

**STATE OF MICHIGAN  
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET  
 PROCUREMENT  
 P.O. BOX 30026, LANSING, MI 48909  
 OR  
 525 W. ALLEGAN, LANSING, MI 48933**

**CHANGE NOTICE NO. 3**  
 to  
**CONTRACT NO. 071B0200042**  
 between  
**THE STATE OF MICHIGAN**  
 and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
HP Enterprise Services, LLC 6015 West St. Joseph Hwy., Suite 101 Lansing, MI 48917	Tim Robl	Tim.rob1@hp.com
	PHONE	CONTRACTOR'S TAX ID NO. (LAST FOUR DIGITS ONLY)
	(517) 993-4024	2737

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER / CCI	DTMB	Linda Pung	(517) 241-5498	Pungl2@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Terry Mead	(517) 284-7035	Meadt@michigan.gov

CONTRACT SUMMARY			
<b>DESCRIPTION:</b> Project Control and Technical Infrastructure Support Services for Michigan Child Support Enforcement System/BRIDGES System			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
November 1, 2009	October 31, 2014	2, one year	October 31, 2015
PAYMENT TERMS		DELIVERY TIMEFRAME	
N/A		N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS			
N/A			

DESCRIPTION OF CHANGE NOTICE				
EXERCISE OPTION?	LENGTH OF OPTION	EXERCISE EXTENSION?	LENGTH OF EXTENSION	REVISED EXP. DATE
<input checked="" type="checkbox"/>	1 year	<input checked="" type="checkbox"/>	1 year	October 31, 2017
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$58,992,000.00		\$17,419,969.00	\$76,411,969.00	

**DESCRIPTION:** Effective October 21, 2015, this contract is hereby amended to exercise the last option year from 11/1/2015 – 10/31/2016, and extend the contract for an additional year from 11/1/2016 – 10/31/2017. This amendment adds four additional technical staff to the Technical Control Group team and is increased by \$17,419,969.00 per Attachment A Pricing (\$19,612,008.00 minus remaining balance of \$2,192,039.00) to continue to provide Project Management Control (PCO), Technical Infrastructure Control (TCG), and related support services for critical Department of Health and Human Services. All other terms, conditions, pricing and specifications remain the same. Per State Ad Board approval on October 13, 2015.





**MICHIGAN DEPARTMENT OF TECHNOLOGY,  
MANAGEMENT AND BUDGET  
IT SERVICES  
STATEMENT OF WORK**

<b>Project Title:</b> Extend Current MiCSES/Bridges PCO/TCG Agreement	<b>Period of Coverage:</b> 11/1/15-10/31/17
<b>Requesting Department:</b> DTMB/DHS	<b>Date:</b> 8/1/15
<b>Agency Project Manager:</b> Pratin Trivedi	<b>Phone:</b> 517-334-6560
<b>DTMB Project Manager:</b> Kemal Tekinel and Tina Symington	<b>Phone:</b> 517-241-5779

**Brief Description of Services to be provided:**

**BACKGROUND:**

Under the contract HP currently provides and will continue to provide through the contract extension, project management control, technical infrastructure control, and relate support services for critical Department of Human Services (DHS) applications – Michigan Child Support Enforcement System (MiCSES) and Bridges.

**PROJECT OBJECTIVE:**

HP will continue to work in concert with the State and its respective application maintenance and development contractor(s) to deliver project management control, technical infrastructure control, and related support services for DTMB, DHS, and their program partners. HP will add four additional technical staff to the current HP TCG team to support the Bridges project.

**SCOPE OF WORK:**

For PCO: They offer an independent analysis of project scope, status and resource allocation and provide project management services for software releases and related project work for the MiCSES system and project.

For TCG: They will support the technical environments and source code, the security of the application, and review the soundness of the technical solutions proposed and implemented for both MiCSES and Bridges.

**DELIVERABLES:**

Deliverables will not be considered complete until the Agency Project Manager has formally accepted them. Deliverables for this project include:

Project management control, technical infrastructure control, and related support services for critical Department of Human Services applications.

**ACCEPTANCE CRITERIA:**

**PROJECT CONTROL AND REPORTS:**

A bi-weekly progress report must be submitted to the Agency and DTMB Project Managers throughout the life of this project. This report may be submitted with the billing invoice. Each bi-weekly progress report must contain the following:

1. **Hours:** Indicate the number of hours expended during the past two weeks, and the cumulative total to date for the project. Also state whether the remaining hours are sufficient to complete the project.
2. **Accomplishments:** Indicate what was worked on and what was completed during the current

reporting period.

3. **Funds:** Indicate the amount of funds expended during the current reporting period, and the cumulative total to date for the project.

**SPECIFIC DEPARTMENT STANDARDS:**

Agency standards, if any, in addition to DTMB standards.

**PAYMENT SCHEDULE:**

Payment will be made on a monthly **Time and Materials** basis. DTMB will pay CONTRACTOR upon receipt of properly completed invoice(s) which shall be submitted to the billing address on the State issued purchase order not more often than monthly. DTMB Accounts Payable area will coordinate obtaining Agency and DTMB Project Manager approvals. All invoices should reflect actual work completed by payment date, and must be approved by the Agency and DTMB Project Manager prior to payment. The invoices shall describe and document to the State's satisfaction a description of the work performed, the progress of the project, and fees. When expenses are invoiced, receipts will need to be provided along with a detailed breakdown of each type of expense.

Payment shall be considered timely if made by the DTMB within forty-five (45) days after receipt of properly completed invoices.

**EXPENSES:**

The State will NOT pay for any travel expenses, including hotel, mileage, meals, parking, etc.

**PROJECT CONTACTS:**

The designated Agency Project Manager is:

Name Pratin Trivedi  
Department DHS  
Building/Floor Romney Building  
Address 111 S. Capitol Ave.  
City/State/ZipLansing, MI 48901  
Phone Number 517-334-6560  
Email Address TrivediP@michigan.gov

The designated DTMB Project Manager is:

Name Kemal Tekinel  
Department DTMB/DHS  
Building/Floor Grand Tower Building  
Address 235 S. Grand Ave.  
City/State/ZipLansing, MI 48901  
Phone Number 517-241-5779  
Email Address Tekinelk@michigan.gov

**LOCATION OF WHERE THE WORK IS TO BE PERFORMED:**

1. Location of Work
  - a. The work is to be performed, completed, and managed at the following locations:

MiCSES:

George W. Romney Building  
111 S. Capitol Ave.  
Lansing, MI 48933

Bridges:  
Grand Tower Building  
235 S. Grand Ave.  
Lansing, MI 48933

- b. The State shall provide the following resources for the contractor's use on this project:
- Work space
  - Minimal clerical support
  - Desk
  - Telephone (at the State's discretion, telephones may be a shared resource for contract staff below the management, team lead, and senior level classifications)
  - PC workstation
  - Access to printers
  - Access to copiers and fax machine

As per original contract

**EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:**

2. Hours of Operation
- a. Normal State working hours are 8:00 a.m. to 5:00 p.m. EST, Monday through Friday, with work performed as necessary after those hours to meet project milestones, deadlines and on-call requirement.
  - b. The State is not obligated to provide State management of assigned work outside of normal State working hours. The State reserves the right to modify the work hours in the best interest of the project.
  - c. Contractor shall observe the same standard holidays as State employees. The State does not compensate for holiday pay.

As per original contract

**This purchase order is a release from Contract Number 071B0200042. This purchase order, statement of work, and the terms and conditions of Contract Number 071B0200042 constitute the entire agreement between the State and the Contractor.**



HP Enterprise Services State of Michigan



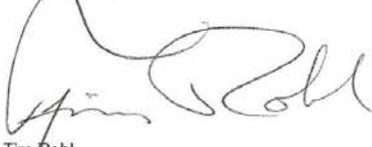
Attachment A Pricing for MICSES/Bridges PCO 2-Year Extension  
 Contract #671B0200042  
 11-Aug-15

Resource Name	Team	% Bridges	% MICSES	Months/Yr	Rate/Month	Bridges Monthly Charge	MICSES Monthly Charge	Total Monthly Amount	Annual Total
Arakelian, Feres	TGG	100%	0%	1.0	\$18,000	\$18,000	\$0	\$18,000	\$216,000
Avery, Jill	TGG	0%	100%	1.0	\$18,000	\$0	\$18,000	\$18,000	\$180,000
Caraco, Dave	TGG	0%	100%	1.0	\$11,000	\$0	\$11,000	\$11,000	\$132,000
Reinhart, David	TGG	0%	100%	1.0	\$15,000	\$0	\$15,000	\$15,000	\$180,000
Rhoades, Neo	TGG	0%	100%	1.0	\$18,000	\$0	\$18,000	\$18,000	\$216,000
Bravender, Sam	TGG	0%	100%	1.0	\$18,000	\$0	\$18,000	\$18,000	\$216,000
Smoker, Vince	TGG	0%	100%	1.0	\$15,000	\$0	\$15,000	\$15,000	\$180,000
Veohair, Brian	TGG	0%	100%	1.0	\$18,000	\$0	\$18,000	\$18,000	\$216,000
Rybeck, Laura	TGG	100%	0%	1.0	\$15,000	\$15,000	\$0	\$15,000	\$180,000
Bard, Keri	TGG	0%	100%	1.0	\$15,000	\$0	\$15,000	\$15,000	\$180,000
Yu, Hui	TGG	0%	100%	1.0	\$15,000	\$0	\$15,000	\$15,000	\$180,000
Cody, Tom	TGG	0%	100%	1.0	\$20,000	\$0	\$20,000	\$20,000	\$240,000
Kiss, Claudia	PCO	0%	100%	1.0	\$14,000	\$0	\$14,000	\$14,000	\$168,000
Mead, Carrie	PCO	0%	100%	1.0	\$22,000	\$0	\$22,000	\$22,000	\$264,000
Kris, Keith	TGG	50%	50%	1.0	\$22,000	\$11,000	\$11,000	\$22,000	\$264,000
Kurtz, Arthur	TGG	100%	0%	1.0	\$22,000	\$22,000	\$0	\$22,000	\$264,000
Larson, Bjorn (Estimate)	TGG	0%	100%	0.1	\$20,000	\$0	\$20,000	\$2,000	\$24,000
Boyles, Jeff	TGG	0%	100%	1.0	\$20,000	\$0	\$20,000	\$20,000	\$240,000
Ernst, Lori	TGG	0%	100%	1.0	\$16,000	\$0	\$16,000	\$16,000	\$192,000
Melson, Dan	TGG	0%	100%	1.0	\$16,000	\$0	\$16,000	\$16,000	\$192,000
Merchant, Scott	TGG	100%	0%	1.0	\$21,000	\$21,000	\$0	\$21,000	\$252,000
Nandori, Srinam	TGG	0%	100%	1.0	\$16,000	\$0	\$16,000	\$16,000	\$192,000
Pcheerito, Gerry	TGG	0%	100%	1.0	\$14,000	\$0	\$14,000	\$14,000	\$168,000
Labourette, Ryan	TGG	0%	100%	1.0	\$16,000	\$0	\$16,000	\$16,000	\$192,000
Peby, Michael	TGG	0%	100%	1.0	\$16,000	\$0	\$16,000	\$16,000	\$192,000
Ramas, Akhil	TGG	0%	100%	1.0	\$21,000	\$0	\$21,000	\$21,000	\$252,000
Scheurer, Josh	TGG	100%	0%	1.0	\$20,000	\$20,000	\$0	\$20,000	\$240,000
Serfers, Bret	PCO	0%	100%	1.0	\$20,000	\$0	\$20,000	\$20,000	\$240,000
Shelard, Gary	TGG	0%	100%	1.0	\$15,000	\$0	\$15,000	\$15,000	\$180,000
Haary, Alena	TGG	0%	100%	1.0	\$13,000	\$0	\$13,000	\$13,000	\$156,000
Jorgensen, Mark	TGG	0%	100%	1.0	\$16,000	\$0	\$16,000	\$16,000	\$192,000
Toulbee, David	TGG	0%	100%	1.0	\$20,000	\$0	\$20,000	\$20,000	\$240,000
Taylor, Michael	TGG	0%	100%	1.0	\$16,000	\$0	\$16,000	\$16,000	\$192,000
Potteridge, Peter	TGG	0%	100%	1.0	\$16,000	\$0	\$16,000	\$16,000	\$192,000
Willens, Mick	PCO	0%	100%	1.0	\$15,000	\$0	\$15,000	\$15,000	\$180,000
Namie, Gul	TGG	100%	0%	1.0	\$16,000	\$16,000	\$0	\$16,000	\$192,000
Wojciechowski, Barb	PCO	0%	100%	1.0	\$15,000	\$0	\$15,000	\$15,000	\$180,000
Yannick, Greg	TGG	0%	100%	1.0	\$24,000	\$0	\$24,000	\$24,000	\$288,000
Reedy, Steve	PCO	0%	100%	1.0	\$21,000	\$0	\$21,000	\$21,000	\$252,000
Srinivasan, Rajal	PCO	0%	100%	1.0	\$21,000	\$0	\$21,000	\$21,000	\$252,000
Bridges Position 1	TGG	100%	0%	1.0	\$21,000	\$21,000	\$0	\$21,000	\$252,000
Bridges Position 2	TGG	100%	0%	1.0	\$21,000	\$21,000	\$0	\$21,000	\$252,000
Bridges Position 3	TGG	100%	0%	1.0	\$21,000	\$21,000	\$0	\$21,000	\$252,000
Bridges Position 4	TGG	100%	0%	1.0	\$21,000	\$21,000	\$0	\$21,000	\$252,000
Emergency/Expedite SOW (Estimate)	PCO	60%	40%	1.0	\$41,867	\$25,000	\$16,867	\$41,867	\$502,000
Subtotal						\$233,000	\$596,167	\$817,167	\$9,808,000
Two Year Total									\$19,616,000

August 11, 2015

While working with the application maintenance and development contractor(s) and State of Michigan, the project control office (PCO) shall offer an independent analysis of project scope, status, and resource allocation and provide project management services for software releases and related project work for the MiCSES system and project. The technical control group (TCG) will support the technical environments and source code, the security of the application, and review the soundness of the technical solutions proposed and implemented for both MiCSES and Bridges.

Best Regards,

A handwritten signature in black ink, appearing to read "Tim Robl". The signature is fluid and cursive, with a large initial "T" and "R".

Tim Robl  
Account Executive

Pricing Attachment A included



HP Enterprise Services, LLC  
6015 W. St. Joseph Street  
Suite 101  
Lansing Michigan 48917-4875  
USA

hp.com

August 11, 2015

Jessica VanWinkle  
State of Michigan  
DTMB Agency Services DHS/CSSES  
Phone: 517-373-8452  
Lansing, Michigan

Dear Jessica,

**Tim Robl**  
Account Executive  
State Government Health and Human  
Services  
M 517 993 4024  
tim.rob1@hp.com

This letter is to confirm that HP is agreeable to extend the current MiCSES/Bridges PCO/TCG agreement (071B0200042) between HP and State of Michigan. HP agrees that the two-year extension would run from November 1, 2015 through October 31, 2017 at the same billing rates (Pricing Attachment A) and terms and conditions of the current contract. In addition, with the extension agreement and contract change notice:

- HP will add four additional technical staff to the current HP TCG team to support the Bridges project.
- Mutually agreed contract language related to protection of IRS data will be included.
- HP will provide updated names of staff assigned to designated key personnel positions.

Under the contract HP currently provides and will continue to provide through the contract extension, project management control, technical infrastructure control, and related support services for critical Department of Health and Human Services (DHHS) applications - Michigan Child Support Enforcement System (MiCSES) and Bridges.

As we have under the current contract, HP will continue to work in concert with State of Michigan and its respective application maintenance and development contractor(s) to deliver project management control, technical infrastructure control, and related support services for DTMB, DHHS, and their program partners.

STATE OF MICHIGAN  
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET  
 PROCUREMENT  
 P.O. BOX 30026, LANSING, MI 48909  
 OR  
 525 W. ALLEGAN, LANSING, MI 48933

**CHANGE NOTICE NO. 2 REVISED**  
 to  
**CONTRACT NO.071B0200042**  
 between  
**THE STATE OF MICHIGAN**  
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
HP Enterprise Services, LLC 6015 West St. Joseph Hwy., Suite 101 Lansing, Michigan 48917	Tim Robl	<a href="mailto:tim.rob1@hp.com">tim.rob1@hp.com</a>
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(517) 993-4024	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	Jim Hogan	517-373-6702	hoganj@michigan.gov
BUYER	DTMB	Mike Breen	517-284-7002	Breenm@michigan.gov

CONTRACT SUMMARY:			
<b>DESCRIPTION: Project Control and Technical Infrastructure Support Services for the Michigan Child Support Enforcement System/BRIDGES System</b>			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
November 1, 2009	October 31, 2014	2, one year	Oct. 31, 2015
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>		
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$0.00		\$58,992,000.00		

Effective September 15, 2014, the Contractor name and contact information is hereby updated for this agreement per attached. All other terms, conditions, pricing and specifications remain the same. Per vendor and agency agreement and DTMB Procurement approval.

**REVISED CHANGE NOTICE NO. 2**

**Attachment**

**to**

**CONTRACT NO. 071B0200042**

**between**

**THE STATE OF MICHIGAN**

**and**

**Hewlett Packard (HP) Enterprise Services**

The Purpose of this change is to ensure that the contract accurately reflects the contractors' responsibilities. Effective immediately, this contract is amended as follows:

The name of the contractor has changed from Electronic Data Systems (EDS), an HP company, to HP Enterprise Services.

The Project Control Office (PCO) function for Bridges is no longer done by HP; it was absorbed by the State of Michigan and is done by the Program Management Office (PMO).

It was originally planned that the Technical Control Group (TCG) function for Bridges & Michigan Child Support Enforcement System (MiCSES) be joined; however they never merged and are done separately. In regards to Change Controls, all Bridges changes are documented and governed by the Environment Request (ER) process.

Definitions:

TCG – Technical Control Group (Team) – the technical infrastructure support arm of MiCSES and Bridges

STATE OF MICHIGAN  
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET  
 PROCUREMENT  
 P.O. BOX 30026, LANSING, MI 48909  
 OR  
 525 W. ALLEGAN, LANSING, MI 48933

**CHANGE NOTICE NO. 2**  
 to  
**CONTRACT NO.071B0200042**  
 between  
**THE STATE OF MICHIGAN**  
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
HP Enterprise Services, LLC 6015 West St. Joseph Hwy., Suite 101 Lansing, Michigan 48917	Tim Robl	<a href="mailto:tim.rob1@hp.com">tim.rob1@hp.com</a>
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(517) 993-4024	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	Jim Hogan	517-373-6702	hoganj@michigan.gov
BUYER	DTMB	Mike Breen	517-284-7002	Breenm@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: <b>Project Control and Technical Infrastructure Support Services for the Michigan Child Support Enforcement System/BRIDGES System</b>			
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N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MIDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>		
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$0.00		\$58,992,000.00		
Effective September 15, 2014, the Contractor name and contact information is hereby updated for this agreement. All other terms, conditions, pricing and specifications remain the same. Per vendor and agency agreement and DTMB Procurement approval.				

STATE OF MICHIGAN  
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET  
 PROCUREMENT  
 P.O. BOX 30026, LANSING, MI 48909  
 OR  
 525 W. ALLEGAN, LANSING, MI 48933

**CHANGE NOTICE NO. 1**  
 to  
**CONTRACT NO.071B0200042**  
 between  
**THE STATE OF MICHIGAN**  
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
EDS, an HP Company 930 W. Holmes Road Lansing, MI 48910	Tim Robl	<a href="mailto:tim.robl@hp.com">tim.robl@hp.com</a>
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(517) 993-4024	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	Nathan Buckwalter	517-335-3872	buckwaltern@michigan.gov
BUYER	DTMB	Mike Breen	517-284-7002	Breenm@michigan.gov

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<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1 year	Oct. 31, 2015
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$0.00		\$58,992,000.00		
Effective July 28, 2014, this contract hereby utilizes a contract option year to extend. The new contract end date is October 31, 2015. All other terms, conditions, pricing and specifications remain the same. Per vendor and agency agreement and DTMB Procurement approval.				



**MICHIGAN DEPARTMENT OF TECHNOLOGY,  
MANAGEMENT AND BUDGET  
IT SERVICES  
STATEMENT OF WORK**

<b>Project Title:</b> Extend Current MiCSES/Bridges PCO/TCG Agreement	<b>Period of Coverage:</b> 11/1/14-10/31/15
<b>Requesting Department:</b> DTMB/DHS	<b>Date:</b> 6/19/14
<b>Agency Project Manager:</b> Pratin Trivedi	<b>Phone:</b> 517-334-6560
<b>DTMB Project Manager:</b> Nathan Buckwalter and Tina Symington	<b>Phone:</b> 517-335-3872

**Brief Description of Services to be provided:**

**BACKGROUND:**

Under the contract HP currently provides and will continue to provide through the contract extension, project management control, technical infrastructure control, and relate support services for critical Department of Human Services (DHS) applications – Michigan Child Support Enforcement System (MiCSES) and Bridges.

**PROJECT OBJECTIVE:**

HP will continue to work in concert with the State and its respective application maintenance and development contractor(s) to deliver project management control, technical infrastructure control, and related support services for DTMB, DHS, and their program partners.

**SCOPE OF WORK:**

For PCO: They offer an independent analysis of project scope, status and resource allocation and provide project management services for software releases and related project work for the MiCSES system and project.

For TCG: They will support the technical environments and source code, the security of the application, and review the soundness of the technical solutions proposed and implemented for both MiCSES and Bridges.

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4. **Hours:** Indicate the number of hours expended during the past two weeks, and the cumulative total to date for the project. Also state whether the remaining hours are sufficient to complete the project.
5. **Accomplishments:** Indicate what was worked on and what was completed during the current reporting period.
6. **Funds:** Indicate the amount of funds expended during the current reporting period, and the cumulative total to date for the project.

**SPECIFIC DEPARTMENT STANDARDS:**

Agency standards, if any, in addition to DTMB standards.

**PAYMENT SCHEDULE:**

Payment will be made on a monthly **Time and Materials** basis. DTMB will pay CONTRACTOR upon receipt of properly completed invoice(s) which shall be submitted to the billing address on the State issued purchase order not more often than monthly. DTMB Accounts Payable area will coordinate obtaining Agency and DTMB Project Manager approvals. All invoices should reflect actual work completed by payment date, and must be approved by the Agency and DTMB Project Manager prior to payment. The invoices shall describe and document to the State's satisfaction a description of the work performed, the progress of the project, and fees. When expenses are invoiced, receipts will need to be provided along with a detailed breakdown of each type of expense.

Payment shall be considered timely if made by the DTMB within forty-five (45) days after receipt of properly completed invoices.

**EXPENSES:**

The State will NOT pay for any travel expenses, including hotel, mileage, meals, parking, etc.

**PROJECT CONTACTS:**

The designated Agency Project Manager is:

Name Pratin Trivedi  
Department DHS  
Building/Floor Romney Building  
Address 111 S. Capitol Ave.  
City/State/ZipLansing, MI 48901  
Phone Number 517-334-6560  
Email Address TrivediP@michigan.gov

The designated DTMB Project Manager is:

Name Nathan Buckwalter  
Department DTMB/DHS  
Building/Floor Grand Tower Building  
Address 235 S. Grand Ave.  
City/State/ZipLansing, MI 48901  
Phone Number 517-335-3872  
Email Address BuckwalterN@michigan.gov

**LOCATION OF WHERE THE WORK IS TO BE PERFORMED:**

Consultants will work either remotely or at the Grand Tower in Lansing, Michigan.

**EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:**

Work hours are not to exceed eight (8) hours a day, forty (40) hours a week. Normal working hours of 8:00 am to 5:00 pm are to be observed unless otherwise agreed to in writing.

No overtime will be permitted.

**This purchase order is a release from Contract Number 071B0200042. This purchase order, statement of work, and the terms and conditions of Contract Number 071B0200042 constitute the entire agreement between the State and the Contractor.**



HP Enterprise Services, LLC  
6015 W. St. Joseph Street  
Suite 101  
Lansing Michigan 48917-4875  
USA

hp.com

June 19, 2014

Jessica VanWinkle  
State of Michigan  
DTMB Agency Services DHS/CSES  
Phone: 517-373-8452  
Lansing, Michigan

Dear Jessica,

Tim Robt  
Account Executive  
State Government Health and Human  
Services  
M 517 933 4024  
tim.rob@hp.com

This letter is to confirm that HP is agreeable to extend the current M/CSES/Bridges PCC/TCG agreement (071B0200042) between HP and the State of Michigan, using the first option year available under the contract. HP agrees that the one-year extension would run from November 1, 2014 through October 31, 2015 at the same terms and conditions of the current contract.

Under the contract HP currently provides and will continue to provide through the contract extension, project management control, technical infrastructure control, and related support services for critical Department of Human Services (DHS) applications - Michigan Child Support Enforcement System (M/CSES) and Bridges.

As we have under the current contract, HP will continue to work in concert with the State and its respective application maintenance and development contractor(s) to deliver project management control, technical infrastructure control, and related support services for DTMB, DHS, and their

program patterns, while winning will be applicable in maintenance and development (software) and the State, the project control office (PCO) shall offer an independent analysis of project scope, status, and resource allocation and provide project management services for software releases and related project work for the MiCSES system and project. The technical control group (TCG) will support the technical environments and source code, the security of the application, and review the soundness of the technical solutions proposed and implemented for both MiCSES and Bridges.

Best Regards,

A handwritten signature in black ink, appearing to read "Tim Robl". The signature is fluid and cursive, with a large initial "T" and "R".

Tim Robl  
Account Executive

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 2, 2009

NOTICE  
OF  
CONTRACT NO. 071B0200042  
between  
THE STATE OF MICHIGAN  
and

NAME & ADDRESS OF CONTRACTOR <b>EDS, an HP Company</b> 930 W. Holmes Rd Lansing, MI 48910  Email: <a href="mailto:bob.bartholomew@eds.com">bob.bartholomew@eds.com</a>	TELEPHONE <b>517-272-5939</b> <b>Bob Bartholomew</b>
	CONTRACTOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-7233 <b>Joann Klasko</b>
Contract Compliance Inspector: Patty Bogard <b>Project Control and Technical Infrastructure Support Services for the Michigan Child Support Enforcement System/BRIDGES System</b>	
CONTRACT PERIOD: <b>5 yrs. + 2 one-year options</b> From: <b>November 1, 2009</b> To: <b>October 31, 2014</b>	
TERMS <b>N/A</b>	SHIPMENT <b>N/A</b>
F.O.B. <b>N/A</b>	SHIPPED FROM <b>N/A</b>
MINIMUM DELIVERY REQUIREMENTS <b>N/A</b>	
MISCELLANEOUS INFORMATION:	

Estimated Contract Value: **\$58,992,000.00.**

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

**CONTRACT NO. 071B0200042**  
**between**  
**THE STATE OF MICHIGAN**  
**and**

NAME & ADDRESS OF CONTRACTOR <b>EDS, an HP Company</b> <b>930 W. Holmes Rd</b> <b>Lansing, MI 48910</b>  Email: <a href="mailto:bob.bartholomew@eds.com">bob.bartholomew@eds.com</a>	TELEPHONE <b>517-272-5939</b> <b>Bob Bartholomew</b> CONTRACTOR NUMBER/MAIL CODE  BUYER/CA (517) 241-7233  <b>Joann Klasko</b>
Contract Compliance Inspector: Patty Bogard <p style="text-align: center;"><b>Project Control and Technical Infrastructure Support Services</b>  <b>for the Michigan Child Support Enforcement System/BRIDGES System</b></p>	
CONTRACT PERIOD: <b>5 yrs. + 2 one-year options</b> From: <b>November 1, 2009</b> To: <b>October 31, 2014</b>	
TERMS	SHIPMENT
<b>N/A</b>	<b>N/A</b>
F.O.B.	SHIPPED FROM
<b>N/A</b>	<b>N/A</b>
MINIMUM DELIVERY REQUIREMENTS <b>N/A</b>	
MISCELLANEOUS INFORMATION: <b>The terms and conditions of this Contract are those of ITB #07119200188, this Contract Agreement and the vendor's quote dated May 28, 2009. In the event of any conflicts between the specifications, and terms and conditions, indicated by the State and those indicated by the vendor, those of the State take precedence.</b> <b>Estimated Contract Value: \$58,992,000.00</b>	

**THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the ITB No. 07119200188. Orders for delivery will be issued directly by the Department of Information Technology through the issuance of a Purchase Order Form. All terms and conditions of this Contract are attached.**

**FOR THE CONTRACTOR:**

EDS, an HP Company  
 \_\_\_\_\_  
 Firm Name

\_\_\_\_\_  
 Authorized Agent Signature

\_\_\_\_\_  
 Authorized Agent (Print or Type)  
 Date

**FOR THE STATE:**

\_\_\_\_\_  
 Signature  
 Sergio Paneque  
 Senior Deputy Director  
 DMB, Business Services Administration  
 \_\_\_\_\_  
 Name/Title

\_\_\_\_\_  
 Date



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**DEFINITIONS**

Days	Means calendar days unless otherwise specified.
24x7x365	Means 24 hours a day, seven days a week, and 365 days a year (including the 366th day in a leap year).
Additional Service	Means any Services/Deliverables within the scope of the Contract, but not specifically provided under any Statement of Work, that once added shall result in the need to provide the Contractor with additional consideration.
Audit Period	See Section 2.110
Business Day	Whether capitalized or not, shall mean any day other than a Saturday, Sunday or State-recognized legal holiday (as identified in the Collective Bargaining Agreement for State employees) from 8:00am EST through 5:00pm EST unless otherwise stated.
Blanket Purchase Order	An alternate term for Contract as used in the States computer system.
Business Critical	Any function identified in any Statement of Work as Business Critical.
C.F.R.	Code of Federal Regulations
Chronic Failure	Defined in any applicable Service Level Agreements.
CMMI	Capability Maturity Model Integrated
CorVision	Software language used in the CSES legacy application
CSENet	Child Support Enforcement Network (federal)
Deliverable	Physical goods and/or commodities as required or identified by a Statement of Work
DHS	Department of Human Services
DMB	Michigan Department of Management and Budget
Environmentally preferable products	A product or service that has a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose. Such products or services may include, but are not limited to, those that contain recycled content, minimize waste, conserve energy or water, and reduce the amount of toxics either disposed of or consumed.
Excusable Failure	See Section 2.244.
FOC	Friend of the Court
FSA '88	Federal Family Support Act of 1988
Hazardous material	Any material defined as hazardous under the latest version of federal Emergency Planning and Community Right-to-Know Act of 1986 (including revisions adopted during the term of the Contract).
Incident	Any interruption in Services.
Incumbent Contractor	The contractor responsible for MiCSES project activities prior to contract award and during transition to the successful bidder.
IV-D	Title IV-D of the Social Security Act, which establishes child support programs.
ITB	A generic term used to describe an Invitation to Bid. The ITB serves as the document for transmitting the RFP to potential bidders
Key Personnel	Any Personnel designated in Article 1 as Key Personnel.
LEIN	Law Enforcement Information Network – an interface to MiCSES
MiCSES	Michigan Child Support Enforcement System; as used in this document it may reference the MiCSES software applications, or the MDIT-MiCSES project organization
MiSDU	Michigan State Disbursement Unit – the unit within DHS-OCS responsible for the centralized collection and disbursement of child support collections.
New Work	Any Services/Deliverables outside the scope of the Contract and not specifically provided under any Statement of Work, that once added shall result in the need to provide the Contractor with additional consideration.



OCS	(Michigan) Office of Child Support
OCSE	(Federal) Office of Child Support Enforcement
Ozone-depleting substance	Any substance the Environmental Protection Agency designates in 40 CFR part 82 as: (1) Class I, including, but not limited to, chlorofluorocarbons, halons, carbon tetrachloride, and methyl chloroform; or (2) Class II, including, but not limited to, hydro chlorofluorocarbons
PAAM	Prosecuting Attorneys Association of Michigan
PA	Local (county) Prosecuting Attorney Office
PCO or PMO	The MiCSES project management office
PLG	Child Support Program Leadership Group – provides strategic direction for Michigan’s child support program
PMM	Project Management Methodology
Post-Consumer Waste	Any product generated by a business or consumer which has served its intended end use, and which has been separated or diverted from solid waste for the purpose of recycling into a usable commodity or product, and which does not include post-industrial waste.
Post-Industrial Waste	Industrial by-products that would otherwise go to disposal and wastes generated after completion of a manufacturing process, but do not include internally generated scrap commonly returned to industrial or manufacturing processes.
PRD	Short hand for the MiCSES application and database production environment
PRO	Short hand for the MiCSES read only database instance
Recycling	The series of activities by which materials that are no longer useful to the generator are collected, sorted, processed, and converted into raw materials and used in the production of new products. This definition excludes the use of these materials as a fuel substitute or for energy production.
Deleted – Not Applicable	Section is not applicable or included in this RFP. This is used as a placeholder to maintain consistent numbering.
Reuse	Using a product or component of municipal solid waste in its original form more than once.
RFP	Request for Proposal designed to solicit proposals for services
RPG	Release Planning Group – Cross functional team that plans MiCSES software releases
Services	Any function performed for the benefit of the State.
Source reduction	Any practice that reduces the amount of any hazardous substance, pollutant, or contaminant entering any waste stream or otherwise released into the environment prior to recycling, energy recovery, treatment, or disposal.
State Location	Any physical location where the State performs work. State Location may include state-owned, leased, or rented space.
Subcontractor	A company Contractor delegates performance of a portion of the Services to, but does not include independent contractors engaged by Contractor solely in a staff augmentation role.
SUITE	State Unified Information Technology Environment – standard system development lifecycle process for state IT projects
TAG	Ticket Assessment Group, a cross functional team which reviews and prioritizes MiCSES help desk tickets.
TCG	Technical Control Group (Team) – the technical infrastructure support arm of the MiCSES Project Control Office
UAT	User Acceptance Testing
Unauthorized Removal	Contractor’s removal of Key Personnel without the prior written consent of the State.
WAP	Work Approval Process
Waste prevention	Source reduction and reuse, but not recycling.



<p>Waste reduction and Pollution prevention</p>	<p>The practice of minimizing the generation of waste at the source and, when wastes cannot be prevented, utilizing environmentally sound on-site or off-site reuse and recycling. The term includes equipment or technology modifications, process or procedure modifications, product reformulation or redesign, and raw material substitutions. Waste treatment, control, management, and disposal are not considered pollution prevention, per the definitions under Part 143, Waste Minimization, of the Natural Resources and Environmental Protection Act (NREPA), 1994 PA 451, as amended.</p>
<p>Work in Progress</p>	<p>A Deliverable that has been partially prepared, but has not been presented to the State for Approval.</p>
<p>Work Product</p>	<p>Refers to any data compilations, reports, and other media, materials, or other objects or works of authorship created or produced by the contractor as a result of an in furtherance of performing the services required by this contract.</p>



## **Article 1 – Statement of Work (SOW)**

### **1.000 Project Identification**

#### **1.001 Project Request**

The purpose of this contract is to provide project management control, technical infrastructure control, and related support services for critical Department of Human Services (DHS) applications. Currently, the two largest DHS systems maintenance and development projects each has its own separate contract for project management control, technical infrastructure control, and related support services. The Michigan Department of Information Technology (MDIT) and DHS is awarding one contract that encompasses both projects.

The two large DHS applications to be served by this single contract are the Michigan Child Support Enforcement System (MiCSES) and Bridges. The contractor shall work in concert with the State and its respective application maintenance and development contractor(s) to deliver timely, high-quality project management control, technical infrastructure control, and related support services for MDIT, DHS, and their program partners. The prime contractor for MiCSES application maintenance and development is Accenture and for Bridges is Deloitte. While working with the application maintenance and development contractor(s) and the State, the project control office (PCO) shall offer an independent, unbiased analysis of project scope, status, and resource allocation. The technical control group (TCG) shall ensure the integrity of the technical environments and source code, the security of the application, and the soundness of the technical solutions proposed and implemented.

Together, the PCO and TCG are critical components of the overall MDIT/DHS project governance structure and provide the State management team with detailed project control and oversight independent of the application maintenance and development contractors. This project governance structure serves as an assurance mechanism for the State of Michigan for the timely delivery of high quality software applications to the DHS user community.

The contract term is for five (5) years with services to begin November 1, 2009.

The final contract award is subject to review and approval by the federal Department of Health and Human Services. This review shall occur after the contract is signed by the contractor, but prior to final signature by the State.

#### **1.002 MiCSES Background**

State child support enforcement programs were established in 1975 under Title IV-D of the Social Security Act. Their purpose is to locate non-custodial parents (NCPs) along with their income and assets, establish paternity, establish and enforce child support, and collect and disburse child support payments.

State Title IV-D Child Support Agencies manage and operate child support programs. For Michigan the designated IV-D agency is the Department of Human Services – Office of Child Support (DHS-OCS).

Because of escalating non-support for children by non-custodial parents, and a public need for responsive child support enforcement programs, the federal executive administration and the Congress have long been interested in improving data systems for child support. As a result of this interest, the Family Support Act of 1988 (FSA88, Public Law 100-485) required each State to develop a state-wide automated data system that had the capability to control, account for, and monitor all processes for determining paternity and collecting child support.

In addition, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (PRWORA; Public Law 104-193) was enacted on August 21, 1996. This legislation required States to build on existing automation efforts to implement programmatic enhancements for strengthening child support enforcement. Significant federal financial penalties are attached to noncompliance with requirements and timeframes.



Michigan successfully attained full federal certification for FSA 88 and PRWORA, effective September 30, 2003. Following federal certification, the State began a transition of MiCSES from being primarily a development/implementation environment to a maintenance/operations environment, supplemented by system fixes, improvements and enhancements to meet local business requirements and changes in policy and legislation.

More recent legislation, the federal Deficit Reduction Act of 2005, Public Law 109-171 (DRA of 2005) implements child support policy changes which translate to additional child support system requirements and modifications. Additional information on these requirements should be reviewed at the federal Administration for Children and Families – Office of Child Support Enforcement website, Action Transmittal AT-06-01 at:

<http://www.acf.hhs.gov/programs/cse/pol/AT/2006/at-06-01.htm>

During the push to attain federal certification, user and business requirements which were not directly tied to the federal certification requirements were held for later consideration. Subsequent to federal certification, the Michigan Office of Child Support launched a partnership initiative that significantly increased the participation of the child support stakeholders in setting direction for the child support program in Michigan. MiCSES project staff (State and contract staff) support this initiative through participation in the Child Support Program Leadership Group (PLG) and Work Improvement Teams (WITs). In turn, Office of Child Support program staff actively participates in MiCSES status meetings, system prioritization, joint application requirements and design sessions, user acceptance testing, and communications meetings.

The Michigan Department of Information Technology (MDIT) is ultimately responsible for meeting the objectives, providing the technical direction, and the maintenance and support for all information technology activities regarding the state-wide automated child support system. The Michigan Child Support Enforcement System (MiCSES) project organization resides in the MDIT Agency Services Division.

MiCSES is one of the State's largest and most complex information technology systems. The MiCSES application supports approximately 2400 users state-wide, including: child support staff with the DHS Office of Child Support, county Prosecuting Attorney offices, county Friend of the Court offices, and the State Attorney General's office. Each class of users has unique roles within Michigan's child support program structure, and therefore, unique defined roles within the MiCSES application. The MiCSES application processes about \$1.5 billion in child support collections annually. MiCSES is considered a SOM critical application, non-life threatening depending upon the disaster.

The high level objectives of the MiCSES organization, to be supported by the contractor, include:

- Meet the business needs identified by the child support program.
- Maintain federal certification compliance.
- Provide child support program workers with efficient, flexible, and effective technology tools for the establishment, management, enforcement and collection of child support.
- Provide child support managers and workers with data and metrics for reasoned decision making.
- Provide predictable and consistent high quality technical support while striving to minimize operational costs.
- Provide low risk entry into new technologies and services.
- Maintain project management and technical support operations at CMMI Level 3 or higher.
- Drive project planning, execution, decision making, and continuous improvement through quantifiable metrics.
- Transfer knowledge to allow the State's staff to support and maintain the child support systems on an ongoing basis.



### 1.03 Bridges Background

The DHS eligibility determination system, known as Bridges, is among the largest and most complex applications developed by MDIT. Bridges automatically determines eligibility for numerous assistance programs, such as food, cash, emergency needs, medical, and employment programs. Bridges interfaces with other state agencies such as the Department of Community Health (6 separate applications), Department of Energy, Labor, and Economic Growth (4 separate applications), Department of Treasury (3 separate applications), and the MAIN accounting system. Bridges also interfaces with numerous federal systems, including the Social Security Administration, Food and Nutrition Services, and the Internal Revenue Service, to mention only a few.

Bridges completed its statewide rollout to all county offices in August, 2009. Implementation of DHS central office is scheduled for September 2009. Bridges provides eligibility determination for about 2 million citizens, with estimates increasing due to the current economic situation. About 10,000 staff throughout the State use Bridges, including staff in DHS as well as staff in other State agencies and external entities. Bridges replaced three major and several small-to-medium size legacy systems with one single integrated application to determine eligibility. Bridges is considered a SOM critical application, life threatening depending upon the disaster.

The Bridges application maintenance and development team includes about 300 individuals. The ongoing effort to support, maintain, and enhance the application requires a high level of project management and technical infrastructure expertise. It is expected that break/fix releases will continue as needed, moving to monthly maintenance releases as system stability and data reliability improve. Larger releases will be scheduled as new functionality becomes available.

The high level objectives of DHS related to Bridges project management and technical infrastructure control and support include:

- Meet the business needs identified by DHS.
- Maintain compliance with federal requirements.
- Provide DHS workers with efficient, flexible, and effective technology tools for determining eligibility.
- Provide DHS managers and workers with data and metrics for reasoned decision making.
- Provide predictable and consistent high quality technical support while striving to minimize operational costs.
- Provide low risk entry into new technologies and services.
- Maintain project management and technical support operations at CMMI Level 3 or higher.
- Drive project planning, execution, decision making, and continuous improvement through quantifiable metrics.
- Transfer knowledge to allow the State's staff to support and maintain Bridges on an ongoing basis.

#### **1.100 Scope of Work and Deliverables**

##### **1.101 In Scope**

This project consists of the following scope and high level tasks, encompassing both MiCSES and Bridges:

##### **1. Project Initiation**

- a. Project orientation and start-up, including development of a plan and related processes to combine the MiCSES and Bridges PCO and TCG teams
- b. Elimination of transition costs.

##### **2. Project Control and Support**

- a. Release Planning and Management
  - Apply knowledge, skills, tools and techniques to project activities to meet project requirements in terms of time, cost, and scope and at an acceptable level of quality.



- Coordinate the process for overall decision making, project governance, and deliverable review and approval to insure that the systems achieve their intended purposes.
  - b. Scope Control/Management
    - Package units of work into meaningful implementations (releases) of value to the stakeholders, and effectively evaluate, manage, and control changes to those planned releases as the State and/or application maintenance/development contractors propose changes to the agreed upon plans.
    - Work closely with the application maintenance/development contractors to achieve an iterative development and deployment approach for the project delivery.
  - c. Schedule Control/Management
    - Schedule, plan and monitor the work of the application maintenance/development contractors, MDIT, DHS, and OCS.
    - Identify problems as early as possible so that corrective action plans can be put in place quickly to keep the projects on track.
  - d. Workflow Coordination
    - Coordinate work assessment and prioritization processes, in conjunction with MDIT, DHS, the application maintenance/development contractors, and various child support and eligibility program user representatives.
- 3. Technical Infrastructure Control and Support**
- a. In collaboration with the MDIT project directors, provide technical control leadership and management that meet the technology business objectives of the DHS Office of Child Support (OCS) and DHS Office of Technology & Information Management.
  - b. Coordinate environment, database, and application code development with the project teams to ensure that only the work scheduled for deployment is delivered to production and that the delivered systems perform as required, including:
    - System Architecture - Manage business-critical systems and integration across a diverse infrastructure environment, ensuring high performance and high availability, with adherence to standards.
    - Configuration Management – Create, improve and enforce configuration management processes for new development and application maintenance activities
    - Database Administration – Create, manage, maintain and support MiCSES & Bridges database environments for development, testing, production, training, disaster recovery, and others as required.
    - Data and Application Environment Planning/Management - Meet project requirements for multiple simultaneous development and maintenance database regions and application versions; Coordinate planning for region creations, refreshes, and data loads to meet project deadlines.
    - Data Loading and Data Utilities Administration - Create and support processes to implement and manage the loading of data.
    - Project and Technical Control Tools Support - Creation, support and integration of project and technical control tools.
  - c. Provide batch operational support for the Oracle and Data Warehouse environments.
  - d. Provide technical support for IVR. Self-Service,, EMC/Documentum, HP and SUN hardware/OS/UNIX, networks/work stations , and interfaces.
- 4. Knowledge Transfer**
- a. Training and mentoring of State staff to transition contract activities to the State.



**5. Reserve Bank of Hours**

- a. Emergency or unplanned events outside fixed price task resource hours.

The following table summarizes the primary services to be provided by the contractor.

<b>Project Control and Support Services (Project Control Office)</b>	<b>Technical Infrastructure Control and Support Services (Technical Control Group)</b>
Develop and manage project schedules and plans that are logic and resource driven.	Provide oversight for system architecture.
Maintain project schedules to manage releases and scope.	Database administration. Manage multiple database and application environments.
Manage resource pool.	Manage and support the MiCSES and Bridges data models
Track time devoted to tasks and provide historical data to support hours estimated for future work (releases).	Support application and desktop connectivity.
Maintain issue tracking and resolution processes.	Support development, testing, and project tracking tools.
Support the formal work approval process.	Create, support and enforce the processes related to configuration management.
Monitor performance through the use of project scorecards and other performance metrics.	Support nightly batch processes, as required.
Interface with other State agencies and Contractors as necessary.	Work with MDIT to resolve network, operating system, file transfer, and database problems related to MiCSES & Bridges technical environments.
Facilitate communication across stakeholders and among vendors.	Manage file transfers to/from external agencies
Establish meeting schedules and agendas. Facilitate release and status meetings.	Interface with MDIT Infrastructure & Telecom Services.

In addition to normal business hours, the TCG shall provide 24 x 7 x 365 on-call infrastructure support for the MiCSES and Bridges environments, for troubleshooting and problem resolution, as may be required by MDIT Data Center Operations staff, Data Center Batch Operations staff, MDIT Agency Services staff, or application maintenance/development staff.

Selected staff from both the PCO and TCG shall work 24/7 during release implementation weekends for MiCSES and Bridges, monitoring the schedule, publishing status, and performing infrastructure tasks related to a typical software release. The State estimates that there shall be four major application releases per year, and approximately 10 – 12 interim/maintenance releases per year, for MiCSES. It is expected that Bridges maintenance releases will be monthly, with larger releases scheduled as new functionality becomes available. The 24/7 support required for MiCSES and Bridges application releases are in scope for the base contract.

*The current separate PCO and TCG teams for Bridges and MiCSES will merge and function as integrated teams. During Project Initiation, the contractor will work with MDIT and MDHS to finalize a plan that facilitates a smooth transition to an integrated PCO and TCG supporting the needs of both Bridges and MiCSES. Implementation of the integrated PCO and TCG, including co-location of the teams, will occur at the mutual agreement of the State and contractor.*

**1.102 Out Of Scope**

The Department of Information Technology and the application maintenance and support contractor provide services to the MiCSES and Bridges projects which are supplementary and complementary to



the services procured under this contract, and as such, are to be considered Out of Scope for the contractor.

The procurement of hardware and equipment is out of scope.

Any decisions on business and technical requirements and any associated solutions are the responsibility of the State.

Delivery of business requirements and business rules are the responsibility of the State and the application maintenance and support contractor. Ultimate acceptance of any deliverables produced by the application maintenance and support contractor is the responsibility of the State.

### **1.103 Environment**

The links below provide information on the State's Enterprise IT policies, standards and procedures which includes security policy and procedures, IT strategic plan, eMichigan web development and the State Unified Information Technology Environment (SUITE).

All services and products provided as a result of this contract shall comply with all applicable State IT policies and standards. The contractor shall request any exception to State IT policies and standards in accordance with MDIT processes. The State may deny the exception request or seek a policy or standards exception.

#### **Enterprise IT Policies, Standards and Procedures:**

<http://www.michigan.gov/dit/0,1607,7-139-34305---,00.html>

All software and hardware items provided by the contractor shall run on and be compatible with the MDIT Standard Information Technology Environment. Additionally, the State shall be able to maintain software and other items produced as the result of the contract. Therefore, non-standard development tools may not be used unless approved by MDIT. The contractor shall request, in writing, approval to use non-standard software development tools, providing justification for the requested change and all costs associated with any change. The State's project manager and MDIT shall approve any tools, in writing, before use on any information technology project.

It is recognized that technology changes rapidly. The contractor may request, in writing, a change in the standard environment, providing justification for the requested change and all costs associated with any change. The State's project manager shall approve any changes, in writing, and MDIT, before work may proceed based on the changed environment.

#### **Enterprise IT Security Policy and Procedures:**

<http://www.michigan.gov/dit/0,1607,7-139-34305-108216--,00.html>

#### **The State's security environment includes:**

- MDIT provided SQL security database.
- Secured Socket Layers.
- SecureID (State Security Standard for external network access and high risk Web systems)

Where software is being converted from an existing package, or a client-server application is being purchased, the security mechanism shall be approved in writing by the State's project manager and MDIT's Office of Enterprise Security.

The contractor shall comply with all data security, confidentiality and safeguard requirements governing MiCSES and Bridges and their respective State and federal program policies.

#### **IT Strategic Plan:**

<http://www.michigan.gov/dit/0,1607,7-139-30637-135173--,00.html>

**IT eMichigan Web Development Standard Tools:**

<http://www.michigan.gov/dit/0,1607,7-139-34305-108233--,00.html>

**The State Unified Information Technology Environment (SUITE):**

Includes standards for project management, systems engineering, and associated forms and templates – shall be followed: <http://www.michigan.gov/suite>

Current MiCSES and Bridges processes are well documented and for the most part compliant with SUITE. It is mandatory that the contractor understand and adopt the SUITE, SEM and PMM processes and templates in its daily work practices.

Contractor will conduct annual CMMI Level 3 ARC Class B appraisals, led by an authorized SEI lead appraiser, to validate the process capability of the contract delivery organization, using a representative sample of the projects within the scope of the contract. CMMI scope will be jointly defined and agreed to by the State of Michigan and the contractor. The SCAMPI appraisal will:

- Verify the delivery organization is operating at CMMI Level 3
- Make certain that areas critical to the client are examined regularly
- Identify gaps and address quickly and effectively

**MiCSES Specific Technical Environment:**

MiCSES operates under three application environments:

- Oracle Developer (HP/SUN UNIX servers with Oracle database)
- CorVision (VAX VMS servers with RDB database)
- Data Warehouse (NCR Teradata environment)

In this contract, MiCSES generally refers to the entire application environment, unless an environment specific reference is made to Oracle, Data Warehouse (DW) or CorVision (VAX) to clarify a requirement or description details.

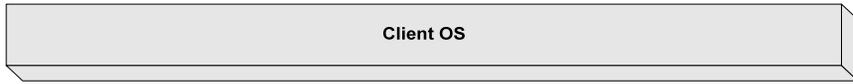
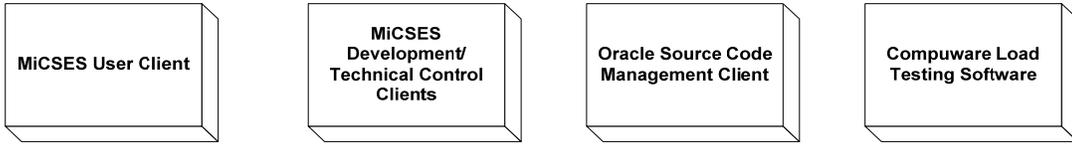
The MiCSES production, development, testing and disaster recovery hardware and software environments are housed at Department of Information Technology Data Centers, located in the Lansing area. Administration and direct support of the hardware and operating systems is not a part of this contract, and is supported either by State employees, or other contractual staff.

Following is a logical schema of the MiCSES operating environment:

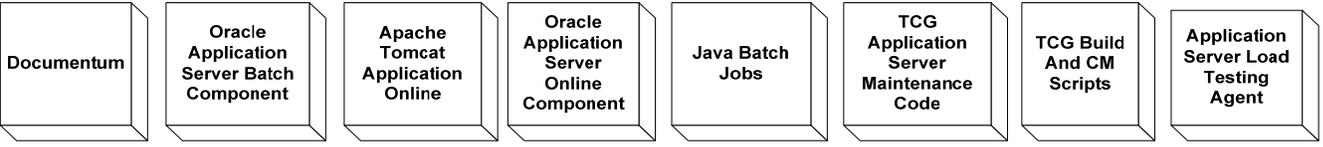


# MiCSES Logical Layout

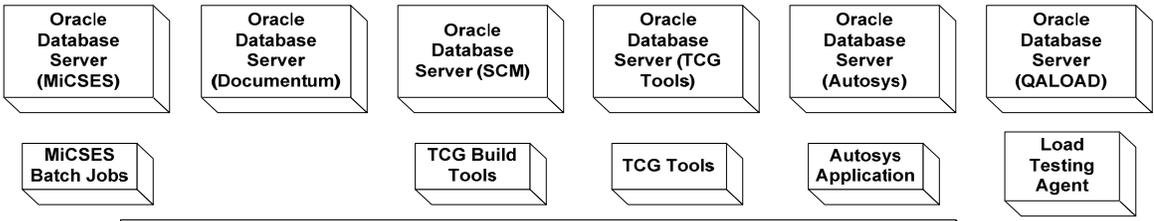
**CLIENT TIER**



**MIDDLE TIER**



**DATABASE TIER**



The diagram on the next page depicts the MiCSES development process and status tracking flow included from the vendor proposal





**Bridges Specific Technical Environment**

The following table provides information about the Bridges technical environment:

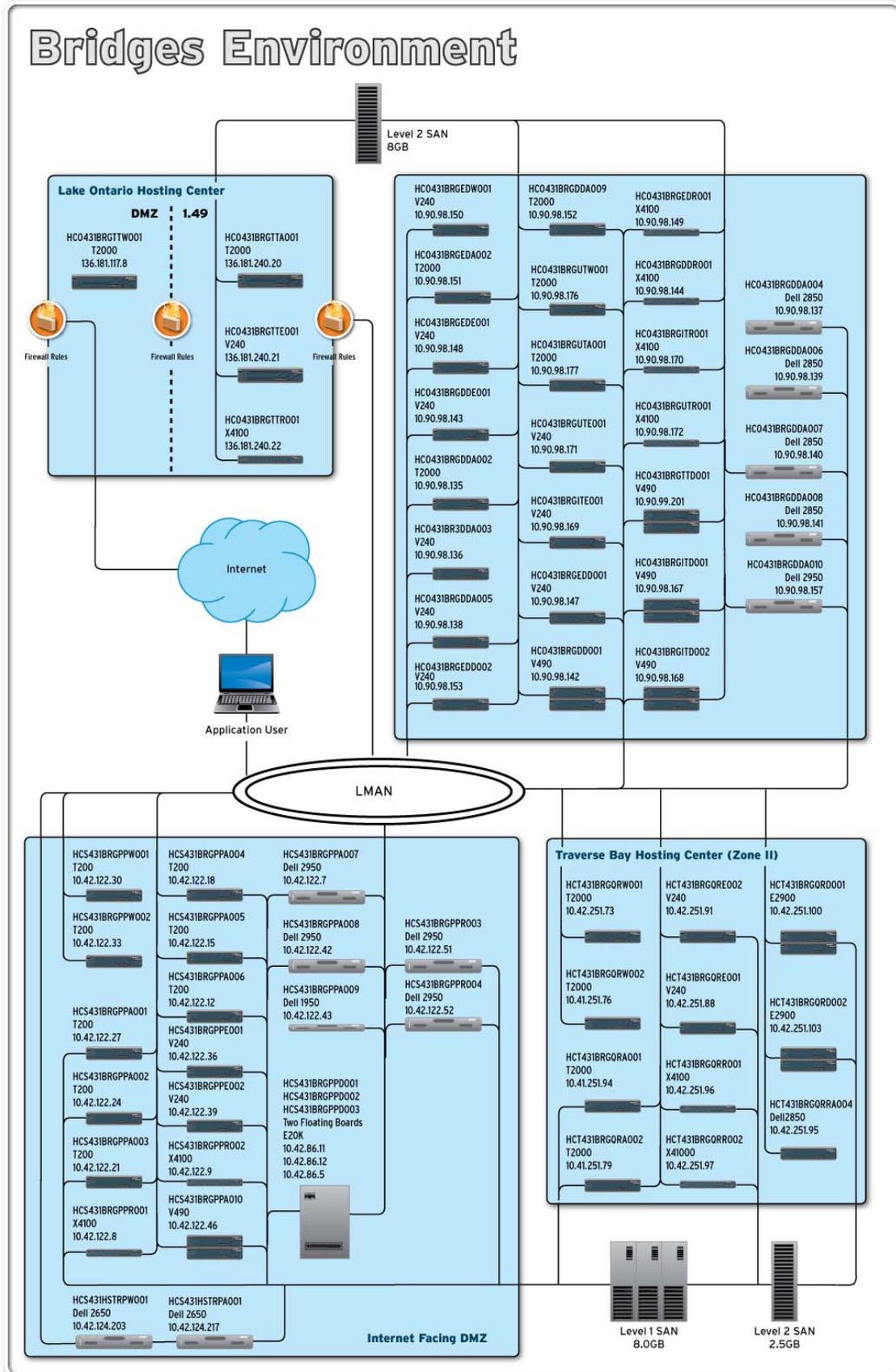
Environment	Type of Server	Hardware	Operating System	Primary Software Packages
Experimental	Web Server	SUN V240	Solaris	IBM HTTP Server 6
Experimental	Messaging Server	SUN V240	Solaris	IBM WebSphere MQ 6
Experimental	Reporting Server	SUN X4100	Windows	Crystal Reports/VB
Experimental	Data Server	SUN V240	Solaris	Oracle 10G
Experimental	Data Server	SUN V240	Solaris	Oracle 10G
Experimental	Application Server	SUN T2000	Solaris	IBM WebSphere App Server
Development	Messaging Server	SUN V240	Solaris	IBM WebSphere MQ 6
Development	Reporting Server	SUN X4100	Windows	Crystal Reports
Development	Data Server	SUN V490	Solaris	Oracle 10G (Build Server)
Development	Application Server	SUN T2000	Solaris	IBM WebSphere App Server
Development	Application Server	SUN V240	Solaris	Novell eDirectory
Development	Application Server	DELL 2850	Windows	SMA Opcon/xps
Development	Application Server	SUN V240	Solaris	Oracle Grid Control
Development	Application Server	DELL 2850	Linux	Fast4J Tools, Novell e-Directory
Development	Application Server	DELL 2850	Windows	Rational Server - ClearCase
Development	Application Server	DELL 2850	Window	CQ, Mercury Load Runner
Development	Application Server	SUN T2000	Solaris	IBM WebSphere, Informatica
Development	Application Server	DELL 2950	Linux	Metallact
Integration	Messaging Server	SUN V240	Solaris	IBM WebSphere MQ 6
Integration	Reporting Server	SUN X4100	Windows	Crystal Reports
Integration	Data Server	SUN V490	Solaris	Oracle 10G
Integration	Data Server	SUN V490	Solaris	Oracle 10G
QA	Messaging Server	SUN V240	Solaris	IBM WebSphere MQ 6
QA	Messaging Server	SUN V240	Solaris	IBM WebSphere MQ 6
QA	Reporting Server	SUN X4100	Windows	Crystal Reports, Opus Batch
QA	Reporting Server	SUN X4100	Windows	Crystal Reports, Opus Online
QA	Data Server	SUN E2900	Solaris	Oracle 10G
QA	Data Server	SUN E2900	Solaris	Oracle 10G
QA	Application Server	DELL 2850	Windows	SMA Opcon/xps
QA	Web Server	SUN T2000	Solaris	IBM HTTP Server 6
QA	Web Server	SUN T2000	Solaris	IBM HTTP Server 6
QA	Application Server	SUN T2000	Solaris	IBM WebSphere App Server



QA	Application Server	SUN T2000	Solaris	IBM WebSphere App Server
UAT	Messaging Server	SUN V240	Solaris	IBM WebSphere MQ 6
UAT	Reporting Server	SUN X4100	Windows	Crystal Reports
UAT	Web Server	SUN T2000	Solaris	IBM HTTP Server 6
UAT	Application Server	SUN T2000	Solaris	IBM WebSphere App Server
Training	Web Server	SUN T2000	Solaris	IBM HTTP Server 6
Training	Messaging Server	SUN V240	Solaris	IBM WebSphere MQ 6
Training	Reporting Server	SUN X4100	Windows	Crystal Reports
Training	Application Server	SUN T2000	Solaris	IBM WebSphere App Server
Training	Data Server	SUN V490	Solaris	Oracle 10G
Production	Web Server	SUN T2000	Solaris	IBM HTTP Server 6
Production	Web Server	SUN T2000	Solaris	IBM HTTP Server 6
Production	Reporting Server	SUN X4100	Windows	Crystal Reports, Opus Batch
Production	Reporting Server	SUN X4100	Windows	Crystal Reports, Opus Online
Production	Reporting Server	Dell 2950	Windows	Opus Batch
Production	Reporting Server	Dell 2950	Windows	Opus Online
Production	Application Server	SUN T2000	Solaris	IBM WebSphere
Production	Application Server	SUN T2000	Solaris	IBM WebSphere
Production	Application Server	SUN T2000	Solaris	IBM WebSphere
Production	Application Server	SUN T2000	Solaris	IBM WebSphere
Production	Application Server	SUN T2000	Solaris	IBM WebSphere
Production	Application Server	SUN T2000	Solaris	IBM WebSphere
Production	Application Server	DELL 2950	Windows	SMA Opcon/xps
Production	Application Server	DELL 2950	Windows	Vantage
Production	Application Server	DELL 1950	Windows	Vantage
Production	Application Server	SUN V490	Solaris	Informatica
Production	Messaging Server	SUN V240	Solaris	IBM WebSphere MQ 6
Production	Messaging Server	SUN V240	Solaris	IBM WebSphere MQ 6
Production	Data Server	SUN E20K	Solaris	Oracle 10G (ReqPro DB)
Production	Data Server	SUN E20K	Solaris	Oracle 10G (ReqPro DB)
Production	Data Server	SUN E20K	Solaris	Oracle 10G (ReqPro DB)
PCO Tools	Data Server	DELL 2650	Windows	SQL Server 2003, Build Tracker
PCO Tools	Application Server	DELL 2650	Windows	IIS, Coldfusion, Java, Crystal Reports, Build Tracker

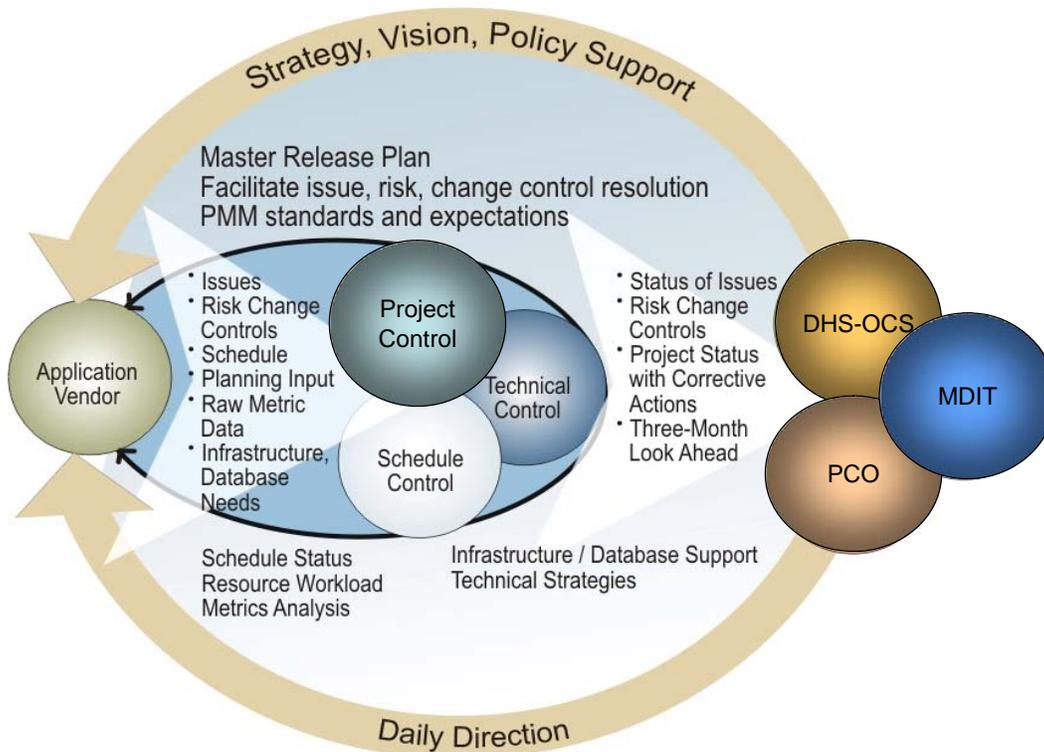


The diagram on the next page provides additional information about the complex Bridges technical environment.



The following diagram depicts the Bridges environment and configuration management flow.





The PCO shall be responsible for aspects of project governance from managing the project schedule, managing PCO resources, developing project communications, maintaining a risk identification and escalation process, maintaining an issue tracking and escalation process, calculating earned value, and other responsibilities usually associated with project management. The PCO shall work closely with the State project management and leadership teams to make sure all stakeholders have accurate project information and project governance is adhered to.

The PCO shall establish, implement and enforce project management and technical processes, methodologies, and tools to minimize risk and contain costs. The contractor’s PCO Manager shall support the State – and the State’s application maintenance/development contractor – in meeting the timely delivery of quality IT services for all stakeholders.. The contractor shall support a collaborative work environment between all of the project stakeholders to facilitate sharing of information to successfully meet business requirements and established time lines.

The following tasks involved in providing project management control and technical infrastructure control for the MiCSES and Bridges projects shall be performed by the contractor in carrying out this contract.

**A. Task 1 - Project Initiation**

During the first week of project initiation, the contractor’s leadership team shall meet with the MDIT MiCSES and Bridges project leadership and key DHS system liaison(s) to conduct a project kick-off meeting. The contractor shall be represented by its PCO manager, TCG manager, project release managers, any of the contractor’s designated leads and other key contractor staff requested by the MDIT. Subsequent or concurrent kick-off meeting(s) shall also take place with the MiCSES & Bridges application maintenance and development contractor project managers.

The project kick-off meeting(s) shall focus on:

- Affirming the contractor and State roles and responsibilities
- Introducing new contractor staff, and changes to roles and responsibilities
- Becoming familiar with processes and services provided by MDIT staff, within MiCSES, Bridges, and the MDIT Infrastructure Service delivery teams.



- Gaining a full understanding of the State’s expectations regarding the level of cooperation and interaction between the project control office, technical control group, and the application maintenance/development contractors.
- Becoming familiar with current project and technical control processes, reports, and metrics.

During Task 1, the contractor shall present a proposed governance model to effectively meet the needs of both projects supported by a single integrated PCO. The project initiation work plan will include the task and milestone date for development and delivery of the proposed governance model. The governance model shall incorporate and describe areas of ongoing coordination among the contractor, MDIT, DHS, and the application maintenance and development contractors. Key contractor, MDIT, DHS staff, and application maintenance and development contract staff shall attend. Upon the State’s approval of the governance model, the contractor shall develop timelines, strategies, and identified personnel to implement the governance model.

During Task 1, at the request of the contractor, DHS-OCS staff shall conduct a walkthrough of the business operations of the child support agency and its role in developing, supporting and maintaining MiCSES. This walkthrough shall consist of a description of the child support program, organization, roles, responsibilities and working relationships with the application maintenance contractor. Any current processes and touch points involving the business representatives and the contractor which shall be modified (at the State’s discretion) shall also be addressed in these, or subsequent meetings. A similar walkthrough of the Bridges business operations shall be provided at the request of the contractor.

The contractor shall conduct formal weekly status meetings with the State. The contractor project manager shall attend all status meetings with the State and shall generate a Status Report as the basis for the status meeting. In the Status Report, the contractor shall address:

- Project schedule (current status of all tasks)
- Deliverables (submitted, due, overdue, approval status, and payment status)
- Staffing (planned labor hours and actual labor hours)
- Project risks (including mitigation status)
- Issues (log of identified issues with status of each)
- Action items (log of items with status of each)
- Other topics requested by the State

The contractor shall generate minutes for all status meetings and distribute the minutes via e-mail within two business days of the meeting for the State’s review and approval.

**Task 1 - Deliverables:**

With the selection of EDS as the contractor, the 60-day overlapping transition period is eliminated for the MiCSES project in 2009 and the Bridges project in 2010 and no deliverables for the transition period are required.

The deliverables in the following table will be developed for the project initiation activities, if required.

Project Deliverables

Deliverable	Measure of Success
Project kickoff meeting during first week of project initiation	The meeting will be held as scheduled.
Submission of detailed transition work plan within five calendar days after	A project initiation work plan, comparable to what the State sees for a MiCSES release, will be delivered within five



Deliverable	Measure of Success
contract initiation	days after contract initiation. After initial State approval, the plan will be updated as needed through the first quarter after project initiation.
Approved final transition work plan	The State approves the of work plan.
Approved formats for status reports	The State approves the status reports.
Weekly status reports	The transition status reporting will follow PCO standards, and appropriate status reports will be generated.
Organization chart, including POC and TCG	The contractor will review with the State the organization chart provided in this proposal and will incorporate any feedback.
Key personnel presence at the MiCSES location	Key personnel will be located at the Romney and Grand Tower buildings in Lansing.
Work plan for the first quarter following transition	The contractor will obtain State approval of work plan.
Transition risk assessment report, including mitigation strategy	The transition risk assessment report has been provided in this response. The mitigation recommendation to the State is to retain the EDS team as its PCO partner.
Knowledge transfer sessions	The contractor will train and orient staff members to transfer a high level of relevant knowledge and to meet the State's needs.
Presentations by new contractor staff members, if any, to demonstrate results of knowledge transfer	The contractor will be prepared to perform this single presentation at the request of the State.
Preparation of materials for and facilitation of weekly release planning meetings, weekly manager status meetings, and biweekly leadership meetings	The contractor will continue to perform this service for the State.
Production support of the MiCSES environment for seven successive 24-hour days, including batch operation and analysis and resolution of Remedy tickets	The contractor will continue to perform this service for the State. The contractor will monitor one week and will provide the results to the State.

**Task 1 - Acceptance Criteria:**

High-level acceptance criteria for Document Deliverables and Software Deliverables are listed in Section 1.501. The State will provide formal sign-off of the master project plan and at each subsequent major milestone.



## **Task 2 – Project Control**

Task 2 includes the consolidation of the MiCSES and Bridges PCO teams. In general, the processes and tools leverage the approach used on the MiCSES project, thus delivering standardization and collaboration across the two most critical applications within DHS. The contractor team will collaborate with the State to consolidate the MiCSES and Bridges PCO teams into one MDIT/DHS PCO. This consolidation will be accelerated with the goal to complete it as soon as Bridges is fully deployed statewide and is in a stable production mode. The strategy includes, but is not limited to, the use of the common PCO Web tools, common processes for release planning, change management, issue management, risk management, schedule management, status reporting, and time tracking to closely monitor weekly progress and promptly identify issues and risks early enough so that mitigation strategies can be implemented.

The management team for the MiCSES and Bridges projects will be jointly composed of the State, the PCO/TCG, Accenture, and Deloitte. The contractor will drive this standardized and collaborative approach to project management, including the following:

- Overall project strategy and direction
- Release planning and management
- Schedule management
- Change management
- Risk and issue management
- Workflow assessment
- Metrics analysis

The PCO will act as a cohesive unit in supporting the State's strategy and vision while meeting objectives of both the MiCSES and Bridges projects.

The PCO will use the State's PCO Web toolset to track issues, risks, and change controls. Developed originally for the MiCSES project, this toolset has supported issue, risk, and change management across numerous successful project delivery efforts throughout the State. In addition, the PCO will track progress against the schedule, determine earned value calculations, and derive weekly status reports. As creators of the original toolset, the EDS team is knowledgeable, experienced, and prepared to continue to use and improve this tool for both MiCSES and Bridges.

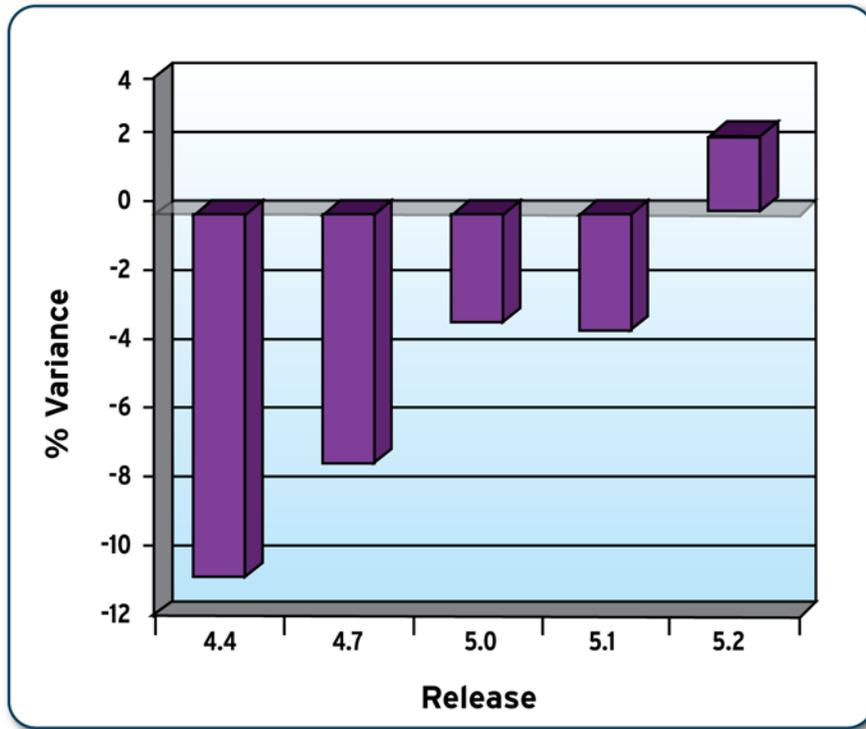
The PCO will provide independent oversight to ensure on-time delivery of quality application releases.

## **SUITE Methodology**

The PCO will work with the State to fully and rigorously implement SUITE and PMM processes to provide oversight of Accenture and Deloitte in the deployment of SEM. The combined MDIT/MDHS PCO team will follow the PMM phases, which include Initiation, Planning and Control, Execution and Closeout. The PCO will identify process improvements, as appropriate, and recommend inclusion in SUITE. The PCO will continue to use reports and analyses already in production that exceed SUITE documented processes. The following Trend Analysis is an example of such a report developed by the contractor and currently used for MiCSES.



Trend Analysis (Estimate versus Actuals)



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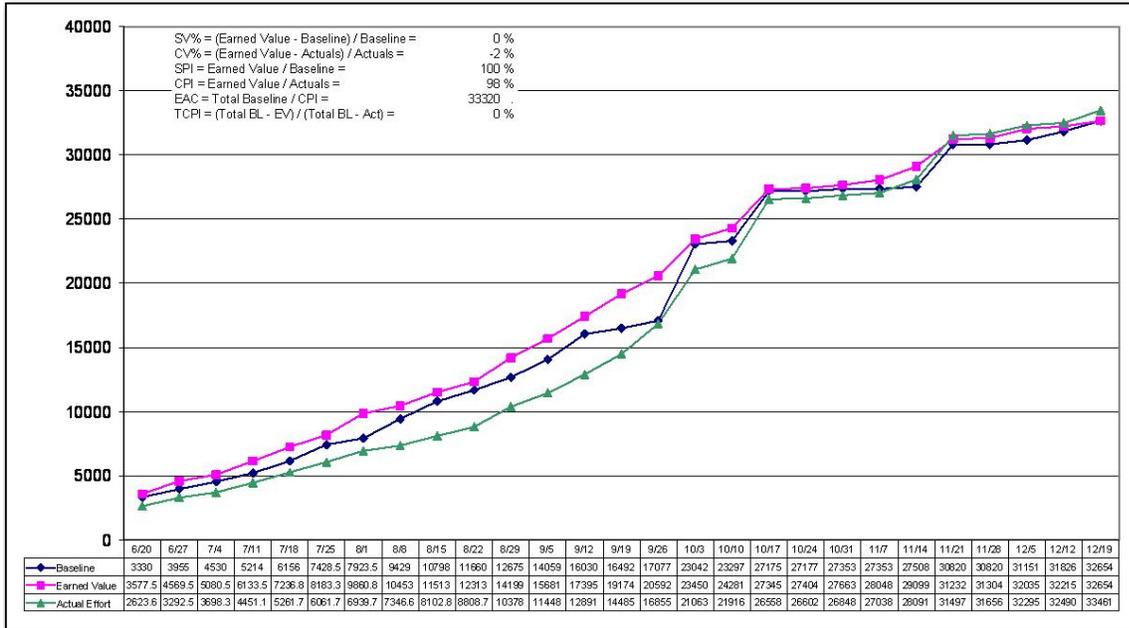
*The State can review a trend analysis after each release.*

**Independent Objective Oversight**

The PCO analysis of project status is driven by a combination of key metrics data and a holistic understanding of project health. Moreover, issues and risks will be identified and rapidly resolved to achieve project success while communicating accurate and objective project status. The PCO team will establish and maintain detailed realistic project schedules that encompass the work needed to fulfill the scope and meet project milestones and track key deliverables of not only Accenture and Deloitte, but of the EDS PCO/TCG, MDIT, MDHS, and other involved parties to create a total release view. Timesheets will be used by staff members to capture the actual effort and will be applied to the project schedule. This project schedule is used as input to generate graphical metrics, such as earned value reports shown in the following exhibit. These metrics, along with issues and risks, are key inputs to the status reports. The PCO will facilitate weekly project reviews and biweekly manager and executive status meetings in which we will foster open and objective discussion for the benefit of the leadership staff.



### Earned Value Chart for Release MiCSES 5.2 Release for Sub Area All



This graphical report is generated by the project schedule to reflect staff members' effort on a project.

The PCO will continually work on process improvement activities. Examples of such improvements, displayed in the following illustrations, include the enhanced Scorecard Criteria, tracking of variance between estimates and actuals by phase, change control analysis, analysis tracking spreadsheet, and scorecard summary

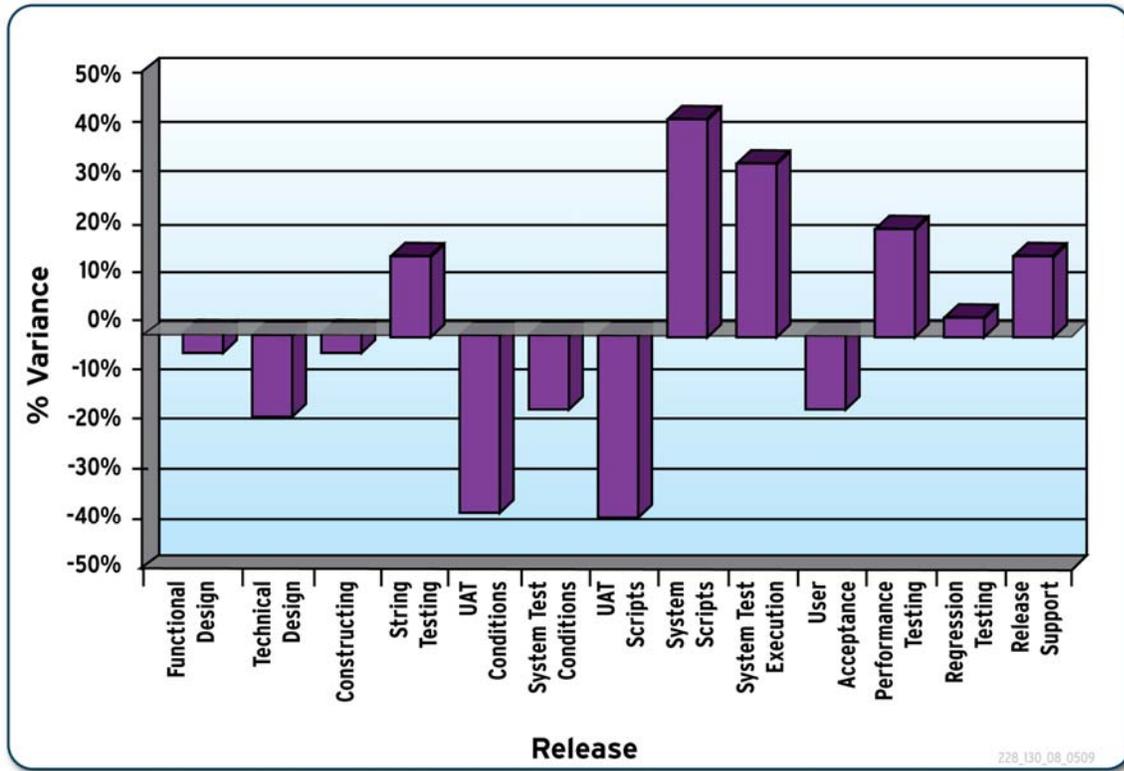
### Scorecard Criteria

	Green	Yellow	Red
<b>Milestones Missed</b>	The major milestones for string, system test, and user acceptance testing are on schedule.		The major milestone was missed for string test, system test, or UAT.
	The unit of work milestones for functional design are on schedule.	A unit of work milestone was missed for functional design.	A unit of work milestone was missed by more than one week for functional design.
<b>Milestones Schedule to Miss</b>	The major milestones for string is on schedule.	The schedule indicates that the major milestone for string test will be missed.	Within two weeks of the major milestones for string test, the schedule indicates that the major milestones for string test will be missed.
	More than 70 percent of the unit of work milestones for string test are on schedule.	The schedule indicates that 30 percent or more of the Unit of Work milestones for string test will be missed.	Within two weeks of the major milestones for string test, the schedule indicates that 30 percent of the unit of work milestones for string test will be missed.
<b>Testing Progress</b>	The percent completion of planned test execution minus percent completion of actual test execution less than 20 percent.	The percent completion of planned test execution minus percent completion of actual test execution is greater than or equal to 20 percent.	After surpassing 75 percent of the planned test duration, the percent completion of planned test execution minus percent completion of actual test execution is greater than or equal to 20 percent.
<b>Earned Value Schedule Variance (SPI)</b>	.9 <= SPI <= 1.2	.8 <= SPI < .9 or 1.2 < SPI	SPI < .8
<b>Escalated Issues</b>		Escalated issues which are designated as critical or high priority, remain unresolved for more than one week after the target date, resulting in a high level of risk to the project.	Escalated issues which are designated as critical or high priority, remain unresolved for more than two weeks after the target date, resulting in a high level of risk to the project.

These criteria help the State determine conformance and identify potential improvement areas.



Estimate to Actual Effort by Phase



The EDS PCO tracks and documents staff members' efforts on State projects.

Change Control Analysis

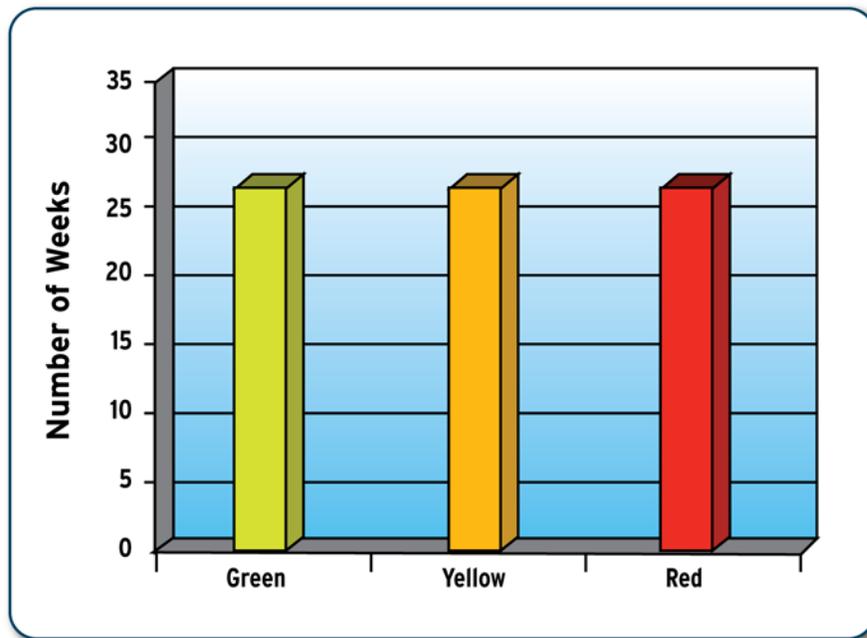
Reason for Change Control	Count of Reason for Change Control Total
Scope-Add/Modify/Schedule Impact	16
Scope-Add/Modify/No Schedule Impact	2
Scope Remove	6
Environment-Modify	6
Not-Approved	7
Effort-Decrease	1
Configuration Management	0
Effort Increase	25
Performance	2
Dates-Modify-Tasks	12
Dates-Modify-Tasks-Sign-offs-(Management)	9
Environmental-RFC	3
<b>Grand Total</b>	<b>89</b>



Analysis Tracking Spreadsheet

Unit of Work	ES 22 - IT17257 DNA Testing	Functional Owner		Business Analyst		Release	Analysis
Task	Name	Base Start	Base Finish	Start	Finish	Progress	Score Card
JAD (RDEF)	Business Analyst	5/7/09	5/11/09	4/30/09	5/8/09	In progress	Green
FO Sign-off	Functional Owner	5/7/09	5/11/09	5/12/09	5/13/09		
Team Mgr Sign-off	Team Manager	5/7/09	5/11/09	5/12/09	5/13/09		
Mgmt Sign-off	Development Manager	5/15/09	5/18/09	5/16/09	5/17/09		
Mgmt Sign-off	Client Manager	5/19/09	5/20/09	5/18/09	5/19/09		
Mgmt Sign-off	Client Manager	5/21/09	5/22/09	5/20/09	5/21/09		

Scorecard Summary



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*At a glance, the State can determine the status of projects.*



The MDIT MiCSES project director, PCO/TCG contractor, and the MiCSES application maintenance and development contractor jointly comprise the MiCSES project team, with strategic business direction provided by DHS-OCS management. The MDIT Bridges project director, PCO/TCG contractor, and Bridges application maintenance and development contractor jointly comprise the Bridges project team, with strategic business direction provided by the DHS automation champion. Specifically, the PCO team shall provide project management support to the State in project administration, scope change control, release planning, release management, risk management, issue management, production ticket assessment, and performance metrics for the application maintenance contractor, and participation in project strategy and direction as requested. State staff members direct and/or supplement the PCO and application maintenance and development contract staff for various functions..

The contractor's PCO shall provide assistance to the State in the form of independent oversight, monitoring, and reporting on activities and metrics critical for on-time delivery of quality technology services that meet the needs of DHS and MDIT.

The contractor's PCO is responsible for creating and maintaining detailed MS Project schedules that support project scope, milestones, and deliverables, using input from the application maintenance and development contractors and the State of Michigan. Once a project schedule is resourced and baselined, all resources (State and contractual) are required to report effort against the schedule. The contractor's PCO shall use this information to track progress against the schedule, determine earned value calculations, and derive weekly status reports.

The contractor's PCO is responsible for fully and rigorously implementing the State's Unified Information Technology Environment (SUITE) methodology, in conjunction with the State's adopted Project Management Methodology (PMM). The contractor is required to have a strong understanding of the SEI Capability Maturity Model Integration (CMMI) and CMMI Maturity Level 3 or Level 4 organizational and operational requirements.

The contractor's team shall use their independent project analysis and insights, and shall not be influenced by State expectations or contractor desires, but rather shall be driven by a combination of key metrics data and the holistic understanding of project health. Moreover, issues, risks, and concerns shall be identified and rapidly resolved by the contractor. Consequently, the contractor shall establish and maintain detailed rational project schedules that encompass the work needed to fulfill the scope and meet project milestones. This project schedule shall be used as input to generate graphical metrics status. These metrics join issues, risks, and concerns as key inputs to various status reports, which the contractor shall generate and use to foster open and honest reviews as the contractor facilitates the weekly and biweekly manager and executive status meetings.

Project Control includes the following specific tasks and responsibilities:

**a) Release Planning and Management**

Release managers on the PCO team shall utilize the established project management methodology to develop and manage detailed project schedules, for the day-to-day tracking and oversight of the MiCSES application releases and supporting infrastructure projects.

The release planning process is the gateway for completion of all major system enhancements and implementations. This effort includes input from the MiCSES Ticket Assessment Group (TAG), the Child Support Program Leadership Group (PLG), MDIT, DHS-OCS, the application maintenance contractor and contractor Technical Control Group. Release planning components include the following:

- Preliminary research and analysis
- Overall project milestones
- High-level scope
- Work effort and staff estimates



- Assumptions and risks
- Technical Control milestones
- Stakeholder concurrence

The contractor, in coordination with the State and the application maintenance contractor, shall guide, participate in and support all steps of release planning. The PCO shall supply the initial project plan template and shall create a “plan for the plan,” a calendar-style schedule that identifies draft due dates, scheduled reviews, and key decision points.

The release planning effort shall be driven by, and monitored according to, this schedule. The PCO shall facilitate the participation of DHS, MDIT, and the application maintenance contractor. Project estimates shall be assessed for reasonableness. The PCO, in conjunction with the application maintenance contractor shall then project the number of personnel necessary to issue the release. Based on resource constraints, critical path analysis, and State needs, project milestones shall be established. A detailed resource-driven project schedule shall be created.

The development of every project plan shall include the identification of included tasks, assumptions, constraints, and risks as well as the effort associated with each item in the plan. The contractor’s team shall fully analyze the scope of work, applying their expertise to develop an estimate that subsequently can be translated into a schedule with task durations and specified dependencies. A critical component of proper estimating techniques is the capability to repeatedly generate an objective quantification of the time required to complete assigned work.

The contractor shall employ a robust estimating process and procedures that accurately predict needed development effort. This estimating process shall include the following major components:

- Metrics repository containing historical metrics from all MiCSES projects
- Easily quantifiable size component
- Estimating algorithms for all platforms based on historical metrics
- Automated estimating worksheets to be completed for a bottom-up estimate
- Estimate reviews

To gain a complete representation of the time required to deliver project work, the contractor’s team shall perform individual task estimation, as well as considering resource-leveling techniques, task interdependency, and other constraint information.

The scope, schedule, and resource allocation shall be reviewed and adjusted iteratively until the State, application maintenance contractor, and PCO team agree that maximum value shall be delivered within required time and staff constraints.

In conjunction with the State, the contractor’s PCO team shall establish key performance measures and status thresholds for effective monitoring of delivery performance. These key performance measures shall be generated, analyzed, and reported each week so that the management and executive leadership of the MiCSES and Bridges projects can make fact-based decisions based on current and relevant project status.

The contractor shall perform several data quality assurance checks, including the following:

- Actual effort is too far from (or too close to) the original estimate.
- Tasks are marked as complete, but the programs are not checked in the code repository.
- Staff member reported effort versus available working time.

If a discrepancy cannot be resolved with the staff member, the issue shall be escalated until a satisfactory answer is produced. After the raw data are validated, the effort hours shall be applied to the project schedule, and impacts shall be assessed. Any concerns shall be escalated until satisfactory answers are obtained.



The project schedule shall be updated with the prior week's progress by close of business each Monday. After the schedule is updated, a number of tools are used to extract data from the schedule and to perform completion-to-milestone and earned value analyses. This information shall be posted to the MiCSES project control Web page and is distributed to the team leads on that Monday evening.

When analysis indicates a problem, the contractor shall notify the State of Michigan about the problem and shall document it on the project scorecard. The relevant team lead, team manager, or project manager shall devise an action plan for bringing the project back on track. The contractor shall work with appropriate managers from the application maintenance and development contractor and the State to facilitate root cause analysis, alternative examination, action plan creation, and initiation of a change control as needed. The contractor shall assess the viability of the action plan and, after it is approved, shall incorporate it into the project schedule. This action plan monitoring shall become part of the weekly performance monitoring process until the project is again on schedule.

The major responsibilities of release managers are:

- Perform project and release planning.
- Develop and manage detailed project plans.
- Provide day to day tracking and oversight for projects and application releases.
- Monitor and report on schedule progress, resource utilization, issue resolution, and process adherence.
- Gather and report performance metrics for all projects.
- Maintain a disciplined process for monitoring release deliverables and schedule milestones, and create and monitor scorecards to report status.
- Address and resolve project issues.
- Manage project and release delivery within scope, time, cost, and quality.
- Coordinate project scheduling activities with external contractors and external agencies.
- Provide direction and support to the Project Scheduler.
- Perform Implementation Go-Live planning and tracking.
- Conduct project close-down and acquire lessons learned.
- Identify and implement process improvements.

#### **b) Scope Control and Management**

The contractor's team shall use robust issue and change control processes for MiCSES and Bridges,, leveraging the State provided issue and change tracking tools. These issue and change control tracking tools permit the identification, tracking, and reporting of issues and change controls by release, assigned personnel, status, and level of escalation. The tools generate automatic e-mail notifications about new issues, assignments, and changes in status.

New issues can be entered by any project team member or by the PCO team, which reviews all new issues and assigns them to the appropriate staff member and establishes a target date for resolution. Issues are reviewed at team meetings, manager status meetings, and executive leadership meetings as needed.

The PCO team shall escalate the issue so that the appropriate level of management is aware of the problem and resolution can be expedited. The PCO team serves as the facilitator and driver for the change control process. New change controls can be entered by any project team member or by the PCO team. For each new change control, the application maintenance and development contractor shall identify a staff member to estimate the effort and identify the personnel required to implement the change. The PCO team shall perform an analysis against the project schedule to determine the effect on existing project commitments. The PCO team shall facilitate weekly Change Control meetings that address the change control scope, effort, and schedule impacts with the



State and the application maintenance and development contractor so that timely decisions can be made.

Issues and change controls shall be accessible through the project control Web page. To facilitate cross-functional team communication, access shall be afforded to key DHS, MDIT, and application maintenance contractor personnel.

The change control process is coordinated with the MDIT Enterprise Request for Change (RFC) process. The PCO shall be responsible for ensuring that MiCSES and Bridges changes or issues with an Enterprise impact shall be coordinated and associated with an appropriate RFC approval.

Responsibility for scope control and management resides with the PCO release planning and schedule control positions.

**c) Schedule Control and Management**

Project schedulers develop and maintain the project schedules to support day-to-day tracking of the projects. Project schedulers provide support to the release managers, and perform many of the administrative tasks required to monitor and report on the status of the application releases.

The contractor's PCO team shall work in concert with the application maintenance and development contractors to create project schedules that address the deliverables identified in the master project plans. Using Microsoft Project, the contractor's team shall create schedules that track to the appropriate system life-cycle phases, organize the work in the sequence performed, and are driven by resources. These schedules are living documents that are integral to tracking the performance of the team and the status of the project. Progress updates shall be captured through weekly timesheets. The impact of these updates shall be reviewed with the application development team leads, and corrective actions are taken as needed.

The contractor's PCO team shall perform workload analysis so that development team leads can make personnel assignments that support satisfaction of project milestones.

In managing the resource pool, the contractor shall start with estimates provided by the application maintenance and development contractors and MDIT staff. The contractor's PCO team personnel shall develop a resource plan for each release, applying tools tailored to meet the needs of MiCSES and Bridges project-specific resource productivity assumptions, and its expertise in workload planning. This release resource plan shall be balanced against the resource needs of other releases and the skill profiles of available personnel. These plans and analyses shall be conducted in collaboration with the application maintenance contractor and the State.

The resource plan shall identify the specific personnel who are assigned project deliverables, incorporating their hour allocations per week, vacation schedules, and holiday assumptions. After the initial resource plan is approved, the contractor's PCO team shall monitor actual resource allocations against this plan by applying weekly time tracking output to the project schedule. Resource under-allocation or over-allocation issues shall be reviewed and resolved with the development team leads. Misallocation of personnel to tasks outside of the approved work plan shall be reviewed and resolved with the State and the application maintenance and development contractor.

Time tracking is used for the following three primary purposes: tracking progress on scheduled tasks; monitoring personnel workloads; and analyzing historical information to improve future planning.

The contractor shall use the Time Tracker tool, a customized, Web-based time reporting system. This tool shall generate a weekly timesheet for each staff member working on the MiCSES and Bridges projects. The timesheet shall include project assignments from the Microsoft Project schedules that support each release and base operation activity.



Each team staff member shall submit a timesheet weekly. The team managers shall review timesheets before they are submitted. To facilitate this review, the time tracking tool automatically highlights over-budget and late tasks on individual timesheets and generates manager-level reports with comparable information. The PCO team shall review the timesheets to detect any unusual entries before applying the effort to the schedule. This review process shall be used as a mechanism for identifying underutilized or overused personnel and for confirming that effort was not misapplied. Once the effort is applied to the schedule, the PCO team shall identify tasks that have exceeded their estimate, are in jeopardy of missing their target date, or both. The PCO team shall identify tasks that beat their estimates or target dates so that available capacity can be used. The PCO shall use this information as input for a status review with each team lead.

The contractor's PCO shall analyze the effort entered in Time Tracker at the task level and at the major deliverable level and then shall organize results by quantifiable size of the deliverable. This information shall be analyzed for accuracy and shall be reviewed with the application maintenance and development contractor. On the basis of this analysis, standard task estimates and major deliverable projections shall be refined. As MiCSES and Bridges proceed with continual improvement initiatives, the contractor shall use this same analysis to demonstrate improved efficiency and productivity.

To support project transparency and to verify that the State can access critical project data, the contractor shall post all project schedules to the MiCSES and Bridges internal project control sites.

The major responsibilities of project schedulers include:

- Create detailed logic and resource driven project schedules for application releases.
- Perform day-to-day tracking and progression of the schedules.
- Manage resource utilization in the schedule.
- Work through resource scheduling issues as required with application development team leaders.
- Modify the schedule to support changes processed through the change control process.
- Administer access to the PCO Tracker Tool.

**d) Workflow Coordination**

The activities necessary to support the formal MiCSES and Bridges Work Approval and Release Planning processes are the responsibility of an assigned workflow coordinator. The role requires participation in the MiCSES Ticket Assessment Groups (TAG), Bridges Work Request Assessment Teams (WRATs), and the respective Release Planning Groups.

This role is detail oriented, follows set criteria, and shall be able to lead the review of problem tickets as the facilitator of the Ticket Assessment Group. The workflow coordinator communicates with and creates a working relationship with all project members, from the county user representatives to the directors of the Office of Child Support and the MiCSES project director. This role requires expert use of MS Project, MS Word, MS Excel, MS PowerPoint, Remedy, MiCSES project tracking tools, Bridges tracking tools (ClearQuest and PVCS Tracker) to assess, route, and monitor throughput of the work requests.

The workflow coordinator is the "gatekeeper" for all open Remedy tickets and work requests, and is responsible for following established criteria in packaging the tickets/requests for review and release. The workflow coordinator prepares materials for and facilitates the weekly meeting of the MiCSES Ticket Assessment Group and assists the MDIT WRAT facilitator as needed. The workflow coordinator prepares materials for and participates in the weekly MiCSES Release Planning meeting and assists the MDIT and DHS Release Planning participants as needed.



Assessment represents a major entry point into release planning. The assessment and work approval processes enable stakeholders to offer input on the prioritization and timing of work on the MiCSES and Bridges projects, including system enhancements, bug fixes, required legislation enhancements, and technical improvements.

Using the assessment process, tickets/requests shall be scheduled into maintenance releases as warranted by size, resource availability, and priority.

The workflow coordinator on the contractor’s PCO team shall play a crucial role in confirming that the process is smooth and productive. The coordinator’s participation in ticket assessment, work approval and release planning operations to weave a common thread across all processes.

**Task 2 Deliverables:**

<b>Deliverable</b>	<b>Components and Measures</b>
<p>Release plans, including narrative description of release contents and complete schedules</p>	<p>The contractor’s team shall meet the release planning needs of the State by applying SUITE, PMM, standardized templates, and customized resource forecasting tools. At the end of each release planning effort, the PCO shall provide a release plan to the State for signoff. This plan includes the following information:</p> <ul style="list-style-type: none"> <li>• Affected interfaces</li> <li>• Project scope</li> <li>• Estimates by scope item</li> <li>• Staffing plan</li> <li>• Project milestones by development phase</li> <li>• Assumptions</li> <li>• Risks.</li> </ul> <p>At the end of each release planning effort, the PCO also shall submit an MS Project schedule to the State for signoff. This schedule includes information on the following:</p> <ul style="list-style-type: none"> <li>• Detailed tasks for all scope items, by development phase</li> <li>• Personnel assignments through implementation</li> <li>• Satisfaction of all development phase milestones</li> <li>• Maintenance of the resource workload assumptions of the application maintenance and development contractor.</li> </ul>
<p>Detailed task-level plans and schedules for release deployment</p>	<p>In coordination with the State and the application maintenance and development contractor, the PCO shall create logical, detailed, and effort-driven project plans and schedules.</p> <p>These project schedules shall be maintained in MS Project format and shall be furnished to the State as described under the Release Plan deliverable. The project schedules shall be maintained weekly so that they continue to track all scope items at the phase and task level, meeting project milestones and avoiding personnel workloads that violate project assumptions. This maintenance shall continue through the life of all releases, from initiation through deployment.</p>
<p>Facilitation of, and materials preparation for, release deployment meetings</p>	<p>The contractor’s team shall coordinate with the State and the application maintenance and development contractor to facilitate open and candid release deployment meetings. To satisfy the requirements of this deliverable, the Contractor shall undertake the following activities:</p>



	<ul style="list-style-type: none"> <li>• Schedule frequent Go-Live meetings starting 6 weeks to 8 weeks before deployment</li> <li>• Create an MS Project Go-Live schedule that details the events leading up to and through Go-Live weekend, assuming a 24x7x365 calendar</li> <li>• Identify the need for Go-Live participation by DHS, MDIT, the application maintenance contractor, or other organizations external to the project and then acquire their support</li> <li>• Facilitate release deployment meetings and drive the completion of tasks</li> <li>• Act as a communication hub during Go-Live weekend</li> <li>• Initiate and facility emergency meetings during Go-Live weekend.</li> </ul>
<p>Weekly status reports</p>	<p>Using the suite of PCO tracking tools, the contractor shall generate graphical metrics reports and shall produce scorecards driven by empirical evaluation. The contractor shall collate the scorecards with the issues reports and status reports provided by each team lead. These status reports shall be furnished weekly to the State.</p>
<p>Facilitation of, and preparation of materials for, weekly status meetings for managers and team leaders</p>	<p>Working with the State and the application maintenance contractor The contractor shall develop a status reporting template. As part of the weekly status reporting process, the contractor shall gather the status reports from each team leader and then consolidate and publish the weekly status reports. The contractor shall produce the appropriate number of copies, distribute them at the managers and team leaders meeting, and facilitate the corresponding status meetings.</p>
<p>Facilitation of, and preparation of materials for, biweekly leadership meetings</p>	<p>As part of the biweekly status reporting process, the contractor's team shall gather status reports from each project leader and shall incorporate these documents in the project scorecards and escalated issues. The contractor shall produce the appropriate number of copies, distribute them to the attendees, and facilitate the corresponding biweekly leadership meeting</p>
<p>Facilitation of, and preparation of materials for, weekly release planning meetings</p>	<p>The contractor's team shall consolidate inputs from the MiCSES TAG, DHS-OCS, WITs Workgroups, Bridges WRAT and MDIT project leaders. The contractor shall produce a report on proposed system changes (pending review) and shall distribute it to meeting attendees. The contractor shall facilitate this meeting, which focuses on upcoming major objectives of the MiCSES and Bridges project.</p>
<p>Performance metrics, including scorecards, earned value analyses, resource usage, defects detected and resolved in testing, defects introduced into production, analysis of application application maintenance and development contractor warranty work, and analysis of application downtime</p>	<p>Using the suite of PCO tracking tools, the contractor team shall analyze raw performance data and shall produce fact-based metrics reports on schedule performance, testing performance, and production performance. These reports shall be instrumental in assessing all aspects of project health. The standard report set includes the following:</p> <ul style="list-style-type: none"> <li>• <i>Scorecards</i>: These scorecards provide a visual red, yellow, or green status as well as a brief description of critical issues.</li> <li>• <i>Earned Value Analysis</i>: Driven from the project schedule, earned value analysis offers an empirical assessment of each deliverable, delivery phase, or release. status is displayed graphically.</li> <li>• <i>Resource Usage</i>: Several different reports are produced weekly by Time Tracker and the MS Project Schedules to identify over-</li> </ul>



	<p>allocated and under-allocated resources.</p> <ul style="list-style-type: none"> <li>• <i>Defect Tracking:</i> The Remedy application generates many different defect reports that the PCO uses for tracking defects identified in testing and production.</li> <li>• <i>Warranty Work Tracking:</i> The PCO uses Remedy to identify and communicate potential warranty items to the State. After the State and the application maintenance and development contractor agree that the item is a warranty item, the PCO shall enter it in the project schedule and shall use standard reporting tools to track progress weekly. The PCO shall produce a report on warranty tickets by release as part of product quality tracking.</li> <li>• <i>Application Downtime:</i> The PCO shall work with the State and application maintenance and development contractor to track and report system availability against the Service Level Agreement.</li> </ul>
<p>Facilitation of, and materials preparation for, closeout of each release, including archiving of all project data, lessons-learned sessions, and closeout of any open action items</p>	<p>At the end of each release, the contractor team shall execute PMM closeout activities, including project data archiving, publishing of lessons learned, closeout of open items, and continual improvement activities.</p>
<p>Ad hoc reports requested by the MiCSES and Bridges project directors.</p>	<p>The contractor team shall make every effort to satisfy the special reporting and project analysis needs of the MiCSES and Bridges project directors.</p>
<p>Training on the processes and tools used for project management control for the State staff members designated to work with and on the PCO team, or to assume specific PCO roles for the transition of contract staff to state staff.</p>	<p>The contractor shall approach training State staff as it would approach training for any team member. Assuming a base skill set appropriate or the position, the contractor shall assess the project-specific skills and knowledge that each staff member requires to perform appointed functions. The resulting training plan shall emphasize self-paced reviews of existing project processes and tool documentation and shall provide extended on-the-job training with an experienced mentor.</p>

**Task 2 - Acceptance Criteria:**

High-level acceptance criteria for Document Deliverables and Software Deliverables are listed in Section 1.501.

A monthly review of performance by the MDIT MiCSES and Bridges project directors shall determine acceptance. The MDIT project directors and the contractor’s PCO manager shall mutually agree upon delivery dates for specific processes and other output, and these shall be added to the project schedules. The contractor’s PCO manager shall be held accountable to these deliverables in a similar manner as the application maintenance and development contractor, State staff, and others are held accountable for their project schedule tasks.

**B. Task 3 – Technical Control and Infrastructure Support Services**

Task 3 includes the consolidation of the MiCSES and Bridges Technical Control Group (TCG) teams. This will be accomplished through standardization and consolidation of MiCSES and Bridges processes, architecture, delivery methods, and working relationships among the State, PCO/TCG, Accenture, and Deloitte. In general, the processes and tools leverage the approach used on the MiCSES project, thus delivering standardization and collaboration across the two most critical applications within MDHS. However, the goal is to integrate the best elements of the TCG processes and tools from both teams to maximize automation and throughput while minimizing costs. This approach includes, but is not limited to, the use of the common PCO Web tools, common PCO processes (e.g., release planning, change management, issue management, risk management,



schedule management, status reporting, and time tracking), and common technical processes and tools (e.g., technical service request, workflow management, Remedy, configuration management, deployment tools, data reduction, database administration tools, technical support and environment planning tools, and application defect tracking).

The contractor team will collaborate with the State to consolidate the MiCSES and Bridges TCG teams into one MDHS/MDIT TCG that is also tightly integrated with a combined MDIT/MDHS PCO. The consolidation of the two TCGs will be planned and implemented in collaboration with the State.

The State, its PCO/TCG, and the application maintenance and development contractors are jointly responsible for the technical integrity of the MiCSES and Bridges applications and their associated architecture. The TCG is responsible for confirming that application source code, environments, and database structure and integrity are preserved and are securely controlled. These controls shall enable the MiCSES and Bridges projects to avoid the traps and shortcuts that produce a risky and flawed application and instead to guide the project to a sound architecture, efficient data structure, stable environments, and reliable release processes.

The Technical Control Group shall have extensive technical expertise and knowledge of system application architecture, with a background in supporting complex application environments via dedication to key SDLC and CMMI guiding principles.

The contractor shall set a vision for the Technical Control team that includes enforcing technical and security standards, verifying adherence to established technical processes, and providing infrastructure support services to the State and the MiCSES and Bridges application maintenance and development contractors. The contractor shall apply its experience on previous Michigan and/or private sector IT projects to augment existing State standards and processes, constructing a framework of delivery mechanisms and controls to facilitate high-quality results.

Technical Control and Infrastructure Support Services include the following specific tasks and responsibilities:

**a) Technical Infrastructure Management, Control and Support**

The contractor shall assign a technical control manager with responsibility for management and direction of the contracted infrastructure resources and all related technical tasks and deliverables. The technical control team provides infrastructure direction, solutions, and improvements; recommends, designs, and improves tools and processes to deliver infrastructure services to various MiCSES and Bridges project teams. The technical control team provides consultation to other MiCSES and Bridges project teams to solve technical issues, plan and manage environments, create and maintain overall configuration and recovery processes, to develop and enforce standards, and to provide overall architectural vision.

The technical control team provides input to the PCO schedule control team in the form of technical infrastructure analysis, estimates, assumptions, and task definitions. The technical control team has overall responsibility for management of the MiCSES and Bridges production, development, training, and testing environments and is directly involved in their configuration, capacity planning, and maintenance. Collaboration and interaction with various MDIT Infrastructure Services teams is required, including adherence to MDIT technical standards and MDIT enterprise process.

Other responsibilities include contingency management, disaster recovery and business resumption strategy, implementation planning, system migration and upgrade strategy, batch operations support, IVR support, interface support, HP and SUN hardware/OS/UNIX support, network/workstation/environment support, and general direction regarding the stability and maintainability goals of the MiCSES and Bridges application components.

**b) System Architecture**

System architecture refers to the combination of hardware, network, application, and database, which together shall perform smoothly to provide high quality service to customers. Effective system architecture requires a high level of coordination, cooperation, and integration among the contractor, MiCSES and Bridges application maintenance and development contractors, and the State.

The MiCSES and Bridges architecture spans numerous server platforms, database technologies, operating systems, network topologies, and desktop platforms. The contractor's team shall assess MiCSES and Bridges technical needs and shall recommend, develop and deliver the appropriate system architecture solutions under demanding conditions. The contractor shall manage the computing and storage capacity necessary to support MiCSES and Bridges operational needs.

Throughout the term of the contract, the contractor shall be expected to understand and consult with the State regarding MiCSES and Bridges system architecture, advising the State of any anticipated performance problems, and recommending changes and upgrades to the architecture as appropriate. Contractor responsibilities shall include understanding the impact of coordinating multiple development and maintenance database regions and application versions simultaneously, coordinating planning for region creations, refreshes, data loads, and data migration as required to meet project deadlines, changing conditions and requirements.

The contractor staff shall manage the MiCSES and Bridges application environments to the extent required to support the development and maintenance efforts of the projects, determining when planned activities conflict or otherwise require contingency planning.

The system architecture shall be maintained in a manner that shall allow the State to grow, protect, and edit child support enforcement data in a manner that is both cost effective and ensures high performance and availability.

System architecture provides for the effectiveness of the overall system architecture, enforces standards for application coding, and ensures that application components are sufficiently robust to operate smoothly and without excessive maintenance effort. System architecture resources(s) identify, review and analyze problem areas of the MiCSES and Bridges applications and makes recommendations for improvement (e.g., more efficient code, index recommendations, and tuning recommendations).

System architecture resources(s) inspect MiCSES and Bridges application code and make recommendations to improve commit/restart capability, modularity and maintainability, and error handling. The system architecture resources(s) may participate in functional and technical design sessions with the MiCSES application maintenance and development team and provide input as needed to those designs.

Modifications of the established architecture shall have a measurable benefit to the State and to the long term maintainability of the system without disrupting the application development release schedules.

The Technical Control Group shall leverage existing MiCSES coding standards and practices as applicable and available. In addition, the contractor shall identify any potential gaps in the standards and shall work with MDIT to address areas that need standards defined.

The contractor shall participate in the monitoring and enforcement of standards by attending design peer reviews and source code peer reviews, focusing on the goal of supplying a robust, flexible, maintainable system to MDIT and DHS. Work products that do not comply with documented standards, practices, conventions, and de facto standards shall be rejected by the Technical Control Group at the peer review. The application development and maintenance contractors are



expected to conduct formal peer reviews, allowing adequate preparation time and enabling participants to inspect deliverables and note comments.

In pursuit of a robust and maintainable systems, the Technical Control Group shall work with the application maintenance and development contractors to deliver an application framework that meets Michigan application standards and objectives for IT systems. The contractor shall strive to foster a high degree of modularity and shall guide the application maintenance and development contractor to a strategy of reusable common modules (for example, error handling, logging, checkpoint restart, system parameterization and global variables).

Error severity levels shall be implemented, and jobs shall be coded to bypass and report erroneous data whenever possible, without resorting to fatal error and termination. Whenever possible, jobs shall redirect or retain failed transactions appropriately to enable automatic reprocessing later (recycle queue). In general, batch jobs shall be interruptible and capable of restart and shall expend a minimum amount of reprocessing to reposition the job for resumption. Job failures shall never result in data loss, and mechanisms shall be designed so that a re-execution of the job can correct or replace invalid data. Job executions shall never be time sensitive (that is, requiring an execution on day x of the month, or the window of opportunity closes) and whenever possible shall tolerate and account for other transactional activity in the system without requiring static data conditions to be preserved solely for the execution of the job. The contractor shall enforce these concepts in the same manner as all applicable standards for MiCSES and Bridges, through peer review participation with the application development and maintenance contractors.

### **c) Configuration Management**

Configuration management resources administer and enforce configuration management processes for MiCSES and Bridges production and development activities. The resources control several thousand configurable items that comprise the MiCSES and Bridges components on their various platforms. Configuration management resources create, modify, and improve automated build processes, configuration management tracking utilities and applications, configuration management reporting utilities and applications, and any other automated productivity tools used for building and/or tracking the configurable items with the applications. The resources also modify and support the development process and status tracking flow software that governs change control, workflow, and promotion to production procedures. The configuration management resources support various other project tracking tools and provide information/reports and other program management data to MDIT and DHS leadership. Configuration management resources assist the application maintenance and development contractors in troubleshooting compilation errors.

Configuration management resources shall provide an integrated development process and status tracking flow for the MiCSES and Bridges projects. Changes to source code, database tables, or application data shall not be promoted to the production environment without adhering to the State's quality assurance and configuration management requirements. The integration of the software development process into the existing MDIT standard toolset shall allow the contractor to leverage this method of system development and maintenance for the MiCSES and Bridges projects.

Configuration management includes source code and work products other than source code. The overall delivery of a system is based on a collection of documented requirements, process flows, business designs, technical designs, code, training documentation, system documentation, end-user documentation, and other non-release-specific artifacts critical to the project and the operation of the system. The TCG shall define and/or support the repository structure and check-in/check-out processes for MiCSES and Bridges, addressing all of the components that contain technical or intellectual value for the system. The configuration management resources shall also work with the application maintenance and development contractors to define naming and categorization standards for all configurable items and shall recommend approaches, such as "living" business design documents, leading to comprehensive, complete, and updated information from release to release.



The goal for MiCSES and Bridges configuration management is a well organized, intuitive collection of deliverables that is securely version controlled and managed to ensure the success of the development and maintenance effort of the projects. The TCG shall be committed to continual improvement, using CMMI best practices and shall strive to optimize this configuration management process by enhancing in-house toolsets and furnishing multiple and concurrent release support.

The current MiCSES configuration management process is integrated into the Remedy (Action Request System) help desk toolset, making sure a rigid development and testing methodology is followed before any changes to the system are released. Unauthorized changes are prevented, and all activity is automatically captured for audit and reporting. The current Bridges configuration management process is similar, but relies on the IBM Rational suite of tools. The consolidated TCG will leverage best practices from the two projects.

Configuration management is not just a control methodology; when implemented properly, it also functions as an enabler for productivity and quality improvements. The configuration management methodology shall enable multi-threaded development; allowing certain phases of multiple development projects to overlap and increasing throughput for maintenance release cycles. Configuration management is also a critical factor in successfully and correctly deploying code across many development, training, testing, read-only, and production environments.

The contractor shall use Build Tracker, a customized Web-based tool to enable members of the project team to initiate source code promotion activities and to view the history of builds, relevant configurable items, and corresponding versions of each configurable item. This information can be viewed by database and application environment, making the content of each environment known and comparing it to all other environments.

The contractor's TCG shall provide configuration and administration of the MiCSES and Bridges version control repositories.. Directory structure, naming standards, check-in/check-out processes, developer working directory structure, and overall organization of configurable items shall be specified to complement the MDIT standard toolset. Enforcement, automated whenever possible, and security shall be established to safeguard the intellectual and technological assets of the projects. Gatekeepers with privileged access shall be identified within the TCG. The contractor shall make sure robust version control and configurable item management is implemented within the available State configuration management software.

The TCG shall institute the movement of configurable items, shall integrate it into automated toolsets, and each environment shall receive changes in the exact same manner, through repeatable, scripted, secure delivery of change packages. As available version control software allows, the selection and download of the change package from the version control repository shall be based on configurations, which provide a build list or "makefile" of the applicable configurable items and their associated versions. Configuration history shall be retained for exception comparison between environments. Build output logs shall be generated and reviewed or parsed for build verification and auditing. Promotion processes shall be integrated into the development life cycle to make sure compliance becomes part of the natural workflow. Proven processes and life cycles shall be applied to make sure the State receives the full benefit from the contractor's configuration management experience.

The contractor shall use release implementations including repository re-baselining activities to retain the previous release container and begin work within the emerging release container. Release content is managed through several levels of project status: Archived, Current, Emerging, and Future. Each level corresponds to the state of the release content. Archived is release content previously implemented in production, but no longer current as another release has replaced it. Current is the active production version of the configurable items and is used to perform maintenance activities on the system. Emerging is the collection of work products under development for the next release to be implemented. Future is a holding area for pre-release work



(early requirements definition, analysis activities, and so on) “on deck” to become the next development release effort. Each level can have version specific subcategories and contain full repository structure as needed to manage all configurable items.

The technical control team shall also provide configuration management of specific data as needed by the various development environments. Fully maintained, common exports of data are used to refresh and reset training environments. These baselines shall be managed as releases occur to upgrade them at the same time application changes are implemented to production. This provides predictable, repeatable results for the environments and the teams depending on them.

**d) Database Administration**

The TCG shall support database instances, database system configuration, and database maintenance for all production and development environments. The contractor’s team shall implement stringent practices to confirm that system control as well as database security and integrity adhere to State policy. Other DBA services include creation and configuration of database instances, disk space management, capacity planning, disaster recovery, application of tuning improvements, administration, and general system operations.

The contractor’s team shall provide expertise to developers on the database environment, approaches to efficient query design, and configuration of developer environments. DBA resources shall apply their knowledge and the expertise of their support organizations to apply available tools to identify database optimization and management opportunities.

System database administrators shall establish database creation scripting and associated table space allocation templates to create environments of varying size that support development, test, and production activities. Using standard tools, the contractor shall implement synchronization and refresh processes to maintain read-only instances, if defined.. Read-only production database environments shall be implemented as physical standby instances.

The TCG shall audit the database structure in each development, testing, and production instance for conformity to the established data model. Generation of database instances shall originate from a version-controlled data model and shall be the primary method for creating application environments. Automated scripting and formal configuration management of the data model shall be used to create all database objects without manual intervention as generated from the data model representation. Data model changes shall be applied through the same build process used to promote application source code changes to each environment. Audit scripts shall compare environments and shall provide difference reports to verify that each environment is created or modified as expected. The contractor shall publish audit results to the project team.

Data modelers shall implement a formal methodology and associated documents for requesting database object creation for, or modification of, the systems. Peer reviews of submitted changes shall be conducted to enforce proper modeling approaches to normalization, foreign key constraints/RI, system-generated primary key usage, data abstraction, and performance indexes. Poor database design shall threaten the maintainability of MiCSES and Bridges, so the contractor shall apply its expertise to confirm that efficient designs are implemented, resulting in database-level application of relationships and data integrity.

The contractor shall monitor and manage disk space consumption, provide input on storage expenditure estimation, and advise on long-term planning of storage costs. To confirm efficient disk space usage and system performance, the contractor shall verify that the initial implementation of the selected system shall contain a data archiving and purging mechanism for fully removing historical, inactive, and obsolete data from the production database. If required, the migrated data should be retained in a database instance, archive storage, or both, separated from production operations. The contractor shall recommend other system management strategies as appropriate to contain storage costs.



The TCG shall analyze data volume estimates, user base (average concurrent, peak, named), response time requirements for batch and online processing, and the proposed technical architecture (OS, RDBMS, hardware) to develop capacity plans and computing resource requirements. Whenever possible, applicable industry benchmarking statistics shall be used to validate initial performance estimates for the system components. The contractor shall involve the contractors (such as hardware, RDBMS, software, application maintenance and development contractors) and State infrastructure teams (such as Data Center Services, Telecommunication and Network Management, and Field Services), as well as Agency Services teams to gather measurements and validate architecture plans. Production environments as well as development, testing, training, and other relevant environments shall be included in the assessment to acquire a complete picture of disk space, CPU load, memory utilization, and network bandwidth. Target peak hardware usage limits shall be defined (usually in the 70 percent to 80 percent range) to use the system efficiently while accommodating growth and avoiding degradation due to overload.

Ongoing monitoring shall include collection of system metrics, analysis of usage patterns, and generation of reports and graphs to facilitate projections and decision-making. Capacity plans shall be adjusted as the targets are breached, and acquisition of additional disk space, memory, and hardware upgrades may be initiated.

The contractor shall assess the system architecture and shall make recommendations about hardware, software, and configuration to integrate disaster recovery needs into the overall MDIT disaster plans. Database recovery constitutes only one aspect of disaster recovery planning. The contractor shall work with MDIT to identify the equipment and steps required to redirect production operations in the event of a disaster that renders primary equipment inoperable for an extended period of time.

The contractor shall use standard analysis tools provided by the State and available in the system architecture to conduct explain plan analysis, trace analysis, database resource monitoring, system resource monitoring, and performance statistics analysis. In addition, database statistics and data histogram recalculations shall be executed regularly to properly incorporate database growth effects or data distribution changes in the RDBMS optimization processes.

The contractor shall provide database expertise, application architecture expertise, and skilled professionals knowledgeable in programming concepts to identify opportunities for optimization of the MiCSES and Bridges applications during application development and maintenance phases. Recommendations shall be provided at various application system levels to apply tuning techniques within the data model, the physical database, and the source code logic itself. The system design shall incorporate efficiency at all levels. The contractor shall address these issues and recommend establishing dedicated performance testing efforts early in the development cycle to identify and correct issues before the project reaches the phases when a core design change cannot be effectively absorbed.

The contractor shall work with the MDIT Office of Enterprise Security to implement strict user ID management processes and other necessary security measures in accordance with State and Federal security compliance requirements. The TCG shall define database roles, grants, and resource limits to properly protect data and system resources. The contractor shall recommend user identification (ID) creation procedures to formalize, document, and adhere to access granting processes. The system DBAs shall secure the MiCSES and Bridges databases from unauthorized interactive SQL access or other ad hoc access. The contractor shall work with Enterprise Security and Data Center Services to detect and report unauthorized access attempts.

Operating system-level accounts shall be reserved for members of the TCG and Data Center Services administrators. For application maintenance and development team members, OS-level interactions such as file uploads and downloads shall be abstracted and provided through controlled interfaces within the Infrastructure Request System. The contractor shall work with the application maintenance and development contractors to confirm that application enforced security



is consistent with data access rules and database security conventions. Whenever possible, components such as Secure Shell (SSH), Secure File Transfer Protocol (SFTP), Secure Sockets Layer (SSL), encryption, and other security software options shall be installed or enabled. The TCG shall recommend modifications to the application architecture (or the creation of additional application architectures) to incorporate the correct granularity of user access control and data protection in the MiCSES and Bridges systems.

The contractor's approach to data integrity management shall focus on furnishing central organization and oversight for data modeling activities. The TCG shall apply available State toolsets to create and maintain the application database logical and physical models. Data definitions shall be consistently represented across the application to enforce naming standards, match data types, and eliminate redundancy or unnecessary denormalization. Ad hoc data model modifications to satisfy isolated needs shall not be permitted, and the overall benefit of suggested designs shall be assessed to provide flexibility, maintainability, and efficiency. In addition to securing the database structure from unauthorized changes, one of the TCG priorities shall be creating a data model and an associated change process for generating and maintaining the database from within toolsets or repeatable automated scripting. The institution of a database modeling methodology shall follow and adhere to industry standards for normalized relational database design. The result shall be a model that includes correct referential integrity, consistent data, efficient management of data, and accurate requirements-based representation of application functionality in the data model.

The contractor shall understand that the MiCSES and Bridges projects comprise several contractor teams, State agencies, and other MDIT organizations. Each of these teams shall contribute effort such as requirements, resources, work products, designs, and source code. In addition to preserving and delivering functionality, the TCG is committed to working with those teams to incorporate security, failover, and disaster recovery considerations in the data model and design as appropriate.

The contractor shall supply the MiCSES and Bridges projects with the expertise needed to review the proposed data model and physical database structure to identify sub-optimization, poor modeling practices, and opportunities for improvement. Table structure, data types, indexes, and constraints shall be reviewed to enforce integrity at the database level. Physical organization on disk shall be assessed against estimated data volumes to identify efficient initial tablespace and extent allocations. History tables, data-purging strategies, and migration of data out of the active production database shall be recommended at initial implementation to position the systems to manage data volume growth and associated impacts on system performance. Peer reviews shall be conducted to assess proposed design changes during software development cycles and shall follow a formal change process.

The TCG shall review data model designs and other database change requests to verify that naming standards are followed (for example, same data element has the same column name in all occurrences in the database; names conform to standard). Furthermore, because it is critical for referential integrity, foreign key constraints, and table join processing, the contractor shall work with the application maintenance and development contractor to confirm that the data type for a particular data element (integer, character, varchar) is identical in all occurrences of the field. Proper data element usage shall be enforced to prevent programs from using data fields for purposes other than the intended function (for example, storing unrelated data in a column merely to avoid requesting a new column in the data model). The data element types in the databases shall be defined consistently; each data element shall contain the data indicated by the element definition; data element names shall conform to standards; and data element names shall match when needed to facilitate intuitive table joins and easier technical design research.

The contractor shall work with the MiCSES and Bridges application maintenance and development contractors to develop a meaningful, coordinated, solid data model as a strong foundation for well-defined system development practices.



**e) Data and Application Environment Planning and Management**

The contractor shall perform environment planning and preparation for the infrastructure teams and project teams, addressing needs such as training, quality assurance, and development, which require MiCSES and Bridges environments to perform assigned work. The TCG shall work closely with each project team to adequately allocate finite system resources to the expanding and varied needs of these groups. In addition, environment planning and preparation personnel shall be proficient in the overall disaster recovery plan for the system so that ongoing support operations and system maintainability also are considered as operations to be recovered.

The TCG shall pursue strategies such as extended use of data reduction techniques to satisfy accurately and swiftly the varied environment needs of the project teams.

The contractor shall coordinate schedules and environments, providing multiple simultaneous development and maintenance activities for the MiCSES and Bridges projects. In general terms, the MiCSES model is based on two promotion-to-production paths. One path is the maintenance path for the release version actively in production. This path would correspond to a current configuration management repository and has separate development and testing databases to support builds and releases through that path. The other path relates to the release version in development that is progressing toward production implementation. This path would correspond to an emerging configuration management repository and, because of potential conflicts with code modifications in the maintenance path, shall have environments separate from the maintenance path. The Bridges model is similar and involves multiple paths. The TCG shall work with the application maintenance and development contractors to understand the capacity, constraints, and interrelationship of each path. Processes such as retrofitting shall be established, and configuration management personnel shall assist by identifying crossover configurable items undergoing modification in both paths. The activities planned in each path shall be assessed by the TCG and PCO to align release dates, re-baseline activities, refresh activities, and create concurrent code modifications. Project plans shall clearly define allowable concurrent activities to establish the economy of development and testing effort s well as the integrity of configurable items.

The TCG will propose process improvements, as appropriate, to increase throughput without sacrificing quality outputs.

Understanding the lead times, turnaround time, availability, and other assumptions about environment capabilities shall support more accurate estimating and scheduling when establishing project deadlines. The contractor's TCG is responsible for communicating and delivering the structure necessary to provide properly prepared and managed environments within the planned timeframes for the projects.

In addition to furnishing environments as scheduled for the development and testing phases, the contractor shall recognize that major software projects also depend on the provisions necessary to address operational readiness issues such as prerelease training and other user support activities. Such activities often require special environments to isolate those capabilities from development and testing activities. The contractor's TCG shall incorporate the planning of all environments in the overall MiCSES and Bridges project plans to formally indicate when these areas shall be available with the appropriate application build and data.

The preparation and maintenance of environments is a cyclical process that re-baselines those areas after a major release and applies release-specific changes according to project plan milestones. The TCG shall supply input for the definition of project plan milestones to properly consider the activities required to deliver environments according to the schedule. Post-release processing shall be identified in the plan to specify procedures for maintaining the environments for the successive release. The contractor shall validate that the MiCSES and Bridges projects use a proven, structured, and repeatable mechanism to manage the application architecture as needed for successful implementation.



The contractor's TCG approach to test/training/demonstration data shall employ static baseline exports that are maintained as system releases are implemented into production. Each baseline receives the same change package applied to production and is retained with the updates.

Baselines for testing, training, demonstration, and even development activities should be reduced data sets to allow for quick refresh cycles and expedited maintenance of environments. Furthermore, reduced data sets allow for testing batch cycles to complete faster and have less impact on the duration of project phases than waiting for full, production sized environments to complete processing. A full-size performance environment should be established for timing and performance assessment.

The contractor shall work with the application development and maintenance contractor to capture, maintain, and restore their prepared baseline data as needed for project development activities. The contractor shall also recommend test data strategies, such as reset scripting, to restore data conditions after a test without requiring a full refresh of the environment. The application maintenance and development contractors shall have responsibility for the creation of representative development data, training data, and testing data to support their test and demonstration conditions. The contractor shall assist the development and integration contractor with scripting concepts and baseline data management approaches, including the use of a superset of baseline data – a consolidated, single, common set of data shared by all project teams and refreshed to any environment. The contractor's technical control team shall assist in assessing data needs to efficiently manage computing resource consumption and execution durations for the projects.

**f) Data Loading and Data Utilities Administration**

The data loading and system utilities support tasks are very closely aligned with the data modeling tasks. A focus of the data loading and system utilities support activities is the coordination, loading, and configuration management of seed data (data used by the MiCSES application to control functionality, drop-downs, and system values). This task includes reconciliation of value problems, especially with user security set-up in the application security tables. These tasks also include duties related to database creation and refreshes, data archival procedures, and for populating the various areas used by the development, testing, and training teams. The resources responsible for these tasks also create, maintain, and execute data reduction and extraction programs to produce reduced databases for testing and/or demonstration purposes not requiring full production data. If data conversion is involved with implementation of an application release, these resources would also be responsible for merging new system values with current production values.

Initial data loading typically is accomplished in parallel with the development of the system programs designed to perform that functionality after implementation. Automated scripts perform data updates and are always version controlled, executed, and tracked in the formal build process. For backout purposes, output logs are generated to identify the key data affected by the script. Some processes may apply data directly from staging areas by using database links or remote procedure calls. Other processes that modify existing data may capture the before update data in temporary tables in a staging area to retain a copy for backouts. Review processes validate the script results in development and testing environments before applying them to production.

The contractor shall work with the application maintenance and development contractors to collect, validate, and apply data loads. The contractor shall use available State tools, recommend additional tool acquisition, and guide project teams in the use of efficient commands, utilities, and system processes. The contractor shall tailor the selection of tools and approaches according to the data loading and manipulation task at hand as well as required contingency capabilities. The contractor's data utility experience shall result in performance-oriented processing, resilience, and safeguards.

The contractor shall provide data loading and overall scripting expertise shall be applied to assist the various teams (for example, development, testing, training) in developing efficient and accurate data load scripts. The contractor shall provide the framework and mechanisms to enforce version



control and build processes for testing and execution efforts. The contractor shall review scripts, recommend improvements, identify performance techniques, and guide developers in integrating re-execution and back-out capabilities. Detailed error handling, output logs, and robust logic shall properly protect data. The TCG shall confirm that scripting components contain the standards and conventions necessary for securely and reliably manipulating data.

Another element of data loading is ongoing batch interface processing. Both MiCSES and Bridges interface with many other State and Federal systems. Consequently, information exchange and direct database access between the systems shall build on a framework of standard file formats, messaging protocols, and remote program execution and invocation methods. The contractor shall work with the various State and Federal agencies and the application maintenance and development contractors to define programming language and data exchange standards to govern interfaces to the MiCSES and Bridges. The contractor shall incorporate existing State standards as applicable and shall define additional conventions so that information interchange between State and Federal systems provides all project teams with the necessary structure to exchange data accurately and reliably. The contractor shall work to develop a common interpretation of data elements, their defined usage within interface components, and transactional control over them that remains consistent and supports a robust and dependable data delivery mechanism.

The contractor shall apply its expertise to influence the design of batch processing and incorporate robust loading mechanisms.

**g) Project and Technical Control Tools Support**

In projects as large and visible as MiCSES and Bridges, robust communication and readily available data is paramount to success and maintaining a CMMI Level 3/4 assessed organization. The contractor's PCO and TCG shall jointly support an integrated project and technical control intranet web site as a mechanism for sharing data across the projects. The web site shall provide access to a wide range of project information and dynamic communications among project personnel, project leadership, and project managers. The contractor shall ensure the web site and associated toolsets interface with, complement, and support the processes of the various project teams (PCO, TCG, application maintenance and development contractor, MDIT application development, and DHS-OCS). MiCSES currently uses Microsoft SharePoint for this functionality, and Bridges efforts are in progress to implement a SharePoint site. The TCG, MDIT, and DHS will investigate the potential for both projects to collaborate in the use of a Sharepoint environment.

Using this web site, project members shall be able to retrieve information such as project schedules, process documentation, contact lists, standard templates and forms, and various performance metrics. The infrastructure components of the project web site augment the project management features to respond to development team needs and supply management with a 'dashboard' view of a project. Furthermore, automation of processes and self-serve availability of technical environment data and services increase efficiency while eliminating error.

This suite of existing **Tracker** tools, the current PCO standard project reporting toolset, is expected to be supported, optimized and maintained by the contractor.

Additional functionality may be developed to acquire and present system-level information to perform system health checks on the production application as well as the various development and testing environments. The TCG, in concert with the PCO, shall target the design, construction, and improvement of the tools to support and complement the consolidated PCO processes and organization.

Tracker tools specific to infrastructure control activities include:

- **Build Tracker**
- **Configuration Management**
- **Load Tracker**
- **Infrastructure Request**



The Infrastructure Request System provides workflow processing for items such as builds, database creations, environment preparation tasks, and toolset improvements. The Infrastructure Request System provides request entry, assignment, status tracking, and automated e-mail notification features to propagate communication about events in each environment. The environment preparation and planning team shall typically use this system constantly to generate many useful reports about the environments and to coordinate activities such as database refreshes, application build requests, batch execution requests, and ID and password access management.

Access to these applications shall be password-secured, and group ownership constraints shall allow only authorized requesters and gatekeepers to initiate activities in the controlled environments.

The project tracking standard toolsets do not solely support the activities of the TCG. The **Project Tracker** functionality is used by project management to generate project scorecards. **Report Tracker** provides access to weekly performance metrics, including basic task completion counts by project, by deliverable, and by life-cycle phase. **Report Tracker** also affords access to weekly earned value reporting. The contractor shall categorize this information by project, by deliverable, and by phase.

**Issue Tracker** provides a method for establishing, tracking, monitoring and escalating project issues.

**Change Control** provides the same functionality for managing release changes requests related to resources, effort hours, work unit duration and scope. **Risk Tracker** provides for managing the identification of risks, their probability, threat level, and mitigation strategies.

**Time Tracker** provides a method for all project resources assigned to approved units of work to enter and track time against tasks. This information feeds various project status reports, including work progress, remaining effort, earned value, actual vs. estimates, and weekly project status scorecards.

**Test Tracker** provides reporting metrics for the progress of testing, including actual vs. estimates, scenarios planned vs. scenarios completed, percent complete, and defect status.

**Ticket Tracker** identifies help desk tickets approved for work and included in a release package, ticket priorities as ranked by project/program entities, scheduled for future release, or identified as warranty work.

In addition, the contractor shall work with MDIT Data Center Services administrators to obtain and display available system performance metrics (e.g. CPU utilization, memory usage, disk operations, network performance, wait times) via the MDIT standard toolset.

The contractor shall work with the application maintenance and development contractors to support and use applications and tools which provide: application performance and load testing; monitor and test network load and performance; and, provide remote measurement collection capabilities from the user desktops in an effort to capture the end-to-end transaction and user experience. The MiCSES project currently uses the Compuware suite of Vantage and Quality Assurance tools. The Bridges project currently uses the IBM Rational suite of tools.

Physical hosting and administration of associated server hardware/software for MDIT tracking and monitoring tools is the responsibility of the State Data Center Services and Technical Services teams. The contractor shall provide expertise and assistance with the installation, configuration, and maintenance of the specific system software layered products necessary to operate the tools for the MiCSES and Bridges projects.



The PCO Web Tools Support sub team assists with support for project management and other tools used by the PCO and other MiCSES and Bridges project teams. This sub team integrates PCO tools, applications, and utilities within the framework of the overall PCO suite of tools.

**Task 3 Deliverables:**

Deliverable	Components and Measures
Weekly written status reports that include, at a minimum, a description of work accomplished, work scheduled, and identification of issues requiring management attention	The contractor’s team shall provide weekly written status reports that include, at a minimum, description of work accomplished, summary of work scheduled, and identification of issues requiring management attention. Activities and progress shall be measured against release plan milestones.
Capacity plans and reports	<p>The contractor’s team shall provide these outputs to the State in document or Web-site form. Milestones for initial delivery of capacity plans and reports shall be established as part of the PCO initiation master project plan. Formal sign off shall be required upon completion of each milestone. Activities and progress shall be measured against release plan milestones.</p> <p>Maintenance of the capacity plans and reports are part of ongoing operations. Analysis and recommendations shall be prepared and presented to the state as appropriate, based on monitoring tasks, or as requested.</p>
Updates and revisions to the MiCSES data model	<p>The contractor’s team shall construct and manage a formal data model in available State, or State approved, tools for the MiCSES Oracle application. The data model shall be checked into the repository. The data model shall generate database object creation scripts for use in build processes. Milestones for delivery and updates to the MiCSES data model shall be established as part of the project release plans.</p> <p>Maintenance of the MiCSES data model is part of ongoing operations. Activities and progress shall be measured against release plan milestones.</p> <p>Formal sign off for this shall occur per the release plan.</p> <p>NOTE: The MDIT Agency Support Division performs data modeling for the Bridges Oracle application.</p>
System Architecture plans, recommendations, support and standards.	<p>The contractor’s team shall provide documented standards and recommend coding practices defining robust error handling, modular approaches, and common minimum program capabilities. Milestones for specific System Architecture deliverables shall be outlined in release plan schedules.</p> <p>The application maintenance and development contractors have responsibility for designing and delivering the application architecture, and the PCO has responsibility for approving, tracking and enforcing the architecture standards. Maintenance of the MiCSES and Bridges Application Architecture is part of ongoing operations.</p>
Technical Architecture plans, recommendations and support.	Milestones for delivery of specific Technical Architecture deliverables shall be established as part of the release plan schedule.



	<p>The contractor’s technical infrastructure control resources have responsibility for design (in conjunction with the State), delivery and support of the MiCSES and Bridges technical architecture, and enforcing architecture standards. Maintenance of the MiCSES and Bridges Technical Architecture is part of ongoing operations. Analysis and recommendations shall be prepared and presented to the State as appropriate, based on monitoring tasks, or as requested.</p>
<p>Documentation of all implemented processes and tools to support application development, testing, release, system and technical architecture and configuration management.</p>	<p>The contractor’s TCG shall provide documentation of all technical processes and tools to support system and technical architecture, application development, testing, release, and configuration management.</p> <p>This information shall be checked into the repository and made available on the project Web site. Milestones for initial delivery of the documentation of all implemented processes and tools to support system and technical architecture, application development, testing, release, and configuration management shall be established as part of the master project plan and release plan schedules.</p> <p>Maintenance of this documentation is part of ongoing operations.</p>
<p>Configuration Management</p>	<p>Documented processes and standards for the effective and accurate promotion of code. Activities shall be tracked against release plan milestones. Maintenance of this documentation is part of ongoing operations.</p>
<p>Training on the processes and tools used for technical/infrastructure control for State staff designated to work as part of the TCG.</p>	<p>The contractor’s team shall provide training on the processes and tools used for technical/infrastructure control for State staff designated to work as part of the Technical Control team. The training shall be in the form of documented processes and mentoring as State resources become integrated members of the Technical Control team and receive regular working assignments. Training on the processes and tools used for technical /infrastructure control for State staff designated to work as part of the Technical Control team shall have specific milestones established. Formal sign off for these activities shall occur upon completion.</p>

**Task 3 - Acceptance Criteria:**

High-level acceptance criteria for Document Deliverables and Software Deliverables are listed in Section 1.501. A monthly review of performance by the MiCSES and Bridges project directors shall determine acceptance. The MiCSES and Bridges project directors and the contractor’s TCG manager shall mutually agree upon delivery dates for specific processes and other output, and these shall be added to the project schedules. The contractor’s TCG manager shall be held accountable to these deliverables in a similar manner as the application maintenance and development contractor, State staff, and others are held accountable for their project schedule tasks.

**D. Task 4 – Knowledge Transfer**

The State retains the right to assume or reassign selected functions and job responsibilities outlined in this contract to State classified positions.



Under this task, the contractor shall complete all activities necessary to support and affect a knowledge transfer from contract staff to identified State staff:

- Management oversight of training execution and effectiveness
- On-the-job training via job shadowing and mentoring
- Skills transfer
- Training Sessions

At the request of the State the contractor shall support the operation of MiCSES and Bridges during the contract term and concurrently train State staff in the project control, technical control and infrastructure support functions. The contractor shall provide knowledge transfer to MiCSES and Bridges State staff by providing “over the shoulder” assistance and training.

This informal training shall prepare State staff to provide technical and operational support for MiCSES and Bridges. Dependent upon the responsibilities being migrated to or assumed by State staff, the training may include, but not be limited to, instruction in:

- Orientation to all developed software
- Operating systems used
- Programming languages used
- All software tools used
- All MiCSES and Bridges business rules
- Database design, operation, and standards
- System build procedures
- Testing procedures
- Security management operations and maintenance
- All aspects of printing and print domains, languages, and protocols
- MiCSES and Bridges operating procedures
- Batch process execution
- Interface processing
- Application support procedures

Training shall be provided by contractor’s staff that is engaged and on site under this contract, with responsibilities re-directed to this effort. Therefore, there shall be **no** costs incurred to the State for this task. Should additional training be required, at the State’s discretion, above and beyond that which can be provided by contractor’s on site staff, the State may use the Statement of Work (SOW) process to secure additional training from the contractor.

**Task 4 – Deliverables:**

1. Job Shadowing and Mentoring Activities
2. Training Sessions
3. Status Reports
4. Technical Interchange Meetings

To support the aforementioned deliverables, the contractor will provide the following:

- Transition plan
- Process documentation
- Workflow step documentation
- Required skill sets documentation
- Training plan (SEM-703)
- Status reports

**Task 4 - Acceptance Criteria:**

High-level acceptance criteria for Document Deliverables and Software Deliverables are listed in Section 1.501.

Formal State acceptance in the form of sign-offs is required for the plans and documents listed above. State staff must demonstrate their ability to independently perform the functions being transferred from contract staff for final sign-off.

**E. Task 5 – Reserve Bank of Hours**

In addition to the tasks and responsibilities described in Tasks 1 through 4, the State anticipates that unplanned, non-routine events shall occur over the term of the contract that shall require additional resource hours and/or skill sets. Examples of such events include: emergency releases of the application beyond the numbers estimated in Tasks 2 and 3,; requirements for the introduction of new technology to the environment; additional work for audits; security compliance; virus attack response; live (not test) implementation of disaster recovery plans. It shall be at the sole discretion of the State whether the work effort required for these activities supplants and supersedes existing work or is to be provided via the Reserve Bank of Hours as supplemental work.

During the term of the contract, if the State issues Statements of Work (SOW), to draw against the Reserve Bank of Hours, the contractor shall be required to respond to the SOW within ten (10) business days. The contractor's response shall include an estimate of the work required to complete the SOW utilizing the fully loaded labor rates listed in the contractor's pricing proposal, and a schedule for expected delivery.

For fixed price SOWs, contractor's response shall include an estimate of the work required to complete the SOW, a listing of scheduled milestones, deliverables, and the planned completion date.

For Time & Materials (staff augmentation) SOWs, contractor's response shall include the required positions, time frames and the associated labor rates as identified and accepted in the contractor's price proposal.

Upon written approval by the State, each SOW shall become a component of the contract, subject to the same terms and conditions, except as otherwise noted in the SOW.

The contractor may also supply unsolicited fixed price proposals for SOWs for improvements and enhancements beyond the capacity or skills of the resources included in the base contract. Contractor initiated SOWs shall be considered, accepted, or rejected at the sole discretion of the State.

The State estimates up to 40,000 hours (annually) may be procured through the Reserve Bank of Hours via Statements of Work. This estimate includes both MiCSES and Bridges, with an expectation of 20,000 hours devoted to MiCSES and 20,000 hours devoted to Bridges..

**Task 5 – Deliverables:**

1. Approved Statement of Work
2. State-accepted deliverables, specific to the SOW
3. SOW deliverables shall generally follow the requirements as outlined for their comparable tasks in the base contract.

**Task 5 - Acceptance Criteria:**

High-level acceptance criteria for Document Deliverables and Software Deliverables are listed in Section 1.501. The State project director shall review completion of the Statement of Work as per the approved requirements, deliverables, and timeframes. Statement of Work may include additional specific performance metrics and acceptance criteria.

Formal sign-off by the State is required for all SOWs.



**1.200 Roles and Responsibilities**

**1.201 Contractor Staff, Roles, And Responsibilities**

**A. Contractor Staff**

The following positions are identified as key personnel for this contract:

- Project Control Office (PCO) Manager
- Technical Control/Infrastructure Support (TCG) Manager
- System Architect
- System Database Administrator

Replacement of a key staff person requires prior written approval from the State. All key personnel may be subject to the State’s interview and approval process.

The following individuals are identified as key personnel:

Key Personnel

- PCO Manager - Mark Kinnamon
- TCG Manager - Art Kurtze
- System Architect - Scott Merchant
- System Database Administrator - Yi-Ying Tsang

Following is a list of all subcontractors on this contract:

Subcontractors

Subcontractor	Contact/Address	Brief Description of Work and Company
Analyst International 	Darrell Swartz 3101 Technology Blvd. Suite A Lansing, MI 48910	<p><b>Work to be subcontracted</b>—Analysts International will provide resources to continue support of the PCO/TCG functions outlined in the RFP. Additional staffing also is available to support the reserve bank of hours.</p> <p><b>Description</b>—Analysts International is a global technology services company that provides a broad range of services. Analysts International has operated in Michigan for 25 years and worked with the State since 1988 to successfully serve various agencies and MDIT.</p>



Subcontractor	Contact/Address	Brief Description of Work and Company
<p>Netstar Corporation</p> 	<p>Jan Leonard 7 West Square Lake Rd. Bloomfield Hills, MI 48302</p>	<p><b>Work to be subcontracted</b>—Netstar Corporation will provide resources to continue support of the PCO/TCG functions outlined in the RFP. Additional staffing also is available to support the reserve bank of hours.</p> <p><b>Description</b>—Netstar Corporation, a small Michigan-based business, has been a full service solutions services provider since 1995. Netstar’s strength is its ability to provide the highest level of customer satisfaction to clients by providing high-quality professional and staff augmentation services. Netstar is currently engaged on the MiCSES Project Office for the State of Michigan.</p>
<p>TEKsystems Corporation</p> 	<p>Scott Wiseman 3940 Peninsular Dr. Suite 100 Grand Rapids, MI 49546</p>	<p><b>Work to be subcontracted</b>—TEKsystems Corporation will provide resources to continue support of the PCO/TCG functions outlined in the RFP. Additional staffing also is available to support the Reserve Bank of Hours.</p> <p><b>Description</b>—TEKsystems is one of the nation's largest single source providers of IT and communications staffing and services. TEKsystems has supported local government clients and State of Michigan projects.</p>

An organization chart showing all contractor staff is available in Appendix B. This chart must be updated when changed.

The contractor shall create and maintain a staffing plan that balances the resource needs of the project against the skill profiles of available personnel. This plan shall be refined in collaboration with the State. A resource plan shall identify specific personnel assigned and their respective project deliverables. After the initial staffing plan is approved, the State in conjunction with the PCO and TCG managers shall monitor actual resource allocations against the plan by applying weekly time tracking output to the project schedule. If the resource plan indicates a significant shift from the existing staff levels or skill sets, the contractor shall develop a training plan addressing resource and skill set ramp up time

The PCO Manager also functions as an overall project manager. Because the EDS team is the current provider, no transition will be required from the current vendor. Rather than focusing efforts on transition, the EDS team PCO Manager, Mark Kinnamon, will work with the State on planning and leading the consolidation of the MiCSES/Bridges team.



Mark is solely dedicated to the project and will coordinate the activities of the contractor personnel assigned to this project and create the reports required by the State. His responsibilities include the following:

- Manage all defined contractor responsibilities
- Manage contractor's subcontractors
- Develop the project plan and schedule, and update as needed
- Serve as the point person for all non-contract related administration project issues
- Coordinate and oversee the daily project activities of the project team
- Assess and report project feedback and status
- Escalate project issues, project risks, and other concerns
- Review project deliverables and provide feedback
- Proactively propose/suggest options and alternatives for consideration
- Use change control procedures
- Prepare project documents and materials

Additional Staffing Requirements and Personnel Classifications **include:**

- Release Manager(s)
- Project Scheduler(s)
- Workflow Coordinator(s)
- Configuration Management Staff
- Database Administrator(s)
- Application and Data Environment Planning & Preparation Staff
- Data Modeler(s)
- Data Loading/Data Utilities Staff
- Project and Technical Tools Support Staff
- Oracle Batch Operations Support Staff
- Data Warehouse Batch Support Staff
- IVR Support Staff
- HP Hardware/OS/UNIX Support Staff
- Network/Workstation/Environment Support Staff
- Medical Interface Support Staff
- SUN Administrator
- DBA/Documentum Administrator

### **Single Point of Contact (SPOC)**

Tim Robl will be the EDS team's single point of contact (SPOC) for the contract. Tim's responsibilities include:

- Support the management of the contract
- Facilitate dispute resolution
- Advise the State of performance under the terms and conditions of the contract

The State reserves the right to require a change in the current SPOC if the assigned SPOC is not, in the opinion of the State, adequately serving the needs of the State.

The EDS Account Executive, Bob Barthlomew, will provide general contract oversight and serve as a point of escalation for aspects of the contract.

### **Additional Security and Background Check Requirements**

Contractor shall present certifications evidencing satisfactory Michigan State Police Background checks (ICHAT) and drug tests for all staff identified for assignment to this project.



In addition, proposed contractor personnel may be required to complete and submit an RI-8 Fingerprint Card for the National Crime Information Center (NCIC) Finger Prints for staff who have access to the Law Enforcement Information Network (LEIN) data.

Contractor shall be required is responsible for any costs associated with ensuring their staff meets all requirements.

### **1.202 State Staff, Roles, and Responsibilities**

The MiCSES and Bridges projects each operate under separate, but very similar, formal governance models.

#### **Strategic and Tactical Direction**

For MiCSES, strategic and tactical business direction is provided to MDIT-MiCSES by the Child Support Leadership Group (PLG), which is comprised of representatives from DHS-OCS, SCAO, FOCs, PAs and MDIT. MiCSES strategic and tactical technical direction is provided by MDIT, in consultation with DHS-OCS. Any decisions on business and technical requirements and any associated solutions are the responsibility of the State. A complementary structure exists for Bridges.

#### **Leadership Team**

The MiCSES and Bridges Leadership Teams operate at the equivalent of a steering committee. The Leadership Team is led by the MDIT project manager, and the Executive Sponsor is a DHS senior executive. The weekly Leadership Team meetings are conducted and facilitated by the respective Project Control Office (PCO). Participants include the MDIT State management team, DHS State management team, application maintenance contractor's management team, and PCO contractor's management team.

The Leadership Teams provide the following services:

- Approve the project schedule
- Review project status and resolve issues impeding progress
- Authorize modifications for scope and resources of the project
- Ensure senior management commitment to the project
- Act as a final arbiter on proposed changes that significantly affect the business interests of the State and/or determine issues to be further escalated to the PLG.

#### **Subject Matter Experts**

Subject Matter Experts representing specific business areas provide the vision for the business design and how the application shall provide for that vision. They shall be available on an as needed basis. Delivery of business requirements and business rules are the responsibility of the State and the application maintenance and support contractor. Ultimate acceptance of any deliverables produced by the application maintenance and support contractor is the responsibility of the State.

The SME's shall be empowered to:

- Resolve business related project issues in a timely manner
- Review project plan, status, and issues
- Resolve deviations from project plan for specific units of work
- Provide acceptance sign-off
- Utilize change control procedures
- Ensure timely availability of State resources
- Make key implementation decisions, as identified by the contractor's project manager, within 48-hours of their expected decision date.

#### **State Project Manager- (MDIT and Agency)**

MDIT shall provide a MiCSES project manager and a Bridges project manager. MDIT shall be responsible for the State's infrastructure and work together with the contractor in determining the system configuration.



The MDIT project manager shall provide the following services:

- Provide State facilities, as needed
- Coordinate the State resources necessary for the project
- Facilitate coordination between various external contractors
- Facilitate communication between different State departments/divisions
- Provide acceptance and sign-off of deliverable/milestone
- Review and sign-off of timesheets and invoices
- Resolve project issues
- Escalate outstanding/high priority issues
- Utilize change control procedures
- Conduct regular and ongoing review of the project to confirm that it meets original objectives and requirements
- Document and archive all important project decisions
- Arrange, schedule and facilitate State staff attendance at all project meetings.

The State's Executive Sponsor shall provide the following services:

- Facilitate communication between different State departments/divisions for business decision points
- Provide acceptance and sign-off of certain deliverable/milestones
- Facilitate resolution of business issues
- Facilitate the establishment of data sharing agreements
- Escalate outstanding/high priority business issues
- Participate in regular and ongoing review of the project to confirm that it meets original objectives and requirements
- Arrange for participation and input from the business partners within DHS

◇ **MDIT and Agency Project Managers**

◇ <b>Name</b>	◇ <b>Agency/Division</b>	◇ <b>Title</b>
◇ Pratin Trivedi	◇ MDIT/Agency Services	◇ MiCSES Project Director
◇ Richard DeMello	◇ MDIT/Agency Services	◇ DHS Client Service Director
◇ Marilyn Stephen	◇ DHS – Office of Child Support	◇ Director (Executive Sponsor)
◇ Don Mussen	◇ DHS	◇ Automation Champion

MDIT shall provide a Contract Administrator whose duties shall include, but not be limited to, supporting the management of the contract.

◇ **MDIT Contract Administrator**

◇ <b>Name</b>	◇ <b>Agency/Division</b>	◇ <b>Title</b>
◇ Patty Bogard	◇ MDIT/Bureau of Strategic Policy	◇ Contract Administrator

**On Site Work Requirements**

1. Location of Work

- a. The work is to be performed, completed, and managed at the following locations:

MiCSES:  
 George W. Romney Building  
 111 S. Capitol Ave.  
 Lansing, MI 48933

Bridges:  
 Grand Tower Building  
 235 S. Grand Ave.  
 Lansing, MI 48933



- b. The State shall provide the following resources for the contractor's use on this project:
  - Work space
  - Minimal clerical support
  - Desk
  - Telephone (at the State's discretion, telephones may be a shared resource for contract staff below the management, team lead, and senior level classifications)
  - PC workstation
  - Access to printers
  - Access to copiers and fax machine
2. Hours of Operation
  - a. Normal State working hours are 8:00 a.m. to 5:00 p.m. EST, Monday through Friday, with work performed as necessary after those hours to meet project milestones, deadlines and on-call requirement.
  - b. The State is not obligated to provide State management of assigned work outside of normal State working hours. The State reserves the right to modify the work hours in the best interest of the project.
  - c. Contractor shall observe the same standard holidays as State employees. The State does not compensate for holiday pay.

#### **Travel**

1. No travel or expenses shall be reimbursed. This includes travel costs related to training provided to the State by contractor.
2. Travel time shall not be reimbursed.
3. The State shall not pay for any travel expenses, including hotel, mileage, meals, parking, etc. Travel time shall not be reimbursed

#### **1.203 Other Roles and Responsibilities**

State – There is a high level of coordination required between the contractor and the Michigan Department of Information Technology, beyond the direct interaction with MDIT-MiCSES State project staff and MDIT Bridges State project staff. MDIT provides standards and processes, various data center services, network access, telecommunications support and related technology support functions. The contractor shall be required to coordinate the performance and delivery of their contractual obligations with the various appropriate units within MDIT.

Federal - The MiCSES project is funded with 66% federal match, and 34% State General Fund. As such, the child support system, its operations and all contracts are subject to federal review, approval and audits. The contractor shall participate fully in any such reviews and audits, and shall meet all of the federal requirements referenced in the RFP and resulting contract. Bridges has similar federal reporting and cost allocation requirements.

Contractual –

- The MDIT-MiCSES Application Maintenance and Development team is staffed via a contract with Accenture. This contract provides the State with application design, development and testing services, as well as training, technical communications and documentation.
- The MDIT-Bridges Application Maintenance and Development team is staffed via a contract with Deloitte. This contract provides the State with application design, development and testing services, as well as training, technical communications and documentation.



### **1.300 Project Plan**

#### **1.301 Project Plan Management**

##### **Preliminary Project Plan**

The contractor's Preliminary Project Plan provides a basis for the final project plan, and includes necessary time frames and deliverables for the various stages of the project and the responsibilities and obligations of both the contractor and the State.

1. In particular, the Preliminary Project Plan includes a MS Project schedule or equivalent (check the SUITE/PMM standard):
  - a. A description of the deliverables to be provided under this contract.
  - b. Target dates and critical paths for the deliverables.
  - c. Identification of roles and responsibilities, including the organization responsible. Contractor is to provide a roles and responsibility matrix.
  - d. The labor, hardware, materials and supplies required to be provided by the State in meeting the target dates established in the Preliminary Project Plan.
  - e. Internal milestones
  - f. Task durations
2. The Preliminary Project Plan includes the following deliverables/milestones for which payment shall be made.
  - a. Payment to the contractor shall be made upon the completion and acceptance of the deliverable or milestone, not to exceed contractual costs of the phase. A milestone is defined as complete when all of the deliverables within the milestone have been completed.
  - b. Failure to provide deliverable/milestone by the identified date may be subject to liquidated damages as identified in Article 2.

Note: A Final Project Plan shall be required as stated in Article 1, Section 1.301 (C) Project Control.

##### **Orientation Meeting**

Within ten (10) calendar days from execution of the contract, the contractor shall be required to attend an orientation meeting to discuss the content and procedures of the contract. The meeting shall be held in Lansing, Michigan, at a date and time mutually acceptable to the State and the contractor. The State shall bear no cost for the time and travel of the contractor for attendance at the meeting.

##### **Performance Review Meetings**

The State shall require the contractor to attend monthly meetings, at a minimum, to review the contractor's performance under the contract. The meetings shall be held in Lansing, Michigan. The State shall bear no cost for the time and travel of the contractor for attendance at the meeting.

##### **Project Control**

1. The contractor shall carry out this project under the direction and control of MDIT and the Department of Human Services.
2. Within 14 working days of the execution of the contract, the contractor shall submit to the State project manager(s) for final approval of the project plan. This project plan shall be in agreement with Article 1, Section 1.104 Work and Deliverables, and shall include the following:
  - *The contractor's project organizational structure.*
  - *The contractor's staffing table with names and title of personnel assigned to the project. This shall be in agreement with staffing of accepted proposal. Necessary substitutions due to change of employment status and other unforeseen circumstances may only be made with prior approval of the State.*
  - *The project work breakdown structure (WBS) showing sub-projects, activities and tasks, and resources required and allocated to each.*



- *The time-phased plan in the form of a graphic display, showing each event, task, and decision point in the WBS.*
3. The contractor shall manage the project in accordance with the State Unified Information Technology Environment (SUITE) methodology, which includes standards for project management, systems engineering, and associated forms and templates which is available at <http://www.michigan.gov/suite>
    - a. Contractor shall 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. The tool shall have the capability to produce:
      - Staffing tables with names of personnel assigned to contract tasks.
      - 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 14 calendar days, updated semi-monthly).
      - Updates shall include actual time spent on each task and a revised estimate to complete.
      - Graphs showing critical events, dependencies and decision points during the course of the contract.
        - a. Any tool(s) used by contractor for such purposes shall produce information of a type and in a manner and format that shall support reporting in compliance with the State standards.

### **1.302 Reports**

Reporting formats shall be submitted to the State's project manager for approval within 15 business days after the execution of the contract resulting from this RFP. Once both parties have agreed to the format of the report, it shall become the standard to follow for the duration of the contract.

The contractor shall produce and/or provide appropriate inputs for weekly status reports for all scheduled work and work in progress. Weekly status reports shall include work accomplished, work scheduled for the next week, and identification of issues requiring management attention.

In addition to specific reports are identified in the deliverables for each task in Section 1.104, the following reports are required:

- Incident reports for unscheduled system unavailability
- Monthly staffing report
- Incident reports describing unanticipated problems, actions taken to address the problem, and outcomes
- Ad hoc reports as requested by the project directors

### **1.400 Project Management**

The State, its PCO, and the application maintenance and development contractors jointly comprise the management team for the project. The contractor shall coordinate their project management responsibilities with the State and its application maintenance and development contractors. The PCO provides the State with independent administrative oversight of project plans, schedules, scope, milestones, and configuration management. The PCO reports to, and takes direction from, the MDIT MiCSES and Bridges project directors.

The contractor shall manage their direct project responsibilities in support of all tasks assigned via this contract.. The contractor shall be required to follow and participate in existing project management processes, including use of the State's PCO processes and tools, Work Approval Process (WAP), Change Control process, Office of Child Support Work Improvement Teams (WIT), Work Request Assessment Teams (WRATs), and the release management process.

Understanding established PCO processes, methodologies, and tools shall facilitate a smooth transition to a consolidated PCO that leverages the best practices of MiCSES and Bridges.



The PCO Schedule Control team is responsible for creating and maintaining detailed project plans and MS Project schedules, which support project scope, milestones and deliverables based on inputs and estimates provided by the application maintenance contractor. Once a project plan is resourced and baselined, all resources (State and contractual) are required to report time spent against the plan via a project-wide reporting tool. The PCO uses information collected via this tool to track progress against the plan, determine earned value calculations, and support weekly status reports. While the PCO has responsibilities for managing schedules, plans and processes, the PCO does not have any responsibility for directing or managing the application maintenance contractor's staff, tasks, deliverables, milestones or other responsibilities attributed to the contractor via this RFP and the resulting contract.

The contractor's PCO responsibilities encompass duties associated with each of the following areas. While certain responsibilities are clearly within the purview of the State and others are identified as contractor obligations, project management is a partnership, with each entity having specific ownership and accountabilities for their roles in the success of the program goals and objectives.

Project Strategy and Direction – DHS is responsible for providing system directives in terms of Federal and State legal and regulatory requirements and local office business requirements. MDIT MICSES and MDIT Bridges, in conjunction with its contractor(s), are responsible for devising and/or approving the technical solutions and implementation plans that respond to the DHS directives.

Project Priorities – DHS and its program partners, including MDIT, determine priorities for the MiCSES and Bridges projects.

Project Administration – The contractor is responsible for acquiring, deploying, and attending to the administration of the proper level of staffing resources, including work assignments and time management; planning and organizing work to deliver required results; ensuring and evaluating performance;

Project administration shall be conducted within the parameters and processes identified within this RFP and by the MDIT project manager.

Change Control Process - As defined in this RFP, change control is the formal process for identifying the impact of any change which modifies scope, deliverables, timeframes, or resource allocations and determining the disposition of the requested change. In practice, the change control process generally applies at two stages of the system development life cycle: 1) after the release scope has been defined and sign-off attained and, 2) after functional and system designs are complete. The contractor supports this process by estimating impacts, investigating solutions, identifying alternatives, inputting appropriate information into project tracking tools, participating in the decision making process, and implementing the agreed upon solution. (Release management Change Controls should not be confused with the contractual change controls which involve contract terms and conditions and shall be negotiated between the contractor, MDIT and DMB contract administrators).

Work Estimation – The contractor is responsible for providing work estimates for and in support of all their tasks identified in this RFP or otherwise assigned as a result of the contract.

Planning, tracking and monitoring – Project planning is a joint exercise of the project management team (State, contractors). Project level tracking and monitoring is primarily a function of the contractor PCO, based on inputs from the State and the application maintenance contractor.

Work Approval Process – MDIT has a formalized Work Approval Process (WAP). The contractor supports this process by providing facilitating the related meetings and providing the workflow coordinator. See Appendix B for details on the WAP.



Release Management – As defined earlier, projects follow an established release management methodology that is supported by the PCO. The contractor supports this methodology through the performance of and/or adherence to the process steps.

The contractor shall effectively allocate project resources. This may include the integration of contractor and State staff, on certain projects with shared or common responsibilities. Staff training and knowledge transfer required in response to contractor staff turnover shall be addressed throughout the contract period and are the responsibility of the contractor

The contractor shall provide regular and frequent communication with the State regarding staff resources, management approach for new tasks, adherence to schedules, and problems or issues that may affect successful outcomes of work under the contract and to DHS as a whole.

The contractor is required to conduct at least weekly meetings with the State to review, prioritize, and plan work to be carried out under the contract. The State managers shall conduct several weekly management meetings with project staff. Other regularly scheduled meetings occur with the PCO, DHS staff, MDIT staff and staff from other State agencies. The contractor shall participate in these meetings as directed by the MDIT project manager or as otherwise necessary to fulfill the contractor's obligations. Meeting schedules and requirements may be modified at the discretion of the State.

**Deliverables:**

- a. Work Plans
- b. Organization Charts
- c. Status Reports
- d. Work Estimates
- e. Inputs to all project management and control tools

**Performance Metrics:**

- a. All deliverables shall be delivered to the State in the format approved by the State and on the due date shown in the most recently approved work plan.
- b. All reports shall be delivered to the State on the dates specified in the production schedule as agreed by the State and the contractor.
- c. The contractor is responsible for completing the change control requests and SOWs in accordance with the time frames and budgets approved by the MDIT project manager. A change control request and SOW shall be considered complete when it is implemented in accordance with the approved schedule and is completed within the approved cost estimate.
- d. Actual hours vs. estimated hours within +/- 10% of estimate for a given unit of work
- e. Compliance with all SEM and SUITE processes, as evaluated by the State's PCO and/or SUITE liaison

An issue is an identified event that if not addressed may affect schedule, scope, quality, or budget. Issues are formally tracked and escalated for resolution from level 1 through level 5, as defined below:

Level 1 – Technical and Business leads

Level 2 – Contractor's PCO

Level 3 – MDIT Project Manager

Level 4 – MiCSES Leadership Team / Bridges Leadership Team (Steering Committee)

Level 5 - Executive Leadership Group

The contractor shall use the State's Project Control Office Issue Tracker tool as an issue log for issues relating to the provision of services under this contract. The issue management log shall be continuously updated by the contractor, and shall be used as input to the weekly project management and status meetings. Issue Tracked uses automatic email notifications. The issue log contains, the following minimum elements:

- Description of issue
- Issue identification date
- Target resolution date



- Responsibility for resolving issue.
- Priority for issue resolution (to be mutually agreed upon by the State and the contractor)
- Resources assigned responsibility for resolution
- Resolution date
- Resolution description

#### **1.402 Risk Management**

A risk is an unknown circumstance or event that, if it occurs, may have a positive or negative impact on the project.

The contractor is responsible for establishing a risk management plan including the identification and recording of risk items, prioritization of risks, definition of mitigation strategies, monitoring of risk items, and periodic risk assessment reviews with the State.

The contractor shall use the State's Project Control Office Risk Tracker tool as the log for risks relating to the provision of services under this contract. The issue management log shall be updated bi-weekly by the contractor, and shall be used as input to the weekly project management and status meeting. Issue Tracked uses automatic email notifications.

The initial risk management plan shall be developed during the initial planning phase of the project, and be in accordance with the State's PMM methodology.

The contractor is responsible for identification of risks for each phase of the project. Mitigating and/or eliminating assigned risks shall be the responsibility of the contractor. The State shall assume the same responsibility for risks assigned to them.

#### **1.403 Change Management**

Change management is defined as the process to communicate, assess, monitor, and control all changes to system resources and processes. Software change management is documented and available from the Project Office.. The State also employs change management in its administration of the contract.

If a proposed contract change is approved by the Agency, the Contract Administrator shall submit a request for change to the Department of Management and Budget, Purchasing Operations Buyer, who shall make recommendations to the Director of Purchasing Operations regarding ultimate approval/disapproval of change request. If the DMB Purchasing Operations Director agrees with the proposed modification, and all required approvals are obtained (including State Administrative Board), the Purchasing Operations Buyer shall issue an addendum to the contract, via a Contract Change Notice. Contractors who provide products or services prior to the issuance of a Contract Change Notice by the DMB Office of Purchasing Operations, risk non-payment for the out-of-scope/pricing products and/or services.

The contractor shall employ change management procedures to handle such things as "out-of-scope" requests or changing business needs of the State while the migration is underway.

The contractor shall employ the change control methodologies to justify changes in the processing environment, and to ensure those changes shall not adversely affect performance or availability.

### **1.500 Acceptance**

#### **1.501 Criteria**

##### **Document Deliverables**

Documents include, but are not limited to, plans, project schedules, performance metric reports, status reports and process documentation. The following criteria apply to document deliverables:

1. Documents are dated and in electronic format, compatible with State of Michigan software, and



- in accordance with Article 1.302.
2. Requirements documents are reviewed and updated throughout the development process to assure requirements are delivered in final product.
  3. Draft documents are not accepted as final deliverable.
  4. The documents shall be reviewed and accepted in accordance with the requirements of this contract and the accepted contractor's proposal.
  5. DHS shall review business documents for approval. Approvals shall be written and signed by DHS – Functional Owner. Unacceptable issues shall be documented and submitted to the contractor. After issues are resolved or waived, the contractor shall resubmit documents for approval.
  6. MDIT shall review technical and system documents for approval. Approvals shall be written and signed by MDIT project manager. Unacceptable issues shall be documented and submitted to the contractor. After issues are resolved or waived, the contractor shall resubmit documents for approval.
  7. DHS and MDIT shall review project documents for approval. Approvals shall be written and signed by both MDHS and MDIT project managers. Unacceptable issues shall be documented and submitted to the contractor. After issues are resolved or waived, the contractor shall resubmit documents for approval.

#### Technical or Software Deliverables

Technical and Software deliverables include, but are not limited to, software product, data models, support tools, data migration plans, configuration management plans, and database and system architecture.

1. Preliminary plans or drafts are not accepted as final deliverables.
2. The deliverables shall be reviewed and accepted in accordance with the requirements of the contract.
3. DHS and MDIT shall review deliverables within a mutually agreed upon timeframe for acceptance.
  - a. Approvals shall be written and signed by DHS and MDIT project managers.
  - b. Unacceptable issues shall be documented and submitted to the contractor.

After issues are resolved or waived, the contractor shall resubmit software for approval within 15 days of receipt.

#### Service Deliverables

Services include those activities necessary to carry out and successfully complete Tasks 1-4 in Section 1.104. The services shall be accepted in accordance with the requirements of the contract.

1. Approvals shall be written and signed by DHS and MDIT project managers.
2. Unacceptable issues shall be documented and submitted to the contractor.
3. After issues are resolved or waived, the contractor shall resubmit for approval within 15 days of receipt.

### **1.502 Final Acceptance**

Final acceptance is expressly conditioned upon completion of all deliverables/milestones, completion of all tasks in the project plan as approved, completion of all applicable inspection and/or testing procedures, and the certification by the State that the contractor has met the defined requirements.

## **1.600 Compensation and Payment**

### **1.601 Compensation and Payment**

#### **Method of Payment**

The project shall be paid firm fixed monthly price for Tasks 1, 2 and 3. Task 4 is a no additional charge item. Task 5 (Reserve Bank of Hours – Statements of Work) may be either firm fixed price, deliverable/milestone based, or time and materials.

**Statements of Work and Issuance of Purchase Orders**

- Unless otherwise agreed by the parties, each Statement of Work shall include:
  1. Background
  2. Project Objective
  3. Scope of Work
  4. Deliverables
  5. Acceptance Criteria
  6. Project Control and Reports
  7. Specific Department Standards
  8. Payment Schedule
  9. Project Contacts
  10. Agency Responsibilities and Assumptions
  11. Location of Where the Work is to be performed
  12. Expected Contractor Work Hours and Conditions
  
- The parties agree that the Services/Deliverables to be rendered by contractor pursuant to this contract (and any future amendments of it) shall be defined and described in detail in Statements of Work or Purchase Orders (PO) executed under this contract. Contractor shall not be obliged or authorized to commence any work to implement a Statement of Work until authorized via a PO issued against this contract. Contractor shall perform in accordance with this contract, including the Statements of Work/Purchase Orders executed under it.

**Invoicing**

Contractor shall submit properly itemized invoices to "Bill To" Address on Purchase Order. Invoices shall provide and itemize, as applicable:

- Contract number;
- Purchase Order number
- Contractor name, address, phone number, and Federal Tax Identification Number;
- Description of any commodities/hardware, including quantity ordered;
- Date(s) of delivery and/or date(s) of installation and set up;
- Price for each item, or contractor's list price for each item and applicable discounts;
- Maintenance charges;
- Net invoice price for each item;
- Shipping costs;
- Other applicable charges;
- Sufficient detail to accurately reflect effort hours and costs allocated to each project (MiCSES and Bridges) to support the State in its federal financial reporting. Format of the detailed invoice will be mutually agreed upon by the State and the contractor.
- Total invoice price; and
- Payment terms, including any available prompt payment discount.

The State may pay maintenance and support charges on a monthly basis, in arrears. Payment of maintenance service/support of less than one (1) month's duration shall be prorated at 1/30th of the basic monthly maintenance charges for each calendar day.

Incorrect or incomplete invoices shall be returned to contractor for correction and reissue.

**1.602 Holdback**

Deleted – Not Applicable



## **Article 2, Terms and Conditions**

### **2.000 Contract Structure and Term**

#### **2.001 Contract Term**

This Contract is for a period of five (5) years beginning November 1, 2009 through October 31, 2014. All outstanding Purchase Orders will also expire upon the termination (cancellation for any of the reasons listed in **Section 2.130**) of the Contract, unless otherwise extended under the Contract. Absent an early termination for any reason, Purchase Orders issued but not expired, by the end of the Contract's stated term, will remain in effect for the balance of the fiscal year for which they were issued.

#### **2.002 Options to Renew**

This vendor may be renewed in writing by mutual agreement of the parties not less than 30 days before its expiration. The Contract may be renewed for up to two (2) additional one-year periods.

#### **2.003 Legal Effect**

Vendor will show acceptance of this Contract by signing two copies of the Contract and returning them to the Contract Administrator. The Vendor will not proceed with the performance of the work to be done under the Contract, including the purchase of necessary materials, until both parties have signed the Contract to show acceptance of its terms, and the Vendor receives a contract release/purchase order that authorizes and defines specific performance requirements.

Except as otherwise agreed in writing by the parties, the State assumes no liability for costs incurred by Vendor or payment under this Contract, until Vendor is notified in writing that this Contract (or Change Order) has been approved by the State Administrative Board (if required), approved and signed by all the parties, and a Purchase Order against the Contract has been issued.

#### **2.004 Attachments & Exhibits**

All Attachments and Exhibits affixed to any and all Statement(s) of Work, or appended to or referencing this Contract, are incorporated in their entirety and form part of this Contract.

#### **2.005 Ordering**

The State will issue a written Purchase Order, Blanket Purchase Order, Direct Voucher or Procurement Card Order, which will be approved by the Contract Administrator or the Contract Administrator's designee, to order any Services/Deliverables under this Contract. All orders are subject to the terms and conditions of this Contract. No additional terms and conditions contained on either a Purchase Order or Blanket Purchase Order apply unless they are also specifically contained in that Purchase Order or Blanket Purchase Order's accompanying Statement of Work. Exact quantities to be purchased are unknown, however, the Vendor will be required to furnish all such materials and services as may be ordered during the CONTRACT period. Quantities specified, if any, are estimates based on prior purchases, and the State is not obligated to purchase in these or any other quantities.

#### **2.006 Order of Precedence**

The Contract, including any Statements of Work and Exhibits, to the extent not contrary to the Contract, each of which is incorporated for all purposes, constitutes the entire agreement between the parties with respect to the subject matter and supersedes all prior agreements, whether written or oral, with respect to the subject matter and as additional terms and conditions on the purchase order will apply as limited by **Section 2.005**.

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 the Contract, which may be modified or amended only by a formal Contract amendment.



## **2.007 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.

## **2.008 Form, Function & Utility**

If the Contract is for use of more than one State agency and if the Deliverable/Service does not meet the form, function, and utility required by that State agency, that agency may, subject to State purchasing policies, procure the Deliverable/Service from another source.

## **2.009 Reformation and Severability**

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

### **2.010 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, the consent or approval will be in writing and will not be unreasonably withheld or delayed.

## **2.011 No Waiver of Default**

If a party fails to insist upon strict adherence to any term of the Contract then the party has not waived the right to later insist upon strict adherence to that term, or any other term, of the Contract.

## **2.012 Survival**

Any provisions of the Contract that impose continuing obligations on the parties, including without limitation the parties' respective warranty, indemnity and confidentiality obligations, 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

### **2.020 Contract Administration**

#### **2.021 Issuing Office**

This Contract is issued by the Department of Management and Budget, Purchasing Operations and DIT/DHS (collectively, including all other relevant State of Michigan departments and agencies, the "State"). Purchasing Operations is the sole point of contact in the State with regard to all procurement and contractual matters relating to the Contract. The Purchasing Operations Contract Administrator for this Contract is:

Joann M. Klasko  
Buyer  
Purchasing Operations  
Department of Management and Budget  
Mason Bldg, 2nd Floor  
530 W. Allegan  
PO Box 30026  
Lansing, MI 48909  
Email: KlaskoJ@michigan.gov

#### **2.022 Contract Compliance Inspector**

The Director of Purchasing Operations directs the person named below, or his or her designee, to monitor and coordinate the activities for the Contract on a day-to-day basis during its term. Monitoring Contract activities does not imply the authority to change, modify, clarify, amend, or otherwise alter the prices, terms, conditions and specifications of the Contract. Purchasing Operations is the only State



office authorized to change, modify, amend, alter or clarify the prices, specifications, terms and conditions of this Contract. The Contract Compliance Inspector for this Contract is:

Patty Bogart  
Department of Information Technology  
Constitution Hall, 1<sup>st</sup> Floor, North  
525 W. Allegan St.  
Lansing, MI 48913  
Email: BogardP@michigan.gov

### **2.023 Project Manager**

#### **The following individuals oversee the MiCSES Project:**

For the Department of Information Technology:

Pratin Trivedi  
Romney Building  
111 Capital Avenue, 12<sup>th</sup> Floor  
Lansing, MI 48913  
Email: TrivediP@michigan.gov

and

For the Department of Department of Human Services

Marilyn Stephen  
Grand Tower Building, 12<sup>th</sup> Floor  
235 S, Grand Avenue  
Lansing, MI 48909  
Email: StephenM3michigan.gov

#### **The following individuals oversee the Bridges Project:**

For the Department of Information Technology:

Richard DeMello  
Grand Tower Building  
235 S, Grand Avenue, 6<sup>th</sup> Floor  
Lansing, MI 48909  
Email: [DemelloR@michigan.gov](mailto:DemelloR@michigan.gov)

For the Department of Human Services:

Don Mussen  
Grand Tower Building  
235 S. Grand Avenue, 14<sup>th</sup> Floor  
Lansing, MI 48909  
Email: [MussenD@michigan.gov](mailto:MussenD@michigan.gov)

### **2.024 Change Requests**

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 Vendor 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/Deliverables. At a minimum, to the extent applicable, the State would like the Vendor to provide a detailed outline of all work to be done, including tasks necessary to accomplish the Services/Deliverables, timeframes, listing of key personnel assigned, estimated hours for each individual per task, and a complete and detailed cost justification.



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

If the State requests or directs the Vendor to perform any services or provide deliverables that are consistent with and similar to the Services/Deliverables being provided by the Vendor under the Contract, but which the Vendor reasonably and in good faith believes are not included within the Statements of Work, then before performing such services or providing such deliverables, the Vendor will notify the State in writing that it considers the services or deliverables to be an Additional Service/Deliverable for which the Vendor should receive additional compensation. If the Vendor does not so notify the State, the Vendor will have no right to claim thereafter that it is entitled to additional compensation for performing that service or providing that deliverable. If the Vendor does so notify the State, then such a service or deliverable will be governed by the Change Request procedure in this Section.

In the event prices or service levels are not acceptable to the State, the Additional Services or New Work will be subject to competitive bidding based upon the specifications.

- (1) Change Request at State Request  
If the State should require Vendor to perform New Work, Additional Services or make changes to the Services that would affect the Contract completion schedule or the amount of compensation due Vendor (a "Change"), the State will submit a written request for Vendor to furnish a proposal for carrying out the requested Change (a "Change Request").
- (2) Vendor Recommendation for Change Requests:  
Vendor will 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.
- (3) Upon receipt of a Change Request or on its own initiative, Vendor will examine the implications of the requested Change on the technical specifications, Contract schedule and price of the Deliverables and Services and will submit to the State without undue delay a written proposal for carrying out the Change. Vendor'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 will apply to the provision of such Services. If Vendor provides a written proposal and should Vendor be of the opinion that a requested Change is not to be recommended, it will communicate its opinion to the State but will nevertheless carry out the Change as specified in the written proposal if the State directs it to do so.
- (4) By giving Vendor written notice within a reasonable time, the State will be entitled to accept a Vendor proposal for Change, to reject it, or to reach another agreement with Vendor. Should the parties agree on carrying out a Change, a written Contract Change Notice will be prepared and issued under this Contract, describing the Change and its effects on the Services and any affected components of this Contract (a "Contract Change Notice").
- (5) No proposed Change will be performed until the proposed Change has been specified in a duly executed Contract Change Notice issued by the Department of Management and Budget, Purchasing Operations.
- (6) If the State requests or directs the Vendor to perform any activities that Vendor believes constitute a Change, the Vendor will notify the State that it believes the requested activities are a Change before beginning to work on the requested activities. If the Vendor fails to notify the State before beginning to work on the requested activities, then the Vendor waives any right to assert any claim for additional compensation or time for performing the requested activities. If the Vendor commences performing work outside the scope of this Contract and then ceases performing that work, the Vendor will, at the request of the State, retract any out-of-scope work that would adversely affect the Contract.

**2.025 Notices**

Any notice given to a party under the Contract will be deemed effective, if addressed to the 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 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

Purchasing Operations

Attention: Joann Klasko

PO Box 30026

530 West Allegan, 2<sup>nd</sup> Floor

Lansing, Michigan 48909

Contractor: EDS

Name: Bob Bartholomew

Address: 930 West Holmes

Lansing, MI 48911

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

**2.026 Binding Commitments**

Representatives of Contractor will have the authority to make binding commitments on Contractor's behalf within the bounds set forth in the Contract. Contractor may change the representatives from time to time upon written notice.

**2.027 Relationship of the Parties**

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 must be or must be deemed to be an employee, agent or servant of the State for any reason. 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.

**2.028 Covenant of Good Faith**

Each party will 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.

**2.029 Assignments**

Neither party may assign the Contract, or 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 the affiliate is adequately capitalized and can provide adequate assurances that the affiliate can perform the Contract. The State may withhold consent from proposed assignments, subcontracts, or novations when the 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.

Contractor may not, without the prior written approval of the State, assign its right to receive payments due under the Contract. If the State permits an assignment, the Contractor is not relieved of its



responsibility to perform any of its contractual duties, and the requirement under the Contract that all payments will be made to one entity continues.

If the Contractor intends to assign the contract or any of the Contractor's rights or duties under the Contract, the Contractor will notify the State in writing at least 90 days before the assignment. The Contractor also will provide the State with adequate information about the assignee within a reasonable amount of time before the assignment for the State to determine whether to approve the assignment.

### **2.030 General Provisions**

#### **2.031 Media Releases**

News releases (including promotional literature and commercial advertisements) pertaining to the RFP and Contract or project to which it relates will not be made without prior written State approval, and then only in accordance with the explicit written instructions from the State. No results of the activities associated with the RFP and Contract are to be released without prior written approval of the State and then only to persons designated.

#### **2.032 Contract Distribution**

Purchasing Operations retains the sole right of Contract distribution to all State agencies and local units of government unless other arrangements are authorized by Purchasing Operations.

#### **2.033 Permits**

Contractor will 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 will pay for all costs and expenses incurred in obtaining and maintaining any necessary easements or right of way.

#### **2.034 Website Incorporation**

The State is not bound by any content on the Contractor's website, even if the Contractor's documentation specifically referenced that content and attempts to incorporate it into any other communication, unless the State has actual knowledge of the content and has expressly agreed to be bound by it in a writing that has been manually signed by an authorized representative of the State.

#### **2.035 Future Bidding Preclusion**

Contractor acknowledges that, to the extent this Contract involves the creation, research, investigation or generation of a future RFP; it may be precluded from bidding on the subsequent RFP. The State reserves the right to disqualify any bidder if the State determines that the bidder has used its position (whether as an incumbent Contractor, or as a Contractor hired to assist with the RFP development, or as a Contractor offering free assistance) to gain a competitive advantage on the RFP

#### **2.036 Freedom of Information**

All information in any proposal submitted to the State by Contractor and this Contract is subject to the provisions of the Michigan Freedom of Information Act, 1976 Public Act No. 442, as amended, MCL 15.231, et seq (the "FOIA").

#### **2.037 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 personnel dedicated to providing Services/Deliverables under this Contract will provide the State with priority service for repair and work around in the event of a natural or man-made disaster.



## **2.040 Financial Provisions**

### **2.041 Fixed Prices for Services/Deliverables**

Each Statement of Work or Purchase Order issued under this Contract will specify (or indicate by reference to the appropriate Contract Exhibit) the firm, fixed prices for all Services/Deliverables, and the associated payment milestones and payment amounts. The State may make progress payments to the Contractor when requested as work progresses, but not more frequently than monthly, in amounts approved by the Contract Administrator, after negotiation. Contractor will show verification of measurable progress at the time of requesting progress payments.

### **2.042 Adjustments for Reductions in Scope of Services/Deliverables**

If the scope of the Services/Deliverables under any Statement of Work issued under this Contract is subsequently reduced by the State, the parties will negotiate an equitable reduction in Contractor's charges under such Statement of Work commensurate with the reduction in scope.

### **2.043 Services/Deliverables Covered**

For all Services/Deliverables to be provided by Contractor (and its Subcontractors, if any) under this Contract, the State will not be obligated to pay any amounts in addition to the charges specified in this Contract.

### **2.044 Invoicing and Payment – In General**

- (a) Each Statement of Work issued under this Contract will list (or indicate by reference to the appropriate Contract Exhibit) the prices for all Services/Deliverables, equipment and commodities to be provided, and the associated payment milestones and payment amounts.
- (b) Each Contractor invoice will show details as to charges by Service/Deliverable component and location at a level of detail reasonably necessary to satisfy the State's accounting and charge-back requirements. Invoices for Services performed on a time and materials basis will show, for each individual, the number of hours of Services performed during the billing period, the billable skill/labor category for such person and the applicable hourly billing rate. Prompt payment by the State is contingent on the Contractor's invoices showing the amount owed by the State minus any holdback amount to be retained by the State in accordance with **Section 1.064**.
- (c) 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 45 days after receipt, provided the State determines that the invoice was properly rendered.
- (d1) All invoices should reflect actual work done. Specific details of invoices and payments will be agreed upon between the Contract Administrator and the Contractor after the proposed Contract Agreement has been signed and accepted by both the Contractor and the Director of Purchasing Operations, Department of Management & Budget. This activity will occur only upon the specific written direction from Purchasing Operations.

The specific payment schedule for any Contract(s) entered into, as the State and the Contractor(s) will mutually agree upon. The schedule should show payment amount and should reflect actual work done by the payment dates, less any penalty cost charges accrued by those dates. As a general policy statements will be forwarded to the designated representative by the 15th day of the following month.

The Government may make progress payments to the Contractor when requested as work progresses, but not more frequently than monthly, in amounts approved by the Contract Administrator, after negotiation. Contractor will show verification of measurable progress at the time of requesting progress payments.



## **2.050 Taxes**

### **2.051 Employment Taxes**

Contractors are expected to collect and pay all applicable federal, state, and local employment taxes, including the taxes.

### **2.052 Sales and Use Taxes**

Contractors are required to be registered and to remit sales and use taxes on taxable sales of tangible personal property or services delivered into the State. Contractors that lack sufficient presence in Michigan to be required to register and pay tax will do so as a volunteer. This requirement extends to: (1) all members of any controlled group as defined in § 1563(a) of the Internal Revenue Code and applicable regulations of which the company is a member, and (2) all organizations under common control as defined in § 414(c) of the Internal Revenue Code and applicable regulations of which the company is a member that make sales at retail for delivery into the State are registered with the State for the collection and remittance of sales and use taxes. In applying treasury regulations defining “two or more trades or businesses under common control” the term “organization” means sole proprietorship, a partnership (as defined in § 701(a) (2) of the Internal Revenue Code), a trust, an estate, a corporation, or a limited liability company.

## **2.060 Contract Management**

### **2.061 Contractor Personnel Qualifications**

All persons assigned by Contractor to the performance of Services under this Contract will be employees of Contractor or its majority-owned (directly or indirectly, at any tier) subsidiaries (or a State-approved Subcontractor) and will be fully qualified to perform the work assigned to them. Contractor will include a similar provision in any subcontract entered into with a Subcontractor. For the purposes of this Contract, independent contractors engaged by Contractor solely in a staff augmentation role will be treated by the State as if they were employees of Contractor for this Contract only; however, the State understands that the relationship between Contractor and Subcontractor is an independent contractor relationship.

### **2.062 Contractor Key Personnel**

- (a) The Contractor will provide the Contract Compliance Inspector with the names of the Key Personnel.
- (b) Key Personnel will be dedicated as defined in the Statement of Work 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.
- (c) 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. In the event the State finds a proposed individual unacceptable, the State will provide a written explanation including reasonable detail outlining the reasons for the rejection.
- (d) Contractor will not remove any Key Personnel from their assigned roles or the Contract without the prior written consent of the State. The Contractor’s removal of Key Personnel without the prior written consent of the State is an unauthorized removal (“Unauthorized Removal”). Unauthorized Removals does not include replacing Key Personnel for reasons beyond the reasonable control of Contractor, including illness, disability, leave of absence, personal emergency circumstances, resignation or for cause termination of the Key Personnel’s employment. Unauthorized Removals does not include replacing Key Personnel because of promotions or other job movements allowed by Contractor personnel policies or Collective Bargaining Agreement(s) as long as the State receives prior written notice before shadowing occurs and Contractor provides 30 days of



shadowing unless parties agree to a different time period. The Contractor with the State will 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 termination and cancellation rights.

- (e) The Contractor will notify the Contract Compliance Inspector and the Contract Administrator at least 10 business days before redeploying non-Key Personnel, who are dedicated to primarily to the Project, to other projects. If the State does not object to the redeployment by its scheduled date, the Contractor may then redeploy the non-Key Personnel.

### **2.063 Re-assignment of Personnel at the State's Request**

The State reserves the right to require the removal from the Project of Contractor personnel found, in the judgment of the State, to be unacceptable. The State's request will be written with reasonable detail outlining the reasons for the removal request. Additionally, the State's request will be based on legitimate, good faith reasons. Replacement personnel for the removed person will 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 incident with removed personnel results in delay not reasonably anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Service will not be counted for a time as agreed to by the parties.

### **2.064 Contractor Personnel 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, Key Personnel will, at a minimum, spend at least the amount of time on-site at State facilities as indicated in the applicable Statement of Work. Subject to availability, selected Contractor personnel may be assigned office space to be shared with State personnel.

### **2.065 Contractor Identification**

Contractor employees will 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.

### **2.066 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. As reasonably requested by the State in writing, the Contractor will provide to the State's agents and other contractors reasonable access to Contractor's Project personnel, systems and facilities to the extent the access relates to activities specifically associated with this Contract and will not interfere or jeopardize the safety or operation of the systems or facilities. 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 this Contract with the requests for access.

### **2.067 Contract Management Responsibilities**

Contractor will 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. Contractor will have overall responsibility for managing and successfully performing and completing the Services/Deliverables, subject to the overall direction and supervision of the State and with the participation and support of the State as specified in this 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.



The Contractor will provide the Services/Deliverables directly or through its affiliates, subsidiaries, subcontractors or resellers. Regardless of the entity providing the Service/Deliverable, the Contractor will act as a single point of contact coordinating these entities to meet the State's need for Services/Deliverables. Nothing in this Contract, however, will be construed to authorize or require any party to violate any applicable law or regulation in its performance of this Contract.

#### **2.068 Contractor Return of State Equipment/Resources**

The Contractor will return 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.

### **2.070 Subcontracting by Contractor**

#### **2.071 Contractor full Responsibility**

Contractor will have full responsibility for the successful performance and completion of all of the Services and Deliverables. The State will consider Contractor to be the sole point of contact with regard to all contractual matters under this Contract, including payment of any and all charges for Services and Deliverables.

#### **2.072 State Consent to delegation**

Contractor will not delegate any duties under this Contract to a Subcontractor unless the Department of Management and Budget, Purchasing Operations has given written consent to such delegation. The State will 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 will be written with reasonable detail outlining the reasons for the removal request. Additionally, the State's request will be based on legitimate, good faith reasons. Replacement Subcontractor(s) for the removed Subcontractor will 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 SLA for the affected Work will not be counted for a time agreed upon by the parties.

#### **2.073 Subcontractor bound to Contract**

In any subcontracts entered into by Contractor for the performance of the Services, Contractor will require the Subcontractor, to the extent of the Services to be performed by the Subcontractor, to be bound to Contractor by the terms of this Contract and to assume toward Contractor all of the obligations and responsibilities that Contractor, by this Contract, assumes toward the State. The State reserves the right to receive copies of and review all subcontracts, although Contractor may delete or mask any proprietary information, including pricing, contained in such contracts before providing them to the State. The management of any Subcontractor will be the responsibility of Contractor, and Contractor will remain responsible for the performance of its Subcontractors to the same extent as if Contractor had not subcontracted such performance. Contractor will 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 this Contract will not relieve Contractor of any obligations or performance required under this Contract. A list of the Subcontractors, if any, approved by the State as of the execution of this Contract, together with a copy of the applicable subcontract is attached.



### **2.074 Flow Down**

Except where specifically approved in writing by the State on a case-by-case basis, Contractor will flow down the obligations in **Sections 2.031, 2.060, 2.100, 2.110, 2.120, 2.130, and 2.200** in all of its agreements with any Subcontractors.

### **2.075 Competitive Selection**

The Contractor will select subcontractors (including suppliers) on a competitive basis to the maximum practical extent consistent with the objectives and requirements of the Contract.

## **2.080 State Responsibilities**

### **2.081 Equipment**

The State will provide only the equipment and resources identified in the Statements of Work and other Contract Exhibits.

### **2.082 Facilities**

The State will designate space as long as it is available and as provided in the Statement of Work, to house the Contractor's personnel whom the parties agree will perform the Services/Deliverables at State facilities (collectively, the "State Facilities"). The Contractor will have reasonable access to, and unless agreed otherwise by the parties in writing will observe and comply with all rules and regulations relating to each of the State Facilities (including hours of operation) used by the 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 the Contractor's use, or to which the Contractor otherwise gains access in the course of performing the Services, for any purpose other than providing the Services to the State.

## **2.090 Security**

### **2.091 Background Checks**

On a case-by-case basis, the State may investigate the Contractor's personnel before they may have access to State facilities and systems. 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. The investigations will include Michigan State Police Background checks (ICHAT) and may include 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 and will be reasonably related to the type of work requested.

All Contractor personnel will also be expected to comply with the State's security and acceptable use policies for State IT equipment and resources. See <http://www.michigan.gov/dit>. Furthermore, Contractor personnel will be expected to agree to the State's security and acceptable use policies before 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.

### **2.092 Security Breach Notification**

If the Contractor breaches this Section, the Contractor will (i) promptly cure any deficiencies and (ii) comply with any applicable federal and state laws and regulations pertaining to unauthorized disclosures. Contractor and the State will cooperate to mitigate, to the extent practicable, the effects of any breach, intrusion, or unauthorized use or disclosure. Contractor will report to the State in writing any use or disclosure of Confidential Information, whether suspected or actual, other than as provided



for by the Contract within 10 days of becoming aware of the use or disclosure or the shorter time period as is reasonable under the circumstances.

### **2.093 PCI DATA Security Requirements**

Contractors with access to credit/debit card cardholder data will adhere to the Payment Card Industry (PCI) Data Security requirements. Contractor agrees that they are responsible for security of cardholder data in their possession. Contractor agrees that data can ONLY be used for assisting the State in completing a transaction, supporting a loyalty program, supporting the State, providing fraud control services, or for other uses specifically required by law.

Contractor agrees to provide business continuity in the event of a major disruption, disaster or failure.

The Contractor will contact the Department of Management and Budget, Financial Services immediately to advise them of any breaches in security where card data has been compromised. In the event of a security intrusion, the Contractor agrees the Payment Card Industry representative, or a Payment Card Industry approved third party, will be provided with full cooperation and access to conduct a thorough security review. The review will validate compliance with the Payment Card Industry Data Security Standard for protecting cardholder data.

Contractor agrees to properly dispose sensitive cardholder data when no longer needed. The Contractor will continue to treat cardholder data as confidential upon contract termination.

The Contractor will provide the Department of Management and Budget, Financial Services documentation showing PCI Data Security certification has been achieved. The Contractor will advise the Department of Management and Budget, Financial Services of all failures to comply with the PCI Data Security Requirements. Failures include, but are not limited to system scans and self-assessment questionnaires. The Contractor will provide a time line for corrective action.

### **2.100 Confidentiality**

#### **2.101 Confidentiality**

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 will mean all non-public proprietary information of Contractor (other than Confidential Information of the State as defined below), which is marked confidential, restricted, proprietary, or with a similar designation. "Confidential Information" of the State will mean any information which is retained in confidence by the State (or otherwise required to be held in confidence by the State under applicable federal, state and local laws and regulations) or which, in the case of tangible materials provided to Contractor by the State under its performance under this Contract, is marked as confidential, proprietary or with a similar designation by the State. "Confidential Information" excludes any information (including this Contract) that is publicly available under the Michigan FOIA.

#### **2.102 Protection and Destruction 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 this 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 the other party's Confidential Information to the other party. Each party will limit disclosure of the other party's Confidential Information to employees and Subcontractors who will have access to fulfill the purposes of this Contract. Disclosure to, and use by, a Subcontractor is permissible where (A) use of a Subcontractor is authorized under this Contract, (B) the disclosure is necessary or otherwise naturally occurs in connection with work that is within the Subcontractor's scope of responsibility, and (C) Contractor obligates the Subcontractor in a written Contract to maintain the



State's Confidential Information in confidence. At the State's request, any employee of Contractor and of any Subcontractor having access or 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 the Confidential Information from unauthorized use or disclosure.

Promptly upon termination or cancellation of the Contract for any reason, Contractor will certify to the State that Contractor has destroyed all State Confidential Information.

### **2.103 Exclusions**

Notwithstanding the foregoing, the provisions in this Section will not apply to any particular information which the State or Contractor can demonstrate (i) was, at the time of disclosure to it, in the public domain; (ii) after disclosure to 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 to it without an obligation of confidentiality; (iv) was received after disclosure to it from a third party who had a lawful right to disclose the information to it 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 this Section will not apply to any particular Confidential Information to the extent the receiving party is required by law to disclose the 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 the disclosure as reasonably requested by the furnishing party.

### **2.104 No Implied Rights**

Nothing contained in this Section will 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.

### **2.105 Respective Obligations**

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

#### **2.110 Records and Inspections**

##### **2.111 Inspection of Work Performed**

The State's authorized representatives will at all reasonable times and with 10 days prior written request, have the right to enter Contractor's premises, or any other places, where the Services are being performed, and will have access, upon reasonable request, to interim drafts of Deliverables or work-in-progress. Upon 10 Days prior written notice and at all reasonable times, the State's representatives will be allowed to inspect, monitor, or otherwise evaluate the work being performed and to the extent that the access will not reasonably interfere or jeopardize the safety or operation of the systems or facilities. Contractor will provide all reasonable facilities and assistance for the State's representatives.

##### **2.112 Examination of Records**

For seven years after the Contractor provides any work under this Contract (the "Audit Period"), the State may examine and copy any of Contractor's books, records, documents and papers pertinent to establishing Contractor's compliance with the Contract and with applicable laws and rules. The State will notify the Contractor 20 days before examining the Contractor's books and records. The State does not have the right to review any information deemed confidential by the Contractor to the extent access would require the 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.

### **2.113 Retention of Records**

Contractor will 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 according to generally accepted accounting principles and other procedures specified in this Section. Financial and accounting records will 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 will 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.

### **2.114 Audit Resolution**

If necessary, the Contractor and the State will meet to review each audit report promptly after issuance. The Contractor will respond to each audit report in writing within 30 days from receipt of the report, unless a shorter response time is specified in the report. The Contractor and the State will develop, agree upon and monitor an action plan to promptly address and resolve any deficiencies, concerns, and/or recommendations in the audit report.

### **2.115 Errors**

If the audit demonstrates any errors in the documents provided to the State, then the amount in error will be reflected as a credit or debit on the next invoice and in subsequent invoices until the amount is paid or refunded in full. However, a credit or debit may not be carried for more than four invoices. If a balance remains after four invoices, then the remaining amount will be due as a payment or refund within 45 days of the last quarterly invoice that the balance appeared on or termination of the contract, whichever is earlier.

In addition to other available remedies, the difference between the payment received and the correct payment amount is greater than 10%, then the Contractor will pay all of the reasonable costs of the audit.

## **2.120 Warranties**

### **2.121 Warranties and Representations**

The Contractor represents and warrants:

- (a) It is capable in all respects of fulfilling and will fulfill all of its obligations under this Contract. The performance of all obligations under this Contract will be provided in a timely, professional, and workman-like manner and will meet the performance and operational standards required under this Contract.
- (b) The Contract Appendices, Attachments and Exhibits identify the equipment and software and services necessary for the Deliverable(s) to perform and Services to operate in compliance with the Contract's requirements and other standards of performance.
- (c) 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 neither 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 Contractor's other responsibilities with respect to the items in this Contract, Contractor will assign or otherwise



- transfer to the State or its designees, or afford the State the benefits of, any manufacturer's warranty for the Deliverable.
- (e) The contract signatory has the power and authority, including any necessary corporate authorizations, necessary to enter into this Contract, on behalf of Contractor.
  - (f) It is qualified and registered to transact business in all locations where required.
  - (g) Neither the Contractor nor any Affiliates, nor any employee of either, has, will have, or will 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 will notify the State about the nature of the conflict or appearance of impropriety within two days of learning about it.
  - (h) Neither Contractor nor any Affiliates, nor any employee of either has accepted or will 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 will not attempt to influence any State employee by the direct or indirect offer of anything of value.
  - (i) 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 the Affiliate, any fee, commission, percentage, brokerage fee, gift, or any other consideration, contingent upon or resulting from the award or making of this Contract.
  - (j) 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) 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 the financial statements, reports, other information. Since the respective dates or periods covered by the financial statements, reports, or other information, there have been no material adverse changes in the business, properties, financial condition, or results of operations of Contractor.
  - (l) All written information furnished to the State by or for the 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 the information not misleading.
  - (m) 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 the department within the previous five years for the reason that Contractor failed to perform or otherwise breached an obligation of the contract.
  - (n) If any of the certifications, representations, or disclosures made in the Contractor's original bid response change after contract award, the Contractor is required to report those changes immediately to the Department of Management and Budget, Purchasing Operations.

### **2.122 Warranty of Merchantability**

Goods provided by Contractor under this agreement will be merchantable. All goods provided under this Contract will be of good quality within the description given by the State, will be fit for their ordinary purpose, will be adequately contained and packaged within the description given by the State, will conform to the agreed upon specifications, and will conform to the affirmations of fact made by the Contractor or on the container or label.

### **2.123 Warranty of Fitness for a Particular Purpose**

When the Contractor has reason to know or knows any particular purpose for which the goods are required, and the State is relying on the Contractor's skill or judgment to select or furnish suitable goods, there is a warranty that the goods are fit for such purpose.

**2.124 Warranty of Title**

Contractor will, in providing goods to the State, convey good title in those goods, whose transfer is right and lawful. All goods provided by Contractor will be delivered free from any security interest, lien, or encumbrance of which the State, at the time of contracting, has no knowledge. Goods provided by Contractor, under this Contract, will be delivered free of any rightful claim of any third person by of infringement or the like.

**2.125 Equipment Warranty**

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**2.126 Equipment to be New**

If applicable, all equipment provided under this Contract by Contractor will be new where Contractor has knowledge regarding whether the equipment is new or assembled from new or serviceable used parts that are like new in performance or has the option of selecting one or the other. Equipment that is assembled from new or serviceable used parts that are like new in performance is acceptable where Contractor does not have knowledge or the ability to select one or other, unless specifically agreed otherwise in writing by the State.

**2.127 Prohibited Products**

The State will not accept salvage, distressed, outdated or discontinued merchandise. Shipping of such merchandise to any State agency, as a result of an order placed against the Contract, will be considered default by the Contractor of the terms and conditions of the Contract and may result in cancellation of the Contract by the State. The brand and product number offered for all items will remain consistent for the term of the Contract, unless Purchasing Operations has approved a change order pursuant to **Section 2.024**.

**2.128 Consequences for Breach**

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

**2.130 Insurance****2.131 Liability Insurance**

The Contractor will provide proof of the minimum levels of insurance coverage as indicated below. The insurance will protect the State from claims that may arise out of or result from the Contractor's performance of services under the terms of this Contract, whether the 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 under this Contract.

All insurance coverage 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 will be written for not less than any minimum coverage specified in this Contract or required by law, whichever is greater.



The insurers selected by Contractor will have an A.M. Best rating of A or better, or as otherwise approved in writing by the State, or if the ratings are no longer available, with a comparable rating from a recognized insurance rating agency. All policies of insurance required in this Contract will be issued by companies that have been approved to do business in the State.

See [www.michigan.gov/dleg](http://www.michigan.gov/dleg).

Where specific limits are shown, they are the minimum acceptable limits. If Contractor's policy contains higher limits, the State will be entitled to coverage to the extent of the higher limits.

The Contractor is required to pay for and provide the type and amount of insurance checked  below:

- 1. Commercial General Liability with the following minimum coverage:
  - \$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

The Contractor will list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSUREDS on the Commercial General Liability certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

- 2. If a motor vehicle is used to provide services or products under this Contract, the Contractor will 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 will list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSUREDS on the vehicle liability certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

- 3. Workers' compensation coverage will be provided according to applicable laws governing the employees and employers work activities in the state of the Contractor's domicile. If a self-insurer provides the applicable coverage, proof will be provided of approved self-insured authority by the jurisdiction of domicile. For employees working outside of the state of qualification, Contractor will provide appropriate certificates of insurance proving mandated coverage levels for the jurisdictions where the employees' activities occur.

Any certificates of insurance received will also provide a list of states where the coverage is applicable.

The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company. This provision will not be applicable where prohibited or limited by the laws of the jurisdiction in which the work is to be performed.

- 4. Employers liability insurance with the following minimum limits:
  - \$100,000 each accident
  - \$100,000 each employee by disease
  - \$500,000 aggregate disease

- 5. Employee Fidelity, including Computer Crimes, insurance naming the State as a loss payee, providing coverage for direct loss to the State and any legal liability of the State arising out of or related to fraudulent or dishonest acts committed by the employees of Contractor or its Subcontractors, acting alone or in collusion with others, in a minimum amount of one million dollars (\$1,000,000.00) with a maximum deductible of fifty thousand dollars (\$50,000.00).



- 6. Umbrella or Excess Liability Insurance in a minimum amount of ten million dollars (\$10,000,000.00), which will apply, at a minimum, to the insurance required in Subsection 1 (Commercial General Liability) above.
- 7. Professional Liability (Errors and Omissions) Insurance with the following minimum coverage: three million dollars (\$3,000,000.00) each occurrence and three million dollars (\$3,000,000.00) annual aggregate.
- 8. Fire and Personal Property Insurance covering against any loss or damage to the office space used by Contractor for any reason under this Contract, and the equipment, software and other contents of the office space, including without limitation, those contents used by Contractor to provide the Services to the State, up to its replacement value, where the office space and its contents are under the care, custody and control of Contractor. The policy will cover all risks of direct physical loss or damage, including without limitation, flood and earthquake coverage and coverage for computer hardware and software. The State will be endorsed on the policy as a loss payee as its interests appear.

### **2.132 Subcontractor Insurance Coverage**

Except where the State has approved in writing a Contractor subcontract with other insurance provisions, Contractor will require all of its Subcontractors under this Contract to purchase and maintain the insurance coverage as described in this Section for the Contractor in connection with the performance of work by those Subcontractors. Alternatively, Contractor may include any Subcontractors under Contractor's insurance on the coverage required in this Section. Subcontractor(s) will fully comply with the insurance coverage required in this Section. Failure of Subcontractor(s) to comply with insurance requirements does not limit Contractor's liability or responsibility.

### **2.133 Certificates of Insurance and Other Requirements**

Contractor will furnish to DMB Purchasing Operations, certificate(s) of insurance verifying insurance coverage or providing satisfactory evidence of self-insurance as required in this Section (the "Certificates"). The Certificate will be on the standard "accord" form or equivalent. **The Contract Number or the Purchase Order Number will be shown on the Certificate Of Insurance To Assure Correct Filing.** All Certificate(s) are to be prepared and submitted by the Insurance Provider. All Certificate(s) will contain a provision indicating that coverage afforded under the policies WILL NOT BE CANCELLED, MATERIALLY CHANGED, OR NOT RENEWED without 30 days prior written notice, except for 10 days for non-payment of premium, having been given to the Director of Purchasing Operations, Department of Management and Budget. The notice will include the Contract or Purchase Order number affected. Before the Contract is signed, and not less than 20 days before the insurance expiration date every year thereafter, the Contractor will provide evidence that the State and its agents, officers and employees are listed as additional insured under each commercial general liability and commercial automobile liability policy. In the event the State approves the representation of the State by the insurer's attorney, the attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.

The Contractor will maintain all required insurance coverage throughout the term of the Contract and any extensions and, in the case of claims-made Commercial General Liability policies, will secure tail coverage for at least three years following the expiration or termination for any reason of this Contract. The minimum limits of coverage specified above are not intended, and will not be construed; to limit any liability or indemnity of Contractor under this Contract to any indemnified party or other persons. Contractor is responsible for all deductibles with regard to the insurance. If the Contractor fails to pay any premium for required insurance as specified in this Contract, or if any insurer cancels or significantly reduces any required insurance as specified in this Contract without the State's written consent, then the State may, after the State has given the Contractor at least 30 days written notice, pay the premium or procure similar insurance coverage from another company or companies. The



State may deduct any part of the cost from any payment due the Contractor, or the Contractor will pay that cost upon demand by the State.

### **2.140 Indemnification**

#### **2.141 General Indemnification**

To the extent permitted by law, the Contractor will indemnify, defend and hold harmless the State from liability, 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.

#### **2.142 Code Indemnification**

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

#### **2.143 Employee Indemnification**

In any 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 will 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 provisions, 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 provisions.

#### **2.144 Patent/Copyright Infringement Indemnification**

To the extent permitted by law, the Contractor will 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 the 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 the equipment, software, commodity or service, or the use or reproduction of any documentation provided with the 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 will at the Contractor's sole expense (i) procure for the State the right to continue using the equipment, software, commodity or service or, if the 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 the 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 has 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; (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.

#### **2.145 Continuation of Indemnification Obligations**

The Contractor's duty to indemnify under this Section 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 before expiration or cancellation.

#### **2.146 Indemnification Procedures**

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

- (a) After the State receives notice of the action or proceeding involving a claim for which it will seek indemnification, the State will promptly notify Contractor of the 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 notify the Contractor relieves the Contractor of its indemnification obligations except to the extent that the Contractor can prove damages attributable to the failure. Within 10 days following receipt of written notice from the State relating to any claim, the Contractor will 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 before the State receiving Contractor's Notice of Election, the State is entitled to defend against the claim, at the Contractor's expense, and the Contractor will be responsible for any reasonable costs incurred by the State in defending against the claim during that period.
- (b) If Contractor delivers a Notice of Election relating to any claim: (i) the State is entitled to participate in the defense of the claim and to employ counsel at its own expense to assist in the handling of the claim and to monitor and advise the State about the status and progress of the defense; (ii) the Contractor will, at the request of the State, demonstrate to the reasonable satisfaction of the State, the Contractor's financial ability to carry out its defense and indemnity obligations under this Contract; (iii) the Contractor will periodically advise the State about the status and progress of the defense and will obtain the prior written approval of the State before entering into any settlement of the claim or ceasing to defend against the claim and (iv) to the extent that any principles of Michigan governmental or public law may be involved or challenged, the State has the right, at its own expense, to control the defense of that portion of the claim involving the principles of Michigan governmental or public law. But the State may retain control of the defense and settlement of a claim by notifying the Contractor in writing within 10 days after the State's receipt of Contractor's information requested by the State under clause (ii) of this paragraph if the State determines that the Contractor has failed to demonstrate to the reasonable satisfaction of the State the Contractor's financial ability to carry out its defense and indemnity obligations under this Section. Any litigation activity on behalf of the State, or any of its subdivisions under this Section, will be coordinated with the Department of Attorney General. In the event the insurer's attorney represents the State under 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.
- (c) 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 may defend the claim in the 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 will promptly reimburse the State for all the reasonable costs and expenses.

#### **2.150 Termination/Cancellation**

##### **2.151 Notice and Right to Cure**

If the Contractor breaches the contract, and the State in its sole discretion determines that the breach is curable, then the State will provide the Contractor with written notice of the breach and a time period (not less than 30 days) to cure the Breach. The notice of breach and opportunity to cure is inapplicable for successive or repeated breaches or if the State determines in its sole discretion that the breach



poses a serious and imminent threat to the health or safety of any person or the imminent loss, damage, or destruction of any real or tangible personal property.

### **2.152 Termination for Cause**

- (a) The State may terminate this contract, for cause, by notifying the Contractor in writing, if the Contractor (i) breaches any of its material duties or obligations under this Contract (including a Chronic Failure to meet any particular SLA), or (ii) fails to cure a breach within the time period specified in the written notice of breach provided by the State
- (b) If this Contract is terminated for cause, the Contractor will pay all costs incurred by the State in terminating this 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/Deliverables required by this Contract from other sources. Re-procurement costs are not consequential, indirect or incidental damages, and cannot be excluded by any other terms otherwise included in this Contract, provided the costs are not in excess of 50% more than the prices for the Service/Deliverables provided under this Contract.
- (c) If the State chooses to partially terminate this Contract for cause, charges payable under this Contract will be equitably adjusted to reflect those Services/Deliverables that are terminated and the State will pay for all Services/Deliverables for which Final Acceptance has been granted provided up to the termination date. Services and related provisions of this Contract that are terminated for cause will cease on the effective date of the termination.
- (d) If the State terminates this Contract for cause under this Section, and it is determined, for any reason, that Contractor was not in breach of contract under the provisions of this section, that termination for cause will be deemed to have been a termination for convenience, effective as of the same date, and the rights and obligations of the parties will be limited to that otherwise provided in this Contract for a termination for convenience.

### **2.153 Termination for Convenience**

The State may terminate this Contract for its convenience, in whole or part, if the State determines that a termination is in the State's best interest. Reasons for the termination will 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, (c) unacceptable prices for Additional Services or New Work requested by the State, or (d) falsification or misrepresentation, by inclusion or non-inclusion, of information material to a response to any RFP issued by the State. The State may terminate this Contract for its convenience, in whole or in part, by giving Contractor written notice at least 30 days before the date of termination. If the State chooses to terminate this Contract in part, the charges payable under this Contract will be equitably adjusted to reflect those Services/Deliverables that are terminated. Services and related provisions of this Contract that are terminated for cause will cease on the effective date of the termination.

### **2.154 Termination for 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 will 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 will give Contractor at least 30 days advance written notice of termination for non-appropriation or unavailability (or the time as is available if the State receives notice of the final decision less than 30 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 or production of Deliverables to be provided by Contractor are not appropriated or otherwise unavailable, the State may, upon 30 days written notice to Contractor, reduce the level of the Services or the change the production of Deliverables in the manner and for the 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 the reduction.

- (c) If the State terminates this Contract, eliminates certain Deliverables, or reduces the level of Services to be provided by Contractor under this Section, the State will pay Contractor for all Work-in-Process performed through the effective date of the termination or reduction in level, as the case may be and as determined by the State, to the extent funds are available. This Section will not preclude Contractor from reducing or stopping Services/Deliverables or raising against the State in a court of competent jurisdiction, any claim for a shortfall in payment for Services performed or Deliverables finally accepted before the effective date of termination.

### **2.155 Termination for Criminal Conviction**

The State may terminate this 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 related to a State, public or private Contract or subcontract.

### **2.156 Termination for Approvals Rescinded**

The State may terminate this Contract if any final administrative or judicial decision or adjudication disapproves a previously approved request for purchase of personal services under Constitution 1963, Article 11, § 5, and Civil Service Rule 7-1. In that case, the State will pay the Contractor for only the work completed to that point under the Contract. 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 the written notice.

### **2.157 Rights and Obligations upon Termination**

- (a) If the State terminates this Contract for any reason, the Contractor will (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 this 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) transfer title in, and deliver to, the State, unless otherwise directed, all Deliverables intended to be transferred to the State at the termination of the Contract and which are resulting from the Contract (which will be provided to the State on an "As-Is" basis except to the extent the amounts paid by the State in respect of the items included compensation to Contractor for the provision of warranty services in respect of the materials), and (e) take any action to mitigate and limit any potential damages, or requests for Contractor adjustment or 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) If the State terminates this Contract before its expiration for its own convenience, the State will pay Contractor for all charges due for Services provided before the date of termination and, if applicable, as a separate item of payment under this Contract, for Work In Process, on a percentage of completion basis at the level of completion determined by the State. All completed or partially completed Deliverables prepared by Contractor under this Contract, at the option of the State, becomes the State's property, and Contractor is entitled to receive equitable fair compensation for the Deliverables. Regardless of the basis for the termination, the State is not 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) Upon a good faith termination, the State may assume, at its option, any subcontracts and agreements for services and deliverables provided under this Contract, and may further pursue completion of the Services/Deliverables under this Contract by replacement contract or otherwise as the State may in its sole judgment deem expedient.



### **2.158 Reservation of Rights**

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

### **2.160 Termination by Contractor**

#### **2.161 Termination by Contractor**

If the State breaches the Contract, and the Contractor in its sole discretion determines that the breach is curable, then the Contractor will provide the State with written notice of the breach and a time period (not less than 30 days) to cure the breach. The Notice of Breach and opportunity to cure is inapplicable for successive and repeated breaches.

The Contractor may terminate this Contract if the State (i) materially breaches its obligation to pay the Contractor undisputed amounts due and owing under this Contract, (ii) breaches its other obligations under this Contract to an extent that makes it impossible or commercially impractical for the Contractor to perform the Services, or (iii) does not cure the breach within the time period specified in a written notice of breach. But the Contractor will discharge its obligations under **Section 2.160** before it terminates the Contract.

### **2.170 Transition Responsibilities**

#### **2.171 Contractor Transition Responsibilities**

If the State terminates this contract, for convenience or cause, or if the Contract is otherwise dissolved, voided, rescinded, nullified, expires or rendered unenforceable, 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. If this Contract expires or terminates, 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 90 days. These efforts will include, but are not limited to, those listed in **Sections 2.141, 2.142, 2.143, 2.144, and 2.145.**

#### **2.172 Contractor Personnel Transition**

The Contractor will 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 will 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 this Contract. In addition, during or following the transition period, in the event the State requires the Services of the Contractor's subcontractors or contractors, 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 or contractors. Contractor will notify all of Contractor's subcontractors of procedures to be followed during transition.

#### **2.173 Contractor Information Transition**

The Contractor agrees to provide reasonable detailed specifications for all Services/Deliverables needed by the State, or specified third party, to properly provide the Services/Deliverables required under this Contract. The Contractor will provide the State with asset management data generated from the inception of this Contract through the date on which this Contractor is terminated in a comma-delineated format unless otherwise requested by the State. The Contractor will deliver to the State any remaining owed reports and documentation still in Contractor's possession subject to appropriate payment by the State.



### **2.174 Contractor Software Transition**

The Contractor will reasonably assist the State in the acquisition of any Contractor software required to perform the Services/use the Deliverables under this Contract. This will include any documentation being used by the Contractor to perform the Services under this Contract. If the State transfers any software licenses to the Contractor, those licenses will, upon expiration of the Contract, transfer back to the State at their current revision level. Upon notification by the State, Contractor may be required to freeze all non-critical changes to Deliverables/Services.

### **2.175 Transition Payments**

If the transition results from a termination for any reason, the termination provisions of this Contract will govern reimbursement. 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) at the rates agreed upon by the State. The Contractor will prepare an accurate accounting from which the State and Contractor may reconcile all outstanding accounts.

### **2.176 State Transition Responsibilities**

In the event that this Contract is terminated, dissolved, voided, rescinded, nullified, or otherwise rendered unenforceable, the State agrees to reconcile all accounts between the State and the Contractor, complete any pending post-project reviews and perform any others obligations upon which the State and the Contractor agree.

- (a) Reconciling all accounts between the State and the Contractor;
- (b) Completing any pending post-project reviews.

### **2.180 Stop Work**

#### **2.181 Stop Work Orders**

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 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 will be identified as a stop work order and will indicate that it is issued under this **Section 2.150**. Upon receipt of the stop work order, Contractor will immediately comply with its terms and take all reasonable steps to minimize incurring 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 will either: (a) cancel the stop work order; or (b) terminate the work covered by the stop work order as provided in **Section 2.130**.

#### **2.182 Cancellation or Expiration of Stop Work Order**

The Contractor will resume work if the State cancels a Stop Work Order or if it expires. The parties will agree upon an equitable adjustment in the delivery schedule, the Contract price, or both, and the Contract will 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 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. Any adjustment will conform to the requirements of **Section 2.024**.

#### **2.183 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, the termination will be deemed to be a termination for convenience under **Section 2.153**, and the State will pay reasonable costs resulting from the stop work order in arriving at the termination settlement. For the avoidance of doubt, the State is not liable to Contractor for loss of profits because of a stop work order issued under this Section.



## **2.190 Dispute Resolution**

### **2.191 In General**

Any claim, counterclaim, or dispute between the State and Contractor arising out of or relating to the Contract or any Statement of Work will be resolved as follows. For all Contractor claims seeking an increase in the amounts payable to Contractor under the Contract, or the time for Contractor's performance, Contractor will submit a letter, together with all data supporting the claims, executed by Contractor's Contract Administrator or the Contract Administrator's designee certifying that (a) the claim is made in good faith, (b) 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 (c) the claim and the supporting data are current and complete to Contractor's best knowledge and belief.

### **2.192 Informal Dispute Resolution**

(a) All disputes between the parties will be resolved under the Contract Management procedures in this Contract. If the parties are unable to resolve any disputes after compliance with the processes, the parties will meet with the Director of Purchasing Operations, DMB, or designee, for the purpose of attempting to resolve the dispute without the need for formal legal proceedings, as follows:

(1) The representatives of Contractor and the State will meet as often as the parties reasonably deem necessary 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 will discuss the problem and negotiate in good faith in an effort to resolve the dispute without the necessity of any formal proceeding.

(2) 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.

(3) 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.

(4) Following the completion of this process within 60 calendar days, the Director of Purchasing Operations, DMB, or designee, will issue a written opinion regarding the issue(s) in dispute within 30 calendar days. The opinion regarding the dispute will be considered the State's final action and the exhaustion of administrative remedies.

(b) This Section 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 under Section 2.193.

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

### **2.193 Injunctive Relief**

The only circumstance in which disputes between the State and Contractor will not be subject to the provisions of **Section 2.192** is where a party makes a good faith determination that a breach of the terms of the Contract by the other party is the that the damages to the 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.

### **2.194 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 will not be deemed to preclude performance) and without limiting either party's right to terminate the Contract as provided in **Section 2.150**, as the case may be.



## **2.200 Federal and State Contract Requirements**

### **2.201 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, and marital status, physical or mental disability. Contractor further agrees that every subcontract entered into for the performance of this Contract or any purchase order resulting from this Contract will contain a provision requiring non-discrimination in employment, as specified here, binding upon each Subcontractor. This covenant is required under the Elliot Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, et seq., and the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, et seq., and any breach of this provision may be regarded as a material breach of the Contract.

### **2.202 Unfair Labor Practices**

Under 1980 PA 278, MCL 423.321, et seq., the State will 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 under 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, will not enter into a contract with a Subcontractor, manufacturer, or supplier whose name appears in this register. Under section 4 of 1980 PA 278, MCL 423.324, the State may void any Contract if, after 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.

### **2.203 Workplace Safety and Discriminatory Harassment**

In performing Services for the State, the Contractor will comply with the Department of Civil Services Rule 2-20 regarding Workplace Safety and Rule 1-8.3 regarding Discriminatory Harassment. In addition, the Contractor will comply with Civil Service regulations and any applicable agency rules provided to the Contractor. For Civil Service Rules, see <http://www.mi.gov/mdcs/0,1607,7-147-6877---.00.html>.

## **2.210 Governing Law**

### **2.211 Governing Law**

The Contract will in all respects be governed by, and construed according to, 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.

### **2.212 Compliance with Laws**

Contractor will comply with all applicable state, federal and local laws and ordinances in providing the Services/Deliverables.

### **2.213 Jurisdiction**

Any dispute arising from the Contract will 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 the jurisdiction on the grounds of lack of personal jurisdiction of the court or the laying of venue of the 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.



## **2.220 Limitation of Liability**

### **2.221 Limitation of Liability**

Neither the Contractor nor the State is liable to each other, regardless of the form of action, for consequential, incidental, indirect, or special damages. This limitation of liability does 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; 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 Contractor's liability for damages to the State is limited to two times the value of the Contract or \$500,000 which ever is higher. The foregoing limitation of liability does 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 is limited to the value of the Contract.

## **2.230 Disclosure Responsibilities**

### **2.231 Disclosure of Litigation**

Contractor will disclose any material criminal litigation, investigations or proceedings involving the Contractor (and each Subcontractor) or any of its officers or directors or any litigation, investigations or proceedings under the Sarbanes-Oxley Act. In addition, each Contractor (and each Subcontractor) will notify the State of any material civil litigation, arbitration or proceeding which arises during the term of the Contract and extensions, to which Contractor (or, to the extent Contractor is aware, any Subcontractor) 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; or (ii) a claim or written allegation of fraud against Contractor or, to the extent Contractor is aware, any Subcontractor by a governmental or public entity arising out of their business dealings with governmental or public entities. The Contractor will disclose in writing to the Contract Administrator any litigation, investigation, arbitration or other proceeding (collectively, "Proceeding") within 30 days of its occurrence. Details of settlements that are prevented from disclosure by the terms of the settlement may be annotated. 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.

If any Proceeding disclosed to the State under this Section, or of which the State otherwise becomes aware, during the term of this Contract would cause a reasonable party to be concerned about:

- (a) the ability of Contractor (or a Subcontractor) to continue to perform this Contract according to its terms and conditions, or
- (b) whether Contractor (or a Subcontractor) in performing Services for the State is engaged in conduct which is similar in nature to conduct alleged in the Proceeding, which conduct would constitute a breach of this Contract or a violation of Michigan law, regulations or public policy, then the Contractor will provide the State all reasonable assurances requested by the State to demonstrate that:
  - (1) Contractor and its Subcontractors will be able to continue to perform this Contract and any Statements of Work according to its terms and conditions, and
  - (2) Contractor and its Subcontractors have not and will not engage in conduct in performing the Services which is similar in nature to the conduct alleged in the Proceeding.



- (c) Contractor will make the following notifications in writing:
- (1) Within 30 days of Contractor becoming aware that a change in its ownership or officers has occurred, or is certain to occur, or a change that could result in changes in the valuation of its capitalized assets in the accounting records, Contractor will notify DMB Purchasing Operations.
  - (2) Contractor will also notify DMB Purchasing Operations within 30 days whenever changes to asset valuations or any other cost changes have occurred or are certain to occur as a result of a change in ownership or officers.
  - (3) Contractor will also notify DMB Purchase Operations within 30 days whenever changes to company affiliations occur.

### **2.232 Call Center Disclosure**

Contractor and/or all subcontractors involved in the performance of this Contract providing call or contact center services to the State will disclose the location of its call or contact center services to inbound callers. Failure to disclose this information is a material breach of this Contract.

### **2.233 Bankruptcy**

The State may, without prejudice to any other right or remedy, terminate this Contract, in whole or in part, and, at its option, may take possession of the "Work in Process" and finish the Works in Process by whatever appropriate method the State may deem expedient if:

- (a) the Contractor files for protection under the bankruptcy laws;
- (b) an involuntary petition is filed against the Contractor and not removed within 30 days;
- (c) the Contractor becomes insolvent or if a receiver is appointed due to the Contractor's insolvency;
- (d) the Contractor makes a general assignment for the benefit of creditors; or
- (e) the Contractor or its affiliates are unable to provide reasonable assurances that the Contractor or its affiliates can deliver the services under this Contract.

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 will be stored separately from other stock and marked conspicuously with labels indicating ownership by the State.

## **2.240 Performance**

### **2.241 Time of Performance**

- (a) Contractor will use commercially reasonable efforts to provide the resources necessary to complete all Services and Deliverables according to 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 2.241**, Contractor will 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 Deliverables/Services on the scheduled due dates in the latest State-approved delivery schedule and will inform the State of the projected actual delivery date.
- (c) If the Contractor believes that a delay in performance by the State has caused or will cause the Contractor to be unable to perform its obligations according to specified Contract time periods, the Contractor will notify the State in a timely manner and will use commercially reasonable efforts to perform its obligations according to the Contract time periods notwithstanding the State's failure. Contractor will not be in default for a delay in performance to the extent the delay is caused by the State.

### **2.242 Service Level Agreement (SLA)**

- (a) SLAs will be completed with the following operational considerations:
  - (1) SLAs will not be calculated for individual Incidents where any event of Excusable Failure has been determined; Incident means any interruption in Services.
  - (2) SLAs will not be calculated for individual Incidents where loss of service is planned and where the State has received prior notification or coordination.



- (3) SLAs will not apply if the applicable Incident could have been prevented through planning proposed by Contractor and not implemented at the request of the State. To invoke this consideration, complete documentation relevant to the denied planning proposal will be presented to substantiate the proposal.
- (4) Time period measurements will be based on the time Incidents are received by the Contractor and the time that the State receives notification of resolution based on 24x7x365 time period, except that the time period measurement will be suspended based on the following:
  - (i) Time period(s) will not apply where Contractor does not have access to a physical State Location and where access to the State Location is necessary for problem identification and resolution.
  - (ii) Time period(s) will not apply where Contractor needs to obtain timely and accurate information or appropriate feedback and is unable to obtain timely and accurate information or appropriate feedback from the State.
- (b) Chronic Failure for any Service(s) will be defined as three unscheduled outage(s) or interruption(s) on any individual Service for the same reason or cause or if the same reason or cause was reasonably discoverable in the first instance over a rolling 30 day period. Chronic Failure will result in the State's option to terminate the effected individual Service(s) and procure them from a different contractor for the chronic location(s) with Contractor to pay the difference in charges for up to three additional months. The termination of the Service will not affect any tiered pricing levels.
- (c) Root Cause Analysis will be performed on any Business Critical outage(s) or outage(s) on Services when requested by the Contract Administrator. Contractor will provide its analysis within two weeks of outage(s) and provide a recommendation for resolution.
- (d) All decimals will be rounded to two decimal places with five and greater rounding up and four and less rounding down unless otherwise specified.

### 2.243 Liquidated Damages

The parties acknowledge that late or improper completion of the Work will cause loss and damage to the State, and that it would be impracticable and extremely difficult to fix the actual damage sustained by the State as a result. Therefore, Contractor and the State agree that if there is late or improper completion of the Work and the State does not elect to exercise its rights under **Section 2.141**, the State is entitled to collect liquidated damages in the amount of \$5,000.00 and an additional \$100.00 per day for each day Contractor fails to remedy the late or improper completion of the Work.

#### Unauthorized Removal of any Key Personnel

It is acknowledged that an Unauthorized Removal will interfere with the timely and proper completion of the Contract, to the loss and damage of the State, and that it would be impracticable and extremely difficult to fix the actual damage sustained by the State as a result of any Unauthorized Removal. Therefore, Contractor and the State agree that in the case of any Unauthorized Removal in respect of which the State does not elect to exercise its rights under **Section 2.141**, the State may assess liquidated damages against Contractor as specified below.

For the Unauthorized Removal of any Key Personnel designated in the applicable Statement of Work, the liquidated damages amount is \$25,000.00 per individual if the Contractor identifies a replacement approved by the State under **Section 2.060** and assigns the replacement to the Project to shadow the Key Personnel who is leaving for a period of at least 30 days before the Key Personnel's removal.

If Contractor fails to assign a replacement to shadow the removed Key Personnel for at least 30 days, in addition to the \$25,000.00 liquidated damages for an Unauthorized Removal, Contractor will pay the amount of \$833.33 per day for each day of the 30 day shadow period that the replacement Key Personnel does not shadow the removed Key Personnel, up to \$25,000.00 maximum per individual. The total liquidated damages that may be assessed per Unauthorized Removal and failure to provide 30 days of shadowing will not exceed \$50,000.00 per individual.



### **2.244 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 the 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; 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 a party; provided the non-performing party and its Subcontractors are without fault in causing the default or delay, and the 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.

If a party does not perform its contractual obligations for any of the reasons listed above, the non-performing party will be excused from any further performance of its affected obligation(s) for as long as the circumstances prevail. But the party will use commercially reasonable efforts to recommence performance whenever and to whatever extent possible without delay. A party will promptly notify the other party in writing immediately after the excusable failure occurs, and also when it abates or ends.

If any of the above-enumerated circumstances substantially prevent, hinder, or delay the Contractor's performance of the Services/provision of Deliverables for more than 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/Deliverables from an alternate source, and the State is not be liable for payment for the unperformed Services/ Deliverables not provided under the Contract for so long as the delay in performance continues; (b) the State may terminate any portion of the Contract so affected and the charges payable will be equitably adjusted to reflect those Services/Deliverables 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 the Contractor, except to the extent that the State will pay for Services/Deliverables provided through the date of termination.

The 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/Deliverables not provided 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.

### **2.250 Approval of Deliverables**

#### **2.251 Delivery of Deliverables**

A list 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") or a Custom Software Deliverable is attached, if applicable. All Deliverables will 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 this Contract.

Prior to delivering any Deliverable to the State, Contractor will first perform all required quality assurance activities, and, in the case of Custom Software Deliverables, System Testing to verify that the Deliverable is complete and in conformance with its specifications. Before delivering a Deliverable to the State, Contractor will 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, (4) the Deliverable is in a suitable state of readiness for the State's review and approval, and (5) the Deliverable/Service has all Critical Security patches/updates applied.

In discharging its obligations under this Section, Contractor will be at all times (except where the parties agree otherwise in writing) in compliance with Level 3 of the Software Engineering Institute's Capability Maturity Model for Software ("CMM Level 3") or its equivalent.

### **2.252 Contractor System Testing**

Contractor will be responsible for System Testing each Custom Software Deliverable in Contractor's development environment prior to turning over the Custom Software Deliverable to the State for User Acceptance Testing and approval. Contractor's System Testing will include the following, at a minimum, plus any other testing required by CMM Level 3 or Contractor's system development methodology:

Contractor will be responsible for performing Unit Testing and incremental Integration Testing of the components of each Custom Software Deliverable.

Contractor's System Testing will also include Integration Testing of each Custom Software Deliverable to ensure proper inter-operation with all prior software Deliverables, interfaces and other components that are intended to inter-operate with such Custom Software Deliverable, and will include Regression Testing, volume and stress testing to ensure that the Custom Software Deliverables are able to meet the State's projected growth in the number and size of transactions to be processed by the Application and number of users, as such projections are set forth in the applicable Statement of Work.

Contractor's System Testing will also include Business Function Testing and Technical Testing of each Application in a simulated production environment. Business Function Testing will include testing of full work streams that flow through the Application as the Application will be incorporated within the State's computing environment. The State will participate in and provide support for the Business Function Testing to the extent reasonably requested by Contractor. Within ten (10) days before the commencement of Business Function Testing pursuant to this Section, Contractor will provide the State for State review and written approval Contractor's test plan for Business Function Testing.

Within five (5) Business Days following the completion of System Testing pursuant to this **Section**, Contractor will provide to the State a testing matrix establishing that testing for each condition identified in the System Testing plans has been conducted and successfully concluded. To the extent that testing occurs on State premises, the State will be entitled to observe or otherwise participate in testing under this Section as the State may elect.

### **2.253 Approval of Deliverables, In General**

All Deliverables (Written Deliverables and Custom Software 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, in the case of Custom Software Deliverables, will include the successful completion of State User Acceptance Testing, 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.

The State's obligation to comply with any State Review Period is conditioned on the timely delivery of Deliverables being reviewed. If Contractor fails to provide a Deliverable to the State in a timely manner, the State will nevertheless use commercially reasonable efforts to complete its review or testing within the applicable State Review Period.



Before commencement of its review or testing of a Deliverable, the State may inspect the Deliverable to confirm that all components of the Deliverable (e.g., software, associated documentation, and other materials) have been delivered. If the State determines that the Deliverable is incomplete, 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 applicable certification by Contractor in accordance with this Section.

The State will approve in writing a Deliverable upon confirming that it conforms to and, in the case of a Custom Software Deliverable, performs in accordance with, its specifications without material deficiency. The State may, but will 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.

If, after three (3) opportunities (the original and two repeat efforts), Contractor is unable to correct all deficiencies preventing State approval 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 this Contract in force and do, either itself or through other parties, whatever Contractor has failed to do, in which event Contractor will 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 without the need to furnish proof in substantiation of such general expenses; or (iii) terminate this Contract for default, either in whole or in part by notice to Contractor (and without the need to afford Contractor any further opportunity to cure). Notwithstanding the foregoing, the State will 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.

The State, at any time and in its own discretion, may halt the UAT 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 review or UAT process and, in that event, Contractor will correct the deficiencies in such Deliverable in accordance with the Contract, as the case may be.

Approval in writing of a Deliverable by the State will be provisional; that is, such approval will not preclude the State from later identifying deficiencies in, and declining to accept, a subsequent Deliverable based on or which incorporates or inter-operates with an approved Deliverable, to the extent that the results of subsequent review or testing indicate the existence of deficiencies in the subsequent Deliverable, or if the Application of which the subsequent Deliverable is a component otherwise fails to be accepted pursuant to **Section 2.080**.

#### **2.254 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 Written Deliverable (failing which the State Review Period, by default, will 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 Written Deliverable is approved in the form delivered by Contractor or describing any deficiencies that will be corrected prior to approval of the Written Deliverable (or at the State's election, subsequent to approval of the Written Deliverable). If the State delivers to Contractor a notice of deficiencies, Contractor will correct the described deficiencies and within five (5) 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 Written 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 Written Deliverable to confirm that the identified deficiencies have been corrected.

### **2.255 Process for Approval of Custom Software Deliverables**

The State will conduct UAT of each Custom Software Deliverable in accordance with the following procedures to determine whether it meets the criteria for State approval – i.e., whether it conforms to and performs in accordance with its specifications without material deficiencies.

Within thirty (30) days (or such other number of days as the parties may agree to in writing) prior to Contractor's delivery of any Custom Software Deliverable to the State for approval, Contractor will provide to the State a set of proposed test plans, including test cases, scripts, data and expected outcomes, for the State's use (which the State may supplement in its own discretion) in conducting UAT of the Custom Software Deliverable. Contractor, upon request by the State, will provide the State with reasonable assistance and support during the UAT process.

For the Custom Software Deliverables listed in an attachment, the State Review Period for conducting UAT will be as indicated in the attachment. For any other Custom Software Deliverables not listed in an attachment, the State Review Period will be the number of days agreed in writing by the parties (failing which it shall be forty-five (45) days by default). The State Review Period for each Custom Software Deliverable will begin when Contractor has delivered the Custom Software Deliverable to the State accompanied by the certification required by this **Section** and the State's inspection of the Deliverable has confirmed that all components of it have been delivered.

The State's UAT will consist of executing test scripts from the proposed testing submitted by Contractor, but may also include any additional testing deemed appropriate by the State. If the State determines during the UAT that the Custom Software Deliverable contains any deficiencies, the State will notify Contractor of the deficiency by making an entry in an incident reporting system available to both Contractor and the State. Contractor will modify promptly the Custom Software Deliverable to correct the reported deficiencies, conduct appropriate System Testing (including, where applicable, Regression Testing) to confirm the proper correction of the deficiencies and re-deliver the corrected version to the State for re-testing in UAT. Contractor will coordinate the re-delivery of corrected versions of Custom Software Deliverables with the State so as not to disrupt the State's UAT process. The State will promptly re-test the corrected version of the Software Deliverable after receiving it from Contractor.

Within three (3) business days after the end of the State Review Period, the State will give Contractor a written notice indicating the State's approval or rejection of the Custom Software Deliverable according to the criteria and process set out in this **Section**.

### **2.256 Final Acceptance**

"Final Acceptance" will be considered to occur when the Custom Software Deliverable to be delivered has been approved by the State and has been operating in production without any material deficiency for fourteen (14) consecutive days. If the State elects to defer putting a Custom Software Deliverable into live production for its own reasons, not based on concerns about outstanding material deficiencies in the Deliverable, the State will nevertheless grant Final Acceptance of the Project.

### **2.260 Ownership**

#### **2.261 Ownership of Work Product by State**

The State owns all Deliverables, as they are work made for hire by the Contractor for the State. The State owns all United States and international copyrights, trademarks, patents or other proprietary rights in the Deliverables.



### **2.262 Vesting of Rights**

With the sole exception of any preexisting licensed works identified in the SOW, the Contractor assigns, and upon creation of each Deliverable automatically assigns, to the State, ownership of all United States and international copyrights, trademarks, patents, or other proprietary rights in each and every Deliverable, whether or not registered by the Contractor, insofar as any the Deliverable, by operation of law, may not be considered work made for hire by the Contractor for the State. From time to time upon the State's request, the Contractor will confirm the assignment by execution and delivery of the assignments, confirmations of assignment, or other written instruments as the State may request. The State may obtain and hold in its own name all copyright, trademark, and patent registrations and other evidence of rights that may be available for Deliverables.

### **2.263 Rights in Data**

The State is the owner of all data made available by the State to the Contractor or its agents, Subcontractors or representatives under the Contract. The 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 the Contractor. No employees of the 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, the Contractor will only use personally identifiable information as strictly necessary to provide the Services and will disclose the information only to its employees who have a strict need-to-know the information. The Contractor will comply at all times with all laws and regulations applicable to the personally identifiable information.

The State is the owner of all State-specific data under the Contract. The State may use the data provided by the Contractor for any purpose. 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 may use personally identifiable information only as strictly necessary to utilize the Services and will disclose the information only to its employees who have a strict need to know the information, except as provided by law. The State will comply at all times with all laws and regulations applicable to the personally identifiable information. Other material developed and provided to the State remains the State's sole and exclusive property.

### **2.264 Ownership of Materials**

The State and the Contractor will continue to own their respective proprietary technologies developed before 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 licensed through the Contractor and sold to the State, will be licensed directly to the State.

## **2.270 State Standards**

### **2.271 Existing Technology Standards**

The Contractor will adhere to all existing standards as described within the comprehensive listing of the State's existing technology standards at <http://www.michigan.gov/dit>.

### **2.272 Acceptable Use Policy**

To the extent that Contractor has access to the State computer system, Contractor will comply with the State's Acceptable Use Policy, see <http://www.michigan.gov/ditservice>. All Contractor employees will be required, in writing, to agree to the State's Acceptable Use Policy before accessing the State system. The State reserves the right to terminate Contractor's access to the State system if a violation occurs.



### **2.273 Systems Changes**

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

### **2.280 Extended Purchasing**

#### **2.281 MiDEAL (Michigan Delivery Extended Agreements Locally)**

Public Act 431 of 1984 permits DMB to provide purchasing services to any city, village, county, township, school district, intermediate school district, non-profit hospital, institution of higher education, community, or junior college. A current listing of approved program members is available at: [www.michigan.gov/buymichiganfirst](http://www.michigan.gov/buymichiganfirst). Unless otherwise stated, the Contractor will ensure that the non-state agency is an authorized purchaser before extending the Contract pricing.

The Contractor will supply Contract Services and equipment to these local governmental agencies at the established State of Michigan contract prices and terms to the extent applicable and where available. The Contractor will send its invoices will be submitted to and pay 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 this 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.

#### **2.282 State Employee Purchases**

The State allows State employees to purchase from this Contract. Unless otherwise stated, it is the responsibility of the Contractor to ensure that the State employee is an authorized purchaser before extending the Contract pricing.

The Contractor will supply Contract Services and Deliverables at the established State of Michigan contract prices and terms to the extent applicable and where available. The Contractor will send its invoices to and pay the State employee on a direct and individual basis.

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

### **2.290 Environmental Provision**

#### **2.291 Environmental Provision**

**Energy Efficiency Purchasing Policy:** The State seeks wherever possible to purchase energy efficient products. This includes giving preference to U.S. Environmental Protection Agency (EPA) certified 'Energy Star' products for any category of products for which EPA has established Energy Star certification. For other purchases, the State may include energy efficiency as one of the priority factors to consider when choosing among comparable products.

**Environmental Purchasing Policy:** The State of Michigan is committed to encouraging the use of products and services that impact the environment less than competing products. The State is accomplishing this by including environmental considerations in purchasing decisions, while remaining fiscally responsible, to promote practices that improve worker health, conserve natural resources, and prevent pollution. Environmental components that are to be considered include: recycled content and recyclables; energy efficiency; and the presence of undesirable materials in the products, especially those toxic chemicals which are persistent and bioaccumulative. The Contractor should be able to supply products containing recycled and environmentally preferable materials that meet performance



requirements and is encouraged to offer such products throughout the duration of this Contract. Information on any relevant third party certification (such as Green Seal, Energy Star, etc.) should also be provided.

**Hazardous Materials:** For the purposes of this Section, “Hazardous Materials” is a generic term used to describe asbestos, ACBMs, PCBs, petroleum products, construction materials including paint thinners, solvents, gasoline, oil, and any other material the manufacture, use, treatment, storage, transportation or disposal of which is regulated by the federal, state or local laws governing the protection of the public health, natural resources or the environment. This includes, but is not limited to, materials the as batteries and circuit packs, and other materials that are regulated as (1) “Hazardous Materials” under the Hazardous Materials Transportation Act, (2) “chemical hazards” under the Occupational Safety and Health Administration standards, (3) “chemical substances or mixtures” under the Toxic Substances Control Act, (4) “pesticides” under the Federal Insecticide Fungicide and Rodenticide Act, and (5) “hazardous wastes” as defined or listed under the Resource Conservation and Recovery Act.

- (a) The Contractor will use, handle, store, dispose of, process, transport and transfer any material considered a Hazardous Material according to all federal, State and local laws. The State will provide a safe and suitable environment for performance of Contractor’s Work. Before the commencement of Work, the State will advise the Contractor of the presence at the work site of any Hazardous Material to the extent that the State is aware of the Hazardous Material. If the Contractor encounters material reasonably believed to be a Hazardous Material and which may present a substantial danger, the Contractor will immediately stop all affected Work, notify the State in writing about the conditions encountered, and take appropriate health and safety precautions.
- (b) Upon receipt of a written notice, the State will investigate the conditions. If (a) the material is a Hazardous Material that may present a substantial danger, and (b) the Hazardous Material was not brought to the site by the Contractor, or does not result in whole or in part from any violation by the Contractor of any laws covering the use, handling, storage, disposal of, processing, transport and transfer of Hazardous Materials, the State will order a suspension of Work in writing. The State will proceed to have the Hazardous Material removed or rendered harmless. In the alternative, the State will terminate the affected Work for the State’s convenience.
- (c) Once the Hazardous Material has been removed or rendered harmless by the State, the Contractor will resume Work as directed in writing by the State. Any determination by the Michigan Department of Community Health or the Michigan Department of Environmental Quality that the Hazardous Material has either been removed or rendered harmless is binding upon the State and Contractor for the purposes of resuming the Work. If any incident with Hazardous Material 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 a time as mutually agreed by the parties.
- (d) If the Hazardous Material was brought to the site by the Contractor, or results in whole or in part from any violation by the Contractor of any laws covering the use, handling, storage, disposal of, processing, transport and transfer of Hazardous Material, or from any other act or omission within the control of the Contractor, the Contractor will bear its proportionate share of the delay and costs involved in cleaning up the site and removing and rendering harmless the Hazardous Material according to Applicable Laws to the condition approved by applicable regulatory agency(ies).

**Labeling:** Michigan has a Consumer Products Rule pertaining to labeling of certain products containing volatile organic compounds. For specific details visit [http://www.michigan.gov/deq/0,1607,7-135-3310\\_4108-173523--,00.html](http://www.michigan.gov/deq/0,1607,7-135-3310_4108-173523--,00.html)

**Refrigeration and Air Conditioning:** The Contractor will comply with the applicable requirements of Sections 608 and 609 of the Clean Air Act (42 U.S.C. 7671g and 7671h) as each or both apply to this contract.



**Environmental Performance:** Waste Reduction Program - Contractor will establish a program to promote cost-effective waste reduction in all operations and facilities covered by this contract. The Contractor's programs will comply with applicable Federal, State, and local requirements, specifically including Section 6002 of the Resource Conservation and Recovery Act (42 U.S.C. 6962, et seq.).

### **2.300 Deliverables**

#### **2.301 Software**

A list of the items of software the State is required to purchase for execution the Contract is attached. The list includes all software required to complete the Contract and make the Deliverables operable; if any additional software is required in order for the Deliverables to meet the requirements of this Contract, such software will be provided to the State by Contractor at no additional charge (except where agreed upon and specified in a Statement of Work or Contract Change Notice). The attachment also identifies certain items of software to be provided by the State.

#### **2.302 Hardware**

A list of the items of hardware the State is required to purchase for execution the Contract is attached. The list includes all hardware required to complete the Contract and make the Deliverables operable; if any additional hardware is required in order for the Deliverables to meet the requirements of this Contract, such hardware will be provided to the State by Contractor at no additional charge (except where agreed upon and specified in a Contract Change Notice). The attachment also identifies certain items of hardware to be provided by the State.

#### **2.303 Equipment to be New**

If applicable, all equipment provided under this Contract by Contractor will be new where Contractor has knowledge regarding whether the equipment is new or assembled from new or serviceable used parts that are like new in performance or has the option of selecting one or the other. Equipment that is assembled from new or serviceable used parts that are like new in performance is acceptable where Contractor does not have knowledge or the ability to select one or other, unless specifically agreed otherwise in writing by the State.

#### **2.304 Equipment to be New and Prohibited Products**

The State will not accept salvage, distressed, outdated or discontinued merchandise. Shipping of such merchandise to any State agency, as a result of an order placed against the Contract, will be considered default by the Contractor of the terms and conditions of the Contract and may result in cancellation of the Contract by the State. The brand and product number offered for all items will remain consistent for the term of the Contract, unless Purchasing Operations has approved a change order pursuant to **Section 2.024**.

### **2.310 Software Warranties**

#### **2.311 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 performance contained in this Contract (including all descriptions, specifications and drawings made a part of the Contract) for a period of (90) ninety days. In the event of a breach of this warranty, Contractor will promptly correct the affected Deliverable(s) at no charge to the State.

#### **2.312 No Surreptitious Code Warranty**

The Contractor represents and warrants that no copy of licensed 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."



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. Unauthorized 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.

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

### **2.313 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 will include, at no added cost to the State, design and performance so the State will 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, will 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 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 will be correctly treated as a leap year within all calculation and calendar logic.

### **2.314 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 will 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 will include a copy of any ownership agreement or license that authorizes the Contractor to use the Third-party Software.

### **2.315 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 (30) thirty 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 will be entitled to replacement of the non-compliant copy by Contractor, at Contractor’s expense (including shipping and handling).

### **2.320 Software Licensing**

Pursuant to Federal regulations at 45 CFR 95.617, the Department of Health and Human Services “reserves a royalty-free, non-exclusive, and irrevocable license to reproduce, publish, or otherwise use and to authorize others to use for Federal Government purposes, such software, modifications, and documentation.

**2.321 Cross-License, Deliverables Only, License to Contractor**

RESERVED

**2.322 Cross-License, Deliverables and Derivative Work, License to Contractor**

RESERVED

**2.323 License Back to the State**

RESERVED

**2.324 License Retained by Contractor**

Contractor grants to the State a non-exclusive, royalty-free, site-wide, irrevocable, transferable license to use the Software and related documentation according to the terms and conditions of this Contract. For the purposes of this license, "site-wide" includes any State of Michigan office regardless of its physical location.

The State may modify the Software and may combine such with other programs or materials to form a derivative work. The State will own and hold all copyright, trademarks, patent and other intellectual property rights in any derivative work, excluding any rights or interest in Software other than those granted in this Contract.

The State may copy each item of Software to multiple hard drives or networks unless otherwise agreed by the parties.

The State will make and maintain no more than one archival copy of each item of Software, and each copy will contain all legends and notices and will be subject to the same conditions and restrictions as the original. The State may also make copies of the Software in the course of routine backups of hard drive(s) for the purpose of recovery of hard drive contents.

In the event that the Contractor will, for any reason, cease to conduct business, or cease to support the Software, the State will have the right to convert these licenses into perpetual licenses, with rights of quiet enjoyment, but subject to payment obligations not to exceed the then current rates.

**2.325 Pre-existing Materials for Custom Software Deliverables**

Neither Contractor nor any of its Subcontractors will incorporate any preexisting materials (including Standard Software) into Custom Software Deliverables or use any pre-existing materials to produce Custom Software Deliverables if such pre-existing materials will be needed by the State in order to use the Custom Software Deliverables unless (i) such pre-existing materials and their owners are identified to the State in writing and (ii) such pre-existing materials are either readily commercially available products for which Contractor or its Subcontractor, as the case may be, has obtained a license (in form and substance approved by the State) in the name of the State, or are materials that Contractor or its Subcontractor, as the case may be, has the right to license to the State and has licensed to the State on terms and conditions approved by the State prior to using such pre-existing materials to perform the Services.

**2.330 Source Code Escrow****2.331 Definition**

"Source Code Escrow Package" will mean:

- (a) A complete copy in machine-readable form of the source code and executable code of the Licensed Software, including any updates or new releases of the product;
- (b) A complete copy of any existing design documentation and user documentation, including any updates or revisions; and/or
- (c) Complete instructions for compiling and linking every part of the source code into executable code for purposes of enabling verification of the completeness of the source code as provided below.



Such instructions will include precise identification of all compilers, library packages, and linkers used to generate executable code.

### **2.332 Delivery of Source Code into Escrow**

Contractor will deliver a Source Code Escrow Package to the Escrow Agent, pursuant to the Escrow Contract, which will be entered into on commercially reasonable terms subject to the provisions of this Contract within (30) thirty days of the execution of this Contract.

### **2.333 Delivery of New Source Code into Escrow**

If at anytime during the term of this Contract, the Contractor provides a maintenance release or upgrade version of the Licensed Software, Contractor will within ten (10) days deposit with the Escrow Agent, in accordance with the Escrow Contract, a Source Code Escrow Package for the maintenance release or upgrade version, and provide the State with notice of the delivery.

### **2.334 Verification**

The State reserves the right at any time, but not more than once a year, either itself or through a third party contractor, upon thirty (30) days written notice, to seek verification of the Source Code Escrow Package.

### **2.335 Escrow Fees**

The Contractor will pay all fees and expenses charged by the Escrow Agent.

### **2.336 Release Events**

The Source Code Escrow Package may be released from escrow to the State, temporarily or permanently, upon the occurrence of one or more of the following:

- (a) The Contractor becomes insolvent, makes a general assignment for the benefit of creditors, files a voluntary petition of bankruptcy, suffers or permits the appointment of a receiver for its business or assets, becomes subject to any proceeding under bankruptcy or insolvency law, whether domestic or foreign;
- (b) The Contractor has wound up or liquidated its business voluntarily or otherwise and the State has reason to believe that such events will cause the Contractor to fail to meet its warranties and maintenance obligations in the foreseeable future;
- (c) The Contractor voluntarily or otherwise discontinues support of the provided products or fails to support the products in accordance with its maintenance obligations and warranties.

### **2.337 Release Event Procedures**

If the State desires to obtain the Source Code Escrow Package from the Escrow Agent upon the occurrence of an Event in this **Section**, then:

- (a) The State will comply with all procedures in the Escrow Contract;
- (b) The State will maintain all materials and information comprising the Source Code Escrow Package in confidence in accordance with this Contract;
- (c) If the release is a temporary one, then the State will promptly return all released materials to Contractor when the circumstances leading to the release are no longer in effect.

### **2.338 License**

Upon release from the Escrow Agent pursuant to an event described in this **Section**, the Contractor automatically grants the State a non-exclusive, irrevocable license to use, reproduce, modify, maintain, support, update, have made, and create Derivative Works. Further, the State will have the right to use the Source Code Escrow Package in order to maintain and support the Licensed Software so that it can be used by the State as set forth in this Contract.

**2.339 Derivative Works**

Any Derivative Works to the source code released from escrow that are made by or on behalf of the State will be the sole property of the State. The State acknowledges that its ownership rights are limited solely to the Derivative Works and do not include any ownership rights in the underlying source code.



# Appendix A

## PCO Web Tools



## Appendix A

### PCO Web Tools PCO Web Tools

Tool	Purpose
Build Tracker	This tool is closely associated with the configuration management processes. Build Tracker enables the parameterized generation and scheduling of build scripts to eliminate errors and enhance flexibility. Furthermore, this tool includes post-build information and auditing capabilities. Build Tracker is an extension and integration of the configuration management framework, positioning the PCO Technical Control team to respond to ever-changing conditions with precise, predictable results. Access to this application is password-secured.
Configuration Tracker	This tool was a precursor to Build Tracker. The initial purpose of Configuration Tracker was to capture post-build reports automatically and parse the results into a manageable form for reporting, configuration item version management, and environment comparisons. Configuration Tracker is a critical tool for providing configuration management information to development, testing, and training personnel. Access to this application is password-secured.
Continuous Improvement Requests (CIRs) Tracker	This tool furnishes a mechanism for acquiring input from users of the PCO Web site. The improvement recommendations generated by this tool will continue to shape and improve the services provided through the PCO Web site. Access to this application is password-secured.
Issue Tracker	Issue Tracker furnishes mechanisms for entering, tracking, and reporting project issues, change controls, and risks. This tool supports the creation of automatic e-mail notifications to apprise a project team about all events in the life cycle of an issue, risk, or change control. Access to this application is password-secured.
Infrastructure Request System	This tool is the main conduit between the development, testing and training teams and the PCO Technical Control team. This system provides request entry, assignment, status tracking, and automated e-mail notification features to propagate communication about events in each technical environment. The environment preparation and planning team uses this system constantly to generate many useful reports about the technical environments and to coordinate activities such as database refreshes, application build requests, batch execution requests, and ID and password access management. Access to this application is password-secured, and group ownership constraints are in place to make sure that only authorized requesters and gatekeepers can initiate activities in the controlled technical environments.



<p>Load Tracker</p>	<p>Load Tracker displays the volume of users hitting each of the servers that support the production application, thereby enabling load balancing management. Other Load Tracker reports that document server performance, such as network disconnects, disseminate near-real-time information about the status of the application environment. Access to this application is password-secured.</p>
<p>Project Tracker</p>	<p>Project Tracker is the repository of project scorecard (status) information. Milestones and associated information such as baseline date, anticipated completion date, and status are updated and reported in this tool, Access to this application is password-secured.</p>
<p>Report Tracker</p>	<p>Report Tracker provides access to weekly performance metrics, including basic task completion counts by project, by deliverable, and by life-cycle phase. Report Tracker also affords access to weekly earned value reporting. This information is broken down by project/sub-project, by deliverable, and by phase. Access to this application is password-secured.</p>
<p>Test Tracker</p>	<p>Test Tracker is the repository for the test scripts executed during the system and user acceptance test cycles. Test Tracker offers the capability to track test script progress and to identify areas with high concentrations of defects. Access to this application is password-secured.</p>
<p>Time Tracker</p>	<p>Time Tracker is driven by the Microsoft Project schedules maintained by the Schedule Control team. Using this tool, each staff member can view scheduled assignments, allocate effort applied, report completion, and estimate remaining work. Time Tracker includes a number of management reports that display effort applied and resource workload, broken down by staff member and by task. Access to this application is password-secured.</p>
<p>Ticket Tracker</p>	<p>Ticket Tracker enables project personnel to execute predefined Remedy reports. Many of these Remedy reports were designed to satisfy the needs of the Production Support “Triage team”, but additional reports can be incorporated as new needs are identified.</p>

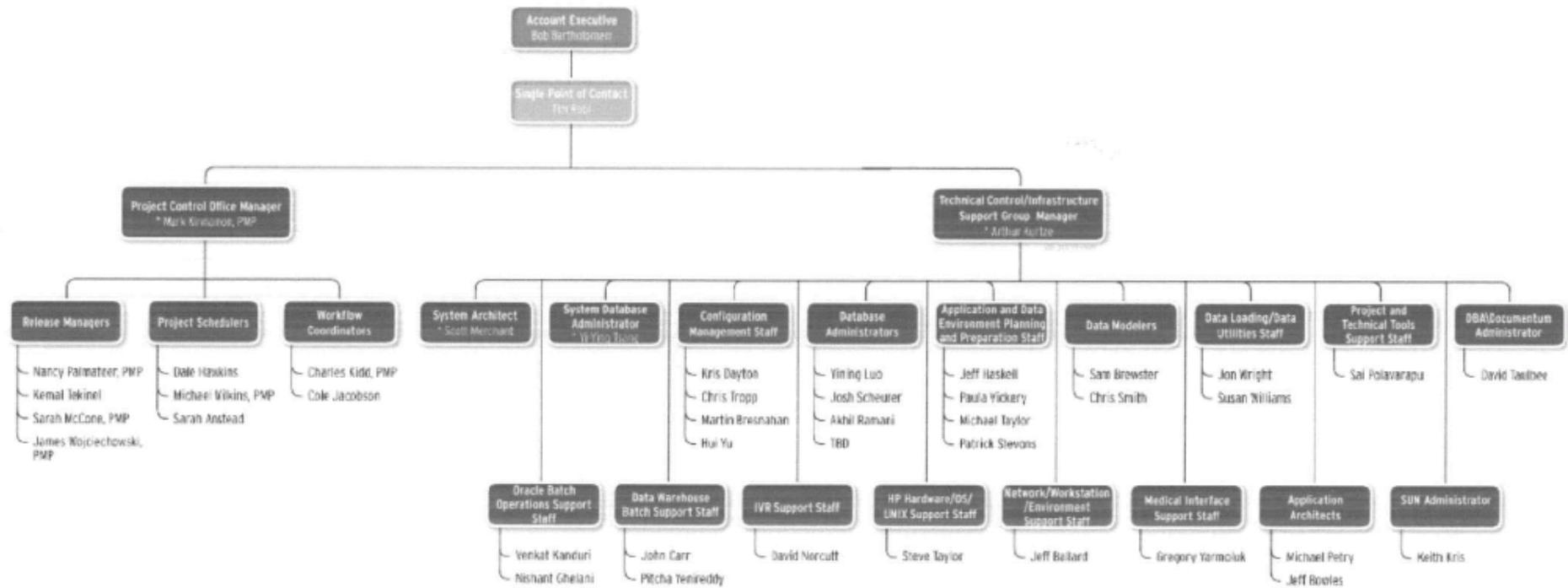


# Appendix B

## Organization Chart



# Organization



\* Key Staff

Note: All staff reporting to Tim Robl are 100% allocated to the project.

# **APPENDIX C**

## Pricing Sheets

**TABLE 1  
PROJECT FIXED PRICE INFORMATION**

**FIXED PRICE PROPOSED FOR EACH TASK FOR 5-YEAR CONTRACT**

**TASKS 2 THROUGH 4 COVER BASELINE PCO/TCG SERVICES FOR THE 5-YEAR FIXED PRICE CONTRACT. TRANSFER TOTAL FIXED PRICE FOR 5-YEAR CONTRACT FOR EACH TASK FROM TABLES 2-5. USE TABLE 6 FOR STATEMENT OF WORK (SOW) PRICING.**

<b>1. Task 1: Project Initiation and 60-Day Transition</b>	<b>\$0</b>
<b>2. Task 2: Project Control</b>	<b>\$10,500,000</b>
<b>3. Task 3: Technical Control and Infrastructure Support</b>	<b>\$34,062,000</b>
<b>4. Task 4: Knowledge Transfer</b>	<b>\$0</b>

***TOTAL FIXED PRICE PROPOSED FOR 5-YEAR CONTRACT    \$44,562,000***

**TABLE 2**  
**TASK 1 - PROJECT INITIATION AND 60-DAY TRANSITION**  
**WEEKLY PRICE FOR EACH STAFF MEMBER**  
**MULTIPLIED BY NUMBER OF WEEKS THAT EACH STAFF MEMBER**  
**IS PROPOSED FOR THE TASK**  
**TRANSFER TOTAL FIXED PRICE TO TABLE 1.**

<b>Staffing Category</b>	<b>Weekly Rate</b>	<b>Weeks</b>	<b>Total Fixed Price</b>
1. Project Control Office Manager	<b>\$22,000</b>	<b>0</b>	<b>\$0</b>
2. Technical Control/Infrastructure Support Manager	<b>\$22,000</b>	<b>0</b>	<b>\$0</b>
3. System Architect	<b>\$21,000</b>	<b>0</b>	<b>\$0</b>
4. System Database Administrator	<b>\$21,000</b>	<b>0</b>	<b>\$0</b>
5. Oracle Batch Operations Support (Sr.)	<b>\$16,000</b>	<b>0</b>	<b>\$0</b>
5b. Oracle Batch Operations Support (Jr.)	<b>\$15,000</b>		
6. Teradata Data Warehouse Batch Operations Support	<b>\$16,500</b>	<b>0</b>	<b>\$0</b>
7. IVR Support	<b>\$14,000</b>	<b>0</b>	<b>\$0</b>
8. HP/OS/UNIX Support	<b>\$27,200</b>	<b>0</b>	<b>\$0</b>
9. Medical Interface Support	<b>\$24,000</b>	<b>0</b>	<b>\$0</b>
nn. Continue as needed, referring to position classifications provided in Table 7.	\$		\$
	\$		\$
	\$		\$
	\$		\$
	\$		\$
	\$		\$
<b>TOTAL FIXED PRICE for Task 1*</b>	<b>See Pricing Assumptions</b>		<b>\$0</b>

**TABLE 3  
TASK 2 - PROJECT CONTROL**

**MONTHLY PRICE FOR EACH STAFFING CATEGORY  
MULTIPLIED BY NUMBER OF FTEs FOR EACH STAFFING CATEGORY**

**TRANSFER TOTAL FIXED PRICE FOR 5-YEAR CONTRACT TO TABLE 1.**

<b>Staffing Category</b>	<b>Monthly Price</b>	<b>FTEs</b>	<b># of Mths</b>	<b>Total Fixed Price</b>
1. Project Control Office Manager	<b>\$22,000</b>	<b>1</b>	<b>60</b>	<b>\$1,320,000</b>
2. Release Manager	<b>\$20,000</b>	<b>4</b>	<b>60</b>	<b>\$4,800,000</b>
3. Project Scheduler	<b>\$15,000</b>	<b>3</b>	<b>60</b>	<b>\$2,700,000</b>
4. Workflow Coordinator	<b>\$14,000</b>	<b>2</b>	<b>60</b>	<b>\$1,680,000</b>
nn. Continue as needed, referring to position classifications provided in Table 7.	<b>\$</b>			<b>\$</b>
<b>TOTAL MONTHLY FIXED PRICE FOR TASK 2</b>	<b>\$175,000</b>			<b>\$</b>
<b>TOTAL FIXED PRICE FOR 5-YEAR CONTRACT FOR TASK 2</b>	<b>See Attachment A – Monthly Staffing Plan</b>			<b>\$10,500,000</b>

**TABLE 4**  
**TASK 3 - TECHNICAL CONTROL AND INFRASTRUCTURE SUPPORT**  
**MONTHLY PRICE FOR EACH STAFFING CATEGORY**  
**MULTIPLIED BY NUMBER OF FTEs FOR EACH STAFFING CATEGORY**  
**TRANSFER TOTAL FIXED PRICE FOR 5-YEAR CONTRACT TO TABLE 1.**

<b>Staffing Category</b>	<b>Monthly Price</b>	<b>FTEs</b>	<b># of Mths</b>	<b>Total Fixed Price</b>
1. Technical Control/Infrastructure Support Manager	\$22,000	1	60	\$1,320,000
2. System Architect	\$21,000	1	60	\$1,260,000
3. System Database Administrator	\$21,000	1	60	\$1,260,000
4. Configuration Management Team Member	\$15,000	4	60	\$3,600,000
5. Database Administrator	\$20,000	4	60	\$4,800,000
6. Application and Data Environment Planning and Preparation Team Member	\$16,000	4	60	\$3,840,000
7. Data Modeler	\$18,000	2	60	\$2,160,000
8. Data Loading/Data Utilities Team Member	\$16,000	2	60	\$1,920,000
9. Project and Technical Tools Support Team Member	\$13,000	1	60	\$780,000
10. Oracle Batch Operations Support (Sr.)	\$16,000	1	60	\$960,000
10a. Oracle Batch Operations Support (Jr.)	\$15,000	1		\$900,000
11. Teradata Batch Operations Support Team Member	\$16,500	2	60	\$1,980,000
12. IVR Support Team Member	\$14,000	1	60	\$840,000
13. HP/OS/UNIX Support Team Member	\$27,200	1	60	\$1,632,000
14. Medical Interface Support Team Member	\$24,000	1	60	\$1,440,000
nn. Continue as needed, referring to position classifications provided in Table 7.				
15. Network/Workstation	\$11,000	1	60	\$660,000
16. Application Architect	\$18,000	2	60	\$2,160,000
17. Sun Administrator	\$22,000	1	60	\$1,320,000
18. DBA/Documentum Administrator	\$20,500	1	60	\$1,230,000
<b>TOTAL MONTHLY FIXED PRICE FOR TASK 3</b>	<b>\$567,700</b>			<b>\$</b>
<b>TOTAL FIXED PRICE FOR 5-YEAR CONTRACT FOR TASK 3</b>	<b>See Attachment A – Monthly Staffing Plan</b>			<b>\$34,062,000</b>

**Pricing Assumptions:**

1. Pricing for Task 1 was not included since there is no transition required. This assumes that EDS will continue to operate the current MICSES and Bridges PCO contracts until Oct 1, 2009. After Oct 1, 2009, pricing is applicable to a combined team, which would replace both the existing MICSES and Bridges contracts. At the State's option, the Bridges contract can remain as is until the end of the contract term (Oct, 2010) and the pricing for the Bridges positions will be effective upon completion of the Bridges contract extension.

2. EDS' pricing for Tables 3 and 4 is based upon a base contract term of 60 months for all positions.
3. EDS staff is billable during knowledge transfer activities under the rates listed in this contract. The EDS staff that will provide the mentoring/job shadowing is billed under either Task 2 or Task 3, depending upon their role. As such, there is no additional expense in Task 4 for knowledge transfer.

**TABLE 5  
TASK 4 – KNOWLEDGE TRANSFER**

**MONTHLY PRICE FOR EACH STAFFING CATEGORY  
MULTIPLIED BY NUMBER OF FTEs FOR EACH STAFFING CATEGORY**

**TRANSFER TOTAL FIXED PRICE FOR 5-YEAR CONTRACT TO TABLE 1.**

<b>Staffing Category</b>	<b>Monthly Price</b>	<b>FTEs</b>	<b>Total Fixed Price</b>
1. Project Control Office Manager	\$22,000	0	\$0
2. Release Manager	\$20,000	0	\$0
3. Project Scheduler	\$15,000	0	\$0
4. Workflow Coordinator	\$14,000	0	\$0
5. Technical Control/Infrastructure Support Manager	\$22,000	0	\$0
6. System Architect	\$21,000	0	\$0
7. System Database Administrator	\$21,000	0	\$0
8. Configuration Management Team Member	\$15,000	0	\$0
9. Database Administrator	\$21,000	0	\$0
10. Application and Data Environment Planning and Preparation Team Member	\$16,000	0	\$0
11. Data Modeler	\$18,000	0	\$0
12. Data Loading/Data Utilities Team Member	\$16,000	0	\$0
13. Project and Technical Tools Support Team Member	\$13,000	0	\$0
14. Oracle Batch Operations (Sr.)	\$16,000	0	\$0
14a. Oracle Batch Operations (Jr.)	\$15,000	0	\$0
15. Teradata Batch Operations Support Team Member	\$16,500	0	\$0
16. IVR Support Team Member	\$14,000	0	\$0
17. HP/OS/UNIX Support Team Member	\$27,200	0	\$0
18. Medical Interface Support Team Member	\$24,000	0	\$0
<i>nn. Continue as needed, referring to position classifications provided in Table 7.</i>	\$		\$
<b>Sun Administrator</b>	\$22,000	0	\$0
<b>DBA/Documentum Administrator</b>	\$20,500	0	\$0
<b>TOTAL MONTHLY FIXED PRICE FOR TASK 4</b>	\$		\$
<b>TOTAL FIXED PRICE FOR 5-YEAR CONTRACT FOR TASK 4</b>	See pricing assumptions		\$0

**TABLE 6  
STATEMENT OF WORK PRICE INFORMATION**

**HOURLY RATES FOR EACH STAFFING CATEGORY  
TO BE USED AS NOT TO EXCEED RATES FOR RESPONSES TO  
STATEMENTS OF WORK  
(DRAWN FROM ESTIMATED 40,000 HOURS PER YEAR)**

**NOT TO EXCEED HOURLY RATES FOR DURATION OF 5-YEAR CONTRACT.**

<b>Staffing Category</b>	<b>Not to Exceed Hourly Rate</b>
1. Project Control Office Manager	<b>\$178.00</b>
2. Release Manager	<b>\$168.00</b>
2a. Release Manager – Jr.	<b>\$125.00</b>
3. Project Scheduler	<b>\$132.00</b>
3a. Project Scheduler – Jr.	<b>\$110.00</b>
4. Workflow Coordinator	<b>\$120.00</b>
4a. Workflow Coordinator – Jr.	<b>\$ 90.00</b>
5. Technical Control/Infrastructure Support Manager	<b>\$178.00</b>
6. System Architect	<b>\$178.00</b>
7. System Database Administrator	<b>\$178.00</b>
7a. System Database Administrator – Jr.	<b>\$150.00</b>
8. Configuration Management Team Member	<b>\$118.00</b>
8a. Configuration Management Team Member	<b>\$100.00</b>
9. Database Administrator	<b>\$178.00</b>
9a. Database Administrator – Jr.	<b>\$150.00</b>
10. Application and Data Environment Planning and Preparation Team Member	<b>\$132.00</b>
10a. Application and Data Environment Planning and Preparation Team Member – Jr.	<b>\$100.00</b>
11. Data Modeler	<b>\$132.00</b>
11a. Data Modeler – Jr.	<b>\$125.00</b>
12. Data Loading/Data Utilities Team Member	<b>\$118.00</b>
12a. Data Loading/Data Utilities Team Member	<b>\$100.00</b>
13. Project and Technical Tools Support Team Member	<b>\$91.00</b>
14. Oracle Batch Operations Support Team Member	<b>\$120.00</b>
14a. Oracle Batch Operations Support Team Member – Jr.	<b>\$90.00</b>
15. Teradata Batch Operations Support Team Member	<b>\$120.00</b>
16. IVR Support Team Member	<b>\$100.00</b>
16a. IVR Support Team Member – Jr.	<b>\$85.00</b>
17. HP/OS/UNIX Support Team Member	<b>\$150.00</b>
18. Medical Interface Support Team Member	<b>\$178.00</b>
<i>nn. Continue as needed, referring to position classifications provided in Table 7.</i>	<b>\$</b>
Senior or Expert Analyst	<b>\$180.00</b>
Analyst	<b>\$125.00</b>
Analyst – Jr.	<b>\$109.00</b>
Senior Programmer/Analyst	<b>\$125.00</b>

<b>Staffing Category</b>	<b>Not to Exceed Hourly Rate</b>
Programmer/Analyst	<b>\$85.00</b>
Programmer/Analyst – Jr.	<b>\$75.00</b>
Senior or Expert Programmer	<b>\$150.00</b>
Programmer	<b>\$70.00</b>
Programmer – Jr.	<b>\$65.00</b>
Business Architect – Sr.	<b>\$160.00</b>
Business Architect – Jr.	<b>\$125.00</b>
Application Architect	<b>\$132.00</b>
Network Workstation Environmental Support	<b>\$75.00</b>

**Table 6 – Assumptions**

The above “Not to Exceed” hourly pricing is applicable to SOW’s that cover a time period of three months or less. For SOW’s over three months, the corresponding fixed monthly rate from pricing tables 3 and 4 will be used. If there is no associated fixed monthly rate in table 3 or 4, EDS will present the client for their consideration, a fixed monthly rate, which would normally be the hourly rate multiplied by 160 hours per month.

If the duration of an assignment for a person added under a short-term SOW (less than 3 months) is extended for a long-term engagement (longer than 3 months), then 1) the corresponding fixed monthly rate from pricing tables 3 and 4 will be used and 2) the fixed monthly rate will be retroactive back to the beginning of the engagement and the rate difference will be credited on the next monthly invoice.

Rates and classifications for “Junior” level staffing categories correspond to staffing needs and proposed staff with skills and experience below the qualifications defined for the contract positions as defined in the RFP.

While the rates above are “Not to Exceed” hourly rates, EDS is aware of the continued fiscal challenges for the State, and as such, will work to obtain the best candidate at the most competitive price possible for all SOWs.

## TABLE 7 -- POSITION CLASSIFICATIONS

Refer to the following list when completing Tables 2-6. Add position classifications if necessary.

### **Senior or Expert Analyst**

Under minimal supervision the Senior Analyst performs duties and has responsibilities as an expert in the particular area of work assigned. As a resource person, the senior analyst resolves problems related to the work for staff assigned to the project. Duties include responding to requests for information regarding the particular area of expertise, solving problems related to the work and reviewing the processes involved in the work to ensure efficiency and quality in the work area. The Senior Analyst may also be asked to perform the duties of an Analyst depending on the assignment. **The senior position requires three to five years experience in application development analysis and the Expert position requires six to eight years of up to date current experience.**

### **Analyst**

Shall provide analysis of user needs to determine functional and cross-functional requirements. Performs functional allocation to identify required tasks and their interrelationships. Identifies resources required for each task. Designs architecture to include the software, hardware, and communications to support the total requirements and interfaces using an approved methodology and computer aided software engineering tools which will be determined by the procuring agency. Estimates software development costs and schedule. Ensures systems are compatible with applicable Agency and Statewide standards. **This position requires two to three years experience in application development analysis.**

### *Senior Programmer/Analyst*

***Takes a lead and expert role in tasks related to structured analysis, structured design, coding, testing, installation, documentation and maintenance of complex business or technical application computer programs on small to complex business systems. May act as troubleshooter/resource person. These tasks may be in addition to tasks performed by a programmer/analyst. This position requires three to four years experience in application development programming/analysis.***

### **Programmer/Analyst**

Shall include tasks related to structured analysis, structured design, coding, testing, installation, documentation and maintenance of complex business or technical application computer programs on small to complex business systems. These systems may or may not utilize telecommunications networks, database concepts and a variety of specialized and utility software facilities. Services may also include information engineering/case tools, participation in system design activity, development of project proposals and system program resolution. The offeror must document their area of expertise by hardware platform, operating system, programming languages, utilities, databases, networks, LANS telecommunications, etc. Such services shall be performed by personnel with experience in the appropriate platforms to match the specific procurement. **This position requires two to three years experience in application development programming/analysis.**

### **Senior or Expert Programmer**

The employee within this functional level performs a full range of Information Systems Programmer assignments independently, in a full functioning capacity. Considerable independent judgment is required to carry out assignments that have significant impact on services or programs. Guidelines may be available, but require adaptation or interpretation to determine appropriate courses of action. **The senior level position requires three to four years experience in application development programming and the expert level five to eight years.**

### **Programmer**

Shall translate detailed design into computer software. Tests, debugs, and refines the computer software to produce the required product. Prepares required program documentation. Enhances and maintains software to specifications. The offeror must document their area of expertise by hardware platform, operating system, programming languages, utilities, databases, networks, LANs, telecommunications, etc. **This position requires one to two years experience in application development programming.**

### **Database Administration Services**

Database Administration (DBA) services include the design, development, and maintenance of data base management systems. Specifically, DBA services may include: analysis of database requirements, data base generation, database modeling, performance monitoring and tuning, the development of subsystems employing the use of database utility software, problem resolution, installation of software and implementation of modifications and upgrades, and establishing procedures for effective database operation, control, and recovery. Other services may include database interfacing, integration, and replication. This would include the design, testing and implementation of interface modules between various database management systems and other file structures that would allow transparent access to "foreign" databases from a given database management system. The offeror must document their area of expertise by hardware platform, operating system, programming languages, utilities, databases, networks, LANs, telecommunications, etc. **This position requires two to three years experience in application Database Administration.**

### **Cost Proposal - Additional Staffing Considerations**

The EDS team understands that requests for new services or changes to existing services will occur during the contract term. We will work closely with the State to determine the need to develop statements of work (SOWs) for additional resources to meet new and changed requirements on an ongoing basis.

EDS has a broad base of project control office (PCO) and technical infrastructure support experience. Our local presence in Lansing, coupled with our project control office/technical control group (PCO/TCG) experience, will allow us to provide a trained and highly qualified staff beginning on contract award and continuing throughout the life of the contract. Besides our local, Michigan-based personnel, the EDS team can draw upon our information technology (IT) professionals worldwide to provide assistance and expertise as needed. Accessibility to these resources allows the EDS team to accommodate the Reserve Bank of Hours requirement for up to 40,000 hours a year.

In addition to the global and local resources from EDS, we can draw upon our subcontractors (including Analysts International, Netstar and Teksystems) to provide the State a source of staffing for the initial PCO/TCG along with providing staff for the Reserve Bank of Hours. These subcontractors have Michigan-based, skilled staff members who are also members of our current MiCSES and Bridges teams, and additional staff who can help augment the team to support new business requirements.

Following is a description of some current capabilities and staff that EDS provides to the Bridges and MiCSES projects, which were not specifically defined in the scope of work of the RFP. We present these staff and their roles as just a few examples of the type of additional value-added expertise EDS can provide in support of the MiCSES and Bridges projects, which the State may want to consider adding to the project team.

### **Eligibility Subject-Matter Expert**

As an Eligibility Subject Matter Expert in support of the Bridges project, Merv Jersak currently assists DHS in the management and control of the business requirements, testing and defect resolution for updates to the Bridges application and business processes.

For each build/release of the Bridges application, he works with State of Michigan (SOM) and Deloitte staff to clearly define the detailed business requirements. He works with all parties to resolve issues and discrepancies in the business requirements.

Merv provides additional oversight for the Bridges program issues from the DHS perspective, including the following:

- Bridges Production Support – ongoing support of the Bridges application, including assistance with the prioritization of work requests and production “tickets,” and recommendations to move changes to production
- Bridges Releases – guidance to the State with regard to the implementation of the Bridges application to enable operational efficiencies and cost savings due to retirement of legacy eligibility systems
- Other Project Management Deliverables as requested by the State (scope statements, risk mitigation plans, staffing plans, resolution of escalated issues, etc.)
- Provide ongoing communications at executive level with all major DHS-related stakeholders.
- Provide guidance with regard to the interdependencies between Bridges and other projects to help ensure overall Bridges goals and objectives are achieved.
- Facilitate resolution of escalated issues requiring DHS executive level action/decisions.

Throughout the contract term, EDS will provide additional capabilities and staff to support the project as needed by the State of Michigan, through the Reserve Bank of Hours available at the rates established in Table 6 of the pricing sheets.

### **Potential Savings Through Knowledge Transfer**

Throughout the Knowledge Transfer Task the State will have the opportunity to potentially realize additional savings by transitioning certain roles and responsibilities from EDS to state employees. EDS will meet with the state on regular basis to confirm and adjust the transition plan for the Knowledge Transfer task. Listed below are our assumptions regarding the number of full-time equivalent (FTE) positions which could potentially be transitioned to the State of Michigan as well as the potential estimated annual savings. The below is a recommendation, however, we are open to supporting any level of transition that the state would desire:

▪ Contract Year One – 1 - 2 FTEs	\$200,000 - \$400,000
▪ Contract Year Two – 2 - 4 FTEs	\$350,000 - \$700,000
▪ Contract Year Three - 2 – 4 FTEs	\$400,000 - \$800,000