

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

August 5, 2010

CHANGE NOTICE NO. 1
TO
CONTRACT NO. 071B0200099
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Unisys 2290 Science Parkway Okemos, MI 48864-2599 Email: Jeffrey.Arbour@unisys.com	TELEPHONE: Jeff Arbour (517) 580-3700
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 373-3993 Dale N. Reif
Contract Compliance Inspector: RENEWAL BY MAIL MAINTENANCE	
CONTRACT PERIOD: From: October 1, 2009 To: September 30, 2011	
TERMS NA	SHIPMENT NA
F.O.B. NA	SHIPPED FROM NA
MINIMUM DELIVERY REQUIREMENTS	
MISCELLANEOUS INFORMATION:	

NATURE OF CHANGE(S):

Effective immediately, this contract is hereby INCREASED by \$84,266.00. All other terms and conditions remain the same.

AUTHORITY/REASON(S):

Per vendor and DTMB Purchasing Operations agreement and the approval of the State Administrative Board on August 3, 2010.

INCREASE: \$84,266.00

TOTAL REVISED ESTIMATED CONTRACT VALUE: \$169,552.76

FOR THE VENDOR:

Unisys

Firm Name

Authorized Agent Signature

Authorized Agent (Print or Type)

Date

FOR THE STATE:

Signature

Dale Reif, Buyer

Name/Title

IT Division

Division

Date

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

January 13, 2010

NOTICE OF
CONTRACT NO. 071B0200099
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Unisys 2290 Science Parkway Okemos, MI 48864-2599 Email: Jeffery.Arbour@unisys.com	TELEPHONE: Jeff Arbour (517) 580-3700 VENDOR NUMBER/MAIL CODE BUYER/CA (517) 373-3993 Dale N. Reif
Contract Compliance Inspector: RENEWAL BY MAIL MAINTENANCE	
CONTRACT PERIOD: From: October 1, 2009 To: September 30, 2011	
TERMS NA	SHIPMENT NA
F.O.B. NA	SHIPPED FROM NA
MINIMUM DELIVERY REQUIREMENTS	
MISCELLANEOUS INFORMATION: The terms and conditions of this Contract are those of REQ #084R0200017, this Contract Agreement and the vendor's quote. In the event of any conflicts between the specifications, terms and conditions indicated by the State and those indicated by the vendor, those of the State take precedence.	
Estimated Contract Value: \$85,286.76	

All terms and conditions of the invitation to bid are made a part hereof.

**STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 ACQUISITION SERVICES
 P.O. BOX 30026, LANSING, MI 48909
 OR
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Estimated Contract Value: \$85,286.76	

All terms and conditions of the invitation to bid are made a part hereof.

FOR THE VENDOR: <div style="text-align: center;"> Unisys _____ Firm Name </div> <div style="text-align: center;"> _____ Authorized Agent Signature </div> <div style="text-align: center;"> _____ Authorized Agent (Print or Type) </div> <div style="text-align: center;"> _____ Date </div>	FOR THE STATE: <div style="text-align: center;"> _____ Signature Dale N. Reif </div> <div style="text-align: center;"> _____ Name/Title IT </div> <div style="text-align: center;"> _____ Division </div> <div style="text-align: center;"> _____ Date </div>
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**STATE OF MICHIGAN
Department of Management and Budget
Purchasing Operations**

Contract Number 071B0200099
**Unisys Renewal by Mail Maintenance
For
Michigan Department of State**

Buyer Name: Dale Reif
Telephone Number: 517-373-3993
E-Mail Address: reifd@michigan.gov



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DEFINITIONS

Days	Means calendar days unless otherwise specified.
24x7x365	Means 24 hours a day, seven days a week, and 365 days a year (including the 366th day in a leap year).
Additional Service	Means any Services/Deliverables within the scope of the Contract, but not specifically provided under any Statement of Work, that once added will result in the need to provide the Contractor with additional consideration.
Audit Period	See Section 2.110
Business Day	Whether capitalized or not, shall mean any day other than a Saturday, Sunday or State-recognized legal holiday (as identified in the Collective Bargaining Agreement for State employees) from 8:00am EST through 5:00pm EST unless otherwise stated.
Blanket Purchase Order	An alternate term for Contract as used in the States computer system.
Business Critical	Any function identified in any Statement of Work as Business Critical.
Chronic Failure	Defined in any applicable Service Level Agreements.
Deliverable	Physical goods and/or commodities as required or identified by a Statement of Work
DMB	Michigan Department of Management and Budget
Environmentally preferable products	A product or service that has a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose. Such products or services may include, but are not limited to, those that contain recycled content, minimize waste, conserve energy or water, and reduce the amount of toxics either disposed of or consumed.
Excusable Failure	See Section 2.244.
Hazardous material	Any material defined as hazardous under the latest version of federal Emergency Planning and Community Right-to-Know Act of 1986 (including revisions adopted during the term of the Contract).
Incident	Any interruption in Services.
ITB	A generic term used to describe an Invitation to Bid. The ITB serves as the document for transmitting the RFP to potential bidders
Key Personnel	Any Personnel designated in Article 1 as Key Personnel.
New Work	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	Any substance the Environmental Protection Agency designates in 40 CFR part 82 as: (1) Class I, including, but not limited to, chlorofluorocarbons, halons, carbon tetrachloride, and methyl chloroform; or (2) Class II, including, but not limited to, hydro chlorofluorocarbons
Post-Consumer Waste	Any product generated by a business or consumer which has served its intended end use, and which has been separated or diverted from solid waste for the purpose of recycling into a usable commodity or product, and which does not include post-industrial waste.
Post-Industrial Waste	Industrial by-products that would otherwise go to disposal and wastes generated after completion of a manufacturing process, but do not include internally generated scrap commonly returned to industrial or manufacturing processes.
Recycling	The series of activities by which materials that are no longer useful to the generator are collected, sorted, processed, and converted into raw materials and used in the production of new products. This definition excludes the use of these materials as a fuel substitute or for energy production.
Deleted – Not Applicable	Section is not applicable or included in this RFP. This is used as a placeholder to maintain consistent numbering.
Reuse	Using a product or component of municipal solid waste in its original form more than once.
RFP	Request for Proposal designed to solicit proposals for services



Services	Any function performed for the benefit of the State.
Source reduction	Any practice that reduces the amount of any hazardous substance, pollutant, or contaminant entering any waste stream or otherwise released into the environment prior to recycling, energy recovery, treatment, or disposal.
State Location	Any physical location where the State performs work. State Location may include state-owned, leased, or rented space.
Subcontractor	A company Contractor delegates performance of a portion of the Services to, but does not include independent contractors engaged by Contractor solely in a staff augmentation role.
Unauthorized Removal	Contractor's removal of Key Personnel without the prior written consent of the State.
Waste prevention	Source reduction and reuse, but not recycling.
Waste reduction and Pollution prevention	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	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)

1.000 Project Identification

1.001 Purpose

The State of Michigan (the State), through the Michigan Department of Information Technology (MDIT), with assistance of the Michigan Department of Management & Budget (DMB), on behalf of the Michigan Department of State (MDOS) have issued this contract for proprietary software and hardware maintenance and support of the Unisys Corporation's MDOS renewal by mail operation housed at the State of Michigan Secondary complex, in Lansing, Michigan. The MDOS renewal by mail operation involves the processing of applications for snowmobile trail permits and renewal of vehicle registrations including automobiles, commercial vehicles, watercraft, snowmobiles, driver's license renewal, and voter registration. In addition, subscriptions to Michigan History magazine, and requests for license plates are also processed.

1.002 Background – Deleted NA

1.100 Scope of Work and Deliverables

1.101 In Scope

Unisys will provide annual software and hardware maintenance and support of the Michigan Department of State (MDOS) renewal by mail operation housed at the State of Michigan, Secondary Complex in Lansing, Michigan.

1.102 Out Of Scope

1.103 Environment

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

Contractors are advised that the State has methods, policies, standards and procedures that have been developed over the years. Contractors are expected to provide proposals that conform to State IT policies and standards. All services and products provided as a result of this RFP must comply with all applicable State IT policies and standards. The Contractor awarded the contract must request any exception to State IT policies and standards in accordance with MDIT processes. The State may deny the exception request or seek a policy or standards exception.

Contractor is required to review all applicable links provided below and state compliance in their response.

Enterprise IT Policies, Standards and Procedures:

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

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

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



Enterprise IT Security Policy and Procedures:

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

The State's security environment includes:

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

MDIT requires that its single - login security environment be used for all new client-server software development.

IT Strategic Plan:

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

IT eMichigan Web Development Standard Tools:

http://www.michigan.gov/documents/Look_and_Feel_Standards_2006_v3_166408_7.pdf

The State Unified Information Technology Environment (SUITE):

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

1.104 Work And Deliverable

Maintenance and Support

Unisys Corporation will provide annual software and hardware maintenance and support 8:00 a.m. to 5:00 p.m. Eastern Standard Time (EST), Monday through Friday per terms outlined in the following attachments and constitute the complete and exclusive statement of the agreement between the parties as it relates to this Contract:

- This Contract's Article 1 – Statement of Work and Article 2 - Terms and Conditions
- Attachment A - Unisys System's Integration Agreement
- Attachment B – Changes to the System Integration Agreement
- Attachment C - Unisys Support Services Schedule
- Attachment D - Unisys Support Services Addendum
- Attachment E – Unisys 2 year Quote

1.200 Roles and Responsibilities

- 1.201 Contractor Staff, Roles, And Responsibilities - DELETED NA
- 1.202 State Staff, Roles, And Responsibilities - DELETED NA
- 1.203 Other Roles And Responsibilities- DELETED NA

1.300 Project Plan

- 1.301 Project Plan Management - DELETED NA
- 1.302 Reports - DELETED NA

1.400 Project Management

- 1.401 Issue Management - DELETED NA
- 1.402 Risk Management - DELETED NA
- 1.403 Change Management - DELETED NA

1.500 Acceptance

- 1.501 Criteria - DELETED NA
- 1.502 Final Acceptance - DELETED NA



1.600 Compensation and Payment

1.601 Compensation And Payment

Method of Payment

Maintenance and support charges will be paid annually and in advance, consistent with current practices. Payment of maintenance service/support of less than one (1) month's duration shall be prorated at 1/30th of the basic monthly maintenance charges for each calendar day.

Payment will be made on annual basis according to the following pricing table (**see Attachment E - Pricing**)

**THESE PRODUCTS ARE INSTALLED AT THE STATE OF MICHIGAN DEPARTMENT OF STATE
AT 7064 CROWNER DR, LANSING, MI
DP500 PROCESSOR RELATED PRODUCTS**

Ordered Style	Description	Mthly Unit Rate Eff 10-1-2009	Mthly Unit Rate EFF 101-2010	Service Level
DP536-DCP	WRKST:CAR PC	\$ 38.56	\$44.34	4
DP536-DCP	WRKST:CAR PC	\$38.56	\$ 44.34	4
NDP500-ISD	SYS:IMAGE SALES DRAFT	\$1,795.13	\$ 2,064.40	4
DP575-NT4	SYS:NDP575 NT TRACK PC	\$ 53.14	\$ 61.11	4
DP501-BBD	FEEDER:BLACK BAND DET	\$12.51	\$14.39	4
DP505-FRJ	ENDORSER:FRONT&REAR MJE	\$46.89	\$53.92	4
DP511-SPS	FURN:SYSTEM PRINTR SHELF	INCL	INCL	4
DP512-AHR	STACKER:ADD RSD HGT 12HP	\$117.74	\$135.40	4
DP530-JP2	ACC:JPEG 200DPI SNIPPET	\$57.31	\$65.91	4
Total Payment Systems		\$2,159.84	\$2,483.81	

APPLICATION SOFTWARE

Ordered Style	Description	Mthly Unit Rate Eff 10-1-2009		Service Level
VR1-CUS	DOC SW:CUSTOMIZERS	\$93.77	\$107.84	4
VR1-MSF	DOC SW:MARK SENSE FACIL	\$234.42	\$269.58	4
VR1-SV5	DOC SW:SERVER APPLICAT.	\$ 312.56	\$359.44	4
Total Application Software		\$640.75	\$736.86	

PC PRODUCTS

Ordered Style	Description	Mthly Unit Rate Eff 10-1-2009		Service Level
D2826-A	DISPLAY:15" COLOR	\$8.34	\$9.59	4
D2826-A	DISPLAY:15" COLOR	\$8.34	\$9.59	4
D2826-A	DISPLAY:15" COLOR	\$8.34	\$9.59	4
D2840-A	DISPLAY:17" ERGO	\$9.39	\$10.80	4
D2840-A	DISPLAY:17" ERGO	\$9.39	\$10.80	4



D2840-A	DISPLAY:17" ERGO	\$9.39	\$10.80	4
D2840-A	DISPLAY:17" ERGO	\$9.39	\$10.80	4
D2840-A	DISPLAY:17" ERGO	\$9.39	\$10.80	4
D2840-A	DISPLAY:17" ERGO	\$9.39	\$10.80	4
D2840-A	DISPLAY:17" ERGO	\$9.39	\$10.80	4
D7960-AV	SYS:VLI8 MINITOWER BASE SYS	\$25.00	\$28.75	4
D7960-AV	SYS:VLI8 MINITOWER BASE SYS	\$25.00	\$28.75	4
D7960-AV	SYS:VLI8 MINITOWER BASE SYS	\$25.00	\$28.75	4
D7960-AV	SYS:VLI8 MINITOWER BASE SYS	\$25.00	\$28.75	4
D7960-AV	SYS:VLI8 MINITOWER BASE SYS	\$25.00	\$28.75	4
D7960-AV	SYS:VLI8 MINITOWER BASE SYS	\$25.00	\$28.75	4
D7960-AV	SYS:VLI8 MINITOWER BASE SYS	\$25.00	\$28.75	4
D8440-AV	SYS:VLI8 BASE SYS W/UNISYS KIT	INCL	INCL	4
D8440-AV	SYS:VLI8 BASE SYS W/UNISYS KIT	INCL	INCL	4
D8440-AV	SYS:VLI8 BASE SYS W/UNISYS KIT	INCL	INCL	4
D8440-AV	SYS:VLI8 BASE SYS W/UNISYS KIT	INCL	INCL	4
D8440-AV	SYS:VLI8 BASE SYS W/UNISYS KIT	INCL	INCL	4
D8440-AV	SYS:VLI8 BASE SYS W/UNISYS KIT	INCL	INCL	4
D8445-AV	PROC:500MZ PIII	INCL	INCL	4
UDS17-110	17ppm ptr 110V	\$19.80	\$22.77	4
C1528-JV	TAPE:DAT 8I INTERNAL	\$19.49	\$22.41	4
C4735-AV	KEYBD:VL KYBD W/WIN95KEY	INCL	INCL	4
C4735-AV	KEYBD:VL KYBD W/WIN95KEY	INCL	INCL	4
C4735-AV	KEYBD:VL KYBD W/WIN95KEY	INCL	INCL	4
C4735-AV	KEYBD:VL KYBD W/WIN95KEY	INCL	INCL	4
C4735-AV	KEYBD:VL KYBD W/WIN95KEY	INCL	INCL	4
C4735-AV	KEYBD:VL KYBD W/WIN95KEY	INCL	INCL	4
D4290-AV	MEM:E50 64MB SIMM ECC	INCL	INCL	4
D4910-AV	DISK:4.2GB CT HDD	\$18.75	\$21.56	4
D4910-AV	DISK:4.2GB CT HDD	\$18.75	\$21.56	4
D4910-AV	DISK:4.2GB CT HDD	\$18.75	\$21.56	4
D4910-AV	DISK:4.2GB CT HDD	\$18.75	\$21.56	4
D4910-AV	DISK:4.2GB CT HDD	\$18.75	\$21.56	4
D4910-AV	DISK:4.2GB CT HDD	\$18.75	\$21.56	4
D5013-AV	ACC:10/100TX PCI NIC	INCL	INCL	4



	LAN			
D5013-AV	ACC:10/100TX PCI NIC LAN	INCL	INCL	4
D6098-AV	MEM:128MB SDRAM	INCL	INCL	4
D6502-AV	MEM:64MB SDRAM NON- ECC	INCL	INCL	4
D6502-AV	MEM:64MB SDRAM NON- ECC	INCL	INCL	4
D6502-AV	MEM:64MB SDRAM NON- ECC	INCL	INCL	4
D6502-AV	MEM:64MB SDRAM NON- ECC	INCL	INCL	4
D6502-AV	MEM:64MB SDRAM NON- ECC	INCL	INCL	4
D6502-AV	MEM:64MB SDRAM NON- ECC	INCL	INCL	4
D7051-NT	O/S:NT PRE-LOAD	\$18.75	\$21.56	4
D8445-AV	PROC:500MZ PIII	INCL	INCL	4
D8445-AV	PROC:500MZ PIII	INCL	INCL	4
D8445-AV	PROC:500MZ PIII	INCL	INCL	4
D8445-AV	PROC:500MZ PIII	INCL	INCL	4
D8445-AV	PROC:500MZ PIII	INCL	INCL	4
D8448-AV	DISK:4.3GB IDE ULTRA ATA33	\$4.17	\$4.80	4
D8448-AV	DISK:4.3GB IDE ULTRA ATA33	\$4.17	\$4.80	4
D8448-AV	DISK:4.3GB IDE ULTRA ATA33	\$4.17	\$4.80	4
D8448-AV	DISK:4.3GB IDE ULTRA ATA33	\$4.17	\$4.80	4
D8448-AV	DISK:4.3GB IDE ULTRA ATA33	\$4.17	\$4.80	4
D8448-AV	DISK:4.3GB IDE ULTRA ATA33	\$4.17	\$4.80	4
D8453-AV	O/S:NT4.0 RECOVERY CD VLI8	INCL	INCL	4
D8453-AV	O/S:NT4.0 RECOVERY CD VLI8	INCL	INCL	4
D8453-AV	O/S:NT4.0 RECOVERY CD VLI8	INCL	INCL	4
D8453-AV	O/S:NT4.0 RECOVERY CD VLI8	INCL	INCL	4
D8453-AV	O/S:NT4.0 RECOVERY CD VLI8	INCL	INCL	4
D8453-AV	O/S:NT4.0 RECOVERY CD VLI8	INCL	INCL	4
D8478-AV	LAN HW:3COM LAN CARD	INCL	INCL	4
D8478-AV	LAN HW:3COM LAN CARD	INCL	INCL	4
D8478-AV	LAN HW:3COM LAN CARD	INCL	INCL	4
D8478-AV	LAN HW:3COM LAN CARD	INCL	INCL	4
D8478-AV	LAN HW:3COM LAN CARD	INCL	INCL	4
D8478-AV	LAN HW:3COM LAN CARD	INCL	INCL	4
D8479-AV	DISK:32X IDE CDROM	\$8.34	\$9.59	4



D8479-AV	DISK:32X IDE CDROM	\$8.34	\$9.59	4
D8479-AV	DISK:32X IDE CDROM	\$8.34	\$9.59	4
D8479-AV	DISK:32X IDE CDROM	\$8.34	\$9.59	4
D8479-AV	DISK:32X IDE CDROM	\$8.34	\$9.59	4
D8479-AV	DISK:32X IDE CDROM	\$8.34	\$9.59	4
D8471-LAV	O/S:NT4.0 FOR VLI 8	INCL	INCL	4
D8471-LAV	O/S:NT4.0 FOR VLI 8	INCL	INCL	4
D8471-LAV	O/S:NT4.0 FOR VLI 8	INCL	INCL	4
D8471-LAV	O/S:NT4.0 FOR VLI 8	INCL	INCL	4
D8471-LAV	O/S:NT4.0 FOR VLI 8	INCL	INCL	4
D8471-LAV	O/S:NT4.0 FOR VLI 8	INCL	INCL	4
D8471-LAV	O/S:NT4.0 FOR VLI 8	INCL	INCL	4
PTS9999-NTE	DATAMGT:ARC-S FOR NT-ENT	\$18.75	\$21.56	4

Total Non-Payment Systems

\$505.10

\$580.87

Total

\$ 3,305.69

\$ 3,801.54

Notes & Assumptions:

1 The State of Michigan Department of State (MDOS) current maintenance Support Services contract for the above-listed equipment is due to expire on 9-30-09. The monthly unit rates that would be in effect are listed above and are based upon the specific styles, quantities, Service Level and location specified herein. Service Level 4 provides coverage Monday through Friday, excluding Unisys designated holidays, from 8:00 AM to 5:00 PM, MI local time. Refer to the Unisys Support Services Addendum for additional details of the Service Elements included in Service Level 4.

2 **The products designated as PC Products will not be supported after 9-30-10. Newer PC products provided by the state will be considered for support. Pricing for the replacement PC products will be adjusted prior to the fiscal year beginning 10-1-10.**

3 This price quote is subject to the terms and conditions contained in the standard Unisys Systems Integration Agreement, plus any additional provisions upon which the parties mutually agree, and the Unisys Support Services Addendum.

4 This proposal contains confidential information of Unisys Corporation. In consideration of the receipt of this quote, MDOS agrees not to reproduce or make this information available in any manner to persons outside the group directly responsible for the evaluation of its content without written permission from Unisys. Unisys retains all rights and ownership of all its (or its suppliers) intellectual property rights and confidential information

Period of Coverage	Monthly Charge	Number of Months	Yearly Total
10/1/09 to 9/30/10	\$3305.89	12	\$39,668.28
10/1/10 to 9/30/11	\$3801.54	12	\$45,618.48
		Contract TOTAL	\$85,286.76

Travel - The State will not pay for any travel expenses, including hotel, mileage, meals, parking, etc. Travel time will not be reimbursed.

Out-of-Pocket Expenses - Contractor out-of-pocket expenses are not separately reimbursable by the State unless, on a case-by-case basis for unusual expenses, the State has agreed in advance and in writing to reimburse Contractor for such an expense at the State's current travel reimbursement rates.



Statements of Work and Issuance of Purchase Orders.

Invoicing - Contractor will submit properly itemized invoices to “Bill To” Address on Purchase Order. Invoices must provide and itemize, as applicable:

- Contract number;
- Purchase Order number
- Contractor name, address, phone number, and Federal Tax Identification Number;
- Description of any commodities/hardware, including quantity ordered;
- Date(s) of delivery and/or date(s) of installation and set up;
- Price for each item, or Contractor’s list price for each item and applicable discounts;
- Maintenance charges; and period of coverage
- Net invoice price for each item;
- Shipping costs;
- Other applicable charges;
- Total invoice price; and
- Payment terms, including any available prompt payment discount.

Incorrect or incomplete invoices will be returned to Contractor for correction and reissue.

1.602 Holdback - DELETED NA



Article 2, Terms and Conditions

2.000 Contract Structure and Term

2.001 Contract Term

This Contract is for a period of two (2) years beginning 10/01/09 through 9/30/11. 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 (2) additional one (1) 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 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

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**.

In the event of any inconsistency between the terms of the Contract and a Statement of Work, the terms of the Statement of Work will take precedence (as to that Statement of Work only); provided, however, that a Statement of Work may not modify or amend the terms of the Contract, which may be modified or amended only by a formal Contract amendment.



2.007 Headings

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

2.008 Form, Function & Utility

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

2.009 Reformation and Severability

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

2.010 Consents and Approvals

Except as expressly provided otherwise in the Contract, if either party requires the consent or approval of the other party for the taking of any action under the Contract, the consent or approval 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 Michigan Department of Information Technology on behalf of the Michigan Department of State (collectively, including all other relevant State of Michigan departments and agencies, the "State"). Purchasing Operations is the sole point of contact in the State with regard to all procurement and contractual matters relating to the Contract. The Purchasing Operations Contract Administrator for this Contract is:

Dale Reif
Buyer
Purchasing Operations
Department of Management and Budget
Mason Bldg, 2nd Floor
PO Box 30026
Lansing, MI 48909
reifd@michigan.gov
517-373-3993

2.022 Contract Compliance Inspector

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



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

Barbara Suska
Contract Administrator, Michigan Department of Information Technology
525 W. Allegan Street
Constitution Hall-1st floor North Tower
Suskab2@michigan.gov
517-335-4067
517-241-8852

2.023 Project Manager

The following individual will oversee the project:

Beth Dean
MDIT Client Service Director
Michigan Department of Information Technology
Operations Center – Secondary Complex
7285 Parsons Drive
Lansing, MI 48913
Beanb2@michigan.gov
517-636-4028

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

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

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

(1) Change Request at State Request

If the State should require Contractor to perform New Work, Additional Services or make changes to the Services that would affect the Contract completion schedule or the amount of compensation due



- Contractor (a "Change"), the State shall submit a written request for Contractor to furnish a proposal for carrying out the requested Change (a "Change Request").
- (2) Contractor Recommendation for Change Requests:
Contractor shall be entitled to propose a Change to the State, on its own initiative, should it be of the opinion that this would benefit the Contract.
 - (3) Upon receipt of a Change Request or on its own initiative, Contractor shall examine the implications of the requested Change on the technical specifications, Contract schedule and price of the Deliverables and Services and shall submit to the State without undue delay a written proposal for carrying out the Change. Contractor's proposal will include any associated changes in the technical specifications, Contract schedule and price and method of pricing of the Services. If the Change is to be performed on a time and materials basis, the Amendment Labor Rates shall apply to the provision of such Services. If Contractor provides a written proposal and should Contractor be of the opinion that a requested Change is not to be recommended, it shall communicate its opinion to the State but shall nevertheless carry out the Change as specified in the written proposal if the State directs it to do so.
 - (4) 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").
 - (5) No proposed Change must be performed until the proposed Change has been specified in a duly executed Contract Change Notice issued by the Department of Management and Budget, Purchasing Operations.
 - (6) If the State requests or directs the 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: Dale Reif
PO Box 30026
530 West Allegan
Lansing, Michigan 48909

Contractor:
Jeffrey J. Arbour
Office 517 580-3700
Fax 215 542-5208
Cell 517 881-3218
310 Winterberry Lane
Okemos, MI 48864

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 who execute contract documents must have the authority to make binding commitments on Contractor's behalf within the bounds set forth in the Contract. Contractor may change the representatives from time to time upon written notice.

2.027 Relationship of the Parties

The relationship between the State and Contractor is that of client and independent contractor. No agent, employee, or servant of Contractor or any of its Subcontractors must be or must be deemed to be an employee, agent or servant of the State for any reason. Contractor will be solely and entirely responsible for its acts and the acts of its agents, employees, servants and Subcontractors during the performance of the Contract.

2.028 Covenant of Good Faith

Each party 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

Neither party may assign the Contract, or assign or delegate any of its duties or obligations under the Contract, to any other party (whether by operation of law or otherwise), without the prior written consent of the other party; provided, however, that the State may assign the Contract to any other State agency, department, division or department without the prior consent of Contractor and Contractor may assign the Contract to an affiliate so long as the affiliate is adequately capitalized and can provide adequate assurances that the affiliate can perform the Contract. The State may withhold consent from proposed assignments, subcontracts, or novations when the transfer of responsibility would operate to decrease the State's likelihood of receiving performance on the Contract or the State's ability to recover damages.

Contractor may not, without the prior written approval of the State, assign its right to receive payments due under the Contract. If the State permits an assignment, the Contractor is not relieved of its responsibility to perform any of its contractual duties, and the requirement under the Contract that all payments must be made to one entity continues.

If the Contractor intends to assign the contract or any of the Contractor's rights or duties under the Contract, the Contractor 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 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 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 DELETED NA

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

2.042 Adjustments for Reductions in Scope of Services/Deliverables

If the scope of the Services/Deliverables under any Statement of Work issued under this Contract is subsequently reduced by the State, the parties 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. Prompt payment by the State is contingent on the Contractor's invoices showing the amount owed by the State minus any holdback amount to be retained by the State in accordance with **Section 1.601**.
- (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 should reflect actual work done. Specific details of invoices and payments will be agreed upon between the Contract Administrator and the Contractor after the proposed Contract Agreement has been signed and accepted by both the Contractor and the Director of Purchasing Operations, Department of Management & Budget. This activity will occur only upon the specific written direction from Purchasing Operations.

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

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

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 to be 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 fully qualified 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 – DELETED NA

2.063 Re-assignment of Personnel at the State’s Request – DELETED NA

2.064 Contractor Personnel Location

All staff assigned by Contractor to perform pursuant to the Contract will perform their duties either primarily at Contractor’s offices and facilities or at State facilities.

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 Contract Management Responsibilities

Contractor shall be responsible for all acts and omissions of its employees, as well as the acts and omissions of any other personnel furnished by Contractor to perform the Services. Contractor shall have overall responsibility for managing and successfully performing and completing the Services/Deliverables, subject to the overall direction and supervision of the State and with the participation and support of the State as specified in this Contract. Contractor’s duties will include monitoring and reporting the State’s performance of its participation and support responsibilities (as well as Contractor’s own responsibilities) and providing timely notice to the State in Contractor’s reasonable opinion if the State’s failure to perform its responsibilities in accordance with the Project Plan is likely to delay the timely achievement of any Contract tasks.

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



2.068 Contractor Return of State Equipment/Resources

The Contractor 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.

2.070 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. The State shall have the right of prior written approval of all Subcontractors and to require Contractor to replace any Subcontractors found, in the reasonable judgment of the State, to be unacceptable. The State's request shall be written with reasonable detail outlining the reasons for the removal request. Additionally, the State's request shall be based on legitimate, good faith reasons. Replacement Subcontractor(s) for the removed Subcontractor shall be fully qualified for the position. If the State exercises this right, and the Contractor cannot immediately replace the removed Subcontractor, the State will agree to an equitable adjustment in schedule or other terms that may be affected by the State's required removal. If any such incident with a removed Subcontractor results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable 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. A list of the Subcontractors, if any, approved by the State as of the execution of this Contract, together with a copy of the applicable subcontract is attached.

2.074 Flow Down

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

2.075 Competitive Selection

The Contractor 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 NA

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.

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 in this Section will not apply to any particular information which the State or Contractor can demonstrate (i) was, at the time of disclosure to it, in the public domain; (ii) after disclosure to it, is published or otherwise becomes part of the public domain through no fault of the receiving party; (iii) was in the possession of the receiving party at the time of disclosure to it without an obligation of confidentiality; (iv) was received after disclosure to it from a third party who had a lawful right to disclose the information to it without any obligation to restrict its further disclosure; or (v) was independently developed by the receiving party without reference to Confidential Information of the furnishing party. Further, the provisions of this Section will not apply to any particular Confidential Information to the extent the receiving party is required by law to disclose the Confidential Information, provided that the receiving party (i) promptly provides the furnishing party with notice of the legal request, and (ii) assists the furnishing party in resisting or limiting the scope of the disclosure as reasonably requested by the furnishing party.

2.104 No Implied Rights

Nothing contained in this Section 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 seven years after the Contractor provides any work under this Contract (the "Audit Period"), the State may examine and copy any of Contractor's books, records, documents and papers pertinent to establishing Contractor's compliance with the Contract and with applicable laws and rules. The State 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 specified in the report. 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

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.

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 must fulfill all of its obligations under this Contract. The performance of all obligations under this Contract must be provided in a timely, professional, and



- workman-like manner and must meet the performance and operational standards required under this Contract.
- (b) The Contract Appendices, Attachments and Exhibits identify the equipment and software and services necessary for the Deliverable(s) to perform and Services to operate in compliance with the Contract's requirements and other standards of performance.
 - (c) It is the lawful owner or licensee of any Deliverable licensed or sold to the State by Contractor or developed by Contractor under this Contract, and Contractor has all of the rights necessary to convey to the State the ownership rights or licensed use, as applicable, of any and all Deliverables. None of the Deliverables provided by Contractor to the State under neither this Contract, nor their use by the State will infringe the patent, copyright, trade secret, or other proprietary rights of any third party.
 - (d) If, under this Contract, Contractor procures any equipment, software or other Deliverable for the State (including equipment, software and other Deliverables manufactured, re-marketed or otherwise sold by Contractor under Contractor's name), then in addition to Contractor's other responsibilities with respect to the items in this Contract, Contractor 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) To the best of its knowledge and belief, 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 changes in the business, properties, financial condition, or results of operations of Contractor.
 - (l) All written information furnished to the State by or for the Contractor in connection with this Contract, including its bid, is true, accurate, and complete, and to the best of its knowledge and belief, 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 NA
- 2.123 Warranty of Fitness for a Particular Purpose – DELETED NA
- 2.124 Warranty of Title – DELETED NA
- 2.125 Equipment Warranty – DELETED NA
- 2.126 Equipment to be New – DELETED NA
- 2.127 Prohibited Products – DELETED NA
- 2.128 Consequences for Breach

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

2.130 Insurance

2.131 Liability Insurance

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

The Contractor waives all rights against the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents for recovery of damages to the extent these damages are covered by the insurance policies the Contractor is required to maintain under this Contract.

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

The insurance 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 but only to the extent of the liabilities assumed by Contractor as set forth in Section 2.140 on the Commercial General Liability certificate.



- 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 but only to the extent of the liabilities assumed by Contractor as set forth in Section 2.140 on the vehicle liability certificate.

- 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 a self-insurer provides the applicable coverage, 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.

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 Number or the Purchase Order Number 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 coverage afforded under the policies WILL NOT BE CANCELLED, MATERIALLY CHANGED, OR NOT RENEWED without 30 days prior written notice, except for 10 days for non-payment of premium, having been given to the Director of Purchasing Operations, Department of Management and Budget. The notice 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 insured under each commercial general liability and commercial automobile liability policy. In the event the State approves the representation of the State by the insurer's attorney, the attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.

The Contractor 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 infringes any United States patent, copyright, trademark or trade secret of any person or entity, which is enforceable under the laws of the United States.

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

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

2.145 Continuation of Indemnification Obligations

The Contractor's duty to indemnify under this Section continues in full force and effect, notwithstanding the expiration or early cancellation of the Contract, with respect to any claims based on facts or conditions that occurred before expiration or cancellation.

2.146 Indemnification Procedures

The procedures set forth below 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"). After notifying Contractor of a claim and before the State receiving Contractor's Notice of Election, the State is entitled to defend against the claim, at the Contractor's expense, and the Contractor will be responsible for any reasonable costs incurred by the State in defending against the claim during that period.
- (b) If Contractor delivers a Notice of Election relating to any claim: (i) the State is entitled to participate in the defense of the claim and to employ counsel at its own expense to assist in the handling of the claim and to monitor and advise the State about the status and progress of the defense; (ii) the Contractor 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 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, at the cost and expense of Contractor. If it is determined that the claim was one against which Contractor was required to indemnify the State, upon request of the State, Contractor 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

- (a) The State may terminate this contract, for cause, by notifying the Contractor in writing, if the Contractor (i) breaches any of its material duties or obligations under this Contract (including a Chronic Failure to meet any particular SLA), or (ii) fails to cure a breach within the time period specified in the written notice of breach provided by the State
- (b) If this Contract is terminated for cause, the Contractor must pay all costs incurred by the State in terminating this Contract, including but not limited to, State administrative costs, reasonable attorneys' fees and court costs, and any reasonable additional costs the State may incur to procure the Services/Deliverables required by this Contract from other sources. Re-procurement costs are not consequential, indirect or incidental damages, and cannot be excluded by any other terms otherwise included in this Contract, provided the costs are not in excess of 50% more than the prices for the Service/Deliverables provided under this Contract.
- (c) If the State chooses to partially terminate this Contract for cause, charges payable under this Contract will be equitably adjusted to reflect those Services/Deliverables that are terminated and the State 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.

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.

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) transfer title in, and deliver to, the State, unless otherwise directed, all Deliverables intended to be transferred to the State at the termination of the Contract and which are resulting from the Contract (which must be provided to the State on an "As-Is" basis except to the extent the amounts paid by the State in respect of the items included compensation to Contractor for the provision of warranty services in respect of the materials), and (e) take any action to mitigate and limit any potential damages, or requests for Contractor adjustment or termination settlement



- costs, to the maximum practical extent, including terminating or limiting as otherwise applicable those subcontracts and outstanding orders for material and supplies resulting from the terminated Contract.
- (b) If the State terminates this Contract before its expiration for its own convenience, the State 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 determined by the State. All completed or partially completed Deliverables prepared by Contractor under this Contract, at the option of the State, becomes the State's property, and Contractor is entitled to receive equitable fair compensation for the Deliverables. Regardless of the basis for the termination, the State is not obligated to pay, or otherwise compensate, Contractor for any lost expected future profits, costs or expenses incurred with respect to Services not actually performed for the State.
- (c) Upon a good faith termination, the State may assume, at its option, any subcontracts and agreements for services and deliverables provided under this Contract, and may further pursue completion of the Services/Deliverables under this Contract by replacement contract or otherwise as the State may in its sole judgment deem expedient.

2.158 Reservation of Rights

Any termination of this Contract or any Statement of Work issued under it by a party 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.

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 2.160** before it terminates the Contract.

2.170 Transition Responsibilities

2.171 Contractor Transition Responsibilities

If the State terminates this contract, for convenience or cause, or if the Contract is otherwise dissolved, voided, rescinded, nullified, expires or rendered unenforceable, the Contractor agrees to comply with direction provided by the State to assist in the orderly transition of equipment, services, software, leases, etc. to the State or a third party designated by the State. If this Contract expires or terminates, the Contractor agrees to make all reasonable efforts to effect an orderly transition of services within a reasonable period of time that in no event will exceed ninety (90) days. These efforts must include, but are not limited to, those listed in **Sections 2.141, 2.142, 2.143, 2.144, and 2.145.**

2.172 Contractor Personnel Transition

The Contractor 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

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

2.174 Contractor Software Transition

The Contractor 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 the transition results from a termination for any reason, the termination provisions of this Contract must govern reimbursement. If the transition results from expiration, the Contractor will be reimbursed for all reasonable transition costs (i.e. costs incurred within the agreed period after contract expiration that result from transition operations) at the rates agreed upon by the State. The Contractor will prepare an accurate accounting from which the State and Contractor may reconcile all outstanding accounts.

2.176 State Transition Responsibilities

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

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

2.180 Stop Work

2.181 Stop Work Orders

The State may, at any time, by written stop work order to Contractor, require that Contractor stop all, or any part, of the work called for by the Contract for a period of up to 90 calendar days after the stop work order is delivered to Contractor, and for any further period to which the parties may agree. The stop work order 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 2.153**, and the State will pay reasonable costs resulting from the stop work order in arriving at the termination settlement. For the avoidance of doubt, the State is not liable to Contractor for loss of profits because of a stop work order issued under this Section.

2.190 Dispute Resolution

2.191 In General

Any claim, counterclaim, or dispute between the State and Contractor arising out of or relating to the Contract or any Statement of Work 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:

(1) 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.

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

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

(4) Following the completion of this process within 60 calendar days, the Director of Purchasing Operations, DMB, or designee, 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, and marital status, physical or mental disability. Contractor further agrees that every subcontract entered into for the performance of this Contract or any purchase order resulting from this Contract will contain a provision requiring non-discrimination in employment, as specified here, binding upon each Subcontractor. This covenant is required under the Elliot Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, et seq., and the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, et seq., and any breach of this provision may be regarded as a material breach of the Contract.

2.202 Unfair Labor Practices

Under 1980 PA 278, MCL 423.321, et seq., the State 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.

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

The State's liability for damages to the Contractor is limited to the value of the Contract.

2.230 Disclosure Responsibilities

2.231 Disclosure of Litigation

Contractor 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 that are prevented from disclosure by the terms of the settlement may be annotated. Information provided to the State from Contractor's publicly filed documents referencing its material litigation will be deemed to satisfy the requirements of this Section.

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

- (a) the ability of Contractor (or a Subcontractor) to continue to perform this Contract according to its terms and conditions, or
- (b) whether Contractor (or a Subcontractor) in performing Services for the State is engaged in conduct which is similar in nature to conduct alleged in the Proceeding, which conduct would constitute a breach of this Contract or a violation of Michigan law, regulations or public policy, then the Contractor must provide the State all reasonable assurances requested by the State to demonstrate that:
 - (1) Contractor and its Subcontractors will be able to continue to perform this Contract and any Statements of Work according to its terms and conditions, and
 - (2) Contractor and its Subcontractors have not and will not engage in conduct in performing the Services which is similar in nature to the conduct alleged in the Proceeding.
- (c) Contractor 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 Purchase Operations within 30 days whenever changes to company affiliations occur.

2.232 Call Center Disclosure

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

2.233 Bankruptcy

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

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

Contractor will fix appropriate notices or labels on the Work in Process to indicate ownership by the State. To the extent reasonably possible, materials and Work in Process must be stored separately from other stock and marked conspicuously with labels indicating ownership by the State.

2.240 Performance

2.241 Time of Performance

- (a) Contractor 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**, 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 Agreement (SLA) – Deleted NA

2.243 Liquidated Damages – Deleted NA

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 of Deliverables

A list of the Deliverables to be prepared and delivered by Contractor including, for each Deliverable, the scheduled delivery date and a designation of whether the Deliverable is a document ("Written Deliverable") or a Custom Software Deliverable is attached, if applicable. All Deliverables shall be completed and delivered for



State review and written approval and, where applicable, installed in accordance with the State-approved delivery schedule and any other applicable terms and conditions of this Contract.

Prior to delivering any Deliverable to the State, Contractor will first perform all required quality assurance activities, and, in the case of Custom Software Deliverables, System Testing to verify that the Deliverable is complete and in conformance with its specifications. Before delivering a Deliverable to the State, Contractor shall certify to the State that (1) it has performed such quality assurance activities, (2) it has performed any applicable testing, (3) it has corrected all material deficiencies discovered during such quality assurance activities and testing, (4) the Deliverable is in a suitable state of readiness for the State's review and approval, and (5) the Deliverable/Service has all Critical Security patches/updates applied.

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

2.252 Contractor System Testing

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

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

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

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

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

2.253 Approval of Deliverables, In General

All Deliverables (Written Deliverables and Custom Software Deliverables) require formal written approval by the State, in accordance with the following procedures. Formal approval by the State requires that the Deliverable be confirmed in writing by the State to meet its specifications, which, in the case of Custom Software Deliverables, will include the successful completion of State User Acceptance Testing, to be led by the State with the support and assistance of Contractor. The parties acknowledge that the approval process set forth herein will be facilitated by ongoing consultation between the parties, visibility of interim and intermediate Deliverables and collaboration on key decisions.



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

Before commencement of its review or testing of a Deliverable, the State may inspect the Deliverable to confirm that all components of the Deliverable (e.g., software, associated documentation, and other materials) have been delivered. If the State determines that the Deliverable is incomplete, the State may refuse delivery of the Deliverable without performing any further inspection or testing of the Deliverable. Otherwise, the review period will be deemed to have started on the day the State receives the Deliverable and the applicable certification by Contractor in accordance with this Section.

The State will approve in writing a Deliverable upon confirming that it conforms to and, in the case of a Custom Software Deliverable, performs in accordance with, its specifications without material deficiency. The State may, but shall not be required to, conditionally approve in writing a Deliverable that contains material deficiencies if the State elects to permit Contractor to rectify them post-approval. In any case, Contractor will be responsible for working diligently to correct within a reasonable time at Contractor's expense all deficiencies in the Deliverable that remain outstanding at the time of State approval.

If, after three (3) opportunities (the original and two repeat efforts), Contractor is unable to correct all deficiencies preventing State approval of a Deliverable, the State may: (i) demand that Contractor cure the failure and give Contractor additional time to cure the failure at the sole expense of Contractor; or (ii) keep this Contract in force and do, either itself or through other parties, whatever Contractor has failed to do, in which event Contractor shall bear any excess expenditure incurred by the State in so doing beyond the contract price for such Deliverable and will pay the State an additional sum equal to ten percent (10%) of such excess expenditure to cover the State's general expenses without the need to furnish proof in substantiation of such general expenses; or (iii) terminate this Contract for default, either in whole or in part by notice to Contractor (and without the need to afford Contractor any further opportunity to cure). Notwithstanding the foregoing, the State shall not use, as a basis for exercising its termination rights under this Section, deficiencies discovered in a repeat State Review Period that could reasonably have been discovered during a prior State Review Period.

The State, at any time and in its own discretion, may halt the UAT or approval process if such process reveals deficiencies in or problems with a Deliverable in a sufficient quantity or of a sufficient severity as to make the continuation of such process unproductive or unworkable. In such case, the State may return the applicable Deliverable to Contractor for correction and re-delivery prior to resuming the review or UAT process and, in that event, Contractor will correct the deficiencies in such Deliverable in accordance with the Contract, as the case may be.

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

2.254 Process for Approval of Written Deliverables

The State Review Period for Written Deliverables will be the number of days set forth in the applicable Statement of Work following delivery of the final version of the Written Deliverable (failing which the State Review Period, by default, shall be five (5) Business Days for Written Deliverables of one hundred (100) pages or less and ten (10) Business Days for Written Deliverables of more than one hundred (100) pages). The duration of the State Review Periods will be doubled if the State has not had an opportunity to review an interim draft of the Written Deliverable prior to its submission to the State. The State agrees to notify Contractor in writing by the end of the State Review Period either stating that the Written Deliverable is approved in the form delivered by Contractor or describing any deficiencies that must be corrected prior to approval of the Written Deliverable (or at the State's election, subsequent to approval of the Written Deliverable). If the State delivers to Contractor a notice of deficiencies, Contractor will correct the described



deficiencies and within five (5) Business Days resubmit the Deliverable in a form that shows all revisions made to the original version delivered to the State. Contractor's correction efforts will be made at no additional charge. Upon receipt of a corrected Written Deliverable from Contractor, the State will have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Written Deliverable to confirm that the identified deficiencies have been corrected.

2.255 Process for Approval of Custom Software Deliverables

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

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

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

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

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

2.256 Final Acceptance

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

2.260 Ownership

2.261 Ownership of Work Product by State – Deleted NA

2.262 Vesting of Rights – Deleted NA

2.263 Rights in Data

The State is the owner of all data made available by the State to the Contractor or its agents, Subcontractors or representatives under the Contract. The Contractor will not use the State's data for any purpose other than



providing the Services, nor will any part of the State's data be disclosed, sold, assigned, leased or otherwise disposed of to the general public or to specific third parties or commercially exploited by or on behalf of the Contractor. No employees of the Contractor, other than those on a strictly need-to-know basis, have access to the State's data. Contractor will not possess or assert any lien or other right against the State's data. Without limiting the generality of this Section, the Contractor 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.

The State is the owner of all State-specific data under the Contract. The State may use the data provided by the Contractor for any purpose. The State will not possess or assert any lien or other right against the Contractor's data. Without limiting the generality of this Section, the State may use personally identifiable information only as strictly necessary to utilize the Services and must disclose the information only to its employees who have a strict need to know the information, except as provided by law. The State must comply at all times with all laws and regulations applicable to the personally identifiable information. Other material developed and provided to the State remains the State's sole and exclusive property.

2.264 Ownership of Materials

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

2.270 State Standards

2.271 Existing Technology Standards

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

2.272 Acceptable Use Policy

To the extent that Contractor has access to the State computer system, Contractor 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

2.281 MiDEAL (Michigan Delivery Extended Agreements Locally - DELETED NA

2.282 State Employee Purchases DELETED NA

2.290 Environmental Provision

2.291 Environmental Provision

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



Environmental Purchasing Policy: The State of Michigan is committed to encouraging the use of products and services that impact the environment less than competing products. The State is accomplishing this by including environmental considerations in purchasing decisions, while remaining fiscally responsible, to promote practices that improve worker health, conserve natural resources, and prevent pollution. Environmental components that are to be considered include: recycled content and recyclables; energy efficiency; and the presence of undesirable materials in the products, especially those toxic chemicals which are persistent and bioaccumulative. The Contractor should be able to supply products containing recycled and environmentally preferable materials that meet performance requirements and is encouraged to offer such products throughout the duration of this Contract. Information on any relevant third party certification (such as Green Seal, Energy Star, etc.) should also be provided.

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

- (a) The Contractor 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 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).

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



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.).

2.300 Deliverables

2.301 Software

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

2.302 Hardware

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

2.310 Software Warranties

- 2.311 Performance Warranty - DELETED NA
- 2.312 No Surreptitious Code Warranty- DELETED NA
- 2.313 Calendar Warranty - DELETED NA
- 2.314 Third-party Software Warranty - DELETED NA
- 2.315 Physical Media Warranty - DELETED NA

2.320 Software Licensing

- 2.321 Cross-License, Deliverables Only, License to Contractor - DELETED NA
- 2.322 Cross-License, Deliverables and Derivative Work, License to Contractor - DELETED NA
- 2.323 License Back to the State - DELETED NA
- 2.324 License Retained by Contractor - DELETED NA
- 2.325 Pre-existing Materials for Custom Software Deliverables - DELETED NA

2.330 Source Code Escrow

- 2.331 Definition - DELETED NA
- 2.332 Delivery of Source Code into Escrow - DELETED NA
- 2.333 Delivery of New Source Code into Escrow - DELETED NA
- 2.334 Verification - DELETED NA
- 2.335 Escrow Fees - DELETED NA
- 2.336 Release Events - DELETED NA

- 2.337 Release Event Procedures -DELETED NA
- 2.338 License - DELETED NA
- 2.339 Derivative Works - DELETED NA



Agreement Number

Empty rectangular box for Agreement Number

Unisys

Systems Integration Agreement

Client Name and Mailing Address

Four horizontal lines for client name and mailing address

This Agreement consists of the following documents:

- 4305 5185- Terms and Conditions
- _____ Statement of Work
- _____
- _____
- _____
- _____
- _____

The parties acknowledge they have read and understand this Agreement (including all attached schedules and amendments) and are not entering into this Agreement on the basis of any representations not expressly set forth in it.

Agreed and Accepted

Unisys Corporation

Client

(Signature) (Date)

(Signature) (Date)

(Printed/typed name)

(Printed/typed name)

(Title)

(Title)



System Integration Agreement

Terms and Conditions

1. Overview of Agreement

These Terms and Conditions set out the terms under which Unisys will supply services and Products to Client in a systems integration project. The specific services and/or Products to be delivered for the Project are set out in a Statement of Work and the Schedules which are incorporated in the Agreement.

2. Definitions

The following terms will have the following meanings:

2.1 "**Acceptance Tests**" means tests based on objective criteria agreed and documented in the Requirements Definition demonstrating that the System or Modules meet the Specifications.

2.2 "**Alterations**" means the incorporation of non Unisys supplied components, boards and subassemblies into Equipment, as well as modifications to equipment or Software other than those made by Unisys.

2.3 "**Attachments**" means, but is not limited to, any equipment, software, components or devices, not provided by Unisys, which are connected to Unisys Products by anyone other than Unisys.

2.4 "**Change Request**" means a document used by either party to request changes to the Statement of Work.

2.5 "**Client Review Period**" means the period for review set out in the Statement of Work following delivery to Client of a deliverable. If no period is set out in the Statement of Work for a particular deliverable, then the Client Review Period shall be five (5) working days.

2.6 "**Customized Software**" means software and/or modifications to pre-existing software prepared during a Project according to agreed Specifications.

2.7 "**Equipment**" means the equipment supplied as part of a Project as specified in a Schedule to the Agreement.

2.8 "**Installation Date**" means the date Unisys completes installation of a Product or, if Products are to be installed by Client, the tenth day following shipment.

2.9 "**Module**" means a discrete and identifiable part of the System.

2.10 "**Post Acceptance Support Period**" means an agreed period of time following completion of Acceptance Tests when Unisys makes available, at a charge, members of the Project Team to provide consultancy and assistance to Client.

2.11 "**Products**" means Equipment, Software, documentation (including manuals) and training materials.

2.12 "**Product Support Services**" means various forms of installation, maintenance and support for standard Products.

2.13 "**Project**" means the Products, services, tasks and deliverables described in an order for Project Services or Statement of Work and related Schedules which is accepted by Unisys under this Agreement.

2.14 "**Project Management Plan**" means the detailed plan, based on the Statement of Work, for administering a Project. The Project Management Plan is updated during the course of the Project to take account of evolving circumstances. Amendment of the Project Management Plan cannot increase the scope of the Project.

2.15 "**Project Scope Review**" means the review of the scope of the remaining tasks in a Project conducted at the end of the design phase.

2.16 "**Project Services**" means the Project Team's efforts to provide deliverables which meet the agreed Specifications.

2.17 "**Project Team**" means the team managed by Unisys which provides Project Services. The Project Team may include Client personnel and subcontractors approved or appointed by Unisys.

2.18 "**Confidential Information**" means Software, diagnostics, documentation, including manuals, and any other information identified in writing as confidential to Unisys, its licensors, or Client.

2.19 "**Requirements Definition**" means the document defining the requirements for the new system including the acceptance criteria and Acceptance Test procedures. The Requirements Definition may be included in the Statement of Work or may be produced as a deliverable report at an early stage of the Project.

2.20 "**Schedule**" means the agreed Statement of Work and other attachments specifying Products, services, tasks and deliverables to be supplied as part of the Project.

2.21 "**Software**" means the object code version of computer programs and any related documentation, excluding maintenance diagnostics. Software also means the source code version where provided by Unisys. Software also means microcode, not embedded in a circuit element, that enables equipment to function according to its published specifications.

2.22 "**Software Processing Unit (SPU)**" means equipment which controls and executes Software.

2.23 "**Specifications**" means the agreed specifications for Customized Software and other elements of the Project set out in the Requirements Definition, as modified in accordance with the change control provisions of this Agreement.

2.24 "**Statement of Work**" means a specific agreed statement of requirements, tasks and deliverable Products and services defining the scope of a Project.

2.25 "**System**" means the combination of Products delivered by Unisys which are to be tested following customization and integration services for compliance with the Specifications.

3. Effective Date

This Agreement will become effective when signed by duly authorized representatives of both parties and will continue in effect until terminated according to its terms.

Part I - Project Organization, System Integration and Customization Services

4. Systems Integration Services/Statement of Work/ Ordering Procedures

4.1 Unisys will provide the services and Products listed in the Schedules. The nature of services provided by Unisys in a Project will vary from project to project but examples of such services include:

- Documenting the Client's requirements.
- Functional and technical design of systems.
- Review and recommendation of site requirements.
- Coordination of the supply of Products to Client's site.
- Development of Products.
- Quality assurance reviews by Unisys personnel not involved in the Project on a full time basis.
- Installation and integration of Products.
- Support for or conducting of Acceptance Tests.
- Evaluation of training requirements and training of Client's staff.
- Support of Customized Software and the integrated system during a Post Acceptance Support Period.
- On-going maintenance and support of Products.
- Project Management.

4.2 Each Project is defined in a Statement of Work and the other Schedules which include:

- The services and Products to be supplied by Unisys and paid for by Client.
- The responsibilities of the parties participating in the Project.
- An estimated timetable to assist the parties in planning the Project.
- Special criteria, if any, such as passage of Acceptance Tests, that Unisys must meet for certain deliverables.
- The prices and payment procedures.



4.3 Client may order additional standard Products and services priced on a time and materials basis by submitting properly completed Unisys supplemental schedule orders referencing these general terms and conditions and signed by Client. Orders for customized Products or services priced on any basis other than time and materials should be submitted in accordance with the Change Request procedures or through agreement of an additional Statement of Work.

All orders are subject to acceptance by Unisys. Acceptance by Unisys will be effective when communicated in writing to Client. The receipt or deposit by Unisys of a Client down payment will not constitute acceptance of an order. Any down payment received from Client will be returned if the order is not accepted by Unisys.

4.4 A project may be divided into milestones and phases with specific criteria for completion. Client recognizes that some activities may be performed concurrently and that efficient use of the resources available to the Project Team and the goal of meeting the planned timetable may mean that activities in subsequent phases are commenced during an earlier phase.

5. Project Administration

5.1 The parties acknowledge that cooperative project administration is essential to the success of a Project. Both parties agree to use mutually agreed processes and forms to report progress and to identify, track and resolve problems, issues and questions. Unless otherwise agreed, the processes will be based on Unisys methodologies and will be recorded in the Project Management Plan.

5.2 Each party shall appoint a project manager who shall be the primary representative of the party in relation to administration and other matters relative to the technical activity of the Project. Each party may rely on the authority of the other party's project manager to represent its respective company, provided that neither project manager shall have the authority to amend or modify this Agreement or the express terms of an order.

5.3 Unless otherwise agreed in writing by authorized representatives of the parties, neither party may solicit the services (by way of employment or otherwise) of the other party's personnel involved in a Project during a Project and for the period ending twelve months after the end of the Post Acceptance Support Period.

6. Requirements Definition and Design Phases

6.1 **Requirements Definition Phase** - The Requirements Definition defines the scope of the Project, the Specifications, the acceptance criteria and the procedures for Acceptance Tests. If at the start of the Project, the parties agree that the initial Requirements Definition reflected in the Statement of Work is incomplete, then the initial phase of the Project will be the preparation of a Requirements Definition by Unisys based upon input from the Client. When accepted by Client, the Requirements Definition report shall constitute the complete statement of the functional and system specifications to be implemented in satisfaction of the Client's requirements and shall supersede all previous descriptions or statements of requirement.

6.2 **System Design Phase** - In the design phase, the Requirements Definition is converted into documents which identify and describe the specific information processing functions to be provided and the associated software and equipment components of the integrated system and descriptions of individual technology components in a level of detail sufficient to allow the Project Team to produce, acquire, develop and test the required components.

6.3 Requirements and specifications may be interpreted in deliverables. In the event of a contradiction, conflict, or inconsistency between prior statements of requirements and specifications and a later approved deliverable, the contradiction, conflict, or inconsistency will be resolved in favor of the latest approved deliverable.

7. Project Scope Review

7.1 Prior to the completion of the requirements definition and design phases, the scope of the Project (including manpower, Equipment,

Software, and sizings) is not fully defined. Therefore, at the end of the design phase, if Unisys informs Client that it believes that the scope of the Project has changed, Unisys may commence a Project Scope Review.

7.2 As part of the Project Scope Review, the parties may decide to continue on the basis of either a fixed price quote or a time and materials estimate for the remaining tasks in the Project. The parties recognize that any estimates of time and materials prices are not binding and that the actual price for completing the remaining tasks may be higher or lower than the estimates.

7.3 If Unisys commences a Project Scope Review and the pricing proposal made by Unisys for the continuation of the Project is higher than previous estimates and if the Client does not agree to the proposal, then Client may request a reduction in the scope of the Project. In the event that Unisys provides a new proposal and the parties cannot agree, following good faith negotiations, to changes in the Specifications, planned timetable and price, then either party may terminate the Agreement for the remaining parts of the Project with no liability to the other party except for the payment for services performed and Products procured prior to termination.

8. Customization and Development

If the Statement of Work requires the delivery of Customized Software, then the Project Team will provide services to produce Customized Software developed in accordance with the Specifications. Modifications or development work to prepare Customized Software will be conducted on Client's equipment and software, Products to be supplied to Client in the Project or using computer time rented for the Project. Unisys may deliver Customized Software in the form of Modules.

9. Change Control

9.1 If either of the parties wish to alter the Specification or the Statement of Work the following procedure will apply:

(a) The person who requests the change (the "Originator") will forward to the other party (the "Recipient") a Change Request which will include the following:

- Project identification
- Originator's name and title
- The date of the Change Request
- A description of the proposed change
- The reason for the proposed change.

(b) Unisys will assign a number to and log each Change Request.

(c) All Change Requests will be categorized by the Originator as Priority 1 (urgent) or Priority 2 (ordinary) or Priority 3 (post acceptance).

(d) Unisys will make reasonable efforts to investigate the impact of the Change Request on the price, timetable, Statement of Work, Specifications and relevant obligations under the Agreement (the "Impact Study") in accordance with the schedule set out in the Project Management Plan for each priority category.

(e) If Client is the Originator, Unisys will inform the Client if there will be any charges for Unisys services in conducting the Impact Study and Client will decide whether Unisys should conduct the Impact Study.

(f) If both parties agree on the Impact Study and any necessary amendments to the price, timetable, Statement of Work, Specification and relevant obligations under the Agreement, the Agreement will automatically be varied to take into account the agreed changes.

(g) If the parties cannot agree upon the Impact Study or the necessary amendments under Section 9.1, the Change Request will not be implemented.

9.2 The parties will agree in the Project Management Plan to a period prior to any scheduled delivery for review and acceptance at which the Specifications will be frozen. Any subsequent Change Request will be dealt with after acceptance by the Client.

10. Client Resources and Responsibility

10.1 The parties acknowledge that cooperation and teamwork by both parties is essential to the success of a Project. Client agrees to provide the resources described in this Agreement, including this Section 10 and the Statement of Work, at no charge to Unisys and in conformance with the timetable defined in the Project Management Plan. Client agrees not to unreasonably withhold or delay the provision of any agreement, acceptance, information, assistance or other resource required, or requested, of Client hereunder.



10.2 Client shall provide all information, data and documentation reasonably required by Unisys to deliver the services, Products and System. With respect to any software, documentation, interfaces, data or specifications supplied by Client ("Client Information"), Client warrants to Unisys that it has the right to use and to disclose to Unisys all Client Information so provided. Client will, at its own expense, indemnify and hold Unisys harmless against any loss or damage arising from any claim based on the absence of such right in whole or in part. Client shall be responsible for compliance with and instructions relating to all legal and regulatory requirements governing the Client's operations.

10.3 Client shall assign Client managerial, technical and user personnel as reasonably requested by Unisys to participate in essential Project activities, including, preparation and review of Specifications, software development, testing, migration activities, data conversion, training, operations, and project administration. Client staff shall be assigned to correspond to the Unisys team functions detailed in the Project Management Plan. Client shall ensure that all such staff have reasonably adequate skills and experience for their respective functions and comply with the reasonable directions and requests of Unisys in implementation of the Project. Client shall elevate required decisions to the appropriate level in its organization to facilitate the making of decisions in a timely manner.

10.4 Client shall provide Unisys with adequate access to Client's premises and equipment, including office, data processing and communication facilities reasonably required for performance of the services. Unisys personnel shall comply with Client's reasonable regulations and procedures applicable to all third party contractors which are communicated to Unisys prior to contract signature while on Client's premises.

10.5 Client shall respond within no more than five business days to any Unisys request for direction, information, approvals or decisions that are reasonably necessary for Unisys to perform services in accordance with the Project Management Plan or Statement of Work.

10.6 Operating Responsibilities:

(a) Client has responsibility for the operational use of the Products, including operating procedures, audit controls, accuracy and security of input and output data, restart and recovery routines, and other procedures necessary for Client's use of the Products.

(b) Client is responsible for making sure that operation personnel are, at all times, educated and trained in the proper use and operation of the Products and that the Products are used in accordance with applicable manuals and instructions.

(c) Client is responsible for maintaining back-up data necessary to replace Client data that is lost or damaged from any cause.

10.7 If Unisys is providing Product Support Services or warranty services, Client will (a) maintain the operating environment according to the manufacturer's specifications, (b) provide adequate working and storage space for use by Unisys personnel near the equipment, (c) provide Unisys full access to the equipment and sufficient computer time, subject only to Client's security rules applicable to its suppliers which are communicated to Unisys, (d) follow Unisys procedures for placing service requests and determining if remedial service is required, (e) follow Unisys instructions for operator maintenance and obtaining services, (f) provide a memory dump and additional data in machine readable form if requested, (g) reproduce suspected errors or malfunctions in Software, and (h) install all error corrections and maintenance releases supplied by Unisys.

11. Client Review and Acceptance Procedures

11.1 If the Statement of Work identifies deliverables that are subject to Client review and acceptance, then the provisions of this Section 11 shall apply. For Products where no Client acceptance is required, then the Product will be considered accepted on its Installation Date.

11.2 Review and approval of the deliverables will be solely for the purpose of determining compliance with agreed to Specifications and formats, not for the purpose of introducing new requirements.

11.3 By the end of the Client Review Period for any deliverable, Client shall:

- accept the deliverable as complying with the Specifications; or
- provide a written statement identifying in reasonable detail all deviations between the deliverable and its Specifications.

If any deviations from the Specifications require only minor corrections and do not materially affect the functional operation of the System or a Module thereof, then the deliverable will be considered accepted and the deviations will be corrected within an agreed period after acceptance. Where possible, Client will review and approve or return portions of a deliverable and not wait until the total deliverable is reviewed to deliver comments.

11.4 If Client provides a written statement that identifies deviations from the Specifications, then Unisys will make corrections as soon as reasonably possible and Client will promptly execute specific tests or review procedures to verify the corrections. Reviews of corrective actions taken in response to reported deviations will be conducted in shorter time periods than the full reviews and will be limited to review of the corrective action and its impact on other parts of the deliverable. For deliverables produced on a time and materials basis, the correction efforts will be made on the same time and materials basis.

11.5 Unisys and Client shall work diligently to achieve acceptance of deliverables at the earliest possible date. Acceptance will occur upon the earlier of: (a) the date Client accepts the deliverable in accordance with Section 11.3; (b) five (5) days from the scheduled end of the Client Review Period where Client has not notified Unisys in accordance with Section 11.3; or c) the date Client processes live data through the System for purposes other than carrying out Acceptance Tests.

11.6 Unisys shall be entitled to rely on Client's acceptance of a deliverable in performing later phases of the Project.

11.7 Where the Client review and acceptance procedures for a deliverable include Acceptance Tests, the following additional procedures apply:

(a) Test data, scripts, and procedures shall be prepared in accordance with the Project Management Plan. It is acknowledged that the Project Team may use such items during the Project before formal testing to preliminarily identify problems and deviations from Specifications and to rectify or correct them as part of the development process.

(b) Acceptance Tests shall be carried out for the continuous period set forth in the Statement of Work unless mutually rescheduled by the parties in writing. If Client fails to attend on an agreed date, Unisys shall be entitled to proceed in Client's absence and Client shall be deemed to have concurred with the results reported by Unisys.

(c) Client shall use agreed procedures and forms to promptly report to Unisys all significant deviations from the Specifications detected during the Acceptance Test. Any alleged deviation must be reported to Unisys in writing in sufficient detail to allow Unisys to recreate it. Unisys will attempt to correct as many such deviations as possible during the Acceptance Test. Uncorrected deviations shall be included in a final report for corrective action.

12. Post Acceptance Support Period

Unisys will assist Client by supplying members of the Project Team to advise and consult with Client following acceptance. The initial period for the Post Acceptance Support Period and the number of Project Team members whose services are purchased by the Client are set out in the Statement of Work. Client may request changes to the time period or number of people by giving Unisys 90 days advance notice and



Unisys will notify Client whether the resources are available and the price for them.

13. Training

13.1 Client may acquire Unisys services to recommend or develop a training program for Client's personnel. Unisys publishes a course catalog setting out the time, locations and conditions for scheduled courses. Unisys offers customized courses which will be held at mutually agreed locations. If the courses are to be held on premises other than those of Unisys, then Unisys will notify Client in advance of the training facilities which Client should provide.

13.2 Training courses are subject to conditions concerning the minimum and maximum size of classes, the period of advance notice which must be provided for ordering or canceling a class and the prerequisite knowledge required of course participants. All charges and expenses involved in attending courses will be borne by Client.

13.3 Training materials are licensed to Client solely for Client's internal use.

Part II - Supply of Equipment and Software

14. Products Supplied

Unisys will supply and Client will purchase and take delivery of the Products ordered in the Schedules. If any Products ordered are not available at the time of shipment, Unisys may substitute compatible items of equivalent or superior functionality and performance.

15. Delivery and Installation

15.1 **Documentation** - Unisys will provide Client with one copy of the then-current user documentation, in paper or electronic form, at Unisys option, for use with the Products ordered and environmental specifications for Equipment, where applicable. Additional copies may be purchased from Unisys.

15.2 **Site Preparation** - Prior to delivery of Equipment, Client will prepare the installation site and will continue to maintain the installation site according to the environmental specifications set out in the documentation.

15.3 **Delivery** - Unisys will arrange for delivery of Products and, if transportation prices are not included in the Schedule, Client will pay for transportation in accordance with the Unisys published transportation charges in effect at the time of delivery or, if Unisys has not published any such charges, Client will pay Unisys for transportation charges actually incurred. Title to Equipment shall pass to Client upon delivery to the carrier.

15.4 **Installation** - The Schedules identify which Products are to be installed by Unisys. All Products to be installed by Unisys will be installed during Unisys normal working hours unless otherwise agreed. Client will pay for all cables and site specific installation materials required to install the Equipment at Client's site. Client may arrange for installation by Unisys of Client-installable Products, subject to the then-current standard Unisys charges and conditions.

15.5 **Special Site Requirements** - If additional labor and rigging is required for installation due to Client's special site requirements, Client will pay those costs including costs to meet union or local law requirements.

16. License of Software

16.1 **Grant of License** - Unisys grants to Client a personal, non-exclusive and non-transferable license to use Software and related documentation according to the terms and conditions of this Agreement, solely for Client's internal data processing requirements on the SPU on which Software is initially installed. Client agrees that Unisys may periodically inspect the computer site in order to audit the Software supplied by Unisys installed at Client's site at mutually agreed upon times. In the event that a separate license agreement from the owner of the Software accompanies non Unisys commodity Software, then the terms of the separate license agreement terms will supersede the license terms in this Agreement for that Software.

16.2 **Modification of Software** - Client may modify any Unisys application Software and may combine such Software with other programs or materials to form an updated work, provided that upon discontinuance of use or termination of the license, the Unisys application Software will be removed from the updated work and returned to Unisys. Client will not modify Software which bears a copyright notice of any third party without the express agreement of the copyright owner.

16.3 **Reverse Engineering** - Client will not reverse engineer, decompile or disassemble any Software provided under the Agreement.

16.4 **Backup Copies** - Client will make and maintain no more than one archival copy (for backup purposes) of each item of Software. Each copy will contain all legends and notices and will be subject to the same conditions and restrictions as the original. If the SPU on which any item of Software is licensed becomes temporarily unavailable, use of such Software may be temporarily transferred to an alternative SPU.

16.5 **Limitation of Development Use** - No license is granted to Client to use any operating system Software to assess, test or develop any hardware products or device handler software or operating system software that will be marketed by Client or others for compensation. Client may develop other software programs. Client may test fully developed, commercially available third party hardware products or software programs where such testing is solely intended for Client's internal evaluation of the fitness of such product or program for Client's own internal data processing purposes.

16.6 **Additional Licenses** - If Client desires to: (a) use Software in a service bureau mode; (b) use Software at another location; (c) use Software for purposes prohibited in Section 16.5; or (d) transfer operational use of the Software to a third party; then Client shall request prior permission in writing from Unisys. Following a request, Unisys will advise Client whether, and under what terms and conditions, Unisys will license the Software as requested. All restrictions applicable to Client will also apply to any permitted service bureau use or use by other permitted third party users.

16.7 **No Transfer of Title** - This Agreement does not transfer to Client title to any intellectual property contained in any Software, documentation or Confidential Information.

16.8 **Unauthorized Use of Software** - No party shall be entitled to use any Software unless the party has a valid written license to use such Software and all applicable charges for the use of such Software have been paid, except that Client may authorize temporary use of Software by a third party, only for Client's benefit, to assess, test or develop software programs to the extent authorized by Section 16.5 or to perform consulting services and studies, provided such third party agrees in writing to be bound by the provisions of this Agreement regarding Confidential Information and Software.

16.9 This section applies to all procurements of Software and documentation by or for the U.S. federal government. By accepting delivery of the Software and documentation, the government hereby agrees that the Software and documentation qualifies as "commercial" computer software and commercial software documentation within the meaning of the acquisition regulation(s) applicable to this procurement. The terms and conditions of this license shall prescribe the government's use and disclosure of the Software and documentation, and shall supersede any contrary provisions. The government agrees to return the Software and documentation unused if any provision of this License does not meet the government's actual minimum needs or if the government objects to any term of this license and the parties are unable to reach agreement on the terms of the license. The following statement applies only to procurements governed by DFARS Part 227.4 (OCT. 1988): "Restricted Rights -- Use, duplication and disclosure by the Government is subject to restrictions as set forth in subparagraph (c)(1)(ii) of the Rights in Technical Data and Computer Software clause at DFARS 252.227-7013 (OCT 1988)."

17. License of Customized Software

Customized Software is licensed as follows:

(a) If the Customized Software consists of modifications, additions or enhancements to pre-existing Software, then the license from Unisys to Client will be on the same basis as Section 16.

(b) For other Customized Software upon payment of all sums under the Agreement, Unisys grants Client a non-exclusive, perpetual, irrevocable, royalty free license to use, modify and copy the Customized Software.



Part III - Product Support Services

18. Product Support Services

18.1 **General** - If the Agreement includes provisions for Product Support Services, Unisys will provide the Product Support Services listed in the Schedules.

18.2 Conditions:

(a) Equipment parts which are removed for replacement by Unisys under Product Support Services and warranty service become the property of Unisys.

(b) To determine eligibility and prerequisites for Product Support Services, Unisys may require inspection, at Client expense, of equipment which (i) has not been maintained continuously by Unisys from the date of purchase by Client or (ii) has been relocated.

(c) All equipment, interconnected by signal and power cables, and non-application software, located at the same site and which are subject to Product Support Services are required to be supported at the same service level as the SPU. Local area networks, workstations and remote data communication Products are not required to be at the same service level as the SPU.

(d) If Unisys is providing Product Support Services, Client will give Unisys prior written notice of any proposed Alterations or Attachments to equipment. Unisys has no obligation to provide Product Support Services for non Unisys attachments, altered equipment or modified Software. Should Unisys agree to maintain, support or correct altered Products, Unisys may impose additional charges.

18.3 Termination:

(a) Unisys may suspend Product Support Services if any payment under this Agreement is more than 30 days past due.

(b) Unisys may terminate Product Support Services or change the levels of support available to an item of Software upon six months written notice or at the expiration of the then-current term for Product Support Services, whichever occurs earlier.

(c) Unisys may terminate Product Support Services on 30 days prior written notice if Unisys determines that any Alterations, Attachments, Client modification or failure to install a maintenance release will interfere with the provision of such services.

Part IV - General Conditions

19. Prices

19.1 Prices for Products and services ordered by Client are set out in the Schedules. Additional charges may apply to services rendered outside the scope or hours of contracted services or beyond normal coverage at Client's expense, e.g., travel expenses, premium and minimum charges. The prices in the Schedules relate only to Products and services actually ordered and do not represent commitments by Unisys as to price levels for possible future orders by Client.

19.2 Unless otherwise noted in the Schedules, the charges for Products in any accepted order will remain firm until the date of delivery, unless through no fault of Unisys, delivery takes place more than one year after the date of the order. If Unisys notifies Client that an increase in charges will apply to its order, Client may terminate the affected part of its order by giving written notice to Unisys within ten days of the date of notification of the increase.

19.3 Charges for Product Support Services will not be increased during the first twelve months following the commencement of those services. The charges may be increased thereafter on each anniversary of the commencement date following 90 days prior written notice to Client, unless otherwise noted on the Product Support Services schedule.

19.4 Charges for Software licenses will not be increased during any initial term, but may be increased before any subsequent term upon 90 days prior written notice to Client. For any services provided on a time and materials basis, the charges in the Statement of Work are valid during that calendar year, but are subject to change in subsequent periods. If Software licenses or services are contracted on a month-to-month basis, the charges may be increased at any time following 90 days prior written notice to Client.

19.5 The estimated timetable and price of the Project Services activities are dependent on the following factors:

- Client resources and performance of Client's responsibilities stated in the Statement of Work and Project Management Plan being provided in time.
- Timely carrying out of all Client review and acceptance procedures.
- Compliance with Change Request procedures.
- Timely replacement of Client staff assigned to the Project where replacement is reasonably requested by Unisys.
- Additional assumptions set out in the Statement of Work.

If Unisys is delayed or prevented from performing its obligations, including the inability of Client or its agents to perform their responsibilities or provide resources in a timely manner, Unisys will be entitled to an equitable adjustment in the timetable and charges set out in this Agreement. Unisys will advise Client of any impact on the estimated timetable and charges caused by any of these factors. The timetable and charges shall be adjusted subject to approval by Client, which shall not be unreasonably withheld or delayed. If Client or Client's agents prevent or delay Unisys performance, then Client shall reimburse Unisys for any resulting additional costs.

20. Payment

20.1 The timing of payments for Products and services is normally listed in the Statement of Work. For items where the Statement of Work does not contain any specific terms, then: (a) for Products, 30 percent of the price is payable at the time of acceptance of an order and the remaining amount will be invoiced at shipment; and (b) charges for services will be invoiced monthly as the services are performed.

20.2 Charges for Product Support Services will be invoiced in advance, monthly, annually or at other periodic intervals; otherwise, charges will be invoiced after the services are performed.

20.3 The payment terms are 30 days from the date of the invoice. Unisys may impose a late payment charge equal to the lesser of (a) 1-1/2% per month, or, (b) the maximum rate allowed by law.

21. Security Interest

Unisys reserves a purchase money security interest in Equipment until payment in full is received for all Equipment delivered to Client and, for that purpose, this Agreement is a security agreement. By signing this Agreement, Client authorizes Unisys or its agent to sign the necessary financing statements on behalf of Client, or to file a reproduction of a financing statement. Alternatively, Unisys may file this Agreement or a copy of this Agreement to perfect its security interest. If this Agreement or a copy of it is filed, information concerning the security interest may be obtained from Unisys at the address stated in Section 28.2.

22. Taxes

Prices are exclusive of taxes. Client will pay all taxes, however designated, Unisys becomes obligated to pay or collect by virtue of the Project, except taxes based on the net income of Unisys. All personal property, customs duties and similar taxes assessed after shipment will be paid by Client or Client will provide Unisys with a tax exemption certificate acceptable to the relevant taxing authority.

23. Protection of Confidential Information

23.1 **General** - The parties will keep in confidence and protect their respective Confidential Information from disclosure to third parties and restrict its use as provided in this Agreement. All materials containing Confidential Information will be marked "Proprietary," "Confidential," or in a manner which gives notice of its confidential nature. Confidential Information will not be copied, in whole or in part, except when essential for authorized use under this Agreement. Each copy, including its storage media, will be marked by the party making the copy with all notices which appear on the original. The obligations stated in this Section 23 do not apply to Confidential Information: (a) already known to the recipient at the time of disclosure; (b) independently generated by the recipient and not derived from the Confidential Information supplied by the disclosing party; (c) known or available to the public, except where such knowledge or availability is the result of unauthorized disclosure by the recipient of the Confidential Information; (d) disclosed to the recipient without a similar restriction by a third party who has the right to make such disclosure; or (e) required to be disclosed by the recipient by law, regulation, Court order, or other legal process.



23.2 Destruction or Return of Confidential Information - Upon termination or cancellation of any license granted under this Agreement, Client will destroy (and, in writing, certify destruction) or return to Unisys all copies of the Software and documentation the license for which has been so terminated or canceled and any other related Confidential Information in Client's possession (including Confidential Information incorporated in other software or writings). Upon Client's request when such information is no longer necessary for the Project, Client's Confidential Information shall be promptly returned to Client or destroyed by Unisys.

23.3 Ideas - Any ideas, concepts, know-how, data processing techniques, Software, documentation, diagrams, Specifications, schematics or blueprints developed by Unisys personnel (alone or jointly with Client) in connection with services provided to Client will be the property of Unisys. Unisys grants to Client a non-exclusive, royalty free license to use any of the foregoing in accordance with the terms of this Agreement.

23.4 Support Materials - Client acknowledges that all support materials, including without limitation, diagnostic software, are the property of and include Confidential Information of Unisys or its licensors. Client assures that such materials will be used only by Unisys maintenance personnel, and that Unisys has the right to remove such materials from Client's facility at any time. This provision applies even though such materials may be listed in the Unisys price lists, catalogs, invoices or contracts.

23.5 Employees - Each party will inform its respective employees of the obligations under this Section 23.

23.6 This Section 23 will survive termination or cancellation of this Agreement.

24. Warranties and Disclaimers

24.1 General - Acceptance Tests in accordance with agreed criteria and procedures provide the mechanism for determining whether the System and customized parts of it meet the Client's requirements as set out in the Requirements Definition. Unisys shall correct defects discovered during testing in accordance with the acceptance test procedures of the Agreement. Services during the Post Acceptance Support Period purchased by the Client can be used to correct deviations from Specifications and make changes to the System and Modules following acceptance. In addition, individual Products may have warranties provided by the manufacturer or licensor. For Products warranted by Unisys, the warranties are set out in this Section 24. Unless otherwise stated with respect to specific Products, Unisys makes no representation or warranty with respect to non Unisys Products provided to Client, all of which are sold or licensed to Client "AS IS". Client agrees to look solely to the warranties and remedies, if any, provided by the manufacturers or licensors of such Products. Unisys will provide assistance to Client in seeking warranty service from the third party manufacturer or licensor.

24.2 Equipment:

(a) For Equipment covered by a Unisys warranty, Unisys warrants that for the warranty period, Equipment will be free from defects in material and workmanship, will be Year 2000 Ready, and will substantially conform to relevant Unisys published specifications. Warranty periods are measured from the Installation Date. The warranty period for individual items of Equipment is listed in the Schedules. If Equipment is designated as warranted in the Schedules, but there is no period listed, then the warranty period will be twelve months. During this warranty period, Unisys will repair or replace any defective Equipment promptly reported or sent to Unisys by Client which Unisys determines was defective due to faulty material or workmanship. Client will pay transportation and insurance costs to ship Equipment if an off-site repair location is designated by Unisys; Unisys will pay the return costs if the Equipment was defective. Labor costs of diagnosis are not included in this warranty.

(b) Because equipment requires on-going maintenance, the preceding warranty is not a substitute for Product Support Services, which are available to Client for a charge.

(c) Equipment (i) may be newly manufactured, (ii) may be assembled from new or serviceable used parts that are equivalent to new parts in performance, or (iii) may have been previously installed.

24.3 Software:

(a) For Software covered by a Unisys warranty, Unisys warrants that for the warranty period, such Software in its unaltered form will conform substantially to the then-current published functional specifications and will be Year 2000 Ready, provided such Software is used in a manner consistent with any applicable minimum equipment and software

configuration specifications. Warranty periods are measured from the Installation Date. The warranty period for individual items of Software is listed in the Schedules. If Software is designated as warranted in the Schedules, but there is no period listed, then the warranty period will be 90 days. Unisys will make reasonable efforts to correct such errors reflecting significant deviations from the functional specifications as are reported by Client to Unisys during such warranty period.

(b) Because not all defects in Software can or need be corrected, Unisys does not warrant that all Software defects will be corrected. Similarly, Unisys does not warrant that the functions contained in the Software will meet Client's requirements or that the Software will operate in combinations selected for use by Client which are not set out in the agreed Requirements Definition.

24.4 Product Support Services:

(a) Unisys warrants that Equipment and Software will be supported according to the specific service plan selected. Unisys sole and exclusive obligations under this warranty will be to conform to the service descriptions set out in the service plan.

(b) Product Support Services and warranty service do not cover the parts and service required to repair damage or correct errors attributable to: (i) alterations or out-of-specification supplies; (ii) accidents, misuse, negligence or failure of Client to follow instructions for proper use, care and cleaning of Equipment; (iii) external factors (e.g., failure or fluctuation of electrical power or air conditioning, fire, flood); or (iv) failure by Client to comply with environmental specifications.

(c) Product Support Services apply only to properly configured Products at the minimum hardware and software levels designated by Unisys for support of the applicable Product specification.

(d) Product Support Services do not include correction or repair of defects, including any related to date data functionality, in the design, manufacture, materials or workmanship of either (i) non Unisys services or products without a Unisys brand, or (ii) Product(s) for which Unisys has discontinued development center support.

24.5 Disclaimer - EXCEPT AS EXPRESSLY STATED IN THESE TERMS AND CONDITIONS, ALL CONDITIONS AND WARRANTIES, EXPRESS OR IMPLIED, BY OPERATION OF LAW OR OTHERWISE ARE HEREBY EXCLUDED. REPRESENTATIONS NOT EXPRESSLY STATED IN THE SPECIFICATIONS ARE SPECIFICALLY DISCLAIMED BY UNISYS. UNISYS DOES NOT WARRANT THAT THE SYSTEM WILL MEET CLIENT REQUIREMENTS NOT EXPRESSED IN THE SPECIFICATIONS. UNISYS DISCLAIMS ANY IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. UNISYS WARRANTIES WILL NOT APPLY AND UNISYS WILL NOT BE RESPONSIBLE IF AN ATTACHMENT OR ALTERATION OF PRODUCTS, DIRECTLY OR INDIRECTLY, RESULTS IN: (a) ANY MALFUNCTION, NONPERFORMANCE OR DEGRADATION OF PERFORMANCE OF PRODUCTS; OR, (b) PERSONAL INJURY OR DAMAGE TO PROPERTY AND PRODUCTS.

25. Limitation of Liability

25.1 UNLESS FURTHER LIMITED ELSEWHERE IN THIS AGREEMENT, THE ENTIRE LIABILITY OF UNISYS AND ITS SUBCONTRACTORS AND SUPPLIERS, AND CLIENT'S EXCLUSIVE REMEDY FOR DAMAGES FROM ANY CAUSE RELATED TO OR ARISING OUT OF THIS AGREEMENT, REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT OR IN TORT, WILL NOT EXCEED THE GREATER OF (a) \$100,000 OR (b) THE CHARGES PAID TO UNISYS DURING THE EIGHTEEN (18) MONTH PERIOD IMMEDIATELY PRIOR TO NOTICE PURSUANT TO SECTION 29.1 FOR THE PRODUCTS OR SERVICES WHICH ARE THE SUBJECT MATTER OF OR DIRECTLY RELATED TO THE CAUSES OF ACTION ASSERTED. THIS LIMITATION OF LIABILITY DOES NOT APPLY TO CLAIMS COVERED BY SECTIONS 25.3 OR 26.

25.2 IN NO EVENT WILL UNISYS, ITS SUBCONTRACTORS OR SUPPLIERS BE LIABLE FOR (a) ANY INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGES, INCLUDING, BUT NOT LIMITED TO, LOSS OF USE, REVENUES, PROFITS OR SAVINGS, EVEN IF UNISYS KNEW OR SHOULD HAVE KNOWN OF THE POSSIBILITY OF SUCH DAMAGES, (b) CLAIMS, DEMANDS OR ACTIONS AGAINST CLIENT BY ANY PERSON, EXCEPT AS



PROVIDED IN SECTIONS 25.3 OR 26, OR (c) LOSS OF OR DAMAGE TO CLIENT DATA FROM ANY CAUSE.

25.3 Notwithstanding the foregoing, Unisys agrees to defend and indemnify Client against claims for damage to tangible property (but not loss or damage to information or data) or injury to persons, including death, to the extent proximately caused by the negligent acts or omissions of Unisys.

25.4 As part of the provision of consulting services and its on-going relations with Client, Unisys may direct Client to third parties having products or services which may be of interest to Client for use in conjunction with the Products. Notwithstanding any Unisys recommendation, referral or introduction, Client will independently investigate and test third-party products and services and will have sole responsibility for determining suitability for use of third-party products and services. Except with respect to products and services supplied by Unisys as prime contractor, Unisys has no liability with respect to claims relating to or arising from use of third party products and services.

25.5 If an arbitration panel or court of competent jurisdiction determines that relevant laws in force may imply warranties and liabilities which cannot be excluded or limited or which can only partly be excluded or limited, then the limit on Unisys liability set out in this Agreement shall apply to the fullest extent permitted by law. If Unisys cannot exclude or limit a warranty or liability implied by law, this Agreement shall be read and construed subject to such provisions of law.

26. Patent, Copyright and Trade Secret Indemnification

26.1 Unisys, at its own expense, will defend and indemnify Client against claims that Products furnished under this Agreement infringe a United States patent or copyright or misappropriate trade secrets protected under United States law.

26.2 As to any Product which is subject of a claim of infringement or misappropriation, Unisys may elect to (a) obtain the right of continued use of such Product for Client or (b) replace or modify such Product to avoid such claim. If neither alternative is available on commercially reasonable terms, then, at the request of Unisys, Client will discontinue use and return the Product and Unisys will grant a credit for the price paid to Unisys, less a reasonable offset for use and obsolescence. Any applicable Software license will be terminated.

26.3 Unisys will not defend or indemnify Client if any claim of infringement or misappropriation (a) is asserted by a parent, subsidiary or affiliate of Client, (b) results from Client's design or alteration of any

Product, (c) results from use of any Product in combination with any non Unisys Product, or (d) relates to a non Unisys Product alone.

26.4 The indemnities provided by either party in this Agreement are dependent on the party receiving the claim: (a) giving the other party prompt written notice of such claim, (b) permitting the other party to defend or settle the claim, (c) not at any time admitting liability in respect of the whole or any part of the claim or agreeing to settle or dispose of the claim, and (d) providing all reasonable assistance to the indemnifying party in defending or settling the claim.

26.5 This Section 26 states the entire liability of the indemnifying party and the other party's sole and exclusive remedies for patent and copyright infringement or misappropriation and trade secret misappropriation.

27. Termination and Cancellation

27.1 Either party may cancel the agreement in the event that the other party is in substantial breach of the Agreement and has not corrected the breach within sixty (60) days of written notice to do so identifying the breach of the Agreement.

27.2 Either party may terminate any license for Software or any Product Support Services upon expiration of the applicable term by providing 30 days prior written notice. Failure to give such notice will result in a renewal or extension of the license or service in accordance with the provisions of this Agreement. The licenses for any Software automatically terminate upon Client's discontinuance of use of the SPU on which the Software was licensed, at which time Client must either destroy or return the Software and documentation to Unisys. Upon termination or cancellation of Product Support Services, Client shall return all diagnostics to Unisys.

27.3 Without prejudice to other remedies, Unisys may cancel or suspend this Agreement or any order placed under it, for default and repossess Products (excluding only Equipment for which the purchase price has been fully paid), if, upon written notice Client fails to (a) make any payment identified as delinquent (including payment of charges for services) within ten (10) days or (b) cure any default relating to protection of Confidential Information or Software licenses within thirty (30) days.

27.4 Termination or cancellation of this Agreement will not affect any rights or duties arising under it with respect to protection of Confidential Information, indemnities or security interests.

28. Notices

28.1 All notices required by this Agreement to be given to Client will be sent to its address on the cover page of this Agreement.

28.2 All notices related to indemnities and dispute resolution and all requests for information about any security interests will be sent by certified or registered mail and, when given to Unisys, addressed to:

Office of the General Counsel
 Unisys Corporation
 Unisys Way
 Blue Bell PA 19424
 cc: Business Unit Vice President



All other notices to Unisys will be sent to the Unisys office which has been servicing Client.

29. Dispute Resolution/Arbitration

29.1 Disputes and Demands - Any claim or controversy related to or arising out of this Agreement whether in contract or in tort ("Dispute"), will be resolved on a confidential basis according to the following process, which either party may start by delivering to the other party a written notice describing the Dispute and the amount involved ("Demand").

29.2 Negotiation and Mediation - After receipt of a Demand, authorized representatives of the parties will meet at a mutually agreed upon time and place to try to resolve the Dispute by negotiation. If the Dispute remains unresolved after this meeting, either party may start mandatory non-binding mediation under the Commercial Mediation Rules of the American Arbitration Association (AAA). Unless the parties have agreed to waive mediation, a mediation must be commenced prior to beginning any further dispute resolution proceedings.

29.3 Arbitration - If the parties have (a) commenced the mediation procedures in 29.2 and do not have an agreed resolution or (b) have agreed in writing to waive them, then either party may start binding arbitration under the Commercial Arbitration Rules of the AAA in the city nearest the other party's main U.S. office having an AAA regional office. If a party has attempted to invoke the procedures under 29.2 and has not been able to obtain agreement from the other party to comply with such procedures within 45 days after the receipt of the Demand, then the party which has attempted to invoke those procedures may start binding arbitration under the Commercial Arbitration Rules of the AAA in the city nearest its main U.S. office having an AAA regional office or in the city nearest the other party's main U.S. office having an AAA regional office. The arbitration will be before one arbitrator, however, before the selection of the arbitrator, a party (whose identity will not be revealed to the arbitrators) may require, at its sole additional expense, a three-arbitrator panel. The arbitrator(s) will be selected from a panel of persons having experience with and knowledge of electronic computers and the information services business, and at least one of the arbitrators selected will be an attorney. No statements by, or communication between, the parties during negotiation or mediation, or both, under Section 29.2 above, will be admissible for any purpose in arbitration. The arbitrator(s) will have no authority to award punitive damages or any other monetary relief not measured by the prevailing party's actual damages (adjustments for time value of money permitted), and will not make any decision inconsistent with the terms and conditions of this Agreement. Each party shall bear its internal expenses and its attorney's fees and expenses.

29.4 Court - Nothing in this Section 29, will preclude a party's recourse to a court of competent jurisdiction to (a) enforce the terms of, or an arbitration award under, this Section; (b) seek temporary equitable relief necessary to protect its interests; or (c) recover specific property, including an action in replevin.

29.5 Time Limit - Neither arbitration under this Section nor any legal action, regardless of its form, related to or arising out of this Agreement may be brought more than two (2) years after the cause of action first accrued, except if a Demand is made within forty-five (45) days before the end of this two (2) year period, the parties shall have sixty (60) additional days from the Demand to start arbitration under this Agreement.

29.6 Confidentiality - Neither party nor the arbitrators may disclose the existence or results of any arbitration hereunder without the prior written consent of both parties.

30. Other Provisions

30.1 Entire Agreement - This Agreement constitutes the entire agreement between the parties with respect to the Products and services provided hereunder and supersedes all prior proposals and agreements, both written and oral, and all other written and oral communications between the parties. The terms and conditions of this Agreement will supersede all other terms and conditions submitted by Client, including any preprinted terms on any Client purchase orders.

30.2 Force Majeure - Except with respect to payment obligations, neither party will be liable for failure to fulfill its obligations under the Agreement when due to causes beyond its reasonable control.

30.3 Non-Waiver - Any failure or delay by either party in exercising any right or remedy will not constitute a waiver.

30.4 Choice of Law - THE FORMATION, INTERPRETATION AND PERFORMANCE OF THIS AGREEMENT WILL BE GOVERNED BY THE LOCAL LAWS OF THE COMMONWEALTH OF PENNSYLVANIA.

30.5 Risk of Loss - All risk of loss or damage to Products will pass to Client upon delivery to Client's location.

30.6 Assignment - Unisys may assign this Agreement or its interest in any Equipment, or assign the right to receive payments, without Client's consent. Any such assignment, however, will not change the obligations of Unisys to Client. Client will not assign or transfer its rights or obligations under this Agreement without prior written consent of Unisys. Any assignment or transfer prohibited by this provision will be void. Unisys may subcontract any services described in this Agreement to third parties selected by Unisys.

30.7 Modification of Agreement - The terms and conditions of this Agreement may be modified only by a writing signed by a Unisys Vice President, General Manager or Contracts Manager.

30.8 Limitation for Actions - No arbitration proceeding or legal action, regardless of its form, related to or arising out of this Agreement, may be brought by either party more than two years after the cause of action first accrued.

30.9 Severability - Each paragraph and provision of this Agreement is severable, and if one or more paragraphs or provisions are declared invalid, the remaining provisions of this Agreement will remain in full force and effect.

30.10 Export Regulations - Products and services provided under this Agreement may be subject to U.S. and other government export control regulations. Client assures that it will comply with all applicable export laws and regulations related to the use, disclosure, export, or reexport of these Products and services.



ATTACHMENT B
III-CHANGES TO THE SYSTEMS INTEGRATION AGREEMENT

Following are changes to the Systems Integration Agreement that is attached hereto and incorporated by reference:

4. Systems Integration Services

4.3 Insert "Subject to the State's approval (Department of Management and Budget)," at the beginning of the first sentence.

Project Administration

5.1 After the first sentence, delete the remainder of the paragraph.

7. Project Scope Review – Delete section in its entirety.

8. Customization and Development – Delete second sentence "Modifications or development work to prepare customized software will be conducted on Client's equipment and software."

9. Change Control

Add new sentence to end of (f): "Any amendments to the Agreement require the written approval of authorized representatives of both parties including the State's Office of Purchasing, Department of Management and Budget."

11. Client Review and Acceptance Procedures

11.5 (b) Delete (b) commencing "five (5) days from the..."

11.7 (b) Delete last sentence: "Unisys shall be entitled to proceed in Client's absence and Client shall be deemed to have concurred with the results reported by Unisys."

18. Termination

18.3 (a) Change "30 days past due" to "45 days past due."

19. Prices

19.2 Delete

19.3 Delete

19.4 Delete

19.5 Insert at beginning of last paragraph "Through the Change Control procedure" before "Unisys will advise."

20. Payment

20.1 Delete

20.3 Change "30 days" to "45 days" and "1-1/2%" to 0.75%"

21. Security Interest – Delete in its entirety.

23. Proprietary Information

23.3 In first sentence delete "(alone or jointly with Client)". Add new sentence after first sentence "Notwithstanding the prior sentence, if ideas, concepts, know-how, data processing techniques, Software documentation, diagrams, Specifications, schematics or blueprints are developed jointly by Client and Unisys, they will be jointly owned without accounting."

24.2 Equipment

(a) Delete "Client will pay transportation and insurance costs to ship Equipment if an off-site repair location is designated by Unisys; Unisys will pay the return costs if the Equipment was defective." Change last sentence to "Labor costs of diagnosis are included in Unisys SURETY support coverage."

24.3 Software



(a) Add after first sentence “Unisys warrants that for 90 days from the date of acceptance, the Software will meet the functionality as manually agreed upon in the Requirements Verification of the Workplan.”

(b) Add after first sentence “However, Unisys will make reasonable efforts to correct defects or provide workarounds to the defects.” Replace “Requirements Definition” in last line with “Requirements Verification of the Workplan.”

24.4 Product Support Services

24.5 Add, “INCLUDING THE STATE OF MICHIGAN’S TERMS AND CONDITIONS AND ANY MUTUALLY AGREED UPON CLARIFICATIONS THERETO,” after “EXCEPT AS EXPRESSLY STATED IN THESE TERMS AND CONDITIONS.”

26. Patent, Copyright and Trade Secret – Delete (covered in State’s terms).

29. Dispute Resolution - Delete

30. Other Provisions –Replace in subsection 30.4, “COMMONWEALTH OF PENNSYLVANIA” with “STATE OF MICHIGAN”.



Support Services Schedule

Agreement Number

Equipment Location

STATE OF MI DEPT OF STATE
7064 CROWNER DRIVE
LANSING, MI 48918

Bill To Location

MI DEPT OF INFORMATION TECH
PROCUREMENT SECTION
CONSTITUTION HALL S ATRIUM
525 W. ALLEGAN ST
LANSING, MI

Service Level

- (1) Mail-In
- (2) Advanced Exchange
- (3) Standard NBD
- (4) Standard 4HR
- (5) Business Critical 4HR
- (6) Business Critical 2HR

Contact Telephone number
Beth Dean 517 636-4028

Contact Telephone number
Barb Suska 517 335-4067

Email address
deanb2@michigan.gov

Email address
SuskaB2@michigan.gov

Initial term: 1 Year 2 Years 3 Years Other: _____ Coterminal ending Annual rate increase cap (%) (3-year initial term or longer) 15%

Billing Period: Annual Other: _____ Support Services Commencement Date 10/1/2009

List of Products Applicable to this Agreement

Level	Product style	Description (Include vendor name and model if non Unisys product) PLEASE REFER TO ATTACHED QUOTE	Quantity	Monthly Service Warranty Upgrade		Monthly Support Services	
				Period	Unit charge	Total charge	Unit charge

Charges

If Client is ordering Support Services for equipment which has a Monthly Service Warranty Upgrade Period ("Period"), the following applies. This Period is the number of months, if any, indicated for each item of equipment commencing on the item's Installation Date. During any portion of this Period in which the ordered Support Services are in effect for the equipment, the then-applicable Monthly Service Warranty Upgrade charge will apply instead of the Monthly Support Services charge.

Page subtotal - Upgrade charges	Page subtotal - Monthly charges
\$	\$
Total upgrade charges	Total monthly charges
\$	\$
Other	Other
\$	\$
Upgrade Grand Total	Grand Total
\$	\$

**UNISYS**

Support Services Addendum

This Addendum amends the agreement referenced above by the Agreement Number (the "Agreement"), and applies to: (a) all orders for Support Services accepted with this Addendum or subsequently accepted under the Agreement, and (b) existing orders for Support Services under the Agreement upon expiration of the then-current term. Only definitions, descriptions and levels of this Addendum will apply to these Services. The terms of this Addendum will control over any contradictions with terms of the Agreement. Except as defined in this Addendum, all capitalized terms shall have the meaning used in the Agreement.

Section A. Definitions and General Terms and Conditions

Principal Period of Maintenance ("PPM") means 8:00 AM to 5:00 PM, Client's local time, Monday through Friday excluding Unisys designated holidays.

7 X 24 means seven (7) days per week, twenty-four (24) hours per day including Unisys designated holidays.

Next Business Day (NBD) Service means Unisys will make every reasonable effort to respond to Client's request for on-site Support Services received during a PPM no later than the close of business of the next PPM.

4 Hour Response (4HR) means that if Client is located within a Primary Service City, Unisys will make every reasonable effort to respond to Client's requests for on-site Support Services within four (4) hours. Response is measured, during the Client's contracted hours of coverage, from the time that Unisys receives the request for service from Client until Unisys arrives at Client's site.

2 Hour Response (2HR) means that if Client is located within a Primary Service City, Unisys will make every reasonable effort to respond to the Client's request for on-site Support Services within two (2) hours. Response is measured from the time that Unisys receives the request for service from Client until Unisys arrives at Client's site.

Off Hours means all contracted hours of Support Services other than the PPM.

Primary Service City means an area that includes a 50-mile (80-kilometer in Canada) radius from the center of a Unisys designated Primary Service City. If Unisys moves its Primary Service City or Client relocates its site so that Client's site is no longer within a 50-mile (80-kilometer in Canada) radius from the center of a Unisys Primary Service City, Unisys reserves the right to adjust 2HR and 4HR or to change the contracted Service Level.

Failed Unit means a unit of equipment enrolled under Support Services, which is identified by Client as not in working order and deemed eligible by Unisys for exchange.

Client Replaceable Unit (CRU) means a component or other non-critical plug-in assembly delivered to the Client on the next business day for Client's personnel to affix the repair/replacement.

Exchange Unit means new, repaired, or previously used equipment in working order that Unisys conveys to Client as a replacement for a Failed Unit. The Failed Unit will become the property of Unisys upon Client's receipt of the Exchange Unit or, if later, upon receipt of the Failed Unit by Unisys. Client warrants that title to the Failed Unit and Unisys warrants that title to the Exchange Unit will be free and clear of all claims, liens, and encumbrances including security interests.

Service Levels mean various groupings of the Services Elements described in Section B.

Installation Date means the date Unisys completes installation (as determined by Unisys) or, if equipment or software is to be installed by the Client, the tenth day following shipment.

Invoicing Options means various billing intervals for services provided to Client. Unisys will bill Client for Support Services in advance on an annual basis. For Clients who have an invoice total of monthly charges greater than \$1,000 the Client may select as an option, quarterly billing. For Clients who have an invoice total of monthly charges greater than \$2,500, the Client may select, as an option, quarterly or monthly billing. Unisys will bill Clients using its standard invoicing formats. Custom invoicing options and formats and payment periods may be available from Unisys for an additional charge.

Initial Term of Services means that unless specified otherwise on the Schedule or in the Agreement, the Initial Term for Support Services will be twelve (12) months and will start on the later of the Installation Date of the applicable Products or the date Unisys accepts an order for Support Services ("Commencement Date of Service"). Except as specified in Section C of this Addendum, Products subsequently added to a system already enrolled under Support Services must be enrolled at the same Service Level as the system to which it is attached. Unless otherwise specified on the Schedule, the Initial Term of Support Services for Products subsequently enrolled under Support Services will end with the applicable term of Support Services for those previously enrolled Products and, for purposes of changes to Support Services charges, will be deemed to have the same anniversary of the Commencement Date of Services as those previously enrolled Products. Following the Initial Term, Support Services will continue on an annual renewal basis at Unisys then-current list prices until terminated or canceled according to the terms of the Agreement. Unisys may increase Support Services charges on each anniversary of the Commencement Date of Service upon ninety (90) days prior written notice to Client.

Unisys may charge Client time and material rates for service on Products that are not identified by the manufacturer's style and model number on the Schedule or for service on enrolled Products that are outside the scope of the contracted services. Unisys may modify Service Elements, Service Plans or discontinue Support Services for Products upon at least ninety (90) days prior notice via written notification or posting by Unisys at its support website: www.service.unisys.com. If Client does not want to continue receiving the Support Services under such changed terms, Client may end contracted Support Services by giving Unisys written notice no later than thirty (30) days prior to the end of this ninety (90) day period and Unisys will refund any unearned payments for the Support Services.

Section B. Description of Service Elements

Equipment On-Call Remedial Maintenance includes on-site repair or Exchange Unit service of equipment, at Unisys option, if a problem remains unresolved after Client has utilized Support Center Services as prescribed. Replacements for certain failed components such as keyboards, mice, and other non-critical plug-in assemblies

designated by Unisys as Client Replaceable may, at Unisys option, be shipped directly to Client for Client installation. Should Client elect to have the Unisys Customer Infrastructure Representative visit the site to install such components, additional charges may apply.



Mail-In Service allows Client, at its expense and risk, to ship a Failed Unit to the Unisys designated location. Within seven (7) business days of receipt, Unisys will, at its option, either repair the Failed Unit or give Client an Exchange Unit.

Advance Exchange Service allows Client to notify Unisys of a Failed Unit enrolled in Support Services. Upon notification, Unisys will ship an Exchange Unit to the Client using a next day delivery service. Client will install the Exchange Unit and shall ship the Failed Unit to Unisys within fourteen (14) days after Client's receipt of the Exchange Unit. Client agrees to pay Unisys an additional fee, as determined by Unisys, if Client fails to return Failed Unit within fourteen (14) days of Client's receipt of Exchange Unit. Advance Exchange Service is limited to selected equipment.

Equipment Maintenance Parts are parts required for Product repairs made by Unisys personnel. NBD, 2HR and 4HR do not apply to Parts availability.

Essential Engineering Changes are changes released by Unisys for safety purposes or changes Unisys determines are essential to the performance of equipment. Changes will be installed at a mutually acceptable time during the applicable hours of contracted coverage. For non Unisys equipment, Unisys will install Essential Engineering Changes (a) based upon the availability of required materials at no cost to Unisys, and (b) at current hourly labor charges.

Electronic Call Home Support allows Unisys Support Centers to receive system data via the Internet from Client and perform remote failure analysis. Client will supply the equipment, software, and communication facilities to use the Electronic Call Home Support capabilities of the Product as outlined in the Unisys product support plan. If Client does not permit Unisys to use Electronic Call Home Support as defined in the Product's support plan, Client agrees to pay additional charges for Support Services as determined by Unisys. Electronic Call Home Support is limited to selected products.

Equipment Preventive Maintenance, including the installation of engineering changes deemed appropriate by Unisys, will be performed at Client's location according to the manufacturer's recommendations at a mutually acceptable time during the applicable hours of contracted coverage.

Support Center Service provides assistance by electronic or voice communication during the PPM on operating the Products, identifying Product errors or malfunctions and advising on known detours, reporting software problems via a User Communication Form (UCF), and determining the need for on-call remedial service. Support Center Services during Off Hours consist of expediting response to network down and system emergencies.

Services Not Included in Support Services

Support Services do not include: (a) repair of failures due to manufacturer's design or other defects; (b) repair of failures due to abuse, accidents, neglect, or improper use, including damage to LCD screens or other Laptop Computer components; (c) repair of failures due to external factors (including failure or fluctuation of electrical power or air conditioning, fire, or flood); (d) repair of failures due to

excessive use, wear, and tear, which is in excess of manufacturer's recommended duty cycle; (e) refurbishment including restorations due to obsolescence (when parts for Equipment are not readily available on commercially reasonable terms) or end of life cycle failures including phosphorus "burn in" or "low intensity" characteristics of monitors; (f) repair of machines not identified as Equipment; (g) the loading of software, software configurations or any data files; and (h) the backup of any data files.

If Unisys determines Equipment requires refurbishment rather than repair, Unisys will notify Client and remove the Equipment from Support Services.

Client may ask Unisys to do the refurbishment on an hourly billable service basis and Unisys may provide refurbishment of Equipment subject to the availability of parts, manufacturer's support, and trained personnel.

User Communication Service provides for reporting of suspected Product errors or malfunctions or suggested new feature changes. Unisys will make reasonable efforts to provide detours or corrections for Unisys Products or non Unisys Products if available to Unisys at no additional charge from the vendor. Client will install all error corrections. User Communication Service and UCF submissions are available only for Products for which Unisys is then currently providing development center support (also called engineering support).

Software Maintenance Release Service provides error corrections and maintenance releases that Unisys develops or provides for currently supported Software level(s). Unisys licenses these releases only for use on the designated computer system(s) under the applicable license agreement. Client will install all applicable error corrections and maintenance releases. Certain software products may require Unisys Subscription Service in order to receive Software Maintenance Release Service.

Electronic Support Service provides Client with access to an Internet web site to place Product service requests, to obtain information on known errors and corrections, and to receive information on Unisys products and services.

Software On-Call Support provides software support at the Client's site if Unisys determines that a Software Product problem remains unresolved and on-site assistance is required, after Client has used Support Center Services as prescribed. Desktop and selected non Unisys software Products are not eligible for Software On-Call Support.

Systems Operations Review provides an annual meeting, at a time mutually agreed to between Unisys and Client, to conduct a computer systems operation review. Client is responsible for scheduling the meeting. This service applies to systems designated by Unisys as enterprise servers or mainframes.

Support Center Response Commitment (available only during the PPM) provides electronic or voice response by Unisys to Client's declared emergencies no later than one (1) hour after receipt of Client's request for service at the Support Center designated by Unisys.

Section C. Service Level Descriptions

The following describes the six Service Levels and the Service Elements included in each of the Service Levels. **Not all Service Elements and Service Levels are available for all Products. Refer to Descriptions of Service Elements for additional details.** Individual Service Elements contained in a higher Service Level than contracted are provided at Client request, as available, at then-current Unisys conditions and charges. All hardware and software Products within a system configuration must be enrolled under the same Service Level except for desktop and network products and application software. All Client Replaceable Units are shipped to the Client to arrive the next business day regardless of the service level subscribed.

Service Levels – Hardware Support Services						
<i>Service Elements</i>	1 <i>Mail-In</i>	2 <i>Advanced Exchange</i>	3 <i>Standard PPM</i>	4 <i>Standard PPM</i>	5 <i>Business Critical</i> 7X24	6 <i>Business Critical</i> 7X24 4395 4940 005 (6/05)
Equipment On-Call Remedial		64 of 3	NBD*	4HR	4HR	2HR



Maintenance Service						
Mail-In Service	X					
Advance Exchange Service		X				
Equipment Maintenance Parts	X	X	X	X	X	X
Essential Engineering Changes	X	X	X	X	X	X
Electronic Call Home Support			X	X	X	X
Equipment Preventive Maintenance			X	X	X	X

*Note: CRU maintenance plans are required.

<i>Service Elements</i>	Service Levels – Software Support Services					
	1	2	3	4	5	6
Support Center Service	X	X	X	X	X	X
User Communication Service	X	X	X	X	X	X
Software Maintenance Release Service	X	X	X	X	X	X
Electronic Support Service	X	X	X	X	X	X
Software On-Call Support (7/24)					X	X
Systems Operations Review					X	X
Support Center Response Commitment						X

Section D. Desktop Support Services

The additional Support Services terms and conditions listed in this Section D apply only to Desktop Equipment listed on the Support Services Schedule(s) for Desktop Equipment (“Desktop Schedule”). All Support Services Definitions and Descriptions included in Sections A, B and C of this Addendum shall apply to Equipment listed on the Desktop Schedule unless altered by this Section D.

For purposes of this Addendum, all references to Products shall include Equipment and all references to Schedule(s) shall include Desktop Schedule.

Definitions

Equipment means the machines, including Personal Computers, Laptop Computers and printers identified on the Desktop Schedule or, if greater, the actual number of machines serviced by Unisys under this Agreement by model, type, and manufacturer.

Personal Computer or PC, unless otherwise defined on the Desktop Schedule, means a microcomputer with a configuration not to exceed: a single processor; a 17-inch CRT monitor; a standard keyboard; a standard mouse; business quality speakers; RAM; three feature boards (as determined by Unisys); a single optical disk drive (CD-ROM, DVD or a CD-RW); a floppy disk drive; and a single hard disk storage device.

Laptop Computer means a battery powered self-contained portable Personal Computer and does not include accessories such as a port replicator, a docking station, external monitor or keyboard.

Restored means that diagnostics used by Unisys for Support Services show that Equipment is in working order.

Initial Term of Service means that unless specified otherwise on the Desktop Schedule, the Initial Term of Support Services for Equipment will be three (3) years from the Commencement Date of Service.

Quarterly Service Attentions means the number of on-site service requests included in Support Services that Unisys responds to in each three (3) month period following the Commencement Date of Service. Quarterly Service Attentions may be pro rated to coincide with calendar quarters.

Charges

Charges for Desktop Support Services include the charges described on the Desktop Schedule for the Equipment and all other charges or changes to charges determined according to the Addendum.

If Unisys charges its then-current service warranty rates for non Unisys Equipment and Client fails to provide Unisys accurate warranty entitlement documentation, acceptable to the equipment manufacturer, or if Unisys is unable to obtain warranty reimbursement from the equipment manufacturer, Unisys shall change the service warranty charges for the affected Equipment to its then-current Support Services charges effective as of the Commencement Date of Service.

Service attentions, which exceed the Quarterly Service Attentions identified on the Desktop Schedule, are subject to an additional charge and will be billed to the Client at the Per Attention Support Service Rate identified on the Desktop Schedule. If the total number of quarterly service attentions responded to by Unisys is less than 90% of the Quarterly Service Attentions identified on the Desktop Schedule, Unisys may change the Equipment Quantity, Style or Description; Monthly Support Services charges; Quarterly Service Attentions and Per Attention Support Services Rate identified on the Desktop Schedule for the remainder of the Term.

Unisys may conduct inventories of Equipment serviced under the Agreement. The results of these inventories may be used by Unisys to provide service and may be available to Client for an additional charge. If the manufacturer's model and style number(s) or quantities serviced under the Agreement, or both, are not described on the Desktop Schedule or, if the Equipment description is different from the Equipment information on the Desktop Schedule, Unisys shall initially bill Client (and Client shall



pay) the charges according to the Desktop Schedule and Unisys may: (a) change the Desktop Schedule to conform the Equipment Quantity, Style or Description information to the actual Equipment being serviced; (b) delete any generically described items that Unisys does not customarily and routinely service; and (c) change the relevant Monthly Support Services charges, Quarterly Service Attentions, and Per Attention Support Services Rate identified on the Desktop Schedule, including changes to previously billed charges, for the remainder of the Term.

Service Level Response

From the Commencement Date of Service up to and including a period of ninety (90) days following the Client's submission of all Equipment information Unisys requires for Support Services, Unisys will make every reasonable effort to provide Support Services as described in the Agreement but Client acknowledges that some Support Services may be delayed and call response time periods will not apply during such periods.

All responses to service requests for Equipment apply only to Unisys Equipment designated Tier One (1). There is no commitment for response to service requests for Equipment that is not designated as Unisys Tier One (1).

The response to service requests for Equipment described in the Agreement will be achieved in no less than 85% of the occurrences where a Unisys Client Infrastructure Representative is dispatched.





THESE PRODUCTS ARE INSTALLED AT THE STATE OF MICHIGAN DEPARTMENT OF STATE AT 7064 CROWNER DR, LANSING, MI

DP500 PROCESSOR RELATED PRODUCTS

Ordered Style	Description	Mthly Unit Rate Eff 10-1-2009	Mthly Unit Rate EFF 101-2010	Service Level
DP536-DCP	WRKST:CAR PC	\$ 38.56	\$ 44.34	4
DP536-DCP	WRKST:CAR PC	\$ 38.56	\$ 44.34	4
NDP500-ISD	SYS:IMAGE SALES DRAFT	\$ 1,795.13	\$ 2,064.40	4
DP575-NT4	SYS:NDP575 NT TRACK PC	\$ 53.14	\$ 61.11	4
DP501-BBD	FEEDER:BLACK BAND DET	\$ 12.51	\$ 14.39	4
DP505-FRJ	ENDORSER:FRONT&REAR MJE	\$ 46.89	\$ 53.92	4
DP511-SPS	FURN:SYSTEM PRINTR SHELF	INCL	INCL	4
DP512-AHR	STACKER:ADD RSD HGT 12HP	\$ 117.74	\$ 135.40	4
DP530-JP2	ACC:JPEG 200DPI SNIPPET	\$ 57.31	\$ 65.91	4
Total Payment Systems		\$,159.84	\$ 2,483.81	

APPLICATION SOFTWARE

Ordered Style	Description	Mthly Unit Rate Eff 10-1-2009		Service Level
VR1-CUS	DOC SW:CUSTOMIZERS	\$ 93.77	\$ 107.84	4
VR1-MSF	DOC SW:MARK SENSE FACIL	\$ 234.42	\$ 269.58	4
VR1-SV5	DOC SW:SERVER APPLICAT.	\$ 312.56	\$ 359.44	4
Total Application Software		\$ 640.75	\$ 736.86	

PC PRODUCTS

Ordered Style	Description	Mthly Unit Rate Eff 10-1-2009		Service Level
D2826-A	DISPLAY:15" COLOR	\$ 8.34	\$ 9.59	4
D2826-A	DISPLAY:15" COLOR	\$ 8.34	\$ 9.59	4
D2826-A	DISPLAY:15" COLOR	\$ 8.34	\$ 9.59	4
D2840-A	DISPLAY:17" ERGO	\$ 9.39	\$ 10.80	4
D2840-A	DISPLAY:17" ERGO	\$ 9.39	\$ 10.80	4
D2840-A	DISPLAY:17" ERGO	\$ 9.39	\$ 10.80	4
D2840-A	DISPLAY:17" ERGO	\$ 9.39	\$ 10.80	4
D2840-A	DISPLAY:17" ERGO	\$ 9.39	\$ 10.80	4
D2840-A	DISPLAY:17" ERGO	\$ 9.39	\$ 10.80	4
D2840-A	DISPLAY:17" ERGO	\$ 9.39	\$ 10.80	4



D7960-AV	SYS:VLi8 MINITOWER BASE SYS	\$ 25.00	\$ 28.75	4
D7960-AV	SYS:VLi8 MINITOWER BASE SYS	\$ 25.00	\$ 28.75	4
D7960-AV	SYS:VLi8 MINITOWER BASE SYS	\$ 25.00	\$ 28.75	4
D7960-AV	SYS:VLi8 MINITOWER BASE SYS	\$ 25.00	\$ 28.75	4
D7960-AV	SYS:VLi8 MINITOWER BASE SYS	\$ 25.00	\$ 28.75	4
D7960-AV	SYS:VLi8 MINITOWER BASE SYS	\$ 25.00	\$ 28.75	4
D8440-AV	SYS:VLi8 BASE SYS W/UNISYS KIT	INCL	INCL	4
D8440-AV	SYS:VLi8 BASE SYS W/UNISYS KIT	INCL	INCL	4
D8440-AV	SYS:VLi8 BASE SYS W/UNISYS KIT	INCL	INCL	4
D8440-AV	SYS:VLi8 BASE SYS W/UNISYS KIT	INCL	INCL	4
D8440-AV	SYS:VLi8 BASE SYS W/UNISYS KIT	INCL	INCL	4
D8440-AV	SYS:VLi8 BASE SYS W/UNISYS KIT	INCL	INCL	4
D8445-AV	PROC:500MZ PIII	INCL	INCL	4
UDS17-110	17ppm ptr 110V	\$ 19.80	\$ 22.77	4
C1528-JV	TAPE:DAT 8I INTERNAL	\$ 19.49	\$ 22.41	4
C4735-AV	KEYBD:VL KYBD W/WIN95KEY	INCL	INCL	4
C4735-AV	KEYBD:VL KYBD W/WIN95KEY	INCL	INCL	4
C4735-AV	KEYBD:VL KYBD W/WIN95KEY	INCL	INCL	4
C4735-AV	KEYBD:VL KYBD W/WIN95KEY	INCL	INCL	4
C4735-AV	KEYBD:VL KYBD W/WIN95KEY	INCL	INCL	4
C4735-AV	KEYBD:VL KYBD W/WIN95KEY	INCL	INCL	4
D4290-AV	MEM:E50 64MB SIMM ECC	INCL	INCL	4
D4910-AV	DISK:4.2GB CT HDD	\$ 18.75	\$ 21.56	4
D4910-AV	DISK:4.2GB CT HDD	\$ 18.75	\$ 21.56	4
D4910-AV	DISK:4.2GB CT HDD	\$ 18.75	\$ 21.56	4
D4910-AV	DISK:4.2GB CT HDD	\$ 18.75	\$ 21.56	4
D4910-AV	DISK:4.2GB CT HDD	\$ 18.75	\$ 21.56	4
D4910-AV	DISK:4.2GB CT HDD	\$ 18.75	\$ 21.56	4
D5013-AV	ACC:10/100TX PCI NIC LAN	INCL	INCL	4
D5013-AV	ACC:10/100TX PCI NIC LAN	INCL	INCL	4
D6098-AV	MEM:128MB SDRAM	INCL	INCL	4
D6502-AV	MEM:64MB SDRAM NON-ECC	INCL	INCL	4
D6502-AV	MEM:64MB SDRAM NON-ECC	INCL	INCL	4



D6502-AV	MEM:64MB SDRAM NON-ECC	INCL	INCL	4
D6502-AV	MEM:64MB SDRAM NON-ECC	INCL	INCL	4
D6502-AV	MEM:64MB SDRAM NON-ECC	INCL	INCL	4
D6502-AV	MEM:64MB SDRAM NON-ECC	INCL	INCL	4
D7051-NT	O/S:NT PRE-LOAD	\$ 18.75	\$ 21.56	4
D8445-AV	PROC:500MZ PIII	INCL	INCL	4
D8445-AV	PROC:500MZ PIII	INCL	INCL	4
D8445-AV	PROC:500MZ PIII	INCL	INCL	4
D8445-AV	PROC:500MZ PIII	INCL	INCL	4
D8445-AV	PROC:500MZ PIII	INCL	INCL	4
D8448-AV	DISK:4.3GB IDE ULTRA ATA33	\$ 4.17	\$ 4.80	4
D8448-AV	DISK:4.3GB IDE ULTRA ATA33	\$ 4.17	\$ 4.80	4
D8448-AV	DISK:4.3GB IDE ULTRA ATA33	\$ 4.17	\$ 4.80	4
D8448-AV	DISK:4.3GB IDE ULTRA ATA33	\$ 4.17	\$ 4.80	4
D8448-AV	DISK:4.3GB IDE ULTRA ATA33	\$ 4.17	\$ 4.80	4
D8448-AV	DISK:4.3GB IDE ULTRA ATA33	\$ 4.17	\$ 4.80	4
D8453-AV	O/S:NT4.0 RECOVERY CD VLI8	INCL	INCL	4
D8453-AV	O/S:NT4.0 RECOVERY CD VLI8	INCL	INCL	4
D8453-AV	O/S:NT4.0 RECOVERY CD VLI8	INCL	INCL	4
D8453-AV	O/S:NT4.0 RECOVERY CD VLI8	INCL	INCL	4
D8453-AV	O/S:NT4.0 RECOVERY CD VLI8	INCL	INCL	4
D8453-AV	O/S:NT4.0 RECOVERY CD VLI8	INCL	INCL	4
D8478-AV	LAN HW:3COM LAN CARD	INCL	INCL	4
D8478-AV	LAN HW:3COM LAN CARD	INCL	INCL	4
D8478-AV	LAN HW:3COM LAN CARD	INCL	INCL	4
D8478-AV	LAN HW:3COM LAN CARD	INCL	INCL	4
D8478-AV	LAN HW:3COM LAN CARD	INCL	INCL	4
D8478-AV	LAN HW:3COM LAN CARD	INCL	INCL	4
D8479-AV	DISK:32X IDE CDROM	\$ 8.34	\$ 9.59	4
D8479-AV	DISK:32X IDE CDROM	\$ 8.34	\$ 9.59	4
D8479-AV	DISK:32X IDE CDROM	\$ 8.34	\$ 9.59	4
D8479-AV	DISK:32X IDE CDROM	\$ 8.34	\$ 9.59	4
D8479-AV	DISK:32X IDE CDROM	\$ 8.34	\$ 9.59	4
D8479-AV	DISK:32X IDE CDROM	\$ 8.34	\$ 9.59	4
D8471-LAV	O/S:NT4.0 FOR VLI 8	INCL	INCL	4
D8471-LAV	O/S:NT4.0 FOR VLI 8	INCL	INCL	4
D8471-LAV	O/S:NT4.0 FOR VLI 8	INCL	INCL	4
D8471-LAV	O/S:NT4.0 FOR VLI 8	INCL	INCL	4



D8471-LAV	O/S:NT4.0 FOR VLI 8	INCL	INCL	4
D8471-LAV	O/S:NT4.0 FOR VLI 8	INCL	INCL	4
PTS9999-NTE	DATAMGT:ARC-S FOR NT-ENT	\$ 18.75	\$ 21.56	4
Total Non-Payment Systems		\$ 505.10	\$ 580.87	
Total		\$3,305.69	\$3,801.54	

Notes & Assumptions:

- 1 The State of Michigan Department of State (MDOS) current maintenance Support Services contract for the above-listed equipment is due to expire on 9-30-09. The monthly unit rates that would be in effect are listed above and are based upon the specific styles, quantities, Service Level and location specified herein. Service Level 4 provides coverage Monday through Friday, excluding Unisys designated holidays, from 8:00 AM to 5:00 PM, MI local time. Refer to the Unisys Support Services Addendum for additional details of the Service Elements included in Service Level 4.
- 2 **The products designated as PC Products will not be supported after 9-30-10. Newer PC products provided by the state will be considered for support. Pricing for the replacement PC products will be adjusted prior to the fiscal year beginning 10-1-10.**
- 3 This price quote is subject to the terms and conditions contained in the standard Unisys Systems Integration Agreement, plus any additional provisions upon which the parties mutually agree, and the Unisys Support Services Addendum.
- 4 This proposal contains confidential information of Unisys Corporation. In consideration of the receipt of this quote, MDOS agrees not to reproduce or make this information available in any manner to persons outside the group directly responsible for the evaluation of its content without written permission from Unisys. Unisys retains all rights and ownership of all its (or its suppliers) intellectual property rights and confidential information.