2 days	16 hrs	1/9/2004	1/12/2004	0%
180	Review RFP and EDS Bid to determine reporting requirements	1 day	8 hrs	1/9/2004	1/9/2004	0%
181	Commodity Reports	2 hrs	2 hrs	1/9/2004	1/9/2004	0%
182	Service Reports	2 hrs	2 hrs	1/9/2004	1/9/2004	0%
183	Warranty Reports	2 hrs	2 hrs	1/9/2004	1/9/2004	0%
184	Maintenance Reports	2 hrs	2 hrs	1/9/2004	1/9/2004	0%
185	Revise the existing EUCN report matrix	8 hrs	8 hrs	1/12/2004	1/12/2004	0%
186	Determine required changes to existing reports or development of new reports	2 days	17.6 hrs	1/13/2004	1/14/2004	0%
187	Provide sample EUCN commodity reports to WWT	2 days	16 hrs	1/15/2004	1/16/2004	0%
188	Determine method for producing required MMCC reports	6.5 days	157.2 hrs	1/20/2004	1/28/2004	77%
189	Identify the source of data and method for producing commodity reports	2 days	48 hrs	1/20/2004	1/21/2004	100%
190	Identify the source of data and method for producing service reports	1 day	24 hrs	1/22/2004	1/22/2004	100%
191	Identify the source of data and method for producing warranty reports	1 day	24 hrs	1/23/2004	1/23/2004	100%
192	Identify the method of delivery	1 day	24 hrs	1/26/2004	1/26/2004	100%
193	Identify audience for reports	4 hrs	12.4 hrs	1/27/2004	1/27/2004	0%
194	Identify person responsible for reports	4 hrs	12.4 hrs	1/27/2004	1/27/2004	0%
195	Identify the frequency of reports	4 hrs	12.4 hrs	1/28/2004	1/28/2004	0%
196	Develop final format for reports	5 days	124 hrs	1/28/2004	2/4/2004	0%
197	Communication Plan	16 days	216 hrs	1/12/2004	2/3/2004	22%
198	State	13 days	76.8 hrs	1/14/2004	2/2/2004	25%
199	Identify key stakeholders	1 day	9.6 hrs	1/14/2004	1/14/2004	100%
200	determine communications content (Changes, new \$, process, FAQ)	2 days	19.2 hrs	1/15/2004	1/16/2004	50%

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Start-Up Project Plan Submitted by EDS

ID	Task_Name	Duration	Scheduled Work	Start_Date	Finish_Date	Percent Complete
201	determine communications methods (email, mailings, meetings)	1 day	9.6 hrs	1/20/2004	1/20/2004	0%
202	establish communication schedule	1 day	9.6 hrs	1/21/2004	1/21/2004	0%
203	determine distribution	1 day	9.6 hrs	1/22/2004	1/22/2004	0%
204	Review plan with the MMCC Contract Administrator	1 day	9.6 hrs	1/23/2004	1/23/2004	0%
205	Distribute communication	1 day	9.6 hrs	2/2/2004	2/2/2004	0%
206	Local	13 days	67.2 hrs	1/15/2004	2/3/2004	19%
207	determine communications content	3 days	25.2 hrs	1/15/2004	1/20/2004	50%
208	determine communications methods (email, mailings, meetings)	1 day	8.4 hrs	1/21/2004	1/21/2004	0%
209	establish communication schedule	1 day	8.4 hrs	1/15/2004	1/15/2004	0%
210	determine distribution	1 day	8.4 hrs	1/16/2004	1/16/2004	0%
211	Review plan with the MMCC Contract Administrator	1 day	8.4 hrs	1/28/2004	1/28/2004	0%
212	Distribute communication	1 day	8.4 hrs	2/3/2004	2/3/2004	0%
213	Vendor	16 days	72 hrs	1/12/2004	2/3/2004	23%
214	Develop and distribute contract award notification	1 day	8 hrs	1/12/2004	1/12/2004	75%
215	determine communications content (Changes, new \$, process)	3 days	24 hrs	1/15/2004	1/20/2004	50%
216	determine communications methods (email, mailings, meetings)	1 day	8 hrs	1/21/2004	1/21/2004	0%
217	establish communication schedule	1 day	8 hrs	1/22/2004	1/22/2004	0%
218	determine distribution	1 day	8 hrs	1/23/2004	1/23/2004	0%
219	Distribute communications	1 day	0 hrs	2/3/2004	2/3/2004	0%
220	Develop notification to EUCN vendors on close down	1 day	8 hrs	1/29/2004	1/29/2004	0%
221	Send close down notification to EUCN vendors	1 day	8 hrs	1/30/2004	1/30/2004	0%
222	Services	51 days	722.72 hrs	1/21/2004	4/1/2004	1%
223	Software Support	43 days	204 hrs	2/2/2004	4/1/2004	0%
224	Establish SPOC for Software Vendor Referral	2 wks	88 hrs	2/2/2004	2/13/2004	0%
225	Determine best method for creating software patch library	3 days	26.4 hrs	2/2/2004	2/4/2004	0%

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Start-Up Project Plan Submitted by EDS

ID	Task_Name	Duration	Scheduled Work	Start_Date	Finish_Date	Percent Complete
226	Determine process the State will use to approve online patches	5 days	44 hrs	2/5/2004	2/11/2004	0%
227	Implement Patch Library on WWT Web	1 day	8.8 hrs	3/30/2004	3/30/2004	0%
228	Software License Tracking / Reporting	2 days	36.8 hrs	3/31/2004	4/1/2004	0%
229	SPOC for Warranty & Maintenance	19 days	324.32 hrs	1/26/2004	2/20/2004	0%
230	CAS Changes for Sun/HP ordering approvals	1 day	1.03 hrs	1/26/2004	1/26/2004	0%
231	Reoccurring charge file	10 days	24 hrs	1/26/2004	2/6/2004	0%
232	Update Current Maintenance Database	18 days	95.03 hrs	1/26/2004	2/19/2004	0%
233	Update Current Warranty Database	5 days	80 hrs	1/26/2004	1/30/2004	0%
234	T&M Service Calls Process	1 day	1.03 hrs	1/26/2004	1/26/2004	0%
235	Warranty Tracking / Reporting	1 day	8.8 hrs	2/2/2004	2/2/2004	0%
236	Maintenance Tracking / Reporting	1 day	8.8 hrs	2/20/2004	2/20/2004	0%
237	1st Call Contingency Process	1 day	8.8 hrs	1/26/2004	1/26/2004	0%
238	7x24x365 Coverage (for servers)	1 wk	44 hrs	2/9/2004	2/13/2004	0%
239	IVR Specifications	1 wk	44 hrs	2/9/2004	2/13/2004	0%
240	Remedy Linkage	1 day	8.8 hrs	2/17/2004	2/17/2004	0%
241	SOW Services	16 days	194.4 hrs	1/21/2004	2/11/2004	5%
242	Examime current EUCN projects for expiration or transition	2 days	16 hrs	1/21/2004	1/22/2004	50%
243	Obtain State approval on EUCN project expiration or transition	6 days	72 hrs	1/23/2004	1/30/2004	0%
244	Initiate project renewals through MMCC	8 days	64 hrs	2/2/2004	2/11/2004	0%
245	Review and update SoW process	2 days	17.6 hrs	1/26/2004	1/27/2004	0%
246	Update resourcing process	1 day	8.8 hrs	1/28/2004	1/28/2004	0%
247	Review PMO activities	2 days	16 hrs	1/29/2004	1/30/2004	0%
248	Service Level Agreements	15 days	125.6 hrs	2/9/2004	3/1/2004	0%
249	SLA Identification	2 days	17.6 hrs	2/9/2004	2/10/2004	0%
250	SLA Measures and Instrumentation	5 days	40 hrs	2/11/2004	2/18/2004	0%

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Start-Up Project Plan Submitted by EDS

ID	Task_Name	Duration	Scheduled Work	Start_Date	Finish_Date	Percent Complete
251	SLA reporting	5 days	44 hrs	2/19/2004	2/25/2004	0%
252	Add MMCC to EDS Corporate Dashboard	2 days	16 hrs	2/26/2004	2/27/2004	0%
253	Initiate MMCC reporting on EDS SoM Account Operational Dashboard	1 day	8 hrs	3/1/2004	3/1/2004	0%
254	Project Management Functions (PMBok/GPMA)	148 days	184 hrs	12/16/2003	7/20/2004	0%
255	Project Scope Management	132 days	56 hrs	1/13/2004	7/20/2004	0%
256	identify deliverables	2 days	0 hrs	1/13/2004	1/14/2004	0%
257	Identify deliverable timeframes	2 days	16 hrs	1/13/2004	1/14/2004	0%
258	identify deliverable owners	2 days	16 hrs	1/13/2004	1/14/2004	0%
259	Create formal Scope Document	1 day	8 hrs	1/15/2004	1/15/2004	0%
260	MMCC Joint Operations Governance approval of scope	1 day	8 hrs	2/18/2004	2/18/2004	0%
261	Initiate Scope Change Management process	1 day	8 hrs	2/19/2004	2/19/2004	0%
262	MMCC Scope Change Management Meeting	128 days	0 hrs	1/20/2004	7/20/2004	0%
263	MMCC Scope Change Management Meeting 1	1 day	0 hrs	1/20/2004	1/20/2004	0%
264	MMCC Scope Change Management Meeting 2	1 day	0 hrs	2/17/2004	2/17/2004	0%
265	MMCC Scope Change Management Meeting 3	1 day	0 hrs	3/16/2004	3/16/2004	0%
266	MMCC Scope Change Management Meeting 4	1 day	0 hrs	4/20/2004	4/20/2004	0%
267	MMCC Scope Change Management Meeting 5	1 day	0 hrs	5/18/2004	5/18/2004	0%
268	MMCC Scope Change Management Meeting 6	1 day	0 hrs	6/15/2004	6/15/2004	0%
269	MMCC Scope Change Management Meeting 7	1 day	0 hrs	7/20/2004	7/20/2004	0%
270	Project Time Management	127 days	56 hrs	1/14/2004	7/14/2004	0%
271	identify tasks to create deliverables	2 days	16 hrs	1/14/2004	1/15/2004	0%
272	create deliverable based schedule	1 day	8 hrs	1/16/2004	1/16/2004	0%
273	Management Red Team	1 day	8 hrs	1/20/2004	1/20/2004	0%
274	Worker Team Review	3 days	24 hrs	1/15/2004	1/20/2004	0%
275	SoM SPO Project Status Review Meeting	123 days	0 hrs	1/21/2004	7/14/2004	0%

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Start-Up Project Plan Submitted by EDS

ID	Task_Name	Duration	Scheduled Work	Start_Date	Finish_Date	Percent Complete
276	SoM SPO Project Status Review Meeting 1	1 day	0 hrs	1/21/2004	1/21/2004	0%
277	SoM SPO Project Status Review Meeting 2	1 day	0 hrs	1/28/2004	1/28/2004	0%
278	SoM SPO Project Status Review Meeting 3	1 day	0 hrs	2/4/2004	2/4/2004	0%
279	SoM SPO Project Status Review Meeting 4	1 day	0 hrs	2/11/2004	2/11/2004	0%
280	SoM SPO Project Status Review Meeting 5	1 day	0 hrs	2/18/2004	2/18/2004	0%
281	SoM SPO Project Status Review Meeting 6	1 day	0 hrs	2/25/2004	2/25/2004	0%
282	SoM SPO Project Status Review Meeting 7	1 day	0 hrs	3/3/2004	3/3/2004	0%
283	SoM SPO Project Status Review Meeting 8	1 day	0 hrs	3/10/2004	3/10/2004	0%
284	SoM SPO Project Status Review Meeting 9	1 day	0 hrs	3/17/2004	3/17/2004	0%
285	SoM SPO Project Status Review Meeting 10	1 day	0 hrs	3/24/2004	3/24/2004	0%
286	SoM SPO Project Status Review Meeting 11	1 day	0 hrs	3/31/2004	3/31/2004	0%
287	SoM SPO Project Status Review Meeting 12	1 day	0 hrs	4/7/2004	4/7/2004	0%
288	SoM SPO Project Status Review Meeting 13	1 day	0 hrs	4/14/2004	4/14/2004	0%
289	SoM SPO Project Status Review Meeting 14	1 day	0 hrs	4/21/2004	4/21/2004	0%
290	SoM SPO Project Status Review Meeting 15	1 day	0 hrs	4/28/2004	4/28/2004	0%
291	SoM SPO Project Status Review Meeting 16	1 day	0 hrs	5/5/2004	5/5/2004	0%
292	SoM SPO Project Status Review Meeting 17	1 day	0 hrs	5/12/2004	5/12/2004	0%
293	SoM SPO Project Status Review Meeting 18	1 day	0 hrs	5/19/2004	5/19/2004	0%
294	SoM SPO Project Status Review Meeting 19	1 day	0 hrs	5/26/2004	5/26/2004	0%
295	SoM SPO Project Status Review Meeting 20	1 day	0 hrs	6/2/2004	6/2/2004	0%
296	SoM SPO Project Status Review Meeting 21	1 day	0 hrs	6/9/2004	6/9/2004	0%
297	SoM SPO Project Status Review Meeting 22	1 day	0 hrs	6/16/2004	6/16/2004	0%
298	SoM SPO Project Status Review Meeting 23	1 day	0 hrs	6/23/2004	6/23/2004	0%
299	SoM SPO Project Status Review Meeting 24	1 day	0 hrs	6/30/2004	6/30/2004	0%
300	SoM SPO Project Status Review Meeting 25	1 day	0 hrs	7/7/2004	7/7/2004	0%

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Start-Up Project Plan Submitted by EDS

ID	Task_Name	Duration	Scheduled Work	Start_Date	Finish_Date	Percent Complete
301	SoM SPO Project Status Review Meeting 26	1 day	0 hrs	7/14/2004	7/14/2004	0%
302	Project Cost management	134 days	24 hrs	1/8/2004	7/19/2004	0%
303	Establish project implementation budget	1 day	8 hrs	1/8/2004	1/8/2004	0%
304	identify RC's for cost tracking	1 day	8 hrs	1/9/2004	1/9/2004	0%
305	initiate standard time and expense reporting	1 day	8 hrs	1/12/2004	1/12/2004	0%
306	EDS PMO Project Status/Issue/Risk/Financial review meeting	132 days	0 hrs	1/12/2004	7/19/2004	0%
307	EDS PMO Project Status/Issue/Risk/Financial review meeting 1	1 day	0 hrs	1/12/2004	1/12/2004	0%
308	EDS PMO Project Status/Issue/Risk/Financial review meeting 2	1 day	0 hrs	1/20/2004	1/20/2004	0%
309	EDS PMO Project Status/Issue/Risk/Financial review meeting 3	1 day	0 hrs	1/26/2004	1/26/2004	0%
310	EDS PMO Project Status/Issue/Risk/Financial review meeting 4	1 day	0 hrs	2/2/2004	2/2/2004	0%
311	EDS PMO Project Status/Issue/Risk/Financial review meeting 5	1 day	0 hrs	2/9/2004	2/9/2004	0%
312	EDS PMO Project Status/Issue/Risk/Financial review meeting 6	1 day	0 hrs	2/17/2004	2/17/2004	0%
313	EDS PMO Project Status/Issue/Risk/Financial review meeting 7	1 day	0 hrs	2/23/2004	2/23/2004	0%
314	EDS PMO Project Status/Issue/Risk/Financial review meeting 8	1 day	0 hrs	3/1/2004	3/1/2004	0%
315	EDS PMO Project Status/Issue/Risk/Financial review meeting 9	1 day	0 hrs	3/8/2004	3/8/2004	0%
316	EDS PMO Project Status/Issue/Risk/Financial review meeting 10	1 day	0 hrs	3/15/2004	3/15/2004	0%
317	EDS PMO Project Status/Issue/Risk/Financial review meeting 11	1 day	0 hrs	3/22/2004	3/22/2004	0%
318	EDS PMO Project Status/Issue/Risk/Financial review meeting 12	1 day	0 hrs	3/29/2004	3/29/2004	0%
319	EDS PMO Project Status/Issue/Risk/Financial review meeting 13	1 day	0 hrs	4/5/2004	4/5/2004	0%
320	EDS PMO Project Status/Issue/Risk/Financial review meeting 14	1 day	0 hrs	4/12/2004	4/12/2004	0%
321	EDS PMO Project Status/Issue/Risk/Financial review meeting 15	1 day	0 hrs	4/19/2004	4/19/2004	0%
322	EDS PMO Project Status/Issue/Risk/Financial review meeting 16	1 day	0 hrs	4/26/2004	4/26/2004	0%
323	EDS PMO Project Status/Issue/Risk/Financial review meeting 17	1 day	0 hrs	5/3/2004	5/3/2004	0%
324	EDS PMO Project Status/Issue/Risk/Financial review meeting 18	1 day	0 hrs	5/10/2004	5/10/2004	0%
325	EDS PMO Project Status/Issue/Risk/Financial review meeting 19	1 day	0 hrs	5/17/2004	5/17/2004	0%

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Start-Up Project Plan Submitted by EDS

ID	Task_Name	Duration	Scheduled Work	Start_Date	Finish_Date	Percent Complete
326	EDS PMO Project Status/Issue/Risk/Financial review meeting 20	1 day	0 hrs	5/24/2004	5/24/2004	0%
327	EDS PMO Project Status/Issue/Risk/Financial review meeting 21	1 day	0 hrs	6/1/2004	6/1/2004	0%
328	EDS PMO Project Status/Issue/Risk/Financial review meeting 22	1 day	0 hrs	6/7/2004	6/7/2004	0%
329	EDS PMO Project Status/Issue/Risk/Financial review meeting 23	1 day	0 hrs	6/14/2004	6/14/2004	0%
330	EDS PMO Project Status/Issue/Risk/Financial review meeting 24	1 day	0 hrs	6/21/2004	6/21/2004	0%
331	EDS PMO Project Status/Issue/Risk/Financial review meeting 25	1 day	0 hrs	6/28/2004	6/28/2004	0%
332	EDS PMO Project Status/Issue/Risk/Financial review meeting 26	1 day	0 hrs	7/6/2004	7/6/2004	0%
333	EDS PMO Project Status/Issue/Risk/Financial review meeting 27	1 day	0 hrs	7/12/2004	7/12/2004	0%
334	EDS PMO Project Status/Issue/Risk/Financial review meeting 28	1 day	0 hrs	7/19/2004	7/19/2004	0%
335	Project Issue Management	26 days	24 hrs	1/12/2004	2/18/2004	0%
336	Publish Issue Management Process from GPMA	1 day	8 hrs	1/12/2004	1/12/2004	0%
337	Initiate Issue initiation and tracking using Issue form and log from GMPA	1 day	8 hrs	1/13/2004	1/13/2004	0%
338	Initiate Issue Reporting at SoM SPO Project Status Review meetings	1 day	8 hrs	2/18/2004	2/18/2004	0%
339	Project Risk Management	26 days	24 hrs	1/12/2004	2/18/2004	0%
340	Publish Risk Management Process from GPMA	1 day	8 hrs	1/12/2004	1/12/2004	0%
341	Initiate Risk initiation and tracking using risk form and log from GPMA	1 day	8 hrs	1/13/2004	1/13/2004	0%
342	Initiate Risk Reporting at SoM SPO Project Status Review Meetings	1 day	8 hrs	2/18/2004	2/18/2004	0%
343	Project Communications Management	1 day	0 hrs	12/16/2003	12/16/2003	0%
344	Project Integration Management	1 day	0 hrs	12/16/2003	12/16/2003	0%
345	Project Quality Management	1 day	0 hrs	12/16/2003	12/16/2003	0%
346	Project Human Resource Management	1 day	0 hrs	12/16/2003	12/16/2003	0%
347	Project Procurement Management	1 day	0 hrs	12/16/2003	12/16/2003	0%

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SECTION IV
DEFINITION OF TERMS

Terms	Definitions
Blanket purchase order	Alternate term for “contract” used in the state’s computer systems (Michigan Automated Information Network [MAIN])
(CCA) Advisory Committee	The group will meet at a minimum on a quarterly basis. The team consists of representatives from DIT, DMB/Acquisition Services, Contractor, appropriate OEM and others as invited.
Cancellation	Ending all rights and obligations of the state and contractor, except for any rights and obligations that are due and owing.
Consistent client architecture	The consistent client architecture (CCA) advisory group is co-chaired by the MMCC Contract Administrator and the desktop & portable hardware contractor.
Contract	A binding agreement entered into by the state of Michigan resulting from a bidder’s proposal; see also “blanket purchase order.”
Contractor	Electronic Data System Corporation (EDS) and it’s wholly owned subsidiaries.
DIT	Michigan Department of Information Technology
DIT client	State Department and Agencies.
DMB	Michigan Department of Management and Budget
E-Commerce (Business to Business Transactions)	Business-to-business commerce represents one of the fastest growing segments of e-commerce. Businesses order supplies and coordinate complicated projects electronically.
E-Commerce Product Transactions	Retail web sites typically include electronic catalogs that describe and display products for sale. Consumers can search for individual items or randomly browse electronic catalogs. Many online retailers allow customers to order products and then track the shipment of their order. Many online retailers also automatically notify their customers by

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Terms	Definitions
	e-mail when the product has been shipped.
E-Commerce Service Transactions	Other e-commerce businesses offer services. Financial services represent a large segment of e-commerce. Other sites provide consumers with a way to research and obtain mortgages and other loans online.
Effective date	The date on which both parties sign the contract.
Electronic Commerce	The exchange of goods and services by means of the internet or other computer network. E-commerce follows the same basic principles as traditional commerce-that is, buyers and sellers come together to exchange goods for money. But rather than conducting business in the traditional way-in stores and other "brick and mortar" buildings, or through mail order catalogs and telephone operators-in e-commerce buyers and sellers transact business over networked computers.
Equipment	An all-inclusive term, which refers either to individual machines or components, individually or collectively.
Equipment failure	A malfunction in the equipment, excluding all software and external factors, which prevents or impedes the accomplishment of a job.
Expiration	Except were specifically provided for in the contract, the ending and termination of the contractual duties and obligations of the parties to the contract pursuant to a mutually agreed upon date.
Extended Purchasing Program (EPP)	Acquisition Services extends its services to any city, village, county, township, school district, intermediate school district, non-profit hospital, institution of higher education, community or junior college. This joint purchasing effort is called the Extended Purchasing Program.
FileNet	Proprietary software tool used for document management.
HBA	Host bus adapter
Installation date	The date specified in the contract(s) by which the contractor must have the ordered equipment ready (certified) for use by the state.
Joint operations meeting	A monthly meeting with each individual category

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Terms	Definitions
	contractor will be held with DIT personnel to discuss contract issues, service level agreements (SLA's), required reports, and other issues.
Master Vendor Program (MVP)	Contract that covers the following information technology services – data warehouse, security, business requirements/needs assessment and project development.
MMCC	Michigan Master Computing Contract
MMCC Contract Compliance Inspector	Individual named by the DMB acquisition services having authorization to manage the day to day operations of the MMCC contract(s).
Network	In the context of the contract this includes hubs, routers, Ethernet, and switches.
OEM	Original equipment manufacturer
Preventive maintenance	That maintenance performed by the contractor, which is designated to keep the equipment in proper operating condition. It is performed on a scheduled basis.
Procurement Card (P-Card)	State issued credit card.
Remedial maintenance	The maintenance performed by the contractor which results from equipment failure and which is performed as required, and, therefore, on an unscheduled basis.
Remedy	Proprietary software tool used for help desk services at the State of Michigan.
Contract Administrator	Individual that has responsibility to change, modify, negotiate, amend, alter or clarify the prices, specifications, terms and conditions of this Contract(s).