AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: No further payment will be made to the previous vendor.

DATE: March 19, 2012

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

November 26, 2012

CHANGE OF CONTRACTOR NAME AND OR TAX IDENTIFICATION NUMBER

CONTRACT NO. 071B0200057

Hereafter referred as

CONTRACT NO. 071B2200164

Between

THE STATE OF MICHIGAN

And

CURRENT NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
IHS Global Inc. **15 Iverness Way East** **Englewood, CO 80112**	**John Skillings**	**john.skillings@ihsglobalinsight.com**
	TELEPHONE	NEW CONTRACTOR #, MAIL CODE
	(303) 790-0600	

PREVIOUS NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
IHS Global Insight (USA), Inc. **24 Hartwell Avenue** **Lexington, MA 02421-3158**	**Christina Huston**	**christina.huston@ihsglobalinsight.com**
	TELEPHONE	PREVIOUS CONTRACTOR #, MAIL CODE
	(713) 439-0187	

DESCRIPTION OF CHANGE NOTICE:	
THE CONTRACTOR HAS NOTIFIED THE STATE OF MICHIGAN OF A CHANGE IN ITS BUSINESS NAME AND OR TAX IDENTIFICATION NUMBER. DUE TO THE INTERNAL SYSTEMS RELATED TO THE RELEASE OF CONTRACTOR PAYMENTS, A NEW CONTRACT NUMBER MUST BE ASSIGNED. THE NEW CONTRACT NUMBER IS 071B2200164 EXCEPT FOR THE NEWLY-ASSIGNED NUMBER, THE CONTRACT TERMS AND CONDITIONS REMAIN IN EFFECT.	
AMOUNT REMAINING ON CONTRACT # **$54,302.96** TO BE TRANSFERRED TO CONTRACT # **$54,302.96**	

FOR THE CONTRACTOR:	FOR THE STATE:
IHS Global Inc.	
Firm Name	Signature
	Jeff Brownlee, Chief Procurement Officer
Authorized Agent Signature	Name/Title
Authorized Agent (Print or Type)	DTMB/Procurement
	Click here to enter text.
Date	Date

Form No. DMB 234 (Rev. 1/96)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract will not be executed unless form is filed

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 24, 2009

NOTICE
TO
CONTRACT NO. 071B0200057
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR **IHS Global Insight (USA), Inc.** **24 Hartwell Avenue** **Lexington, MA 02421-3158** **christina.huston@ihsglobalinsight.com**	TELEPHONE (713) 439-0187 **Christina Huston** BUYER/CA (517) 241-1916 **Jim Wilson**
Contract Compliance Inspector: Jay Wortley (517) 373-2697 **Econometric Forecasting Services – Michigan Department of Treasury**	
CONTRACT PERIOD: From: **November 1, 2009** To: **October 31, 2012**	
TERMS **NET30**	SHIPMENT **N/A**
F.O.B. **N/A**	SHIPPED FROM **N/A**
MINIMUM DELIVERY REQUIREMENTS **N/A**	

The terms and conditions of this Contract are those of RFP #071I9200224, this Contract Agreement and the vendor's proposal. 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.

Current Authorized Spend Limit: $108,606.00

Form No. DMB 234 (Rev. 1/96)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract will not be executed unless form is filed

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. 071B0200057
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR	TELEPHONE (713) 439-0187 **Christina Huston**
IHS Global Insight (USA), Inc. **24 Hartwell Avenue** **Lexington, MA 02421-3158** **christina.huston@ihsglobalinsight.com**	BUYER/CA (517) 241-1916 **Jim Wilson**
Contract Compliance Inspector: Jay Wortley (517) 373-2697 **Econometric Forecasting Services – Michigan Department of Treasury**	
CONTRACT PERIOD: From: **November 1, 2009** To: **October 31, 2012**	
TERMS **NET30**	SHIPMENT **N/A**
F.O.B. **N/A**	SHIPPED FROM **N/A**
MINIMUM DELIVERY REQUIREMENTS **N/A**	
MISCELLANEOUS INFORMATION:	

The terms and conditions of this Contract are those of RFP #071I9200224, this Contract Agreement and the vendor's proposal. 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.

Current Authorized Spend Limit: $108,606.00

THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the RFP #071I9200224. Orders for delivery may be issued directly by the State of Michigan through the issuance of a Purchase Order Form.

FOR THE CONTRACTOR:	**FOR THE STATE:**
IHS Global Insight (USA), Inc. Firm Name	Signature
Authorized Agent Signature	**Jim Wilson, Buyer Specialist** Name/Title
Authorized Agent (Print or Type)	**Services Division, Purchasing Operations** Division
Date	Date

STATE OF MICHIGAN
Department of Management and Budget
Purchasing Operations

Contract No. 071B0200057
Econometric Forecasting Services

Buyer Name: Jim Wilson
Telephone Number: 517-241-1916
E-Mail Address: wilsonj4@michigan.gov

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Attachment A, Pricing

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US REGIONAL ORG CHART
TRACK RECORD

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 will result in the need to provide the Contractor with additional consideration.

"Audit Period" has the meaning given in **Section 2.112.**

"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" is an alternate term for Contract and is used in the States computer system.

"Business Critical" means any function identified in any Statement of Work as Business Critical.

"Chronic Failure" is defined in any applicable Service Level Agreements.

"Deleted – Not Applicable" means that section is not applicable or included in this Contract. This is used as a placeholder to maintain consistent numbering.

"Deliverable" means physical goods and/or commodities as required or identified by a Statement of Work.

"DMB" means the Michigan Department of Management and Budget.

"Environmentally preferable products" means 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 which contain recycled content, minimize waste, conserve energy or water, and reduce the amount of toxics either disposed of or consumed.

"Excusable Failure" has the meaning given in **Section 2.244.**

"Hazardous material" means 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" means any interruption in Services.

"ITB" is 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" means any Personnel designated in **Section 1.031** as Key Personnel.

"New Work" means any Services/Deliverables outside the scope of the Contract and not specifically provided under any Statement of Work, that once added will result in the need to provide the Contractor with additional consideration.

"Ozone-depleting substance" means 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, hydrochlorofluorocarbons.

"Post-Consumer Waste" means 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" means industrial by-products which would otherwise go to disposal and wastes generated after completion of a manufacturing process, but does not include internally generated scrap commonly returned to industrial or manufacturing processes.

"Recycling" means 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.

"Reuse" means using a product or component of municipal solid waste in its original form more than once.

"RFP" means a Request for Proposal designed to solicit proposals for services.

"Services" means any function performed for the benefit of the State.

"Source reduction" means 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" means any physical location where the State performs work. State Location may include state-owned, leased, or rented space.

"Subcontractor" means 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.

"Unauthorized Removal" means the Contractor's removal of Key Personnel without the prior written consent of the State.

"Waste prevention" means source reduction and reuse, but not recycling.

"Waste reduction", or "pollution prevention" means 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.

"Work in Progress" means a Deliverable that has been partially prepared, but has not been presented to the State for Approval.

"Work Product" 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.

Article 1 – Statement of Work (SOW)

1.010 Project Identification

1.011 Project Request
This is a Contract for econometric forecasting services.

1.012 Background
Accurate economic forecasts for the United States and the State of Michigan (State) are essential for making accurate policy decisions. Changes in key economic variables such as the rate of inflation, energy prices, and the employment level directly impact State programs. For example, several statutes have provisions dependent on the level of the U.S. Consumer Price Index. The need for unemployment benefits will directly depend on the number of unemployed workers. In addition, changes in the economy have a direct impact on the lives of residents of the State and will affect which services they desire. Therefore, accurate economic forecasts are a key planning input in many areas of State government. Accurate forecasts improve the accuracy of State revenue estimates, investment decisions, program planning, and forecasts of infrastructure needs.

Many areas of State government maintain forecasting models to assist in predicting program needs. Forecasts for key U.S. and Michigan economic variables are often critical inputs to these models. Creating and maintaining econometric models as well as producing macroeconomic forecasts are labor intensive tasks requiring an extremely high level of technical expertise. In addition, forecasts created outside State government appear to be more objective to the general public. Therefore, the State is seeking to acquire U.S. and Michigan forecasts from an outside firm.

1.020 Scope of Work and Deliverables

1.021 In Scope
The State is seeking a nationally recognized econometric forecasting firm to provide econometric forecasts on a regular basis. At least one copy of any materials will need to be provided for each of the six subscribers listed below:

1. Michigan Department of Treasury, Office of Revenue and Tax Analysis
2. Michigan Department of Treasury, Bureau of Investments
3. Michigan Senate Fiscal Agency
4. Michigan House Fiscal Agency
5. Michigan Department of Transportation, Bureau of Transportation Planning
6. Michigan Department of Labor and Economic Growth, Michigan Public Service Commission.

1.022 Work and Deliverable
Contractor must provide Deliverables/Services and staff, and otherwise do all things necessary for or incidental to the performance of work, as set forth below:

A list of the specific items of interest follows. Contractor indicates whether the items are included as part of the standard price or require any additional charge.

1. **Economic Expertise -** The most important determinants of the quality of an economic forecast are the forecasts' economic assumptions and skills of the people who put it together. The Contractor provides a list of the names and credentials of key personnel involved in producing the economic forecasts.

   a) Occasional phone access to key forecasting experts is required.

      1) Contractor must respond to phone calls and email requests within one business day.

      2) Telephone support must be provided from 8:00 a.m. to 5:00 p.m. on business days.

   b) An explanation of the types of access available and any associated charges must be provided.

   c) The State requests that the Bidder includes information on how past forecasts have compared with actual results, especially for GDP and employment.

Response to this task is in section 1.031 (Contractor Staff Roles and Responsibilities).

2. **Monthly U.S. Economic Forecast** - The State is interested in obtaining a monthly U.S. economic forecast. At a minimum, this must include the following:

   a) Detailed write up on the current economic forecast explaining the outlook, key risks, explanation of changes to the previous forecast, and an explanation of risks to the forecast.

      U.S. Economic Service Short Term provides clients with IHS Global Insight's comprehensive short-term forecast of the U.S. This service includes our full monthly 10-year forecast, including alternative scenarios and risks, analysis of all sectors of the economy, the global context, and access to IHS Global Insight's superior team of U.S. macro and industry economists. Clients of the U.S. Economic Service receive full access to MyInsight, our client access website, where analysis and commentary is updated as data releases and events warrant. In addition, MyInsight provides convenient and timely access to all forecast tables (in Excel) as well as Aremos and EViews databanks. It also gives access to the full forecast data bank (2000+series) through DataInsight Web.

      Our U.S. Economic Outlook monthly publication details the National Income and Product Accounts (GDP sectors), with analysis of industrial activity, business investment, consumer markets, housing, international trade, labor markets, energy, inflation, financial markets and government policy. Alternative scenarios and topical reports are also included. Subscribers have access to the U.S. Economic Data Commentary section of MyInsight, which provides insightful, detailed analysis of economic data releases, surveys and Federal Reserve events. Analysis is available within hours of the release and will evaluate the implications of the new data for the economy and the likely impact on Global Insight's forecast. Coverage includes over 45 major U.S. data releases.

   b) Tables detailing recent history and the forecast for key economic variables. The tables must include quarterly values for the forecast out at least four (4) quarters and annual estimates for at least two (2) years.

      Tables contain 10-year forecasts at a quarterly frequency and are updated monthly. There are also annual tables forecast three (3) years.

   c) At a minimum the forecast must include estimated values for the following:
      - Gross Domestic Product (Real and Nominal)
      - Total Consumption
      - Non-residential fixed investment
      - Exports
      - Imports
      - Federal Government Spending
      - State and Local Government Spending
      - Implicit Price Deflator (GDP)
      - U.S. CPI
      - U.S. Unemployment Rate
      - Federal Funds Rate
      - Light Vehicle Sales
      - Housing Starts
      - U.S. Personal Income (Total and Major components)
      - Oil ($ Per Barrel)
      - Payroll employment
      - Equity prices (list index forecast)
      - Labor Force (Total and Participation Rates)
      - Short and Long Term Interest rates such as AAA or 30-year mortgage.

      The US Economic Short Term Service forecasts over 2000 series including all of the above. A complete list is included in the Appendix.

d) A sample copy of the monthly US Economic Outlook Publication is in the package, and provided electronically on the CD.

3. **Long-term Economic Forecast (U.S. and State of Michigan) -** The State is interested in obtaining long term (20 or more years at five-year intervals preferred) forecasts for some of the major socio-economic variables, including interest rates, inflation, population growth, 3-month Treasury bill, payroll employment, unemployment, etc.

a) The Contractor describes in detail the various aspects of its long term forecast, including the variables forecast, the forecast horizon, and the frequency of publication.

The U.S. Economic Service–Long Term provides clients with analysis and 30-year forecasts on the structure of the U.S. economy. The long-term forecast is presented with four projections or scenarios: Trend, Cyclical, Optimistic and Pessimistic. Global Insight's 30-year projections cover the standard macro concepts such as output, inflation and unemployment, but also the more disaggregate variables such as production and employment by industry. This level of disaggregation provides a variety of concepts for analysts to use in their planning models.

The **trend** projection is the baseline scenario. It assumes that the economy suffers no major mishaps between now and 2038. It grows smoothly, in the sense that actual output follows potential output relatively closely. This projection is best described as depicting the mean of all possible paths that the economy could follow in the absence of major disruptions. Such disruptions include large oil price shocks, untoward swings in macroeconomic policy or excessively rapid increases in demand.

The **cyclical** projection is the primary alternative scenario. It superimposes business-cycle behavior on the trend scenario. Economic growth proceeds in a series of starts and stops, with periods of rapid expansion, followed by externally or policy-induced recessions. The timing of the recessions is merely suggestive. Because it is impossible to predict the exact timing of business cycles much in advance, it is unwise to focus on specific years. It is also inappropriate to calculate average growth rates between different points in the business cycle.

The Trend scenario is published quarterly. The Cycle, Optimistic and Pessimistic scenarios are published semi-annually. The Trend scenario extends the February, May, August, and November 10-year short-term forecasts to a 30-year horizon. The Cycle, Optimistic and Pessimistic scenarios are also included in the extension of the February and August forecasts

State of Michigan Long Term Forecast (US Regional Service) – provides comprehensive coverage of the State economy and evaluates in detail coverage of 300 variables with quarterly short term (5 year) forecast for the state and semi-annual long-term forecast. IHS Global Insight's state models are constructed to capture both the economic characteristics of a state's economy and also the historical relationships between the state's economic performance and changes in the U.S. and world economies. Regional forecasts are all completed in conjunction with IHS Global Insight, Inc.'s Economic Industry and Country Intelligence groups to allow for a comprehensive, rigorous look at trends and developments at the global, national and local level: 1) Economic Structure: Relative Costs, Economic Health, Trends, 2) Industry Profile: Major Employers, Business Environment, Real Estate analysis, 3) Employment Structure: Worker productivity, Wage and Demographic picture

Online Analysis & Downloads:

- Charts and Graphs highlighting important stats and trends for each state/metro economy
- Summary Excel tables providing quick snapshot of each economy – Short-term (5-year) updated Quarterly; Long-term (30-year) updated Semiannually
- Summary Excel data sheets providing every data point (Quarterly & Annually) and every concept for each economy – Short-term (5-yr) updated Quarterly; Long-term (30-yr) updated Semiannually
- Ranking tables highlighting cross-state and cross-metro comparisons of growth in employment, income, population and housing
- Online Analysis of all states and 100 large metros updated regularly.

See the Appendix for additional details on the variable content of the service which include: Employment by Sector: Unemployment & Labor Force Income, Total Personal Income, Disposable Income, Per Capita Income; Wages by Sector, & Income Components; Demographics: Population by Cohort; Households by Cohort; Births/Deaths Net Migration.

b) If certain forecasts or aspects of the forecasts require additional charges, these must be clearly stated.

There are optional monthly updates for the Michigan State service as well as alternative scenarios for an additional charge.

c) IHS Global Insight long term forecast sample copy for Michigan is in the Appendix.

4. **Subnational Socio-Economic Forecast** - The State is interested in obtaining a subnational socio-economic forecast for the region including the state of Michigan. Ideally, this forecast would be at the State and County levels. The State is interested in forecasts that include population, population by age, labor force, unemployment, households, households by size and income levels, workplace-based employment by industry, and labor productivity by industry.

a) The Contractor describes what type of subnational forecasts it produces, including the frequency of the forecast and the variables included.

The U.S. Regional Metro Service - Examines the State of Michigan's metro economy in detail. We construct our forecast models to capture both the economic characteristics of a metro's economy and the historical relationships between the metro's economic performance and changes in the U.S. and world economies. This enables our forecast model for an individual metro area to assess the specific consequences of global and national economic events on its economy. Analysis of detailed industry sectors provides an in-depth understanding of the economic strengths and weaknesses of each metro area and how its economic structure will evolve over the forecast period.

Key Indicators Covered: Employment: Employment by NAICS Super Sector, Unemployment, and Labor Force, Income: Total Personal Income, Disposable Income, Per Capita Income, Average Annual Wage, Non-Wage Income, Gross Metro Product (Nominal & Real), Housing: Single/Multi-Family Housing Starts Demographics: Population by 10-year age Cohort, Households by Cohort, Other Indicators: CPI (29 large metros), Retail Sales

There are approximately 75 variables for each metro area, with five-year or short-term forecasts prepared quarterly and long-term forecasts out 30 years prepared semi-annually. A metro area analysis publication is produced in the summer and winter. Access to analysts is included as well as invitations to webcasts and teleconferences.

Metro Trends Publication - Quarterly examination of economic developments that affect MSA economies (employment, regional growth issues, industry health) delivered either hardcopy or accessible on the web.

County data and forecasts include 60 variables and the 30-year long-term forecasts are available twice a year: June and December. A list of variables for the Regional service is included in the Appendix.

DataInsightWeb offers a powerful online application, which provides searching, retrieval and downloading of all the series available in all the databanks associated with the services. The software exports immediately into excel and can automatically update the data when the spread sheet is opened again. All data across all the services can be readily accessed in this one application.

b) If a forecast is for a whole region, rather than for the state, the Contractor lists the states included in the region and specifies which variables are forecast at the county level, the state level, and the regional level.

The US Regional Service – also has aggregates of states in nine regions. The Midwest region includes the states of Michigan, North and South Dakota, Illinois, Iowa, Kansas, Minnesota, Missouri, Nebraska, Ohio, Wisconsin. The service includes publication and online access to analysis and forecasts, tables, charts and The Global Insight Business Monitor. Lists of all variables for each geography are listed in Appendix.

c) Tables are Included on the CD and in the enclosed US Markets State Economies publication. The tables are too large to include in the proposal.

5. **Consensus Conference Speaker** - The State holds a Consensus Conference at least twice each year, in January and in May.

a) The Contractor must provide a speaker for one of the two conferences each year.

IHS Global Insight (USA) Inc. will provide a senior economist to speak for one of the two conferences each year.

b) The speaker must present on the U.S. forecast.

IHS Global Insight (USA), Inc. will provide a speaker to present an outlook for the U.S. economy at one of the conferences.

c) The Contractor provides a list of the potential speakers.

Speakers may be Nigel Gault, Chief US Economist; Sara Johnson, Managing Director, Country Intelligence. Brian A. Bethune, Managing Director and Chief U.S. Financial Economist, or others of same caliber and experience.

d) The cost of the speaker, including travel expenses, will be the responsibility of the Contractor. Therefore, these costs must be included in the overall Pricing (Attachment A).

e) A cost for additional presentations is in Attachment A.

$3,000 for each additional presentation (Nigel Gault & Sara Johnson); $2,000 Brian Bethune or comparable speaker.

6. **Additional Economic Resources -** The Contractor notes any additional resources it provides, which it feels may be of interest to the subscribers. Specifically, the Contractor lists if it provides access to historical economic data, economic outlook conferences, conference calls, etc.

In addition to the regular Macro webcasts and regional webcasts, the company offers Macro and Global Outlook conferences, special industry specific webcasts (i.e., Auto, Steel), historic data for the US, states, metros, counties. Other subscription services include the Global Auto service, Consumer Markets, Price and Purchasing, Country Intelligence and Agriculture services.

a) In each case, the Contractor notes whether there is a charge for the item or whether the item is provided free of charge. If there is a separate charge for any of these services, the charges must be itemized in Attachment A.

There are additional fees for the Macro outlook conferences and Global Economic Outlook conferences and the additional optional services.

7. The State prefers the materials/subscription in an electronic format. Contractor advises if materials/subscription are available in an electronic format, require any additional costs and the list of computer equipment/ resource requirements.

All the services are delivered via the web, including publications, spreadsheets, tables, analysis and updated daily, weekly, monthly and quarterly at no additional charge. Any computer with access to the Internet, preferably with Microsoft Internet Browser capability, may use the online services and download data, analysis, tables and spreadsheets, and publications.

a) If online/Internet access is available:

1) Six departments/divisions referenced in section 1.021 would require one to three users per division.

   The six departments/divisions may have up to three (3) users per division.

2) The Contractor must provide all data and reports to the users via an Internet browser, Microsoft Internet Explorer version 6.0 or later. No additional software or hardware will be required for the customer.

3) This service must operate 24 hours a day, 7 days a week.

   IHS Global Insight (USA) Inc. will endeavor to make the service available no less than 98% of the time between 8:00 a.m. and 5:00 p.m. Eastern Time on business days.

4) Any interruptions in service over 30 minutes must be reported to the Contract Compliance Inspector with the following:

   i. Length of interruption
   ii. Reason for interruption
   iii. Resolution and estimated time to resolve.

   IHS has implemented a 24 x 7 x 365 IT Global Service Center (GSC) to ensure the prioritization, routing and addressing of operational events that may consist of incidents, problems, and errors. GSC agents ensure that incidents received from all touch points (phone, web, e-mail) are recorded, analyzed and resolved in a timely manner. GSC processes define and enforce reporting of incidents to an appropriate level of management based on the severity and possible impacts on the control environment and financial reporting. Key product personnel are informed of outages who will communicate with their customers as needed.

5) The Contractor must notify the Contract Compliance Inspector seven days in advance of any scheduled downtime.

   From time to time IHS may find it necessary to shut down the application for planned maintenance and software upgrades. IHS shall plan to carry out any planned outages during a standard maintenance window that begins at midnight (0000) each Friday and ends at eight p.m. (0800) on Saturday MST. For any maintenance scheduled during this window, IHS shall notify the Subscriber at least seven days in advance, excluding holidays.

6) All system outages/shutdowns must be reported immediately to the Contract Compliance Inspector or designee. Within 24 hours of problem resolution and restart, the Contractor must prepare and submit a report to the Contract Compliance Inspector or designee indicating elapsed downtime hours, start/end timeframes, reason for the outage, impact on the systems (lost data, etc.) for each occurrence and resolution to mitigate future occurrences.

   IHS plans to provide access availability to the system for which the Subscriber has a valid license at an annual access availability average rate of not less that 98.0%, measured on a quarterly basis (“Service Level Commitment”) for unplanned outages

From time to time IHS may find it necessary to shut down the application for planned maintenance and software upgrades. IHS generally carries out planned outages during a standard maintenance window that begins at midnight (0000) each Friday and ends at eight pm (0800) Mountain time on Saturday. For any maintenance scheduled during this window, IHS shall notify the Subscriber at least seven (7) days in advance

Periodically, IHS may need to schedule a planned outage outside of the standard maintenance window that may impact system availability during working hours, to support major system work. When a previously unscheduled, yet anticipated, outage occurs, IHS will notify Subscriber's designated points of contact via email and/or telephone.

Reporting is provided as requested based on the quarterly analysis indicated.

The table below provides Operating Statistics for IHS Systems for the past year by month.

Unplanned	Outage in Minutes	Pct.	Uptime %
Jun-09	500	0.039746%	99.9603%
Jul-09	3000	0.238474%	99.7615%
Aug-09	1000	0.079491%	99.9205%
Sep-09	325	0.025835%	99.9742%
Oct-09	700	0.055644%	99.9444%
Nov-09	800	0.063593%	99.9364%
Dec-09	200	0.015898%	99.9841%
Jan-09	100	0.007949%	99.9921%
Feb-09	1400	0.111288%	99.8887%
Mar-09	300	0.023847%	99.9762%
Apr-09	1350	0.107313%	99.8927%

7) The system response time for the end-user must not be excessively long. Data must populate within ten (10) seconds, and reports must populate within one (1) minute.

System performance is impacted by customer use cases and other factors beyond Contractor's control. As such, IHS endeavors to support the SLA stated in item 6 above, but cannot make guarantees in areas that may be beyond Contractor's control. If performance issues arise IHS will work with the customer to address concerns.

i. See response to item 6 above for normal process times of Contractor's proposed system.

8) All system upgrades must be provided at no additional cost during the term of the Contract.

9) Any modifications to the reporting system must be transparent to users and not require any updates on users' computers.

10) <u>Disaster Recovery and Business Continuity Plan</u>

i. The Contractor must develop, annually update, and regularly test disaster recovery and business continuity plans designed to ensure the availability of deliverables in the event of an adverse impact due to a natural or man-made emergency or disaster event.

IHS Business Continuity and Disaster Recovery priorities are to protect people, customers, assets and revenue. Contractor's methodology has recently been shown effective with recent hurricanes experienced in Contractor's Texas, USA locations. Systems backups are controlled, monitored and rotated off-site to allow for recovery, if needed, locally or at an alternate data center. IHS has implemented a 24/7 Service Desk centralizing into global data centers, and strives for continued improvement with our ITSM processes and Enterprise architecture strategies to ensure resiliency and reliability. In addition, IHS is committed to continued improvement in the BC/DR arena and is actively engaged in moving along the maturity scale in creating synergies to manage the associated risk globally.

ii. The proposal must provide an overview of the Bidder's disaster and business continuity plans for this Contract that includes the following:

(1) Recovery Time Objective (time to recover functionality)
(2) Recovery Point Objective (amount of data that can be lost).

IHS' Disaster Recovery plan for systems is a continually evolving process currently leveraging tape backup and recovery capabilities. In the event of a DR event, IHS has the capacity to restore the application at a existing designated failover datacenter. IHS's focus is to centralize equipment and build resiliency into the architecture surrounding Contractor's global data centers. High volume customer products and regulatory applications are given the highest priority for applying structure and processes necessary to minimize RTO/RPO impact. IHS' process post acquisition is to first focus on a smooth integration of people/processes while evaluating the roadmap to move those systems into this highly resilient environment. IHS Global Insight has been incorporated into IHS IT's system control structure to ensure standard backup and recovery processes. IGI systems are planned to move into global data centers during 2010.

11) Contractor describes architecture of hardware configuration and infrastructure of the system.

IHS employs a defense-in-depth methodology using a multi-faceted, multi-tiered security zone reference architecture using multiple vendor solutions, even within the same function (e.g. firewalls). Systems are segregated and placed into various security zones depending on their classification and dataflow requirements as it applies to the IT Zone Principles security reference architecture.

12) Contractor describes the frequency of system upgrades.

IHS IT will enforce regular patching and upgrading of all IT assets. The procedure followed will include a pre-defined patch management schedule, coordination with the development lifecycle and compliance with IHS IT's change management. The procedure followed will allow for the care of critical patches which may be necessary for risk mitigation to ensure the least exposure possible to IHS' information assets.

13) Contractor describes the changes in the last major upgrade and gives an estimated date of the next major upgrade and what changes are expected at that time.

IHS has implanted a patching procedure and schedule to minimize the risk of financial, legal and reputation losses due to information compromise. Documented procedures are followed as part of the IT information security management framework for regular patching and upgrading of all IT assets per a pre-defined patch management schedule based on classification criteria that ensures the integrity of our security posture. Application schedules are of a rolling 6 or 12 month schedule depending on classification. All system upgrades and patches follow the development lifecycle and are introduced only after thoroughly tested following the proper development, test, quality assurance and change management processes.

Frequency and conditions under which patches are deployed outside of the normal lifecycle schedule are dependent on the outcome of a security risk assessment (risk identification, analysis and evaluation). Critical patches for urgent risks occur as soon as feasible to ensure the lease exposure possible to the identified threat.

1.030 Roles and Responsibilities

1.031 Contractor Staff, Roles, and Responsibilities

1. Contractor provides a project manager to act as a central point of contact for all contractual activities.

Christina Huston, who is based in Houston, TX, is the project/account manager for the State of Michigan.
Office: 713 439 0187 Cell: 713 907 9687
Christina.huston@ihsglobalinsight.com.

2. Contractor identifies staff who will be involved, identify by name the individuals, and describe in detail their roles and responsibilities. Descriptions of roles are functional and not just by title.

Dr. Nariman Behravesh is Chief Economist and Executive Vice President for IHS Global Insight and author of the recently published book *Spin-Free Economics: A No-Nonsense, Nonpartisan Guide to Today's Global Economic Debates* (McGraw-Hill). Directing IHS Global Insight's entire forecasting process, he is responsible for developing the economic outlook and risk analysis for the United States, Europe, Japan, China and other emerging markets. He oversees the work of 325 professionals located in North America, Europe and Asia, who cover economic, financial and political developments in over 200 countries.
As IHS Global Insight's chief spokesperson, Behravesh is quoted extensively in the media on such topics as the outlook for the U.S. and global economies, oil prices, exchange rates, the budget deficit, the trade deficit, globalization, country risk and emerging markets crises. He is cited frequently in leading business publications such as the *Wall Street Journa*l, the *New York Times*, the *Financial Times, USA Today, Investor's Business Daily, Business Week, Newsweek, Fortune, Forbes* and *U.S. News and World Report*. He also regularly appears on national radio and television programs, including BBC World Business Report, NBC Nightly News, CNN Headline News, The News Hour with Jim Lehrer (PBS), Fox News, CNBC, Bloomberg TV and Radio, and All Things Considered and Market Place on National Public Radio.

Dr. Behravesh was the host of the PBS television series "Inside the Global Economy." He has authored numerous articles in such publications as European Affairs and Credit Week, co-authored two books—*Economics U$A* and *Microcomputers*, and *Corporate Planning and Decision Support Systems,* and was a contributing author to a book on scenario analysis, entitled *Learning From the Future*. His Op-Ed pieces have also appeared in the *Financial Times, Newsweek International* and the *London Times*.

Before joining IHS Global Insight, Behravesh was chief international economist for Standard & Poor's. Prior to that, he was President and CEO of Oxford Economics U.S.A., Inc. He also held a number of positions, including group Senior Vice President, during 10 years with WEFA. Early in his career, Behravesh worked at the Congressional Budget Office and the Federal Reserve. He has been covering the global economy for over 30 years.

Dr. Behravesh holds Ph.D. and M.A. Degrees in Economics from the University of Pennsylvania, and a B.Sc. from the Massachusetts Institute of Technology. He has lived in Europe and the Middle East and is fluent in several languages. He travels extensively to Europe, Asia, Africa and Latin America.

Dr. Nigel Gault is Group Managing Director, North American Macroeconomic Service. Nigel Gault directs the forecasting, modeling and consulting activities of IHS Global Insight’s North American Macroeconomic Service, a team of nine economists covering the U.S. and Canada. He oversees all aspects of Global Insight's macroeconomic forecasting, modeling and analysis of the U.S. economy. He is frequently quoted in the press as a spokesperson for Global Insight on the U.S. economic outlook.

Dr. Gault possesses more than 20 years of experience in economic modeling, forecasting and analysis gained in the United States and Europe. Before joining Global Insight in 2003, Dr. Gault worked for six years as a Senior Global Economist at Decision Economics Inc., providing international clients in financial markets with analysis of the major industrial economies, initially from London and later from Boston. Prior to that, Dr.Gault served for seven years as chief European economist for DRI/McGraw-Hill (a predecessor company of Global Insight), based in London. This followed seven years as a senior economist in DRI/McGraw-Hill's U.S. Economic Service in Lexington, MA.
Dr. Gault received his M.A. in Economics from Cambridge University and his Ph.D. in Economics from Harvard University.

Brian A. Bethune is Director, Financial Economics, US Macroeconomics Group. Dr. Bethune is responsible for high frequency economic analysis and the weekly financial report. In addition, Brian develops and supports U.S. macroeconomic model resources for credit and financial markets, interest and borrowing rates, the flow of funds, government debt and deficits, government expenditures and taxation. Prior to IHS Global Insight, he was Manager, Business Economics Group for Caterpillar Inc., and senior financial economist for the Bank of Montreal/Harris Bank Group. He has worked on special assignments at the World Trade Organization, Geneva, Switzerland and the Institute of International Finance, Washington D.C. Areas of Expertise at Global Insight:

- Federal Reserve analysis and monetary policy decisions
- Credit market dynamics, financial regulation and the flow of fund
- Interest rates, borrowing rates, financial modeling and the yield curve
- High frequency US economic developments and their impact on equity, bond and currency markets
- Government budgets and debt
- Government policies: revenues, expenditures, policy simulations

Dr. Bethune is the author of several professional and academic articles that have appeared in publications such as *Business Economics*, as well as in the *Canadian Tax Journal*. Dr. Bethune holds a Doctorate of Philosophy in International Economics from the University of Geneva, Switzerland. In 1982 he participated in the doctoral exchange program with the Fletcher School of Law and Diplomacy, Tufts University as a Mackenzie King Scholar. He also holds a Master of Arts from McMaster University, Canada, and a Certificate in Advanced Monetary Economics from the Kiel Institute of World Economics, Kiel, Germany.

There are eight other economists who work on the macro forecasting services. We will provide those resumes on request.

James Diffley is Group Managing Director, U.S. Regional Group. Jim manages the Regional Services Department of 12 economists in two offices. Jim oversees the economic forecast and analysis of 50 states and 319 metropolitan areas; fulfillment of consulting projects; provides expert testimony; manages client relationships and assists in sales and marketing. He is also responsible for customized consulting projects. These have included long-term projections of cigarette consumption, forecasts of capital gains realizations, analysis of the economic impact of the securities industry on New York State, analysis of the impact of changing oil prices on local economies, and the economic impact of various facilities locations

Mr**.** Diffley came to Global Insight through WEFA, Inc. Prior to joining WEFA, Diffley was a supervising tax analyst with the New Jersey Division of Taxation's Office of Tax Analysis from 1988 to 1996, where he was responsible for developing the state economic forecast for the state executive budget and for business tax revenue forecasting. Diffley did his Doctorate of Philosophy training in economics at the State University of New York at Stony Brook, completing all requirements but the dissertation. From 1982 to 1987, he was on the economics faculty at Adelphi University in New York.

Michael Nipple is an Economist in U.S. Regional Services group. He prepares the quarterly forecasts for several areas in the Midwest, including Ohio, Michigan, Indiana, Illinois and Kentucky, and the Metropolitan Statistical Areas of those states. Mike is part of the Regional Department’s modeling team and plays an important role in the estimation of econometric models and the development of impact models. He received his Masters degree in Economics from American University and is training for a Doctorate of Philosophy at Temple University, needing only to complete the dissertation.

Dave Iaia is Managing Director of the U.S. Regional Services Group where he oversees the state, county and metro forecasts for more than 3,100 U.S. counties and 300 U.S. metropolitan areas. He produces analyses on the cost of doing business in the various states and on the importance of metropolitan areas in the national economy. He also has an active role in development and enhancement of the group's models and data methodology, and manages the group’s Boston-area staff. He has done consulting work on the cost of doing business in states, and for the U.S. Conference of Mayors on the importance of metro areas in the national economy. He did his Ph.D. training at Brown University, completing all requirements but the dissertation. Prior to joining the company in 1998, Mr. Iaia was a graduate student in economics at Brown University where he did his Ph.D. training, completing all the requirements but the dissertation. He also holds a B.A. in Economics from Amherst College.

There are nine other economists dedicated to the Regional forecasting models. Contractor will provide those resumes on request.

3. The US Macro group does not have a formal organizational chart, and due to the recent reorganization of IHS Global Insight the company does not have a current Orgnanizational Chart to include in this proposal.

The Macro group is as follows:
Dr. Nariman Behravesh - Chief Economist and Executive Vice President
Nigel Gault - Chief U.S. Economist
Sara Johnson - Managing Director, Global Macroeconomics
Brian Bethune - Chief U.S. Financial Economist
Patrick Newport - Director, Long-Term Forecast
Mike Montgomery - Principal
Brendan LaCerda - Senior Economist
Hilary Wolfendale - Economist
Greg Daco, Senior – Economist.

The US Regional Group Org Chart – See Appendix.

4. Provide response to Economic Expertise Work and Deliverable requested in section 1.022.1

1. **Economic Expertise -** The most important determinants of the quality of an economic forecast are the forecast's economic assumptions and the skills of the people who put it together. Contractor documents the qualifications of their firm and personnel. The Contractor provides a list of the names and credentials of key personnel involved in producing the economic forecasts.

Company Qualifications - IHS Global Insight's unique perspective and capabilities provide the most timely and comprehensive economic, financial and political coverage of countries, regions and industries available from any source to support planning and decision making. Using a unique combination of expertise, models, data and software within a common analytical framework, we cover over 200 countries and more than 170 industries. Recognized as the most consistently accurate forecasting company in the world, IHS Global Insight has over 3,800 clients in industry, finance and government with revenues in excess of $100 million. IHS Global Insight has 700 employees and 25 offices in 14 countries covering North and South America, Europe, Africa, the Middle East and Asia. Contractor supports more than 40 U.S. states, 28 cities and many chambers of commerce, private/public partnerships and regional governmental organizations with our economic forecasting resources. IHS Global Insight has more than twice as many state government clients as Contractor's nearest competitor. The experience gained through working with this large and diverse State government client base enables Contractor to enrich their understanding of revenue planning issues and their solutions.

Our October 2008 acquisition by IHS ensures that Contractor is more capable than ever before to provide the State with the insight and information needed to support the State's organization's planning and decision-making requirements. IHS is an industry leader, dedicated to providing the most complete and trusted data and expertise to its clients. Contractor continually updates their analyses and forecasts, taking into account political, economic, legal, tax, operational and security factors. Contractor's services are available through subscriptions or projects and delivered though our website, printed publications, conferences, reports and presentations.

Economic, Financial and Industry Analysis
Contractor's comprehensive and consistent analytical system provides the foundation for an expanding array of economic and market forecasting services focused on the assessment of policy issues and business-related industry opportunities and risks.

- **Developed Countries:** United States, Canada, Europe and Japan
- **Emerging Countries:** Asia, Africa, Middle East, Latin America and Eastern Europe
- **Regions:** United States, Canada, Europe and China
- **Financial Markets:** Securities, interest rates and currencies
- **Industries:** Approximately 170 industries with deep expertise and experienced staff in the major industries.

In addition to Contractor's baseline forecasts, to assist in risk management Contractor regularly prepares and analyzes alternative scenarios. These scenarios consider the effects of policy changes or unexpected "shocks" on countries, industries and financial markets. Contractor also provides daily updates of their comprehensive risk evaluation system for countries, sovereign debt and industries.

Data and Software Solutions
Contractor maintains one of the largest privately available data collections in the world, including:

- Macro and Regional Economics
- Industries
- Financial Markets and Securities
- International Trade.

Contractor's software provides outstanding navigation, analytical tools and presentation capabilities, helping the State find information quickly, explore its implications, and convey results throughout the State's organization. Contractor's enormous store of information is organized in over 90 separate databases that can be accessed individually or treated as a single comprehensive collection.

Consulting Services
IHS Global Insight's consulting services leverage their wealth of business, financial and economic information to analyze problems and provide solutions. Contractor applies the insight and expertise of their forecasting and analytical services to advise the State on specific issues that affect the State's competitive position, investment strategy or policy positions by:

- Investigating marketplace and global economic dynamics
- Identifying the external market forces that will shape potential growth
- Providing clear, concise recommendations to help you maximize opportunity and mitigate risk.

IHS Global Insight (USA), Inc. has been producing U.S. Macroeconomic (Short & Long-Term) and U.S. Regional Economic forecasting and analysis for nearly 40 years (via founding companies DRI and WEFA). IHS Global Insight's ability to be recognized continually as the most consistently accurate economic forecast firm has been the cornerstone of Contractor's solid, long-term relationships with State clients.

Given the combination of resources, experience and critical mass, IHS Global Insight, Inc. is well prepared to continue providing the State with the most consistently accurate and forward- looking economic forecasting and analytic tools available.

a) Occasional phone access to key forecasting experts is required.
b) Telephone support is provided from 8:00 p.m. to 5:00 p.m. on business days.

Client support will be provided via telephone access to the principal analysts responsible for the U.S. Macroeconomic forecast and U.S. Regional/Michigan forecast. Typical responses would cover questions on forecast assumptions or topics not explicitly addressed within the forecast report, as well as questions on the Contractor's modeling tools and statistics. Reponses can range from qualitative to quantitative (or both) depending on topics and the time involved. Should responses require a material effort involving dedicated analysis by Contractor staff, additional consultation fees may be required. No such work will be initiated unless a formal agreement (assignment and fees) is executed. Fees for consultation services will be consistent with Contractor standard hourly billing rates for government clients.

All contact information is on the website, easily identified under contacts. There is online and telephone support from 8:00 – 5:00 p.m. Monday – Friday from the Client Resource Center (CRC). A dedicated account manager, Christina Huston, is available for training, account management issues, projects and all IHS Global Insight services.

Should responses require a material effort involving dedicated analysis by Global Insight staff, additional consultation fees may be required. No such work will be initiated unless a formal agreement (assignment and fees) is executed.

1.040 Project Plan

1.041 Project Plan Management – Deleted/Not Applicable

1.042 Reports

1. State clients may request reports to be generated from their account manager as they relate to services, usage, payments and billing.

2. Contractor must be able to provide various reports, when requested by the State. Examples include itemized report of total items (commodities and services) purchased by all agencies or individual agencies, open invoice reports, delivery compliance reports, quantity reports, service compliance reports, etc.

   IHS Global Insight will provide various reports, when requested by the State.

1.050 Acceptance – Deleted/Not Applicable

1.060 Proposal Pricing

1.061 Proposal Pricing

1. For authorized Services and Price List, see Attachment A.
2. Reserved.
3. Contractor's out-of-pocket expenses are not separately reimbursable by the State unless, on a case-by-case basis for unusual expenses, the State has agreed in advance and in writing to reimburse Contractor for the expense at the State's current travel reimbursement rates. See **www.michigan.gov/dmb** for current rates.

1.062 Price Term

(X) Firm Fixed Price

Prices quoted are firm for the entire length of the Contract.

1.063 Tax Excluded from Price

(a) Sales Tax: For purchases made directly by the State, the State is exempt from State and Local Sales Tax. Prices must not include the taxes. Exemption Certificates for State Sales Tax will be furnished upon request.

(b) Federal Excise Tax: The State may be exempt from Federal Excise Tax, or the taxes may be reimbursable, if articles purchased under any resulting Contract are used for the State's exclusive use. Certificates showing exclusive use for the purposes of substantiating a tax-free, or tax-reimbursable sale will be sent upon request. If a sale is tax exempt or tax reimbursable under the Internal Revenue Code, prices must not include the Federal Excise Tax.

1.064 Holdback – Deleted/Not Applicable

1.070 Additional Requirements – 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 three years beginning November 1, 2009, through October 31, 2012. All outstanding Purchase Orders must also expire upon the termination (cancellation for any of the reasons listed in **Section 2.150**) 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 Contract 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 additional one year periods.

2.003 Legal Effect
Contractor shall show acceptance of this Contract by signing two copies of the Contract and returning them to the Contract Administrator. The Contractor shall 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 Contractor 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 Contractor or payment under this Contract, until Contractor 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 must 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's or Blanket Purchase Order's accompanying Statement of Work. Exact quantities to be purchased are unknown, however, the Contractor 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
(a) 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 must apply as limited by **Section 2.005.**

(b) In the event of any inconsistency between the terms of the Contract and a Statement of Work, the terms of the Statement of Work will take precedence (as to that Statement of Work only); provided, however, that a Statement of Work may not modify or amend the terms of 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 the 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 must be in writing and must 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 Department of Treasury (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. 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 Contractor Administrator within Purchasing Operations for this Contract is:

Jim Wilson
Purchasing Operations
Department of Management and Budget
Mason Bldg, 2nd Floor
PO Box 30026
Lansing, MI 48909
Email: wilsonj4@michigan.gov
Phone: 517-241-1916.

2.022 Contract Compliance Inspector (CCI)
After DMB-Purchasing Operations receives the properly executed Contract, it is anticipated that the Director of Purchasing Operations, in consultation with Department of Treasury, will direct the person named below, or any other person so designated, to monitor and coordinate the activities for the Contract on a day-to-day basis during its term. However, monitoring of this Contract implies **no authority to change, modify, clarify, amend, or otherwise alter the prices, terms, conditions and specifications of the Contract as that authority is retained by DMB Purchasing Operations**. The Contract Compliance Inspector for this Contract is:

Jay Wortley, Director
Office of Revenue and Tax Analysis
Department of Treasury.
Email: WortleyJ1@michigan.gov
Phone: 517-373-2697

2.023 Project Manager – Deleted/Not Applicable

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 Contractor under the Contract. During the course of ordinary business, it may become necessary for the State to discontinue certain business practices or create Additional Services/Deliverables. At a minimum, to the extent applicable, the State would like the Contractor to provide a detailed outline of all work to be done, including tasks necessary to accomplish the services/deliverables, timeframes, listing of key personnel assigned, estimated hours for each individual per task, and a complete and detailed cost justification.

If the Contractor does not so notify the State, the Contractor has no right to claim thereafter that it is entitled to additional compensation for performing that service or providing that deliverable.

Change Requests:

(a) By giving Contractor written notice within a reasonable time, the State must be entitled to accept a Contractor proposal for Change, to reject it, or to reach another agreement with Contractor. Should the parties agree on carrying out a Change, a written Contract Change Notice must 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").

(b) No proposed Change may 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.

(c) If the State requests or directs the Contractor to perform any activities that Contractor believes constitute a Change, the Contractor must notify the State that it believes the requested activities are a Change before beginning to work on the requested activities. If the Contractor fails to notify the State before beginning to work on the requested activities, then the Contractor waives any right to assert any claim for additional compensation or time for performing the requested activities. If the Contractor commences performing work outside the scope of this Contract and then ceases performing that work, the Contractor must, 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 must 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: Jim Wilson
PO Box 30026
530 West Allegan
Lansing, Michigan 48909

Contractor:
HIS Global Insight (USA), Inc.
Attention: Christina Huston
24 Hartwell Avenue
Lexington, MA 02421-3158

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 must have the authority to make binding commitments on Contractor's behalf within the bounds set forth in this 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 must 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
(a) 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.

(b) 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 must be made to one entity continues.

(c) If the Contractor intends to assign the contract or any of the Contractor's rights or duties under the Contract, the Contractor must notify the State in writing at least 90 days before the assignment. The Contractor also must 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 shall 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 must 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 must 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 Vendor 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 shall 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 agrees to pay Contractor for the Services in accordance with the charges set forth on Attachment A ("Service Fee"). Unless expressly provided otherwise in this Agreement, the State shall pay all Service Fees for the initial term of the Agreement in advance within thirty (30) days of the date of the invoice therefor. Upon and after the expiration of the initial Term for any Service, IHS GLOBAL INSIGHT will provide the State Licensee with applicable pricing for any option (renewal) term(s) in writing no less than thirty (30) days prior to the end of the initial or any option term.

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 shall 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 shall 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 shall 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.

(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.

(d) All invoices must reflect actual work done. 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 shall be forwarded to the designated representative by the 15th day of the following month. The Contractor will submit a monthly invoice of completed work accomplished during the reporting period which includes an itemized listing of tasks completed; furthermore, the invoice must list the contract number and/or purchase order number. Please see sections 2.005 for information on the Purchase Order releases from Contract. The purchase order will identify the bill to address for invoicing each State department directly.

2.045 Pro-ration
To the extent there are any Services that are to be paid for on a monthly basis, the cost of such Services shall be pro-rated for any partial month.

2.046 Antitrust Assignment
The Contractor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to the Contractor, toward fulfillment of this Contract.

2.047 Final Payment
The making of final payment by the State to Contractor does not constitute a waiver by either party of any rights or other claims as to the other party's continuing obligations under the Contract, nor will it constitute a waiver of any claims by one party against the other arising from unsettled claims or failure by a party to comply with this Contract, including claims for Services and Deliverables not reasonably known until after acceptance to be defective or substandard. Contractor's acceptance of final payment by the State under this Contract shall constitute a waiver of all claims by Contractor against the State for payment under this Contract, other than those claims previously filed in writing on a timely basis and still unsettled.

2.048 Electronic Payment Requirement
Electronic transfer of funds is required for payments on State Contracts. Contractors are required to register with the State electronically at http://www.cpexpress.state.mi.us. As stated in Public Act 431 of 1984, all contracts that the State enters into for the purchase of goods and services shall provide that payment will be made by electronic fund transfer (EFT).

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 are required to register and pay tax must 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 must be employees of Contractor or its majority-owned (directly or indirectly, at any tier) subsidiaries (or a State-approved Subcontractor) and must be qualified consistent with industry standards to perform the work assigned to them. Contractor must 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 must 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 must provide the Contract Compliance Inspector with the names of the Key Personnel.

(b) Key Personnel must 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 which approval will not be unreasonably withheld or delayed. 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. 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 must not remove any Key Personnel from their assigned roles on the Contract without the prior written consent of the State, which consent will not be unreasonably withheld or delayed. 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 must 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 must notify the Contract Compliance Inspector and the Contract Administrator at least 5 business days before redeploying non-Key Personnel, who are dedicated to primarily to the Project, to other projects.

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 must be written with reasonable detail outlining the reasons for the removal request. Additionally, the State's request must be based on legitimate, good-faith reasons. Replacement personnel for the removed person must 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 must 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 Contractor Return of State Equipment/Resources

The Contractor must 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.

2.068 Contract Management Responsibilities
The Contractor will be required to assume responsibility for all contractual activities, whether or not that Contractor performs them. Further, the State will consider the Contractor to be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the anticipated Contract. If any part of the work is to be subcontracted, the Contract must include a list of Subcontractors, including firm name and address, contact person and a complete description of work to be subcontracted. The State reserves the right to approve Subcontractors, which approval will not be unreasonably withheld or delayed, and to require the Contractor to replace Subcontractors found to be unacceptable. The Contractor is totally responsible for adherence by the Subcontractor to all provisions of the Contract. Any change in Subcontractors must be approved by the State, in writing, prior to such change.

2.070 Subcontracting by Contractor

2.071 Contractor Full Responsibility
Contractor shall 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 shall 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. Except as otherwise provided under this Agreement, the State shall have the right of prior written approval of all Subcontractors and to require Contractor to replace any Subcontractors found, in the reasonable judgment of the State, to be unacceptable. The State's request shall be written with reasonable detail outlining the reasons for the removal request. Additionally, the State's request shall be based on legitimate, good-faith reasons. Replacement Subcontractor(s) for the removed Subcontractor shall be qualified to the commercial industry standard 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 shall 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 shall remain responsible for the performance of its Subcontractors to the same extent as if Contractor had not subcontracted such performance. Contractor shall make all payments to Subcontractors or suppliers of Contractor. Except as otherwise agreed in writing by the State and Contractor, the State will not be obligated to direct payments for the Services other than to Contractor. The State's written approval of any Subcontractor engaged by Contractor to perform any obligation under this Contract shall not relieve Contractor of any obligations or performance required under this Contract.

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

2.075 Competitive Selection
The Contractor shall 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 must 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 must have reasonable access to, and, unless agreed otherwise by the parties in writing, must 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 must (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 must 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 –Deleted/Not Applicable

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 must 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 must 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. Contractor's Intellectual Property is acknowledged to be Contractor's Proprietary and Confidential Information.

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 must 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 must certify to the State that Contractor has destroyed all State Confidential Information.

2.103 Exclusions
Notwithstanding the foregoing, the provisions of **Section 2.100** 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 **Section 2.100** 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 must 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 must 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 must 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 must 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 must 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 must provide all reasonable facilities and assistance for the State's representatives.

2.112 Examination of Records
For three 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 directly pertinent to establishing Contractor's compliance with the Contract and with applicable laws and rules. The State must 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 must 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 must be made available, upon request, to the State at any time during the Audit Period. If an audit, litigation, or other action involving Contractor's records is initiated before the end of the Audit Period, the records must be retained until all issues arising out of the audit, litigation, or other action are resolved or until the end of the Audit Period, whichever is later.

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 mutually agreed between the parties. The Contractor and the State must 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
(a) If the audit demonstrates any errors in the documents provided to the State, then the amount in error must 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.

(b) In addition to other available remedies, the difference between the payment received and the correct payment amount is greater than 10%, then the Contractor must 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 is able to fulfill all of its obligations in accordance with Attachment A under this Contract. The performance of all obligations under this Contract will be provided in a timely, professional, and workman-like manner consistent with commercially accepted industry standards and meet the performance and operational standards set forth in writing in 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

(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 must 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, must have, or must 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 must 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 must 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 must 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 change 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 – Deleted/Not Applicable

2.123 Warranty of Fitness for a Particular Purpose – Deleted/Not Applicable

2.124 Warranty of Title

IHS Global Insight warrants and represents that all proprietary rights in the Services, including copyrights, trademarks and service marks are and shall remain in IHS GLOBAL INSIGHT and its third party licensors and are not transferred hereunder. As of the effective date of this Agreement, all goods provided by Contractor shall be delivered free from any security interest, lien, or encumbrance of which the State, at the time of contracting, has no knowledge. As of the effective date of this Agreement, the goods provided by Contractor, under this Contract, shall be delivered free of any rightful claim of any third person by of infringement or the like.

2.125 Equipment Warranty – Deleted/Not Applicable

2.126 Equipment to be New
If applicable, all equipment provided under this Contract by Contractor shall 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, shall 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 shall 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.

2.129 Disclaimer of Warranties
CONTRACTOR MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, THAT ANY DATA SERIES PROVIDED HEREUNDER OR THAT ANY SERVICES WILL BE ERROR FREE. CONTRACTOR SPECIFICALLY DISCLAIMS WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. IN NO EVENT SHALL CONTRACTOR, ITS AFFILIATES, OR ANY OF THEIR THIRD PARTY LICENSORS HAVE ANY LIABILITY FOR LOST PROFITS OR FOR INDIRECT, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES, OR ANY LIABILITY TO ANY THIRD PARTY ARISING OUT OF THIS AGREEMENT, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES OR LIABILITY.

2.130 Insurance

2.131 Liability Insurance
The Contractor must provide proof of the minimum levels of insurance coverage as indicated below. The insurance must protect the State from claims which may arise out of or result from the Contractor's performance of services under the terms of this Contract, whether 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's provided relative to this Contract/Purchase Order are PRIMARY and NON-CONTRIBUTING to any comparable liability insurance (including self-insurances) carried by the State.

The insurance must 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 must 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 must be issued by companies that have been approved to do business in the State.
See www.michigan.gov/dleg.

Where specific limits are shown, they are the minimum acceptable limits. If Contractor's policy contains higher limits, the State must 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 must 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 must have vehicle liability insurance on any auto including owned, hired and non-owned vehicles used in Contractor‘s business for bodily injury and property damage as required by law.

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

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

Any certificates of insurance received must 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 must 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 must 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 must 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 must 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 must 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) must 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 must 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 must be on the standard "accord" form or equivalent. **THE CONTRACT OR PURCHASE ORDER NO. MUST 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) must contain a provision indicating that coverages 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 must 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 must provide evidence that the State and its agents, officers and employees are listed as additional insureds 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 must 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, must 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 must 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 must pay that cost upon demand by the State.

2.140 Indemnification

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

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 must 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 must 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 as furnished by Contractor and used by the State in compliance with the terms of this Agreement 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 provided that (i) the State gives IHS GLOBAL INSIGHT prompt written notice thereof, within 10 days of becoming aware of it (ii) IHS GLOBAL INSIGHT has sole control of the defense or settlement of such claim, provided that IHS GLOBAL INSIGHT will not admit any wrongdoing or agree to any payment on behalf of State as a part of any settlement and (iii) the State reasonably cooperates with IHS GLOBAL INSIGHT in such defense, and, provided further, that such indemnification shall not apply if or to the extent the infringement results from information or other materials provided to IHS GLOBAL INSIGHT by the State. The State may, however, hire its own separate counsel at its own expense to defend its interests if it so desires.

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 must 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 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 reasonable and fully documented 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 must 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 must 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 must notify the State in writing whether Contractor agrees to assume control of the defense and settlement of that claim (a "Notice of Election").

(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 must, 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 must periodically advise the State about the status and progress of the defense and must 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, and only 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, must 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. If it is determined that the claim was one against which Contractor was required to indemnify the State, upon request of the State, Contractor must 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

(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 30 days of receipt of such notice or such other time as the parties mutually agree.

(b) If this Contract is terminated for cause, the Contractor must pay all reasonable and fully documented 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 must 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 must 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 must be deemed to have been a termination for convenience, effective as of the same date, and the rights and obligations of the parties must be limited to that otherwise provided in this Contract for a termination for convenience.

(e) Contractor may terminate this Agreement for material breach of the State by giving the State party thirty (30) day's prior written notice; such notice to take effect unless the breaching party cures or corrects within the notice period. Upon termination for breach, the State shall cease using the Services which are covered by this Agreement and it shall delete or destroy any data series in its possession or control.

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 must 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 must be equitably adjusted to reflect those Services/Deliverables that are terminated. Services and related provisions of this Contract that are terminated for cause must cease on the effective date of the termination. Upon termination, the State shall cease using the Services which are covered by this Agreement and shall delete or destroy any data series in its possession or control.

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 must 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 must 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 must 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 must (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), 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.

If the State terminates this Contract before its expiration for its own convenience, the State must 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 reasonably determined by the State.

2.158 Reservation of Rights

Any termination of this Contract or any Statement of Work issued under it by a party must 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 or if the Contractor determines in its sole but reasonable discretion that the breach poses a serious and imminent threat to its rights in its intellectual property
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 must discharge its obligations under **Section 2.190** before it terminates the Contract.

2.170 Transition Responsibilities

2.171 Contractor Transition Responsibilities
As applicable, 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 60 days. These efforts must include, but are not limited to, those listed in **Sections 2.171, 2.172, 2.173, 2.174, and 2.175.**

2.172 Contractor Personnel Transition
If applicable, the Contractor must 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 must 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 vendors, 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 vendors. Contractor will notify all of Contractor's subcontractors of procedures to be followed during transition.

2.173 Contractor Information Transition
If applicable, 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
If applicable, the Contractor must reasonably assist the State in the acquisition of any Contractor software required to perform the Services/use the Deliverables under this Contract. This must 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 must, 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 applicable, if the transition results from a termination for any reason, reimbursement must be governed by the termination provisions of this Contract. If the transition results from expiration, the Contractor will be reimbursed for all reasonable transition costs (i.e. costs incurred within the agreed period after contract expiration that result from transition operations) 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
If applicable, in the event that this Contract is terminated, dissolved, voided, rescinded, nullified, or otherwise rendered unenforceable, the State agrees to perform the following obligations, and any others upon which the State and the Contractor agree:
(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 Services 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 must be identified as a stop work order and must indicate that it is issued under this **Section 2.180**. Upon receipt of the stop work order, Contractor must 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 must either: (a) cancel the stop work order; or (b) terminate the work covered by the stop work order as provided in **Section 2.150**.

2.182 Cancellation or Expiration of Stop Work Order
The Contractor must 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 must 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 must be deemed to be a termination for convenience under **Section 2.150**, and the State will pay reasonable costs up to and including the effective Stop Work Order date in arriving at the termination settlement. For the avoidance of doubt, the State is not be liable to Contractor for loss of profits because of a stop work order issued under this **Section 2.180.**

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 must 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 must 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 must 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 must 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:

(i) The representatives of Contractor and the State must 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 must discuss the problem and negotiate in good faith in an effort to resolve the dispute without the necessity of any formal proceeding.

(ii) During the course of negotiations, all reasonable requests made by one party to another for non-privileged information reasonably related to the Contract will be honored in order that each of the parties may be fully advised of the other's position.

(iii) The specific format for the discussions will be left to the discretion of the designated State and Contractor representatives, but may include the preparation of agreed upon statements of fact or written statements of position.

(iv) Following the completion of this process within 60 calendar days, the Director of Purchasing Operations, DMB, or designee, must issue a written opinion regarding the issue(s) in dispute within 30 calendar days. The opinion regarding the dispute must 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 must 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, 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 must 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, must 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 must 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 must 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.

2.204 Prevailing Wage
The rates of wages and fringe benefits to be paid each class of individuals employed by the Contractor, its subcontractors, their subcontractors, and all persons involved with the performance of this Contract in privity of contract with the Contractor shall not be less than the wage rates and fringe benefits established by the Michigan Department of Labor and Economic Development, Wage and Hour Bureau, schedule of occupational classification and wage rates and fringe benefits for the local where the work is to be performed. The term Contractor shall include all general contractors, prime contractors, project managers, trade contractors, and all of their contractors or subcontractors and persons in privity of contract with them.

The Contractor, its subcontractors, their subcontractors and all persons involved with the performance of this contract in privity of contract with the Contractor shall keep posted on the work site, in a conspicuous place, a copy of all wage rates and fringe benefits as prescribed in the contract. You must also post, in a conspicuous place, the address and telephone number of the Michigan Department of Labor and Economic Development, the office responsible for enforcement of the wage rates and fringe benefits. You shall keep an accurate record showing the name and occupation of the actual wage and benefits paid to each individual employed in connection with this contract. This record shall be available to the State upon request for reasonable inspection.

If any trade is omitted from the list of wage rates and fringe benefits to be paid to each class of individuals by the Contractor, it is understood that the trades omitted shall also be paid not less than the wage rate and fringe benefits prevailing in the local where the work is to be performed.

2.210 Governing Law

2.211 Governing Law
The Contract must 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 shall 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 must 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.

2.230 Disclosure Responsibilities

2.231 Disclosure of Litigation

(a) Disclosure. Contractor must disclose any material criminal litigation, investigations or proceedings involving the Contractor (and each Subcontractor) or any of its officers or directors or any litigation, investigations or proceedings under the Sarbanes-Oxley Act. In addition, each Contractor (and each Subcontractor) must notify the State of any material civil litigation, arbitration or proceeding which arises during the term of the Contract and extensions, 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 must 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 which 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.

(b) Assurances. 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:

(i) the ability of Contractor (or a Subcontractor) to continue to perform this Contract according to its terms and conditions, or

(ii) 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 must provide the State all reasonable assurances requested by the State to demonstrate that:

(a) 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

(b) 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 must 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 must notify DMB Purchasing Operations.

(2) Contractor must 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 must also notify DMB Purchasing Operations within 30 days whenever changes to company affiliations occur.

2.232 Call Center Disclosure – Deleted/Not Applicable

2.233 Bankruptcy

The State may, without prejudice to any other right or remedy, terminate this Contract, in whole or in part, 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.

2.240 Performance

2.241 Time of Performance

(a) Contractor must 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(a),** Contractor must 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 must 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 must notify the State in a timely manner and must 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 Agreements (SLAs) – Deleted/Not Applicable

2.243 Liquidated Damages – Deleted/Not Applicable

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 must use commercially reasonable efforts to recommence performance whenever and to whatever extent possible without delay. A party must 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 must 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 Responsibilities

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

(a) Shipment responsibilities - Services performed/Deliverables provided under this Contract must be delivered "F.O.B. Destination, within Government Premises." The Contractor must have complete responsibility for providing all Services/Deliverables to all site(s) unless otherwise stated. Actual delivery dates will be specified on the individual purchase order.

(b) Delivery locations - Services will be performed/Deliverables will be provided at every State of Michigan location within Michigan unless otherwise stated in the SOW. Specific locations will be provided by the State or upon issuance of individual purchase orders.

(c) Damage Disputes - At the time of delivery to State Locations, the State must examine all packages. The quantity of packages delivered must be recorded and any obvious visible or suspected damage must be noted at time of delivery using the shipper's delivery document(s) and appropriate procedures to record the damage.
Where there is no obvious or suspected damage, all deliveries to a State Location must be opened by the State and the contents inspected for possible internal damage not visible externally within 14 days of receipt. Any damage must be reported to the Contractor within five days of inspection

2.252 Delivery of Deliverables
Delivery shall be upon the States being given access to the subscription services and hard copy or electronic publications. Where applicable, the Statements of Work/POs contain lists of the Deliverables to be prepared and delivered by Contractor including, for each Deliverable, the scheduled delivery date and a designation of whether the Deliverable is a document ("Written Deliverable"), a good ("Physical Deliverable") or a Service.

2.253 Testing
(a) Before delivering any of the above-mentioned Statement of Work Physical Deliverables or Services to the State, Contractor will first perform quality assurance activities in accordance with Contractor's Quality Assurance Policies and Procedures to verify that the Physical Deliverable or Service is complete and conforms with its specifications listed in the applicable Statement of Work or Purchase Order. If applicable, before delivering a Physical Deliverable or Service to the State, Contractor must certify to the State that (1) it has performed the quality assurance activities, (2) it has performed any applicable testing, (3) it has corrected all material deficiencies discovered during the quality assurance activities and testing, (4) the Deliverable or Service 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.

(b) If a Deliverable includes installation at a State Location, then Contractor must (1) perform any applicable testing, (2) correct all material deficiencies discovered during the quality assurance activities and testing, and (3) inform the State that the Deliverable is in a suitable state of readiness for the State's review and approval. To the extent that testing occurs at State Locations, the State is entitled to observe or otherwise participate in testing.

2.254 Approval of Deliverables, In General
(a) All Deliverables (Physical Deliverables and Written Deliverables) and Services require formal written approval by the State, according to the following procedures. Formal approval by the State requires the State to confirm in writing that the Deliverable meets its specifications. Formal approval may include the successful completion of Testing as applicable in **Section 2.253**, to be led by the State with the support and assistance of Contractor. The approval process will be facilitated by ongoing consultation between the parties, inspection of interim and intermediate Deliverables and collaboration on key decisions.

(b) The State's obligation to comply with any State Review Period is conditioned on the timely delivery of Deliverables/Services being reviewed.

(c) Before commencement of its review or testing of a Deliverable/Service, the State may inspect the Deliverable/Service to confirm that all components of the Deliverable/Service have been delivered without material deficiencies. If the State determines that the Deliverable/Service has material deficiencies, the State may refuse delivery of the Deliverable/Service without performing any further inspection or testing of the Deliverable/Service. Otherwise, the review period will be deemed to have started on the day the State receives the Deliverable or the Service begins, and the State and Contractor agree that the Deliverable/Service is ready for use and, where applicable, certification by Contractor according to **Section 2.253**.

(d) The State will approve in writing a Deliverable/Service after confirming that it conforms to and performs according to its specifications without material deficiency. The State may, but is not be required to, conditionally approve in writing a Deliverable/Service 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/Service that remain outstanding at the time of State approval.

(e) If, after three opportunities (the original and two repeat efforts), the Contractor is unable to correct all deficiencies preventing Final Acceptance of a Deliverable/Service, the State may: (i) demand that the Contractor cure the failure and give the Contractor additional time to cure the failure at the sole expense of the Contractor; or (ii) keep the Contract in force and do, either itself or through other parties, whatever the Contractor has failed to do, and recover the difference between the cost to cure the deficiency and the contract price plus an additional sum equal to 10% of the cost to cure the deficiency to cover the State's general expenses provided the State can furnish proof of the general expenses; or (iii) terminate the particular Statement of Work for default, either in whole or in part by notice to Contractor provided Contractor is unable to cure the breach. Notwithstanding the foregoing, the State cannot use, as a basis for exercising its termination rights under this Section, deficiencies discovered in a repeat State Review Period that could reasonably have been discovered during a prior State Review Period.

(f) The State, at any time and in its reasonable discretion, may halt the testing or approval process if the process reveals deficiencies in or problems with a Deliverable/Service in a sufficient quantity or of a sufficient severity that renders continuing the process unproductive or unworkable. If that happens, the State may stop using the Service or return the applicable Deliverable to Contractor for correction and re-delivery before resuming the testing or approval process.

2.255 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 Deliverable (and if the Statement of Work does not state the State Review Period, it is by default five Business Days for Written Deliverables of 100 pages or less and 10 Business Days for Written Deliverables of more than 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 before its submission to the State. The State agrees to notify Contractor in writing by the end of the State Review Period either stating that the Deliverable is approved in the form delivered by Contractor or describing any deficiencies that must be corrected before approval of the Deliverable (or at the State's election, after approval of the Deliverable). If the State notifies the Contractor about deficiencies, the Contractor will correct the described deficiencies and within 30 Business Days resubmit the Deliverable in a form that shows all revisions made to the original version delivered to the State. Contractor's correction efforts will be made at no additional charge. Upon receipt of a corrected Deliverable from Contractor, the State will have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Deliverable to confirm that the identified deficiencies have been corrected.

2.256 Process for Approval of Services

The State Review Period for approval of Services is governed by the applicable Statement of Work (and if the Statement of Work does not state the State Review Period, it is by default 30 Business Days for Services). The State agrees to notify the Contractor in writing by the end of the State Review Period either stating that the Service is approved in the form delivered by the Contractor or describing any deficiencies that must be corrected before approval of the Services (or at the State's election, after approval of the Service). If the State delivers to the Contractor a notice of deficiencies, the Contractor will correct the described deficiencies and within 30 Business Days resubmit the Service in a form that shows all revisions made to the original version delivered to the State. The Contractor's correction efforts will be made at no additional charge. Upon implementation of a corrected Service 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 Service for conformity and that the identified deficiencies have been corrected.

2.257 Process for Approval of Physical Deliverables

The State Review Period for approval of Physical Deliverables is governed by the applicable Statement of Work (and if the Statement of Work does not state the State Review Period, it is by default 30 continuous Business Days for a Physical Deliverable). The State agrees to notify the Contractor in writing by the end of the State Review Period either stating that the Deliverable is approved in the form delivered by the Contractor or describing any deficiencies that must be corrected before approval of the Deliverable (or at the State's election, after approval of the Deliverable). If the State delivers to the Contractor a notice of deficiencies, the Contractor will correct the described deficiencies and within 30 Business Days resubmit the Deliverable in a form that shows all revisions made to the original version delivered to the State. The Contractor's correction efforts will be made at no additional charge.

Upon receipt of a corrected Deliverable from the Contractor, the State will have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Deliverable to confirm that the identified deficiencies have been corrected.

2.258 Final Acceptance
Unless otherwise stated in the Article 1, Statement of Work or Purchase Order, "Final Acceptance" of each Deliverable must occur when each Deliverable/Service has been approved by the State following the State Review Periods identified in **Sections 2.251-2.257**. Payment will be made for Deliverables installed and accepted. Upon acceptance of a Service, the State will pay for all Services provided during the State Review Period that conformed to the acceptance criteria.

2.260 Ownership

2.261 Ownership of Work Product by State – Deleted/Not Applicable

2.262 Vesting of Rights – Deleted/Not Applicable

2.263 Rights in Data
(a) 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 must only use personally identifiable information as strictly necessary to provide the Services and must disclose the information only to its employees who have a strict need-to-know the information. The Contractor must comply at all times with all laws and regulations applicable to the personally identifiable information.

(b) The State is the owner of all State-specific data under the Contract. The State agrees and acknowledges that all proprietary rights in the Services, including copyrights, trademarks and service marks are and shall remain in IHS GLOBAL INSIGHT and its third party licensors and are not transferred hereunder. The State is receiving hereunder a non-exclusive, non-transferable, limited license to allow Users to utilize the Services internally in the conduct of The State's normal business affairs and such Services shall not be redistributed, republished or otherwise made available by The State or its Users to any third party. Online or other electronic access to the Services is limited to The State identification codes or passwords and personal identification numbers, as applicable, for the number of Users that are authorized in Attachment A of this Agreement. The State shall not directly or indirectly disseminate, circulate, publish, copy, display, or permit access to the Services, user codes, or passwords to anyone not an employee of The State. The State agrees and understands that such limitation excludes employees of all affiliated organizations other than wholly owned subsidiaries of The State. The State further agrees and understands that it is not permitted to provide access to the Services to any agents or consultants without first obtaining the prior written permission of IHS GLOBAL INSIGHT and without obtaining such consultants' or agents' prior written agreement that the Services (i) shall be maintained in strict confidence; (ii) may not be disseminated; and (iii) may only be used in connection with work performed on behalf of The State. The State agrees to protect the copyrights, trademarks, services marks and other proprietary rights of IHS GLOBAL INSIGHT in the Services during and after the term of the Agreement, and The State further agrees to honor all reasonable requests by IHS GLOBAL INSIGHT to protect such rights. For purposes of this Agreement, a "User" is defined as an employee, agent or consultant of The State who has the right to access any of the Services, subject to the limitations set forth in this Agreement.

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 must comply with the State's Acceptable Use Policy, see http://www.michigan.gov/ditservice. All Contractor employees must 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 must be done according to applicable State procedures, including security, access and configuration management procedures.

2.280 Extended Purchasing – Deleted/Not Applicable

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 recyclability; 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 must 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 must provide a safe and suitable environment for performance of Contractor's Work. Before the commencement of Work, the State must 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 must 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 must order a suspension of Work in writing. The State must proceed to have the Hazardous Material removed or rendered harmless. In the alternative, the State must 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 must 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 **Section 2.242** for 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 must 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).

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

Refrigeration and Air Conditioning:
The Contractor shall 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 shall establish a program to promote cost-effective waste reduction in all operations and facilities covered by this Contract. The Contractor's programs shall 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.).

Attachment A, Price Proposal

	Annual Cost Per Subscriber		Quantity		Years	Total
1) Monthly U.S. Economic Forecast						
a) 0 to 2 Subscribers	$					
b) 3 to 5 Subscribers	$					
c) 6 to 8 Subscribers	$3200	X	6	X	3	$57,600
d) 9 to 10 Subscribers	$					
e) 10 or Greater Subscribers	$					
2) Long-term Economic Forecast (U.S. and State of Michigan)						
a) 0 to 2 Subscribers	$					
b) 3 to 5 Subscribers	$					
c) 6 to 8 Subscribers	$2,167	X	6	X	3	$39,006
d) 9 to 10 Subscribers	$					
e) 10 or Greater Subscribers	$					
3) Subnational Socio-Economic Forecast						
a) 0 to 2 Subscribers	$					
b) 3 to 5 Subscribers	$					
c) 6 to 8 Subscribers	$250	X	6	X	3	$4,500
d) 9 to 10 Subscribers	$					
e) 10 or Greater Subscribers	$					
4) Consensus Conference Speaker	$2,500	X	1	X	3	$7,500
					Grand Total	$108,606

5) Additional Economic Resources (if applicable)	
a) Historic and financial data	$4,000*
b) Monthly state forecast updates	$0
c) Monthly state scenarios	$3,000
6) Optional	
a) Additional Consensus Conference Speaker Presentations	$2,500

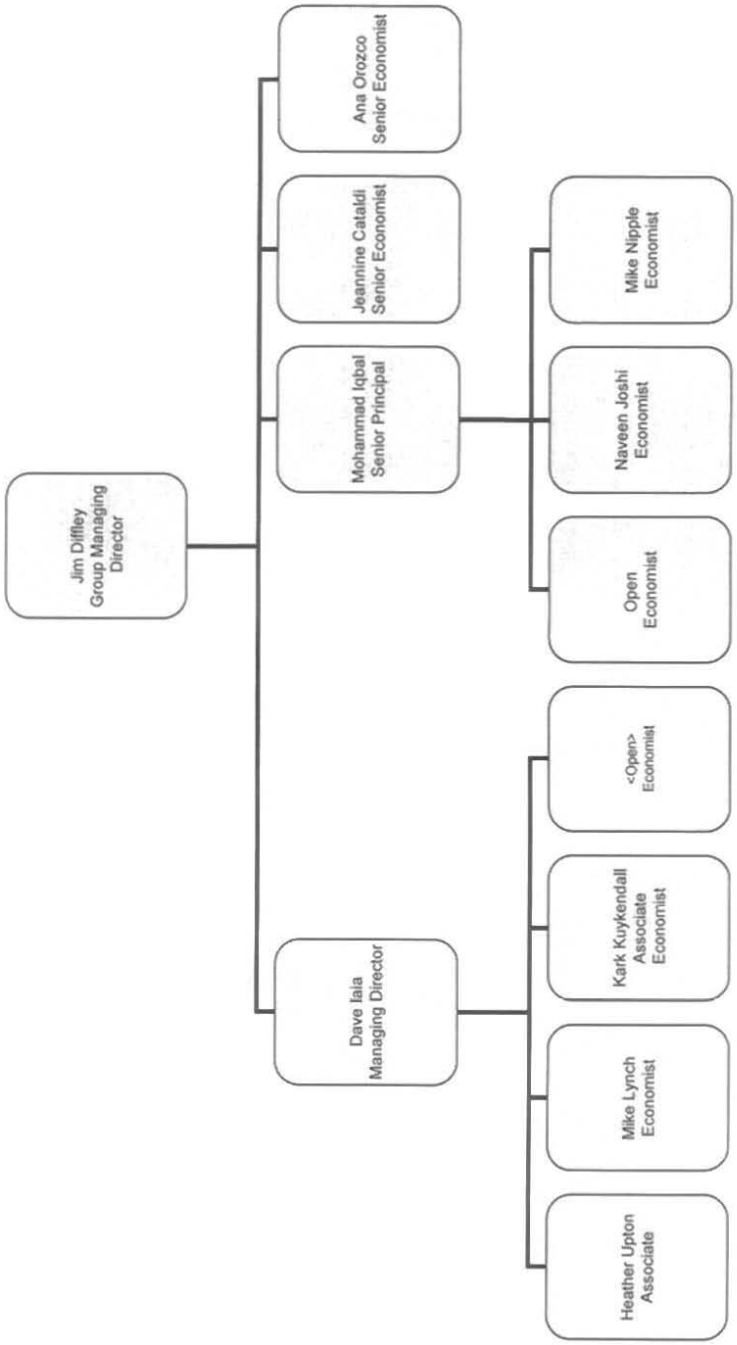
*State does not subscribe to this service, but they do get historic economic and forecast data which are contained in the US Economic Service

Notes:

1. Pricing must be inclusive of all econometric forecasting services requested.
2. For purposes of proposal comparison, six subscribers over three years will be used to evaluate pricing.
3. The State does not guarantee a minimum or maximum number of subscribers.
4. Annual Cost Per Subscriber will be based on step pricing (cost will be based on number of subscribers per year).
5. If an electronic subscription is provided via online/Internet access, then the six departments/divisions/subscribers referenced in section 1.021 would require one to three users per division. If an electronic subscription is provided via an electronic file, then six (6) divisions would require the electronic file.

Appendices

See hard-copy proposal for the following:

VARIABLE LISTING – MACRO MODEL
VARIABLE LISTING – REGIONAL SERVICE
TRACK RECORD

US Regional Org Chart 2008