

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

CHANGE NOTICE NO. 11
to
CONTRACT NO. 071B0200123
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
CSG Government Solutions 180 North Stetson Avenue, Suite 3200 Chicago, IL 60601	James Mahoney	rfp@csgdelivers.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(312) 444-2460	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	Deb Patterson	313-456-2602	Pattersond6@michigan.gov
BUYER	DTMB	Barb Suska	517-335-4067	suskab2@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: MDIT/DELEG-UIA Project Management Office for System Integration Project			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
January 19, 2010	January 18, 2013	5, 1 Year Options	January 18, 2014
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:							
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE			
<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1 year	January 18, 2015			
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:					
\$4,359,468.00		\$18,435,423.95					
Effective immediately, this Contract exercises the second option year. The new Contract end date is January 18, 2015. Please note the Contract has been increased by \$4,359,468.00.							
All other terms, conditions, pricing, and specifications remain the same. Per vendor and agency agreement, DTMB Procurement approval, and the approval of the State Administrative Board dated January 14, 2014.							



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

Project Title: Chicago Systems Group – Project Control Office	Period of Coverage: 1/19/14-1/18/15
Requesting Department: LARA/Unemployment Insurance Agency	Date: 11/25/13
Agency Project Manager: Clay Tierney	Phone: 313-456-2402
DTMB Project Manager: Debra Patterson	Phone: 313-456-4926

Brief Description of Services to be provided:

BACKGROUND:

The State of Michigan's Department of Licensing and Regulatory Affairs (LARA), Unemployment Insurance Agency (UIA) has embarked on a multi-year System Integration Project to complete a comprehensive and complex rewrite of Michigan's current Unemployment Insurance (UI) systems. Due to the challenges UIA faces in administering a complex program with constraints and limitations imposed by the mix of legacy systems, a modernized, integrated system will provide real-time data sharing across functions, increase productivity, enhance customer service and ease of use, and provide flexibility in complying with changing federal mandates and other requirements.

To achieve these objectives, UIA and its state partner agency, the Department of Technology, Management and Budget (DTMB) decided to seek an outside vendor who has significant expertise in providing full-time, on-site Project Management to oversee a comprehensive and complex rewrite of Michigan's current Unemployment Insurance Systems and to function as the overall Project Management Office (PMO) for the new UIA Integrated System Project. The State issued a Request for Proposal (RFP) for Project Management Office for System Integration Project and subsequently awarded the contract to CSG Government Solutions (CSG).

PROJECT OBJECTIVE:

The PCO is to oversee the implementation of a modern, integrated system for the Michigan Unemployment Insurance Agency that enhances customer service and effective program management.

The PCO shall be responsible for aspects of project governance from managing the project schedule, managing PCO resources, developing project communications, maintaining a risk identification and escalation process, maintaining an issue tracking and escalation process, calculating earned value, and other responsibilities usually associated with project management.

The PCO's objective is to track progress on project deliverables, not to account for all the hours a resource is in the office. Thus the reflecting accurately the project schedule, status and analyzing whether the project is on track or not.

The PCO shall establish, implement and enforce project management and technical processes, methodologies, and tools to minimize risk and contain costs. The contractor's PCO Manager shall support the State – and the State's application maintenance/development contractor – in meeting the timely delivery of quality IT services for all stakeholders.

The PCO shall establish standards and build continuous improvement into the project management and technical processes.

The PCO shall work closely with the State project management and leadership teams to make sure all stakeholders have accurate project information and project governance is adhered to.

The PCO shall support a collaborative work environment between all of the project stakeholders to facilitate sharing of information to successfully meet business requirements and established time lines.

The PCO provides a shared understanding and agreement among all participants as to what will be delivered, how it will be completed, and the commitment required.

The PCO provides interactive participation with the project in assisting the project achieve its stated objectives.

The PCO provides a clear and functional hierarchy for escalation to those empowered to intervene/help resolve items that cannot be resolved at the project level.

The PCO provides client participation at project and executive level as key stakeholders for informational and resolution purposes (client facing projects).

SCOPE OF WORK:

The PCO will provide leadership, project management, technical oversight and business analysis to several projects related to the UIA-IS project. These projects will be managed through the PCO to provide project management, reporting and accountability. By using the PCO as a central point for all activities identified by the strategic plan, it provides the UIA with a structure to coordinate the schedules and resources, manage risks, coordinate testing, detect issues and ultimately achieve success and ensure a seamless integration between new applications and the new UIA System. The PCO will be coordinating the activities of the following UIA-IS related projects:

- UIA Integrated System (Rewrite)
- Compliance with HB 4408-Benefit Payment Control (BPC) Detection and Collection Process Improvements
- Interactive Voice Response (IVR) System Replacement
- Fraud Detection Software
- Other Projects Identified by the Strategic Plan

TASKS:

Technical support is required to assist with the following tasks:

- Strategic Planning – Develop and maintain a UIA IT Strategic Roadmap; Provide leadership to all projects so they align with the road map
- Project Initiation – Coordinate project orientation and start-up, including development of a plan and related processes to combine all UIA projects; Consolidation of Project Management tools and expertise; Provide Organizational Change Management (OCM) planning; Direct Business Process Reengineering (BPR).
- Project Control and Support – Coordinate the process for overall decision making, project governance, and deliverable review and approval to insure that the systems achieve their intended purposes; Apply knowledge, skills, tools and techniques to project activities to meet project requirements in terms of time, cost, and scope and at an acceptable level of quality; Development, coordination and oversight of Testing activities, specifically User Acceptance Testing (UAT); Release Planning and Management.
- Scope Control and Management – Package units of work into meaningful implementations of value to the stakeholders, and effectively evaluate, manage, and control changes (through a Change Control Board) to those planned releases as the State and/or contractors propose changes to the agreed upon plans; Manage all requirements via a requirements traceability matrix definition through testing and implementation; Work closely with the State and contractors to achieve an iterative development and deployment approach for the project delivery.
- Schedule Control and Management – Schedule, plan and monitor the work of the application maintenance/development contractors, DTMB and UIA; Identify problems as early as possible so that corrective action plans can be put in place quickly to keep the projects on track; Schedule and facilitate project health checks as required.

DELIVERABLES:

Deliverables will not be considered complete until the Agency Project Manager has formally accepted them.

ACCEPTANCE CRITERIA:

Acceptance criteria for this SOW are per the existing Contract No. 071B0200123 between the parties, dated January 19, 2010 in connection with the Project Management Office (PMO) for the UIA System Integration (UIA-IS) Modernization Project ("Contract") for the State of Michigan Department of Technology, Management and Budget and Unemployment Insurance Agency ("Clients"), CSG's clients. Each deliverable will follow the acceptance criteria listed below:

- Develop and distribute Deliverable Expectation Document (DED)
- Discuss DED with State and receive approval
- Generate initial version of document
- Present to State for review and comments
- Incorporate comments into document
- Submit Deliverable to State for approval, following contract guidelines
- Store final approved deliverable on project repository

PROJECT CONTROL AND REPORTS:

Project controls and reporting are defined and followed per existing Contract No. 071B0200123 between the parties, dated January 19, 2010 in connection with the Project Management Office (PMO) for the UIA System Integration (UIA-IS) Modernization Project ("Contract") for State of Michigan Department of Technology, Management and Budget and Unemployment Insurance Agency ("Clients"), CSG's clients.

SPECIFIC DEPARTMENT STANDARDS:

Agency and DTMB standards that are to be followed for this SOW are per the existing Contract No. 071B0200123 between the parties, dated January 19, 2010 in connection with the Project Management Office (PMO) for the UIA System

Integration (UIA-IS) Modernization Project ("Contract") for State of Michigan Department of Technology, Management and Budget and Unemployment Insurance Agency ("Clients"), CSG's clients.

PAYMENT SCHEDULE:

The work associated with this SOW will be done on a time and materials basis. Invoicing by CSG and payment by DTMB will be governed by the terms and conditions defined within the existing Contract No. 071B0200123 between the parties, dated January 9, 2010 in connection with the Project Management Office (PMO) for the UIA System Integration (UIA-IS) Modernization Project ("Contract") for State of Michigan Department of Technology, Management and Budget and Unemployment Insurance Agency ("Clients") and any associated Purchase Orders.

DTMB Contracts area will coordinate obtaining Agency Project Manager and DTMB/UIA Sr. Project Manager approvals. All invoices should reflect actual work completed by payment date, and must be approved by the DTMB Sr. Project Manager prior to payment. CSG will submit timesheets approved by the DTMB Sr. Project Manager to support all invoices.

EXPENSES:

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

The core PCO is expected to remain in place to support the MIDAS system, IVR systems and Fraud Detection implementation. The PCO will be staffed by a full-time four person team in Detroit. Additional dollars are necessary for possible additional services for project oversight and business process reengineering.

The following table shows the estimated PCO costs.

Activity	Amount
Core (MiDAS, IVR & Fraud)	\$1,858,130
Print	\$127,551
BPR	\$1,076,415
Imaging	\$680,270
Reserve	\$617,102
Total	\$4,359,467

PROJECT CONTACTS:

The designated Agency Project Manager is:

Clay Tierney
Department of Licensing and Regulatory Affairs (LARA)
Unemployment Insurance Agency
Cadillac Place, Suite L-500
3024 W. Grand Blvd.
Detroit, MI 48202
(313) 456-2402
tierneyc@michigan.gov

The designated DTMB Project Manager is:

Debra Patterson
Department of Technology, Management & Budget
Customer Service
Cadillac Place, Ste. L-500
3024 W. Grand Blvd.
Detroit, MI 48202
313-456-4926
Pattersond6@michigan.gov

AGENCY RESPONSIBILITIES:

DTMB & UIA responsibilities are as per the term and conditions defined within the existing Contract No. 071B0200123 between the parties, dated January 19, 2010 in connection with the Project Management Office (PMO) for the UIA System Integration (UIA-IS) Modernization Project ("Contract") for State of Michigan Department of Technology, Management and Budget and Unemployment Insurance Agency ("Clients"), CSG's clients.

LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

Consultants will work mainly at Cadillac Place, 3024 West Grand Blvd, Detroit, Michigan 48202, with other activities being performed at various State or CSG office buildings, as requested by the Sr. Project Managers and as necessary to reasonably support the project activities.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

This SOW is for time and materials work. The CONTRACTOR will charge for actual hours worked and will record all time worked on a weekly time sheet. The time sheets will be submitted to the State for approval, and submitted to the State along with the monthly invoice.

This purchase order is a release from Contract Number 071B0200123. This purchase order, statement of work, and the terms and conditions of Contract Number 071B0200123 constitute the entire agreement between the State and the Contractor.

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

CHANGE NOTICE NO. 10
 to
CONTRACT NO. 071B0200123
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
CSG Government Solutions 180 North Stetson Avenue, Suite 3200 Chicago, IL 60601	James Mahoney	rfp@csgdelivers.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(312) 444-2460	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DLEG	Deb Patterson	313-456-2602	
BUYER	DTMB	Steve Motz	517-241-3215	motzs@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: MDIT/DELEG-UIA Project Management Office for System Integration Project			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
January 19, 2010	January 18, 2013		January 18, 2013
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MIDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1 year	Jan. 18, 2014
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$4,927,838.00		\$14,075,955.95		
Effective December 18, 2012, this contract exercises the first option year. The new contract end date is January 18, 2014. Please also note that the contract has been increased by \$4,927,838.00. All other terms, conditions, pricing and specifications remain the same. Per vendor and agency agreement, DTMB Procurement approval and the approval of the State Administrative Board on December 18, 2012.				

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

January 10, 2012

CHANGE NOTICE NO. 9
TO
CONTRACT NO. 071B0200123
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR CSG Government Solutions 180 North Stetson Avenue, Suite 3200 Chicago, IL 60601 rfp@csghdelivers.com	TELEPHONE (312) 444-2460 James Mahoney
	BUYER/CA (517) 241-3215 Steve Motz
Contract Compliance Inspector: Deb Patterson (313) 456-2602 MDIT/DELEG-UIA Project Management Office for System Integration Project	
CONTRACT PERIOD: From: January 19, 2010 To: January 18, 2013	
TERMS N/A	SHIPMENT N/A
F.O.B. N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	

NATURE OF CHANGE(S):

Effective immediately, the Contract is **INCREASED** by \$2,748,117.95 and the attached Statement of Work #005 and referenced Change Requests are incorporated into this contract. Please refer to the attached Statement of Work for a detailed description of tasks and deliverables and the below following Change Requests:

- CR024 - IMS Application DBA Extension
- CR025 - Oracle Application DBA Extension
- CR027 - Sr Business Analyst - ReqPro
- CR028 - Sr Business Analyst - ProjSched
- CR029 - Sr Program Manager - PCO
- CR031 - Sr Business Analyst - Test Mgr
- CR032 - Sr Business Architect Extension – Mahony
- CR033 - Sr Business architect Extension – Rhodes
- CR034 - Sr Project Manager - BPC Activities - Hoehne
- CR035 - Sr Project Manager - IVR Activities - Wicks
- CR036 - Sr Business analyst - IVR Extension
- CR037 - Sr Business Analyst - Fraud RFP

Please note that the buyer is **CHANGED** to Steve Motz. All other terms, conditions and specifications remain the same.

AUTHORITY: Per Contractor, Agency and DTMB approval. Ad Board approval on 9/30/2011.

INCREASE: \$2,748,117.95

CURRENT REVISED CONTRACT VALUE: \$9,215,912.35



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

STATEMENT OF WORK - #005

Project Title: Unemployment Insurance Agency - Integrated System Project (UIA-IS)	Period of Coverage: July 1, 2011 - Jan 18, 2012
Requesting Department: DTMB / UIA	Date: September 9th, 2011
Agency Project Managers: Deb Patterson, DTMB / Clay Tierney, UIA	Phone: 313-456-2602 / 313-456-2402
DTMB Contract Administrator: To be determined (TBD)	Phone: 313-456-xxxx

BACKGROUND:

The State of Michigan's Department of Licensing and Regulatory Affairs (LARA), Unemployment Insurance Agency (UIA) has embarked on a multi-year System Integration Project to complete a comprehensive and complex rewrite of Michigan's current Unemployment Insurance (UI) systems. Due to the challenges UIA faces in administering a complex program with constraints and limitations imposed by the mix of legacy systems, a modernized, integrated system will provide real-time data sharing across functions, increase productivity, enhance customer service and ease of use, and provide flexibility in complying with changing federal mandates and other requirements.

To achieve these objectives, UIA and its state partner agency, the Department of Technology, Management and Budget (DTMB) decided to seek an outside vendor who has significant expertise in providing full-time, on-site Project Management to oversee a comprehensive and complex rewrite of Michigan's current Unemployment Insurance Systems and to function as the overall Project Management Office (PMO) for the new UIA Integrated System Project. The State issued a Request for Proposal (RFP) for PROJECT MANAGEMENT OFFICE FOR SYSTEM INTEGRATION PROJECT and subsequently awarded the contract to CSG Government Solutions (CSG).

This Statement of Work (SOW) is issued under and is subject to the terms of Contract No. 071B0200123 between the parties, dated January 19, 2010 in connection with the Project Management Office (PMO) for the UIA System Integration (UIA-IS) Modernization Project ("Contract") for State of Michigan Department of Technology, Management and Budget and Unemployment Insurance Agency ("Clients"), CSG's clients.

CSG is currently engaged full-time in assisting DTMB/UIA with a variety of project related activities, including: RFP development, procurement process, vendor selection, contract negotiations, and preparations for the Design, Development and Implementation (DDI) vendor execution phase of the overall project to replace the UIA Legacy System (UIA-LS). During this DDI Phase, CSG is serving alongside the UIA and the DTMB team to provide PMO service for the UIA-IS Project.

CSG through approved Change Controls and the additional hours on the PMO contract is providing leadership, project management, technical oversight and business analysis to several other projects related to the UIA-IS project. These projects are all being managed through the PMO contract to provide project management, reporting and accountability. The following are the UIA-IS related projects:

- UIA Integrated System (Rewrite)
- Compliance with House Bill 4408 - Benefit Payment Control (BPC) Detection and Collection Process Improvements
- Interactive Voice Response (IVR) System Replacement
- Fraud Detection Software

PROJECT PURPOSE:

The purpose of this Statement of Work (SOW) is to establish a Project Control Office (PCO) with responsibility for all aspects of project governance from managing the project schedule, managing PCO resources developing project communications, maintaining a risk identification and escalation

process, maintaining an issue tracking and escalation process, calculating earned value, and other responsibilities usually associated with project management. Currently, the UIA projects are being managed by individual project managers with shared resources being utilized from the UIA-IS PMO.

The PCO shall work closely with the State project management and leadership teams to make sure all stakeholders have accurate project information and project governance is adhered to.

The PCO shall establish, implement and enforce project management and technical processes, methodologies, and tools to minimize risk and contain costs. CSG's PCO Manager shall support the State – and the State's development contractors – in meeting the timely delivery of quality IT services for all stakeholders.

The PCO shall support a collaborative work environment between all of the project stakeholders to facilitate sharing of information to successfully meet business requirements and established time lines.

PCO shall work in concert with the State and its respective development contractor(s) to deliver timely, high-quality project management control, technical infrastructure control, and related support services for UIA and DTMB, and their partners.

PROJECT OBJECTIVE:

The PCO is to oversee the implementation of a modern, integrated system for the Michigan Unemployment Insurance Agency that enhances customer service and effective program management.

The PCO shall be responsible for aspects of project governance from managing the project schedule, managing PCO resources, developing project communications, maintaining a risk identification and escalation process, maintaining an issue tracking and escalation process, calculating earned value, and other responsibilities usually associated with project management.

The PCO's objective is to track progress on project deliverables, not to account for all the hours a resource is in the office. Thus the reflecting accurately the project schedule, status and analyzing whether the project is on track or not.

The PCO shall establish, implement and enforce project management and technical processes, methodologies, and tools to minimize risk and contain costs. The contractor's PCO Manager shall support the State – and the State's application maintenance/development contractor – in meeting the timely delivery of quality IT services for all stakeholders.

The PCO shall establish standards and build continuous improvement into the project management and technical processes.

The PCO shall work closely with the State project management and leadership teams to make sure all stakeholders have accurate project information and project governance is adhered to.

The PCO shall support a collaborative work environment between all of the project stakeholders to facilitate sharing of information to successfully meet business requirements and established time lines.

The PCO provides a shared understanding and agreement among all participants as to what will be delivered, how it will be completed, and the commitment required.

The PCO provides interactive participation with the project in assisting the project achieve its stated objectives

The PCO provides a clear and functional hierarchy for escalation to those empowered to intervene / help resolve items that cannot be resolved at the project level

The PCO provides client participation at project and executive level as key stakeholders for informational and resolution purposes (client facing projects)

The benefits of the PCO are to:

- Improve customer service
- Eliminate manual, labor-intensive processes
- Increase data accuracy
- Improve security and privacy
- Provide ability to share data, real time, across functions
- Improve ease of system maintenance and support
- Implement common technical standards
- Reduce costs

SCOPE OF WORK:

The PCO will provide leadership, project management, technical oversight and business analysis to several projects related to the UIA-IS project. These projects will be managed through the PCO to provide project management, reporting and accountability. By using the PCO as a central point for all activities identified by the strategic plan, it provides the UIA with a structure to coordinate the schedules and resources, manage risks, coordinate testing, detect issues and ultimately achieve success and ensure a seamless integration between new applications and the new UIA System. The PCO will be coordinating the activities of the following UIA-IS related projects:

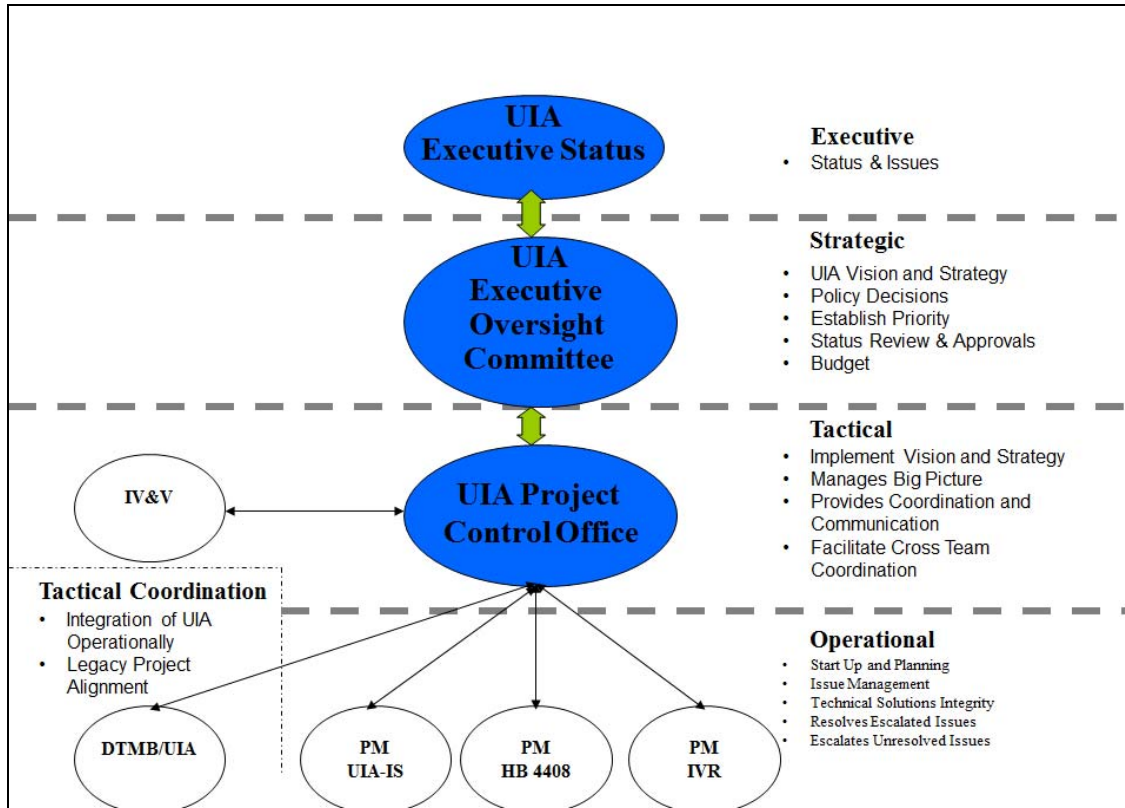
- UIA Integrated System (Rewrite)
- Compliance with HB 4408-Benefit Payment Control (BPC) Detection and Collection Process Improvements
- Interactive Voice Response (IVR) System Replacement
- Fraud Detection Software

This SOW will authorize the additional following scope and high level tasks, encompassing all UIA-IS related projects:

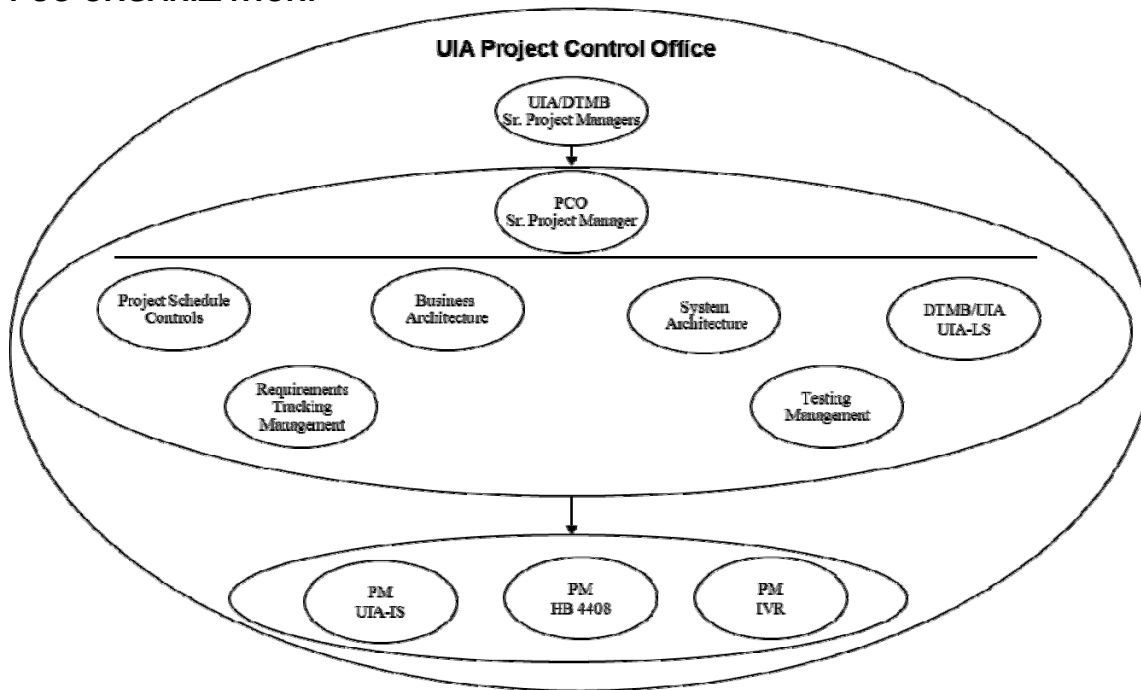
- Project Initiation
 - Coordinate project orientation and start-up, including development of a plan and related processes to combine all UIA projects.
 - Consolidation of Project Management tools and expertise.
- Project Control and Support
 - Coordinate the process for overall decision making, project governance, and deliverable review and approval to insure that the systems achieve their intended purposes
 - Apply knowledge, skills, tools and techniques to project activities to meet project requirements in terms of time, cost, and scope and at an acceptable level of quality
 - Development, coordination and oversight of Testing activities, specifically User Acceptance Testing (UAT).
 - Release Planning and Management.
- Scope Control and Management
 - Package units of work into meaningful implementations of value to the stakeholders, and effectively evaluate, manage, and control changes (through a Change Control Board) to those planned releases as the State and/or contractors propose changes to the agreed upon plans.
 - Manage all requirements via a requirements traceability matrix definition through testing and implementation.
 - Work closely with the State and contractors to achieve an iterative development and deployment approach for the project delivery.

- Schedule Control and Management
 - Schedule, plan and monitor the work of the application maintenance/development contractors, DTMB, and UIA.
 - Identify problems as early as possible so that corrective action plans can be put in place quickly to keep the projects on track.
 - Schedule and facilitate project health checks as required.

PCO GOVERNANCE MODEL:

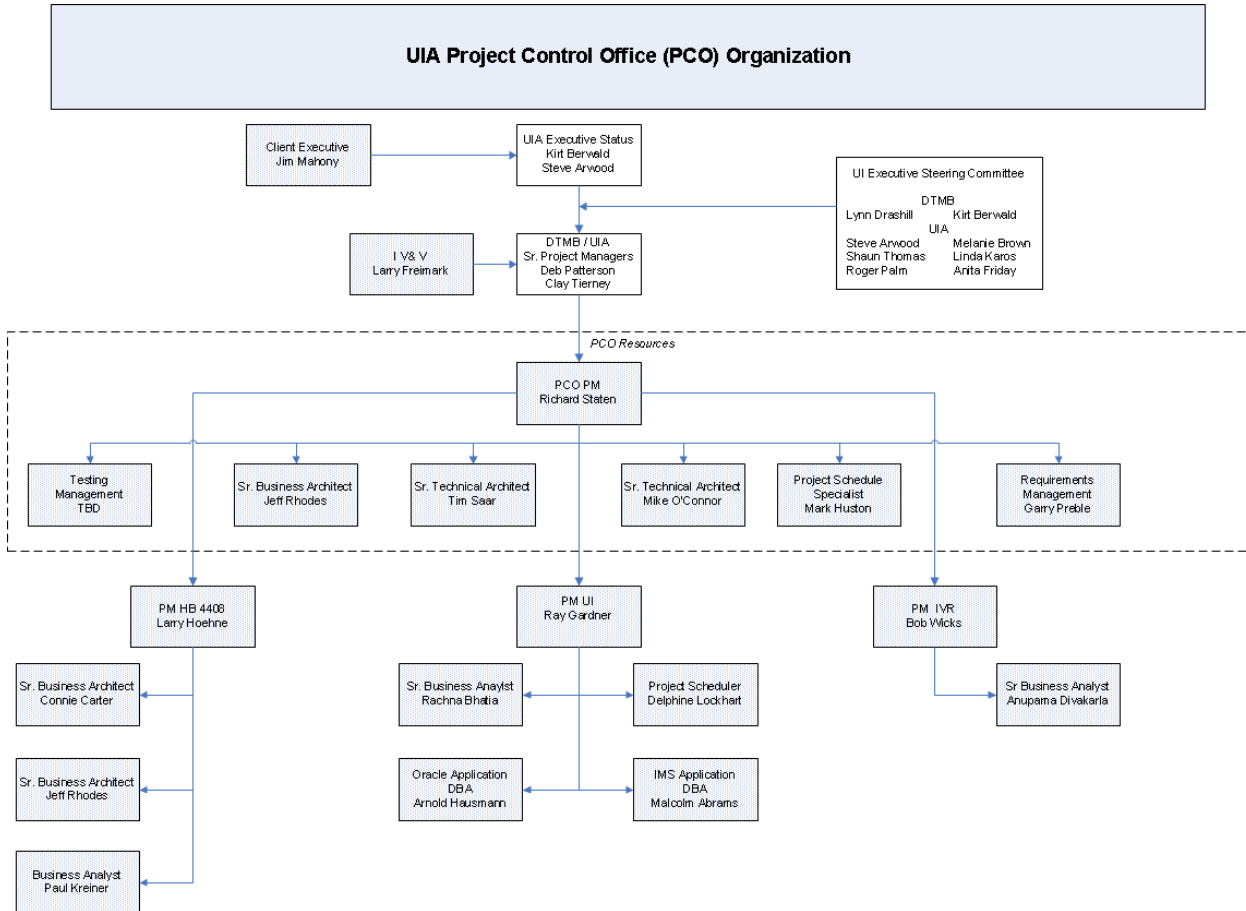


PCO ORGANIZATION:



PCO ORGANIZATION CHART:

Following is the PCO organizational chart to support the UIA Activities:



TASKS:

Project Initiation

The PCO shall present a proposed governance model to effectively meet the needs of each project. The project initiation work plan will include the task and milestone date for development and delivery of the proposed governance model. The governance model shall incorporate and describe areas of ongoing coordination among the PCO, UIA, DTMB and development contractors. Upon the State's approval of the governance model, the PCO shall develop timelines, strategies, and identified personnel to implement the governance model.

For each project the PCO will facilitate the project kick-off meeting(s) which will focus on:

- Affirming the PCO, State and contractors roles and responsibilities
- Gaining a full understanding of the State's expectations regarding the level of cooperation and interaction between the PCO, the State, and the development contractors.
- Presenting the current project and technical control processes, reports, and metrics.
- Identifying UIA/DTMB Project Executives and Sponsors

The PCO shall present a set of Project Management tools that will meet the needs of each project. For each project, the PCO will institute one PMO tools set to manage project schedule, issues, risk, scorecard reporting and requirements management. The governance model shall incorporate and describe each PCO tool and its functionality.

Deliverables

- Project Charter - This deliverable communicates the existence of a project after a Contractor has been selected for implementation. It contains vital information about the project and its leadership. Approval or rejection of this document by designated technical, business and financial project representatives results in a formal Go-or-No-Go decision for each project. The PCO will maintain one master charter for the PCO and individual charters for each project under the PCO's control structure.
 - Due 10 days from project start date
- Project Management Plan – This deliverable addresses all components of the SUITE PMM-003. The Project Management Plan creates a consistent, coherent document that is used to guide both Project execution and Project control. The PCO, with input from the Contractor and State, will continue to update the Project Management Plan and its subcomponents throughout the life of the project. The PCO will maintain one master project plan for the PCO and individual project plans for each project under the PCO's control structure.
 - Due 30 days from project start date
- Issue and Risk Management Plan - The PCO is responsible for establishing an Issues and Risk Management Plan and process, including the identification and recording of issues/risk items, prioritization, definition of mitigation strategies, monitoring of items, and periodic assessment reviews with the PCO, the IV&V and the State. The Issues and Risk Management Plan describes the project approach for issue/problem and risk/mitigation identification, tracking, reporting, assignment, resolution, and escalation. The plan shall include description of the automated tracking and management system(s) for capturing and tracking all issue/problem and risk/mitigation information. The approach used for Issue and Risk Management Plan shall be consistent with the State's enterprise approach, which includes the SUITE methodology. The PCO will maintain one master issue and management plan for the PCO and individual plans for each project under the PCO's control structure as appropriate.
 - Due 30 days from project start date
- Communication Plan – This deliverable documents what, when and how information will be disseminated to stakeholders and the project team throughout the project lifecycle. The PCO will maintain one master communication plan for the PCO and individual plans for each project under the PCO's control structure.
 - Due 30 days from project start date
- Change Management Plan – This deliverable addresses the PCO's approach to requirement change control, including the tracking of requirements, software used to track all requirements, reporting of requirements, assignment, resolution, and escalation of requirement change control requests. The Change Management Plan shall be consistent with the State's enterprise approach, which includes the SUITE methodology. The Contractor is to complete the Change Management Plan (PMM-009) document to detail this process. The PCO will maintain one master change management plan for the PCO and individual plans for each project under the PCO's control structure as appropriate.
 - Due 30 days from project start date
- Quality Plan – This deliverable defines activities and includes processes, procedures, time frames, and standards that must be used to assure quality and the resources required to conduct quality related activities. The PCO will maintain one master issue and management plan for the PCO and individual plans for each project under the PCO's control structure as appropriate.
 - Due 30 days from project start date
- Project Schedule – This deliverable provides a detailed resource laden project schedule for each project. The PCO will maintain a master schedule across all projects to identify potential resource conflicts and project risks along with a schedule for each individual project.
 - Draft due 10 days from project start date
 - Baseline due 30 days from project start date

Project Control and Support

The PCO shall oversee all projects, adhering to State of Michigan Project Management Methodology (PMM) and Software Engineering Methodology (SEM). The centralized management of the PCO will ensure that the PCO Project Manager has the ability to monitor and control risks and issues across all projects under the PCO's control.

Coordinate the process review of all deliverables, incorporation of comments and approval to insure that the systems achieve their intended purposes and sufficient level of quality.

The PCO will utilize a Requirements Tracking Management (RTM) tool to facilitate the recording, tracking and reporting of requirements against deliverables and development of modules. The PCO will create a UAT Plan and oversee the creation of each projects test criteria.

The RTM will also be utilized to track testing activities (test scenarios, used cases, test scripts) and the results of all UAT efforts. PCO activities will also include defect and resolution tracking to ensure builds are ready for deployment to production. The PCO will have responsibility for coordinating and overseeing the Release Planning and Management. The PCO will work with the development vendor to determine content of build packages, and verify the configuration management of the modules.

The PCO shall conduct formal monthly status meetings with the State, and report on all projects. The PCO shall generate a Status Report as the basis for the status meeting, which shall address:

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

Deliverables

- Monthly Status Report –This deliverable includes information on the progress to the project schedules, deliverables, resource planning and cost information, risks, issues and an executive status and narrative across all projects. The information will be provided at a monthly status meeting to the Executive Committee.
 - Due monthly
- Executive Dashboards – This deliverable includes information on all projects within the PCO in an easy to access dashboard report for the executive committee. The dashboard will contain information on risk, issues, project milestones, key accomplishments/next steps and cost information
 - Due as needed
- Requirements Tracking Management (RTM) – This deliverable includes the baselined requirements for a project.
 - Due at the end of the requirements phase for each project
- User Acceptance Test (UAT) Plan – This deliverable outlines the State, Vendor and PCO's UAT responsibilities for each project. It defines who, what, where, when and how UAT will be completed for each project. It also defines the approach for categorizing, tracking and reporting defects.
 - Due during the construction/configuration phase for each project
- Defect tracking & reporting – This deliverable describes the status of the defects discovered during UAT and the status of each.
 - Due based on frequency defined in UAT plan for each project.
- Release Management Plan (build package) – This deliverable defines how releases will be planned, implemented and deployed into production for each project that will have multiple deployments
 - Due during the construction/configuration phase for each project

Scope Control/Management

The PCO shall oversee all project contracts to manage scope control activities. These activities include validating that the goals and objectives of the state are attained. The PCO will ensure that the scope is managed through strong change control processes and procedures. The development vendor or State requests to change scope will be managed closely by the PCO, utilizing the approved Change Control process. The PCO will chair periodic Change Control Board (CCB) meetings to review all submitted and pending change requests and provide authorizations as appropriate. The PCO will work closely with the development vendor and stakeholders to ensure builds that are moved to production can be traced to defined scope.

By overseeing requirements management tracking, the PCO verifies that the requirements match the scope of the project.

Deliverables

- Change Control Board (CCB) meeting minutes – This deliverable contains information for each issue/change request reviewed at the change control meeting. The PCO will chair these periodic meeting as described in the Change Management Plan.
 - Due periodically, as defined and agreed necessary
- CCB tracking documents & Executive Dashboards - This deliverable provides easy access to all pending, approved and rejected issues and change requests for the executive committee to review.
 - Due as needed.
- RTM Updates - This deliverable includes information on all requested changes, modifications, additions and deletion to the baselined requirements for each project. All proposed changes to approved requirements will be reviewed at weekly CCB meetings chaired by the PCO.
 - Due monthly

Schedule Control/Management

The PCO will develop a Resource Management Plan based upon the approved project schedule. The PCO will identify any over allocated, underutilized or PCO and State resource constraints that are required to ensure the project remains on schedule.

A master project schedule will be maintained by the PCO to manage how each project is progressing, determine earned value and return on investment. Earned Value Management (EVM) will be utilized to monitor project schedule and cost deviations, so that early detection of problems can be identified and solutions developed.

All requested changes to any approved project schedule will be put through the schedule management plan process maintained by the PCO. The PCO will maintain a critical path view of each project.

Deliverables

- Master Project Schedule – This deliverable represents the up to date PCO master schedule encompassing all projects under the PCO control structure.
 - Due as needed
- Resource Management Plan – This deliverable identifies and quantifies the resources needed to perform project activities/tasks (Staff, equipment, and materials) and when those resources are required. The Resource Plan includes both Contractor, PCO and State resources, identify any resource risks, and explain how those risks are mitigated.
 - Initial due 30 days from project start
- EVM Dashboards – This deliverable allows the executive committee to review earned value data for each project control and displays in any easy to read format.
 - Due as needed
- Return of Investment (ROI) analysis provides ROI information for each project under the PCO control structure for the executive committee.
 - Due as needed

ACCEPTANCE CRITERIA:

Acceptance criteria for this SOW are per the existing Contract No. 071B0200123 between the parties, dated January 19, 2010 in connection with the Project Management Office (PMO) for the UIA System Integration (UIA-IS) Modernization Project ("Contract") for State of Michigan Department of Technology, Management and Budget and Unemployment Insurance Agency ("Clients"), CSG's clients. Each deliverable will follow the acceptance criteria listed below:

- Develop and distribute Deliverable Expectation Document (DED)
- Discuss DED with State and receive approval
- Generate initial version of document
- Present to State for review and comments
- Incorporate comments into document
- Submit Deliverable to State for approval, following contract guidelines
- Store final approved deliverable on project repository

PROJECT CONTROL AND REPORTS:

Project controls and reporting are defined and followed per existing Contract No. 071B0200123 between the parties, dated January 19, 2010 in connection with the Project Management Office (PMO) for the UIA System Integration (UIA-IS) Modernization Project ("Contract") for State of Michigan Department of Technology, Management and Budget and Unemployment Insurance Agency ("Clients"), CSG's clients.

SPECIFIC DEPARTMENT STANDARDS:

Agency and DTMB standards that are to be followed for this SOW are per the existing Contract No. 071B0200123 between the parties, dated January 19, 2010 in connection with the Project Management Office (PMO) for the UIA System Integration (UIA-IS) Modernization Project ("Contract") for State of Michigan Department of Technology, Management and Budget and Unemployment Insurance Agency ("Clients"), CSG's clients.

PROJECT COSTS:

In cooperation with DTMB / UIA Executives, Sponsors and the Sr. Project Managers requests, the Statement of Work (SOW) #005 is requesting a not to exceed amount of \$ 2,748,117.95 to existing Contract No. 071B0200123 between the parties, dated January 19, 2010 in connection with the Project Management Office (PMO) for the UIA System Integration (UIA-IS) Modernization Project ("Contract") for State of Michigan Department of Technology, Management and Budget and Unemployment Insurance Agency.

CSG staff will be expected to perform the activities as listed in this SOW and as detailed in the approved project schedule(s) and Change Requests. This SOW is a request for an increase of funding, with the actual release of funds to be approved through individual approved Change Requests

Updated contract documents Article 1, Appendix A - Pricing, Table 3 (Supplemental Staffing) are included as attachments to this SOW to show the increase of hours and dollars.

PAYMENT SCHEDULE:

The work associated with this SOW will be done on a time and materials basis. Invoicing by CSG and payment by DTMB will be governed by the terms and conditions defined within the existing Contract No. 071B0200123 between the parties, dated January 19, 2010 in connection with the Project Management Office (PMO) for the UIA System Integration (UIA-IS) Modernization Project ("Contract") for State of Michigan Department of Technology, Management and Budget and Unemployment Insurance Agency ("Clients") and any associated Purchase Orders. .

DTMB Contracts area will coordinate obtaining Agency Project Manager and DTMB/UIA Sr. Project Managers approvals. All invoices should reflect actual work completed by payment date, and must be approved by the DTMB Sr. Project Manager prior to payment. CSG will submit timesheets approved by the DTMB Sr. Project Manager to support all invoices.

EXPENSES:

Invoices and payment for expenses will be per the terms and conditions defined within the existing Contract No. 071B0200123 between the parties, dated January 19, 2010 in connection with the Project Management Office (PMO) for the UIA System Integration (UIA-IS) Modernization Project ("Contract") for State of Michigan Department of Technology, Management and Budget and Unemployment Insurance Agency ("Clients"), CSG's clients.

PROJECT CONTACTS:

The designated Agency Sr. Project Manager is:

Mr. Clayton Tierney
tierneyclaytonf@michigan.gov
Department of Licensing and Regulatory Affairs (LARA)
Unemployment Insurance Agency (UIA)
Cadillac Place, Ste 13-650
3024 West Grand Avenue
Detroit, MI 49202
313-456-2402

The designated DTMB Sr. Project Manager is:

Ms. Debra Patterson
pattersondebraj@michigan.gov
Department of Technology, Management & Budget (DTMB)
Agency Services
Cadillac Place, Ste 12-100
3024 West Grand Blvd
Detroit, MI 48202
313-456-2602

The DTMB Contract Administrator for this project is:

To-be-determined (TBD)

Department of Technology, Management & Budget (DTMB)
Agency Services
Cadillac Place, Ste 12-100
3024 West Grand Blvd
Detroit, MI 48202
313-456-xxxx

AGENCY RESPONSIBILITIES:

DTMB and UIA responsibilities are as per the terms and conditions defined within the existing Contract No. 071B0200123 between the parties, dated January 19, 2010 in connection with the Project Management Office (PMO) for the UIA System Integration (UIA-IS) Modernization Project ("Contract") for State of Michigan Department of Technology, Management and Budget and Unemployment Insurance Agency ("Clients"), CSG's clients.


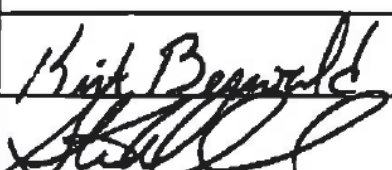
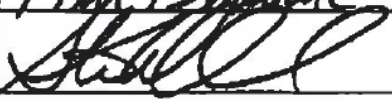
LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

Consultants will work mainly at Cadillac Place, 3024 West Grand Blvd, Detroit, Michigan 48202, with other activities being performed at various State or CSG office buildings, as requested by the Sr. Project Managers and as necessary to reasonably support the project activities.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

This SOW is for time and materials work. The CONTRACTOR will charge for actual hours worked and will record all time worked on a weekly time sheet. The time sheets will be submitted to the State for approval, and submitted to the State along with the monthly invoice.

APPROVALS:

Name/Title	Signature	Date
Michael Cooney CSG Government Solutions, Chief Operating Officer		7/29/11
Kirt Berwald, DTMB, Information Officer		7-28-11
Steve Arwood DLARA, Deputy Director		7/29/11

CR024 - IMS Application DBA Extension

State of Michigan UIA Project Management Office for Integrated System Project IMS Application DBA Project Change Request

A. General Information

Information to be provided in this section is general in nature and provides the necessary information about the organization of the project and project participants.

Project ID/Acronym:	UIA Integrated System	Date:	August 19, 2011
Controlling Agency:	DTMB / UIA	Modification Date:	
Prepared by:	Ray Gardner, PMO PM	Control Number (From Control Log)	CR024

B. Requestor Information

Proposed Change Description and References:

The requestor will provide information concerning the requested change along with any supporting documentation.

The State of Michigan DTMB and UIA, along with CSG Government Solutions (CSG) have a need to continue work on review of all data and databases to develop plans and processes that will support legacy data conversion. Extensive work has been done and needs to continue to plan for data cleansing activities associated with the UIA Integrated Systems (UIA-IS) Project. An extensive amount of effort will continue to be required to have this work substantially developed prior to the need by the State and Design, Development and Implementation (DDI) vendor during upcoming UIA-IS project execution.

The State has completed contract negotiations with the selected DDI and has established a project start date of August 29, 2011. During the RFP development process, the team identified 13 current IMS, 3 Oracle and the 13 MS/Access databases that support the current UIA legacy application system. Some documentation for these databases exists, but is outdated, sparse or non-existent. In addition, it is currently unknown how much data cleansing or purging will need to be done on the current data files.

The Application DBA will work with the State DTMB and UIA staff to:

- Identify major data sources by system, including “data of record” sources for any redundant data across systems.
- Identify records that would not need to be converted and either create a plan to delete them or mark them so they can be easily excluded.
- Determine domain of reference values (that may or may not have a source table) for each major data source.
- Interview IT staff for known data anomalies that could impact Conversion.
- Create and maintain analysis reports/queries to quickly identify data requiring cleanup.
- Analyze all legacy data to identify any integrity problems.
- Develop approaches for data cleanup based on level of effort. Create “fix” programs or scripts and update queries. Work with users to develop appropriate manual update processes. Plan and execute all pre-conversion cleanup procedures.
- Develop appropriate backup/back-out procedures for all cleanup procedures. Develop and execute post-cleanup regression tests to ensure that cleanup procedures do not adversely impact legacy systems.

This Change Request # 024 will authorize 825 hours for one (1) full-time Application Database at the current contract year rate of \$ 150.00/hour – total cost \$ 123,750.00.

Impact of Not Implementing Proposed Change:

As previously stated, the documentation for the existing legacy system databases exists, but in some cases is outdated, sparse or non-existent. In addition, it is currently unknown how much data cleansing or purging will need to be done on the current data files. This uncertainty poses high risk to the pending UIA-IS project, as the selected Vendor will working on a fixed-firm price contract. Any delays in the then approved project timeline by the State will generate cost change requests, and likely cause delays in the project implementation of a new UIA Integrated System. Any delays in the implementation of the replacement UIA Integrated System will cause the State to continue to maintain the current legacy system, at substantial (\$750K - \$1M/month) costs.

Additionally, if the UIA data is not accurately defined and converted to the new UIA-IS within the proper time-line, then the resulting UIA-IS implementation will fail, or at a minimum experience delays. Vendors may not have enough information to properly estimate work effort and calculate cost to design and build a new system. This could result in extending the time frame of the design phase and require change orders to the project to increase the scope, time and budget necessary to complete that phase. There is high risk that the implemented system will not meet the needs of the State of Michigan.

Alternatives:

This work can be delayed until the DDI vendor is under contract, but then it must be done to effect a successful conversion. If delayed until later, the time constraints will be much more critical and the State will not have as much leeway to react to problems. There will be a higher increase of risk and any schedule delays during project execution will be more costly.

C. Initial Review Results of the Change Request

Initial Review Date: 08/22/2011 Assigned to: Deb Patterson, Clay Tierney
☒ Approve for Impact Analysis
☐ Reject
☐ Defer Until:
Reason:

D. Initial Impact Analysis

Baselines Affected:

There is no anticipated impact to the current phase of the overall project baseline, if this additional resource is approved.

Configuration Items Affected:

The items affected by the approval of this change request are staff and utilization of optional contract hours. Risk of future delays during project execution will be greatly reduced.

Cost / Schedule Impact Analysis Required?

☒ **Yes**

☐ **No**

Impact on Cost:

As detailed above, **the cost of this CR is \$ 123,750.00.** This CR is to authorize 825 hours for one (1) full-time Application Database to develop and plan for data cleansing and conversion of the legacy data. The optional hour funds are available within the current base year contract PO.

Impact on Schedule:

The current project schedule calls for the UIA-IS contract to start on August 29, 2011, with the DDI vendor on-site. This Change Request will not impact or affect that schedule.

Impact on Resources:

The CR will not impact any other current resources or impede any project activities. It may require current DTMB & UIA staff to provide additional information in regard to the legacy databases and structures, but this work can be done in addition to daily activities. This CR is for the addition of one (1) Administrative Database Analyst (DBA).

Final Review Results:

"Click HERE and Type"

Review Date: 8/22/2011

Classification: ☒ **HIGH** ☐ **MEDIUM** ☐ **LOW**

E. Impact Analysis Results

Specific Requirements Definition:

This Change Request # 024 will authorize 103 days for one (1) full-time Application Database at the current contract year rate of \$ 150.00/hour – total cost \$ 123,750.00.

Additional Resource Requirements	Work Days	Cost
Application Database Administrator (DBA)	103	\$ 123,750.00
TOTAL		\$ 123,750.00

Impact of Not Implementing the Change:

As previously stated, the documentation for the existing legacy system databases exists, but in some cases is outdated, sparse or non-existent. In addition, it is currently unknown how much data cleansing or purging will need to be done on the current data files. This uncertainty poses high risk to the pending UIA-IS project, as the selected Vendor will working on a fixed-firm price contract. Any delays in the then approved project timeline by the State will generate cost change requests, and likely cause delays in the project implementation of a new UIA Integrated System. Any delays in the implementation of the replacement UIA Integrated System will cause the State to continue to maintain the current legacy system, at substantial (\$750K - \$1M/month) costs.

Additionally, if the UIA data is not accurately defined and converted to the new UIA-IS within the proper time-line, then the resulting UIA-IS implementation will fail, or at a minimum experience delays. Vendors may not have enough information to properly estimate work effort and calculate cost to design and build a new system. This could result in extending the time frame of the design phase and require change orders to the project to increase the scope, time and budget necessary to complete that phase. There is high risk that the implemented system will not meet the needs of the State of Michigan.

Alternatives to the Proposed Change:

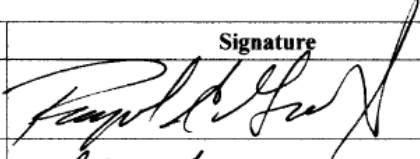
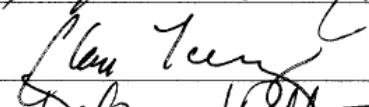
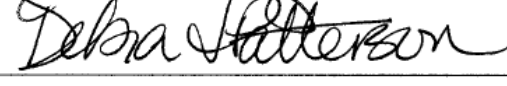
This work can be delayed until the DDI vendor is under contract, but then it must be done to effect a successful conversion. If delayed until later, the time constraints will be much more critical and the State will not have as much leeway to react to problems. There will be a higher increase of risk and any schedule delays during project execution will be more costly. There are no other known alternatives.

Final Recommendation:

Approval of this Change Request is requested.

F. Signatures

Governance Body: Include all accountable / impacted key project stakeholders.

Name/Title	Signature	Date
Ray Gardner, PMP PMO Project Manager		8-26-11
Clay Tierney, UIA, Sr. Project Manager		8-31-11
Deb Patterson, DIT, Sr. Project Manager		8.31.2011

CR025 - Oracle Application DBA Extension

State of Michigan UIA Project Management Office for Integrated System Project Oracle Application DBA Project Change Request

A. General Information

Information to be provided in this section is general in nature and provides the necessary information about the organization of the project and project participants.

Project ID/Acronym:	UIA Integrated System	Date:	August 19, 2011
Controlling Agency:	DTMB / UIA	Modification Date:	
Prepared by:	Ray Gardner, PMO PM	Control Number (From Control Log)	CR025

B. Requestor Information

Proposed Change Description and References:

The requestor will provide information concerning the requested change along with any supporting documentation.

The State of Michigan DTMB and UIA, along with CSG Government Solutions (CSG) have a need to continue work on review of all data and databases to develop plans and processes that will support legacy data conversion. Extensive work has been done and needs to continue to plan for data cleansing activities associated with the UIA Integrated Systems (UIA-IS) Project. An extensive amount of effort will continue to be required to have this work substantially developed prior to the need by the State and Design, Development and Implementation (DDI) vendor during upcoming UIA-IS project execution.

The State has completed contract negotiations with the selected DDI and has established a project start date of August 29, 2011. During the RFP development process, the team identified 13 current IMS, 3 Oracle and the 13 MS/Access databases that support the current UIA legacy application system. Some documentation for these databases exists, but is outdated, sparse or non-existent. In addition, it is currently unknown how much data cleansing or purging will need to be done on the current data files.

The Application DBA will work with the State DTMB and UIA staff to:

- Identify major data sources by system, including “data of record” sources for any redundant data across systems.
- Identify records that would not need to be converted and either create a plan to delete them or mark them so they can be easily excluded.
- Determine domain of reference values (that may or may not have a source table) for each major data source.
- Interview IT staff for known data anomalies that could impact Conversion.
- Create and maintain analysis reports/queries to quickly identify data requiring cleanup.
- Analyze all legacy data to identify any integrity problems.
- Develop approaches for data cleanup based on level of effort. Create “fix” programs or scripts and update queries. Work with users to develop appropriate manual update processes. Plan and execute all pre-conversion cleanup procedures.
- Develop appropriate backup/back-out procedures for all cleanup procedures. Develop and execute post-cleanup regression tests to ensure that cleanup procedures do not adversely impact legacy systems.

This Change Request # 025 will authorize 885 hours for one (1) full-time Application Database at the current contract year rate of \$ 150.00/hour – total cost \$ 132,750.00.

Impact of Not Implementing Proposed Change:

As previously stated, the documentation for the existing legacy system databases exists, but in some cases is outdated, sparse or non-existent. In addition, it is currently unknown how much data cleansing or purging will need to be done on the current data files. This uncertainty poses high risk to the pending UIA-IS project, as the selected Vendor will working on a fixed-firm price contract. Any delays in the then approved project timeline by the State will generate cost change requests, and likely cause delays in the project implementation of a new UIA Integrated System. Any delays in the implementation of the replacement UIA Integrated System will cause the State to continue to maintain the current legacy system, at substantial (\$750K - \$1M/month) costs.

Additionally, if the UIA data is not accurately defined and converted to the new UIA-IS within the proper time-line, then the resulting UIA-IS implementation will fail, or at a minimum experience delays. Vendors may not have enough information to properly estimate work effort and calculate cost to design and build a new system. This could result in extending the time frame of the design phase and require change orders to the project to increase the scope, time and budget necessary to complete that phase. There is high risk that the implemented system will not meet the needs of the State of Michigan.

Alternatives:

This work can be delayed until the DDI vendor is under contract, but then it must be done to effect a successful conversion. If delayed until later, the time constraints will be much more critical and the State will not have as much leeway to react to problems. There will be a higher increase of risk and any schedule delays during project execution will be more costly.

C. Initial Review Results of the Change Request

Initial Review Date: 08/22/2011 Assigned to: Deb Patterson, Clay Tierney
☒ Approve for Impact Analysis
☐ Reject
☐ Defer Until:
Reason:

D. Initial Impact Analysis

Baselines Affected:

There is no anticipated impact to the current phase of the overall project baseline, if this additional resource is approved.

Configuration Items Affected:

The items affected by the approval of this change request are staff and utilization of optional contract hours. Risk of future delays during project execution will be greatly reduced.

Cost / Schedule Impact Analysis Required?

☒ Yes

☐ No

Impact on Cost:

As detailed above, **the cost of this CR is \$ 132,750.00**. This CR is to authorize 885 hours for one (1) full-time Application Database to develop and plan for data cleansing and conversion of the legacy data. The optional hour funds are available within the current base year contract PO.

Impact on Schedule:

The current project schedule calls for the UIA-IS contract to start on August 29, 2011, with the DDI vendor on-site. This Change Request will not impact or affect that schedule.

Impact on Resources:

The CR will not impact any other current resources or impede any project activities. It may require current DTMB & UIA staff to provide additional information in regard to the legacy databases and structures, but this work can be done in addition to daily activities. This CR is for the addition of one (1) Administrative Database Analyst (DBA).

Final Review Results:

"Click HERE and Type"

Review Date: 8/22/2011

Classification: ☒ **HIGH** ☐ **MEDIUM** ☐ **LOW**

E. Impact Analysis Results

Specific Requirements Definition:

This Change Request # 025 will authorize 110 days for one (1) full-time Application Database at the current contract year rate of \$ 150.00/hour – total cost \$ 132,750.00.

Additional Resource Requirements	Work Days	Cost
Application Database Administrator (DBA)	110	\$ 132,750.00
TOTAL		\$ 132,750.00

Impact of Not Implementing the Change:

As previously stated, the documentation for the existing legacy system databases exists, but in some cases is outdated, sparse or non-existent. In addition, it is currently unknown how much data cleansing or purging will need to be done on the current data files. This uncertainty poses high risk to the pending UIA-IS project, as the selected Vendor will working on a fixed-firm price contract. Any delays in the then approved project timeline by the State will generate cost change requests, and likely cause delays in the project implementation of a new UIA Integrated System. Any delays in the implementation of the replacement UIA Integrated System will cause the State to continue to maintain the current legacy system, at substantial (\$750K - \$1M/month) costs.

Additionally, if the UIA data is not accurately defined and converted to the new UIA-IS within the proper time-line, then the resulting UIA-IS implementation will fail, or at a minimum experience delays. Vendors may not have enough information to properly estimate work effort and calculate cost to design and build a new system. This could result in extending the time frame of the design phase and require change orders to the project to increase the scope, time and budget necessary to complete that phase. There is high risk that the implemented system will not meet the needs of the State of Michigan.

Alternatives to the Proposed Change:

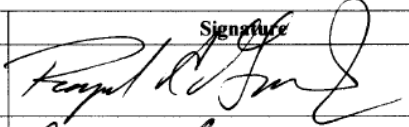
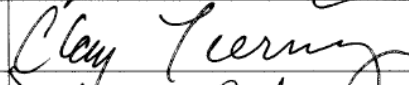
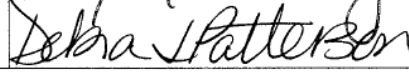
This work can be delayed until the DDI vendor is under contract, but then it must be done to effect a successful conversion. If delayed until later, the time constraints will be much more critical and the State will not have as much leeway to react to problems. There will be a higher increase of risk and any schedule delays during project execution will be more costly. There are no other known alternatives.

Final Recommendation:

Approval of this Change Request is requested.

F. Signatures

Governance Body: Include all accountable / impacted key project stakeholders.

Name/Title	Signature	Date
Ray Gardner, PMP PMO Project Manager		8-26-11
Clay Tierney, UIA, Sr. Project Manager		8-31-11
Deb Patterson, DIT, Sr. Project Manager		8.31.2011

CR027 - Sr Business Analyst - ReqPro
State of Michigan
UIA Project Management Office for System Integration Project
Requirement Traceability Mgmt – Sr. Business Analyst
Project Change Request

A. General Information

Information to be provided in this section is general in nature and provides the necessary information about the organization of the project and project participants.

Project ID/Acronym:	UIA Integrated System	Date:	August 29, 2011
Controlling Agency:	DTMB / UIA	Modification Date:	
Prepared by:	Ray Gardner, PMO PM	Control Number (From Control Log)	CR027

B. Requestor Information

Proposed Change Description and References:

The requestor will provide information concerning the requested change along with any supporting documentation.

The State of Michigan DTMB and UIA, along with CSG Government Solutions (CSG) have a need to provide a comprehensive, well-formed and properly formatted set of business requirements and rules to the vendor selected to perform the Design, Development and Implementation (DDI) of the new UIA replacement application solution. A critical aspect of project success is the tracking of requirements, rules, test scenarios to the COTS application modules. The project team has decided that the addition of a skilled Senior Business Analyst to set-up, load, track and report on these items would greatly benefit the project. The State has proposed and the Project will utilize Requisite Professional – a State standard tool for Requirement Traceability Management (RTM).

This Change Request # 027 is for one (1) full-time CSG Senior Business Analyst (BA) at a rate of \$167.00/hour for 720 hours, starting immediately. The Senior Business Analyst will provide initial planning and set-up of the Requisite Professional (ReqPro) software onto the State servers. This Senior BA will then configure ReqPro to meet the needs of the project (i.e. following intent of SEM0401 & SEM0402), load the existing requirements and functional business rules, and then track and report on the RTM as the project moves through the various phases of the project and application development.

The total cost for this Senior Business Analyst for 90 days at 8 hours/day is \$ 120,240.00.

Impact of Not Implementing Proposed Change:

If the current and future defined functional requirements and business rules of the State and UIA are not tracked and included in the new UIA-IA application being developed, then the State will not have the means to carry out their business activities in the proper and legal manner. The DDI Vendor may not have correct or complete information to properly estimate work effort and to design and build a new system. This could result in extending the time frame of the functional and/or system design phase and require change orders to the project to increase the scope, time and budget necessary to complete that phase. It is possible that the implementation vendor could also misunderstand the rules associated with specific requirements and build a system that does not meet the needs of the State of Michigan.

Alternatives:

C. Initial Review Results of the Change Request

Initial Review Date:	August 29, 2011	Assigned to:	Deb Patterson, Clay Tierney
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- ☒ **Approve for Impact Analysis**
☐ **Reject**
☐ **Defer Until:**
Reason:

D. Initial Impact Analysis

Baselines Affected:

The current baseline schedule for business rules development is slipping. The addition of this Sr. BA will assist with mitigating further slippages, and begin to bring this major task back into schedule compliance.

Configuration Items Affected:

The business requirements, rules development, review and documentation; staffing; and optional contract hours will be affected by this Change Request.

Cost / Schedule Impact Analysis Required? ☒ **Yes** ☐ **No**

Impact on Cost:

As detailed below, **the cost of this CR is \$ 120,240.00**. These funds are made available within the Statement of Work (SOW) as optional resource hours/costs to be used at the States requested and defined need.

Impact on Schedule:

The current project schedule calls for the Design, Development and Implementation (DDI) contract to start on August 29, 2011. This Change Request will alleviate the risk of that schedule not being maintained.

Impact on Resources:

The project will require an additional one (1) Senior Business Analysts from CSG full-time for 90 business days.

Final Review Results:

"Click HERE and Type"

Review Date: August 29, 2011

Classification: ☒ **HIGH** ☐ **MEDIUM** ☐ **LOW**

E. Impact Analysis Results

Specific Requirements Definition:

CSG will provide one (1) Senior Business Analyst for 90 business days – starting immediately - to configure ReqPro to meet the needs of the project, load the existing requirements and functional business rules, and then track and report on the RTM. The RTM will be used extensively during the DDI project execution.

Additional Resource Requirements	Work Days	Cost
Senior Business Analyst (BA)	90	\$ 120,240.00
TOTAL		\$ 120,240.00

Impact of Not Implementing the Change:

If the current and future defined functional requirements and business rules of the State and UIA are not tracked and included in the new UIA-IA application being developed, then the State will not have the means to carry out their business activities in the proper and legal manner. The DDI Vendor may not have correct or complete information to properly estimate work effort and to design and build a new system. This could result in extending the time frame of the functional and/or system design phase and require change orders to the project to increase the scope, time and budget necessary to complete that phase. It is possible that the implementation vendor could also misunderstand the rules associated with specific requirements and build a system that does not meet the needs of the State of Michigan.

Alternatives to the Proposed Change:

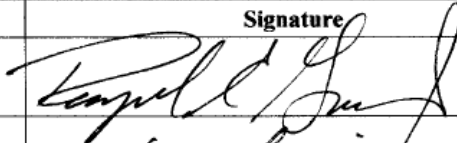
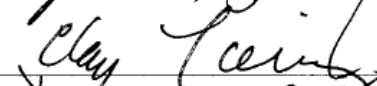
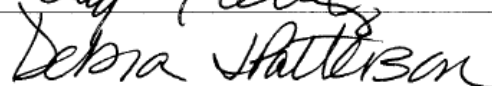
Delay the design and development of the replacement UIA solution due to inaccurate or stale information does not meet the States required implementation functionality and/or dates. There are no other known alternatives.

Final Recommendation:

Approval of this Change Request is requested.

F. Signatures

Governance Body: Include all accountable / impacted key project stakeholders.

Name/Title	Signature	Date
Ray Gardner, PMO Project Manager		8-29-11
Clay Tierney, UIA, Sr. Project Manager		8-31-11
Deb Patterson, DTMB, Sr. Project Manager		8.31.2011

CR028 - Sr Business Analyst - ProjSched
State of Michigan
UIA Project Management Office for System Integration Project
MS Project SME – Sr. Business Analyst
Project Change Request

A. General Information

Information to be provided in this section is general in nature and provides the necessary information about the organization of the project and project participants.

Project ID/Acronym:	UIA Integrated System	Date:	August 29, 2011
Controlling Agency:	DTMB / UIA	Modification Date:	
Prepared by:	Ray Gardner, PMO PM	Control Number (From Control Log)	CR028

B. Requestor Information

Proposed Change Description and References:

The requestor will provide information concerning the requested change along with any supporting documentation.

The State of Michigan DTMB and UIA, along with CSG Government Solutions (CSG) have a need for a Subject Matter Expert who can provide the UIA –IS development project with leadership and guidance in the use of the Microsoft 2010 Enterprise Project Management System. Successful management of a large system design, development and implementation project will require knowledgeable and expert skill in the preparation of Earned Value Management as well as the integrated management of several projects being executed simultaneously. The project team has decided that the addition of an MS/Project skilled Sr. Business Analyst would greatly benefit the administration and management of the several projects that are currently being executed.

This Change Request # 028 is for one (1) full-time CSG Senior Business Analyst (BA) at a rate of \$167.00/hour for 160 hours, starting immediately. The Sr. BA will provide support and direction to the State business analysts currently developing the functional business rules as well as the scheduling of the DDI project. This Sr. BA will work with the project BA staff to develop appropriate business rules, attend working and review session, and assist with generation of documentation.

The total costs for this Senior Business Analyst for 20 days at 8 hours/day is \$ 26,720.00.

Impact of Not Implementing Proposed Change:

It is essential that the DDI project, with all of its scope and activities, be accurately and diligently managed. Successful management of a large system design, development and implementation project will require knowledgeable and expert skill in the preparation of Earned Value Management as well as the integrated management of the several projects that are being executed simultaneously. The project team has decided that the addition of a skilled Sr. Business Analyst would greatly benefit the administration and management of the several projects that are currently being executed.

Alternatives:

Delay the design and development of the replacement UIA solution until the several project plans and the associated Earned Value Management plans are complete and accurate, which does not meet the States required implementation dates. There are no other known alternatives.

C. Initial Review Results of the Change Request

Initial Review Date: August 29, 2011 Assigned to: Deb Patterson, Clay Tierney

☒ Approve for Impact Analysis

☐ Reject

☐ Defer Until:

Reason:

D. Initial Impact Analysis

Baselines Affected:

The current baseline schedule for business rules development is slipping. The addition of this Sr. BA will assist with mitigating further slippages, and begin to bring this major task back into schedule compliance.

Configuration Items Affected:

The business rules development, review and documentation; staffing; and optional contract hours will be affected by this Change Request.

Cost / Schedule Impact Analysis Required? ☒ Yes ☐ No

Impact on Cost:

As detailed below, the cost of this CR is \$ 26,720.00. These funds are available within the contract PO as optional resource hours/costs to be used at the States requested and defined need.

Impact on Schedule:

The current project schedule calls for the Design, Development and Implementation (DDI) contract to start on August 29, 2011. This Change Request will alleviate the risk of that schedule not being maintained.

Impact on Resources:

The project will require an additional one (1) Senior Business Analysts from CSG full-time for 80 business days.

Final Review Results:

"Click HERE and Type"

Review Date: August 29, 2011

Classification: ☒ HIGH ☐ MEDIUM ☐ LOW

E. Impact Analysis Results

Specific Requirements Definition:

CSG will provide one (1) Senior Business Analyst for 20 business days – starting immediately - to assist with the completion of clear, concise project plans and their associated Earned Value Management plans. The documents produced will be used extensively during the DDI project execution.

Additional Resource Requirements	Work Days	Cost
Senior Business Analyst (BA)	20	\$ 26,720.00
TOTAL		\$ 26,720.00

Impact of Not Implementing the Change:

It is essential that the DDI project, with all of its scope and activities, be accurately and diligently managed. Successful management of a large system design, development and implementation project will require knowledgeable and expert skill in the preparation of Earned Value Management as well as the integrated management of the several projects that are being executed simultaneously. The project team has decided that the addition of a skilled Sr. Business Analyst would greatly benefit the administration and management of the several projects that are currently being executed.

Alternatives to the Proposed Change:

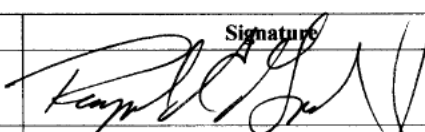
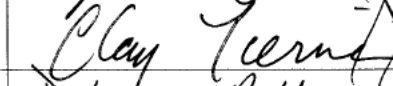
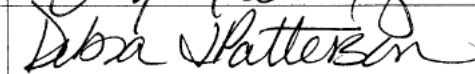
Delay the design and development of the replacement UIA solution until the several project plans and the associated Earned Value Management plans are complete and accurate, which does not meet the States required implementation dates. There are no other known alternatives.

Final Recommendation:

Approval of this Change Request is requested.

F. Signatures

Governance Body: Include all accountable / impacted key project stakeholders.

Name/Title	Signature	Date
Ray Gardner, PMO Project Manager		8-29-2011
Clay Tierney, UIA, Sr. Project Manager		8-31-11
Deb Patterson, DTMB, Sr. Project Manager		8.31.2011

CR029 - Sr Program Manager - PCO
State of Michigan
UIA Project Management Office for System Integration Project
UIA-IS Project - Sr. PCO Manager
Project Change Request

A. General Information

Information to be provided in this section is general in nature and provides the necessary information about the organization of the project and project participants.

Project ID/Acronym:	UIA-IS Project	Date:	August 29, 2011
Controlling Agency:	DTMB / UIA	Modification Date:	
Prepared by:	Ray Gardner, PMO PM	Control Number (From Control Log)	CR029

B. Requestor Information

Proposed Change Description and References:

The requestor will provide information concerning the requested change along with any supporting documentation.

The State of Michigan DTMB and UIA, along with CSG Government Solutions (CSG) have a need to continue to provide well-managed and strong project management office functions to the Unemployment Insurance Agency (UIA). Specifically, the State requires CSG to set-up and maintain a Project Control Office (PCO) to oversee and manage the various ongoing and related projects. The State is requesting CSG provide an additional skilled Senior Program Manager.

The PCO Senior Program Manager (PgM) will be the single focal point for various projects under UIA's control – most importantly the current UIA-IS Project, the ongoing Interactive Voice Response (IVR) Project and the Benefits Payment Control (BPC) or House Bill 4408 Project. Each individual project currently has a Senior Project Manager (PM) that will report to the PCO PgM.

This Change Request # 029 is for the allocation of 720 hours for a CSG Senior Program Manager at a rate of \$200.85/hour to start work immediately.

Impact of Not Implementing Proposed Change:

If the various and integrated UIA projects are not properly managed and reported, then the resulting project outcomes will not be what is expected or to the States benefit. These project – as all projects – must be managed properly, to maintain scope, timelines and budgets. The State project executives and stakeholders must have properly reported status.

If projects are not managed properly, vendors may not have correct or complete information to properly estimate work effort and to design and build a new system. This could result in extending the time frame of the design phase and require change orders to the project to increase the scope, time and budget necessary to complete that phase. It is possible that the implementation vendors could also misunderstand the rules associated with specific requirements and build a system that does not meet the needs of the State of Michigan.

Alternatives:

Delay the design and development of the replacement UIA_IS , the IVR and/or the HB4408 projects does not meet the States required implementation dates. Failure by the State to sufficiently and effectively manage the various projects and to understand their interactions is not permitted. There are no other known alternatives.

C. Initial Review Results of the Change Request

Initial Review Date: August 29, 2011

Assigned to: Deb Patterson, Clay Tierney

☒ **Approve for Impact Analysis**

☐ **Reject**

☐ **Defer Until:**

Reason:

D. Initial Impact Analysis

Baselines Affected:

The addition of this Senior Program Manager will allow the State and UIA to continue to properly manage their current and future projects. The single PCO will allow for more integration of these related projects, and will assist with the mitigation of project risks, issues and schedule slippages.

There will not be any effect on the overall project baselines, as these projects and activities will be performed in parallel with the PCO project activities, utilizing additional resources.

Configuration Items Affected:

The overall business management structure, staffing; and optional contract hours will be affected by this Change Request.

Cost / Schedule Impact Analysis Required?

☒ **Yes**

☐ **No**

Impact on Cost:

As detailed below, **the cost of this CR is \$ 144,612.00**. These funds are available within the current year contract PO as optional resource hours/costs to be used at the States requested and defined need.

Impact on Schedule:

The current project schedule calls for the Design, Development and Implementation (DDI) contract to start on August 29, 2011. The IVR and HB4408 projects are also currently operations and moving facets into production status. This Change Request will alleviate the risk of that schedule not being maintained.

Impact on Resources:

The project will require a Senior Program Manager from CSG for a total of 90 business days.

Final Review Results:

"Click HERE and Type"

Review Date: August 29, 2011

Classification: ☒ **HIGH** ☐ **MEDIUM** ☐ **LOW**

E. Impact Analysis Results

Specific Requirements Definition:

CSG will provide a Senior Program Manager for a total of 90 business days to be the single focal point for various projects under UIA's control – most importantly the current UIA-IS Project, the ongoing Interactive Voice Response (IVR) Project and the Benefits Payment Control (BPC) or House Bill 4408 Project.

Additional Resource Requirements	Work Days	Cost
Senior Program Manager	90	\$ 144,612.00
TOTAL		\$ 144,612.00

Impact of Not Implementing the Change:

If the various and integrated UIA projects are not properly managed and reported, then the resulting project outcomes will not be what is expected or to the States benefit. These project – as all projects – must be managed properly, to maintain scope, timelines and budgets. The State project executives and stakeholders must have properly reported status.

If projects are not managed properly, vendors may not have correct or complete information to properly estimate work effort and to design and build a new system. This could result in extending the time frame of the design phase and require change orders to the project to increase the scope, time and budget necessary to complete that phase. It is possible that the implementation vendors could also misunderstand the rules associated with specific requirements and build a system that does not meet the needs of the State of Michigan.

Alternatives to the Proposed Change:

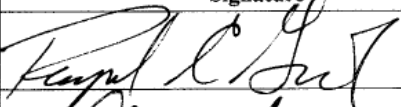
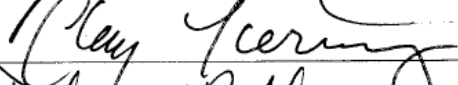
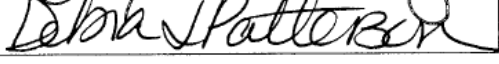
Delay the design and development of the replacement UIA-IS, the IVR and/or the HB4408 projects does not meet the States required implementation dates. Failure by the State to sufficiently and effectively manage the various projects and to understand their interactions is not permitted. There are no other known alternatives.

Final Recommendation:

Approval of this Change Request is requested.

F. Signatures

Governance Body: Include all accountable / impacted key project stakeholders.

Name/Title	Signature	Date
Ray Gardner, PMP PMO, Sr. Project Manager		8-29-11
Clay Tierney, UIA, Sr. Project Manager		8-31-11
Deb Patterson, DTMB, Sr. Project Manager		8.31.2011

State of Michigan
UIA Project Management Office for System Integration Project
Sr. Business Analyst – Test Manager
Project Change Request

A. General Information

Information to be provided in this section is general in nature and provides the necessary information about the organization of the project and project participants.

Project ID/Acronym:	UIA-IS Project	Date:	October 11, 2011
Controlling Agency:	DTMB / UIA	Modification Date:	
Prepared by:	Ray Gardner, PMP	Control Number (From Control Log)	CR031

B. Requestor Information**Proposed Change Description and References:**

The requestor will provide information concerning the requested change along with any supporting documentation.

The State of Michigan DTMB and UIA, along with CSG Government Solutions (CSG) have a need to provide a Sr. Business Analyst leadership in a Test Manager position to adequately prepare the UIA for a new UIA Integrated System (UIA-IS) project solution. The project team has decided that the addition of skilled, Senior Business Analyst, with subject matter expertise in application testing would greatly benefit the current business system development activities and assist with maintaining the current project schedule.

This Change Request # 031 is for the allocation of 560 hours for a CSG Senior Business Analyst at a rate of \$167.00/hour to start working immediately. The Senior Business Analyst – filling the role of the Test Manager - will manage the testing activities for the design, development and implementation (DDI) vendors development and configuration of the UIA-IS application replacement.

The total cost for this Senior Business Analyst is for a total of 70 days at 8 hours/day is \$ 93,520.00.

Impact of Not Implementing Proposed Change:

If the State does not properly and fully test the entire replacement UIA-IS business application, there is a high risk of the system not being accepted and correctly utilized by staff. Many business processes may not function correctly, which could result in extending the time frame for the implementation of the new system and the implementation of new business procedures that may be necessary.

Alternatives:

Delay the design and development of the replacement UIA solution until the Organizational Change Management and Business Process Redesign activities have been implemented, which does not meet the States required implementation dates. Failure by the State to sufficiently and effectively respond to the deficiencies noted in the Auditor General's report is not permitted. There are no other known alternatives.

C. Initial Review Results of the Change Request

Initial Review Date: October 13, 2100

Assigned to: Deb Patterson, Clay Tierney

☒ Approve for Impact Analysis

☐ Reject

☐ Defer Until:

Reason:

D. Initial Impact Analysis

Baselines Affected:

The current schedule for the DDI phase of the UIA-IS Project is aggressive. The addition of this Senior Business Analyst will help to mitigate schedule slippages, reduce risk and provide for a properly tested and functional application.

The State must respond quickly and effectively to the deficiencies noted in the generation of the replacement application system. There will not be any effect on the overall project baselines, if the testing activities can be conducted properly and within the schedule timeframes.

Configuration Items Affected:

The testing activities; project schedule, staffing, and optional contract hours will be affected by this Change Request.

Cost / Schedule Impact Analysis Required?

☒ Yes

☐ No

Impact on Cost:

As detailed below, **the cost of this CR is \$ 93,520.00**. These funds are available within the current year contract PO as optional resource hours/costs to be used at the States requested and defined need.

Impact on Schedule:

The current project schedule calls for the testing functions for the Design, Development and Implementation (DDI) contract to start in early January 2011. This Change Request will contribute to alleviating the risk of that schedule not being maintained. In addition, the activities performed by this Sr. Business Analyst will support UIA responding to their contract responsibilities.

Impact on Resources:

The project will require an additional Senior Business Analyst from CSG for a total of 70 business days.

Final Review Results:

"Click HERE and Type"

Review Date: October 13, 2011

Classification:

☒ HIGH

☐ MEDIUM

☐ LOW

E. Impact Analysis Results

Specific Requirements Definition:

CSG will provide a Senior Business Analyst for a total of 70 business days to manage and drive the testing activities for the new UIA application system.

Additional Resource Requirements	Work Days	Cost
Senior Business Analyst	70	\$ 93,520.00
TOTAL	70	\$ 93,520.00

Impact of Not Implementing the Change:

If the organizational change management activities are not completed accurately and completely and business processes do not accommodate the new application system in a timely manner, the resulting UIA application will be incomplete or inaccurate. Vendors will not have enough information to properly estimate work effort and design and build a new system. This would result in extending the time frame of the design phase and require change orders to the project to increase the scope, time and monies due for that phase. It is possible that the implementation vendor could also misunderstand the requirements and build a system that does not meet the needs of the State of Michigan.

If the State does not effectively respond to the Auditor General's report and the deficiencies identified, the noted problems will continue and the potential will exist for the State to continue to lose millions of dollars to improper and fraudulent claims by claimants and employers. The State will continue to suffer non-recovery of funds properly due the State.

Alternatives to the Proposed Change:

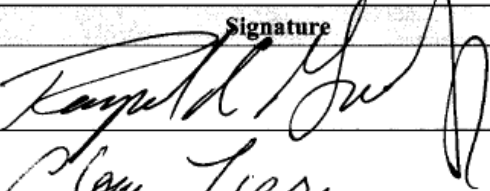
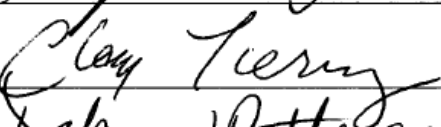

Delay in the creation of complete and accurate business rules will cause schedule delays and increase the risk that the solution will not properly articulate UIA business. Failure to correct any identified problems with benefit payment collections or fraud by claimants or employers will result in loss revenue to the State. Incorrect or improper tax and/or benefit calculations, payments and/or collections could result in wrong information being sent to employers and claimants, which will not meet the State's required processing. There are no other known alternatives.

Final Recommendation:

Approval of this Change Request is requested.

F. Signatures

Governance Body: Include all accountable / impacted key project stakeholders.

Name/Title	Signature	Date
Ray Gardner, PMP PCO, Sr. Project Manager		10-11-2011
Clay Tierney, UIA, Sr. Project Manager		10-14-2011
Deb Patterson, DTMB, Sr. Project Manager		10.14.2011

CR032 - Sr Business Architect Extension – Mahony

State of Michigan UIA Project Management Office for System Integration Project Sr. Business Architect - Extension Project Change Request

A. General Information

Information to be provided in this section is general in nature and provides the necessary information about the organization of the project and project participants.

Project ID/Acronym:	UIA System Integration	Date:	October 11, 2011
Controlling Agency:	DTMB / UIA	Modification Date:	
Prepared by:	Ray Gardner, PMO PM	Control Number (From Control Log)	CR032

B. Requestor Information

Proposed Change Description and References:

The requestor will provide information concerning the requested change along with any supporting documentation.

The State of Michigan DTMB and UIA, along with CSG Government Solutions (CSG) have a need to extend one (1) Senior Business Architect assigned to the UI System Integration Project. Mr. James Mahony has been assigned to this project as the Senior Business Architect since it started in February, 2010. Mr. Mahony is an Unemployment Insurance (UI) subject matter expert and has had major responsibility in driving and facilitating the business activities, due in part to his strong unemployment insurance expertise.

This request is to extend Mr. Mahony for an additional thirty-five (35) business days, to allow him to continue to support startup activities of the UIA-IS DDI vendor and work associated with HB4408.

The total costs for extending Mr. Mahony for 35 days at 8 hours per day is \$ 56,238.00.

Impact of Not Implementing Proposed Change:

If the business requirements, rules and practices of the UIA are not properly represented and provide to the DDI vendor during their discovery and definition activities, the "to be" developed application solution may not be properly designed and implemented. This would result in extending the time frame of the design phase and require change orders to the project to increase the scope, time and monies necessary for that phase. It is possible that the implementation vendor could also misunderstand the requirements and build a system that will not meet the needs of the State of Michigan.

In addition, the UIA – as required by the Auditor General's report – responded immediately with short term solutions and implemented changes within the required 60 business days. This change request continues with the approved plan to address the identified deficiencies and area of concerns. UIA is now required to develop and issue an RFP for a solution that supports additional Fraud Detection with data analysis/mining capabilities. The CSG Sr. Business Analyst will work with DTMB and UIA to develop the RFP document, and assisted the State with selection activities.

Alternatives:

Failure by the State to sufficiently and effectively respond to the deficiencies noted in the Auditor General's report is not permitted. There are no other known alternatives.

C. Initial Review Results of the Change Request

Initial Review Date: October 11, 2011 Assigned to: Deb Patterson, Clay Tierney

☒ Approve for Impact Analysis

☐ Reject

☐ Defer Until:

Reason:

D. Initial Impact Analysis

Baselines Affected:

There is no anticipated impact to the current overall project baseline, if this extension is granted.

Configuration Items Affected:

The development of project schedule, staffing requirements and budgeting will be affected by this Change Request.

Cost / Schedule Impact Analysis Required? ☒ Yes ☐ No

Impact on Cost:

As detailed below, the cost of this CR is \$ 56,238.00. These funds are available within the current year contract PO as optional resource hours/costs to be used at the State's requested and defined need.

Impact on Schedule:

The current Design, Development and Implementation (DDI) contract started on August 29, 2011 and is scheduled to run for 25 months. This Change Request will allow that schedule to be maintained.

Impact on Resources:

The project will require the extension of one (1) Senior Business Architect from CSG for 35 business days.

Final Review Results:

"Click HERE and Type"

Review Date: October 13, 2011

Classification: ☒ HIGH ☐ MEDIUM ☐ LOW

E. Impact Analysis Results

Specific Requirements Definition:

CSG will extend Mr. James Mahony for an equivalent additional 35 business days to assist with the State with the DDI vendor definition sessions and their response activities associated with HB4408 and the Auditor General's report.

Additional Resource Requirements	Work Days	Cost
Sr. Business Architect – James Mahony	35	\$ 56,238.00
TOTAL	35	\$ 56,238.00

Impact of Not Implementing the Change:

If the business requirements are not properly prepared, with a strong focus on the needs of Michigan DTMB and specifically UIA, the resulting DDI specifications will be incomplete. Vendors will not have enough information to properly estimate work effort and calculate cost to design and build a new system. This would result in extending the time frame of the design phase and require change orders to the project to increase the scope, time and monies necessary for that phase. It is possible that the implementation vendor could also misunderstand the requirements and build a system that will not meet the needs of the State of Michigan.

Alternatives to the Proposed Change:

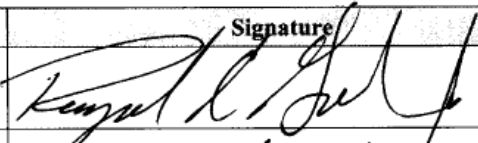
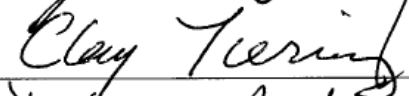
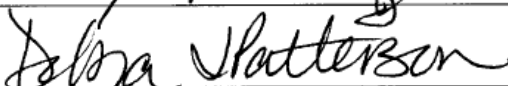
Delay the release of complete and accurate business definitions or UIA implementation of the HB4408 activities do not meet the State's required dates. There are no other known alternatives.

Final Recommendation:

Approval of this Change Request is requested.

F. Signatures

Governance Body: Include all accountable / impacted key project stakeholders.

Name/Title	Signature	Date
Ray Gardner, PMP PCO, Project Manager		10-11-2011
Clay Tierney, UIA, Sr. Project Manager		10-14-2011
Deb Patterson, DIT, Sr. Project Manager		10.14.2011

CR033 - Sr Business architect Extension – Rhodes

State of Michigan
UIA Project Management Office for System Integration Project
Sr. Business Architect - Extension
Project Change Request

A. General Information

Information to be provided in this section is general in nature and provides the necessary information about the organization of the project and project participants.

Project ID/Acronym:	UIA System Integration	Date:	October 11, 2011
Controlling Agency:	DTMB / UIA	Modification Date:	
Prepared by:	Ray Gardner, PMO PM	Control Number (From Control Log)	CR033

B. Requestor Information

Proposed Change Description and References:

The requestor will provide information concerning the requested change along with any supporting documentation.

The State of Michigan DTMB and UIA, along with CSG Government Solutions (CSG) have a need to extend one (1) of the current Senior Business Architects assigned to the UI System Integration Project. Mr. Jeff Rhodes has been assigned to this project as the Senior Business Architect from the beginning of the project in February, 2010. Mr. Rhodes is an Unemployment Insurance (UI) expert and has had major responsibility in driving, preparing and verifying the business requirements and gap analysis, along with the narrative and process flow development.

This request is to extend Mr. Rhodes for an additional sixty (60) business days - through January 18, 2011 - to allow him to complete the requirements and rules, as well as continue development of the gap analysis.

The total costs for extending Mr. Rhodes for 60 days at 8 hours per day is \$ 96,408.00.

Impact of Not Implementing Proposed Change:

If continued development of the DDI specification components are not properly prepared, with a strong focus on the needs of Michigan DTMB and specifically UIA, the resulting specifications will be incomplete. The DDI vendor will not have enough information to properly develop their design and configuration build of the new system. This would result in extending the time frame of the design phase and require change orders to the project to increase the scope, time and monies due for that phase. It is possible that the implementation vendor could also misunderstand the requirements and build a system that does not meet the needs of the State of Michigan.

Alternatives:

Delay the release of the DDI specifications until the Business Requirements and Rules are complete and accurate, which does not meet the States required dates. There are no other known alternatives.

C. Initial Review Results of the Change Request

Initial Review Date:	October 11, 2011	Assigned to:	Deb Patterson, Clay Tierney
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☒ **Approve for Impact Analysis**

☐ **Reject**

☐ **Defer Until:**

Reason:

D. Initial Impact Analysis

Baselines Affected:

There is no anticipated impact to the current overall project baseline, if this extension is granted.

Configuration Items Affected:

The Business Requirements and Rules development, staffing and optional contract hours will be affected by this Change Request.

Cost / Schedule Impact Analysis Required?

☒

Yes

☐

No

Impact on Cost:

As detailed below, **the cost of this CR is \$ 96,408.00**. These funds are available within the current year contract PO as optional resource hours/costs to be used at the States requested and defined need.

Impact on Schedule:

The current Design, Development and Implementation (DDI) contract started on August 29, 2011 and is scheduled to run for 25 months. This Change Request will allow that schedule to be maintained.

Impact on Resources:

The project will require the extension of one (1) Senior Business Architect from CSG for 60 business days.

Final Review Results:

"Click HERE and Type"

Review Date: October 13, 2011

Classification:

☒

HIGH

☐

MEDIUM

☐

LOW

E. Impact Analysis Results

Specific Requirements Definition:

CSG will extend Mr. Jeff Rhodes for an equivalent of 60 additional business days through January 18, 2011 to assist with the completion of clear, concise development of business requirements and rules. The work Mr. Rhodes will complete will become an integral part of the DDI specifications, which will be utilized during the design and configuration of the replacement UIA-IS application.

Additional Resource Requirements	Work Days	Cost
Sr. Business Architect – Jeff Rhodes	60	\$ 96,208.00
TOTAL	60	\$ 96,208.00

Impact of Not Implementing the Change:

If the business requirements are not properly prepared, with a strong focus on the needs of Michigan DTMB and specifically UIA, the resulting DDI specifications will be incomplete. Vendors will not have enough information to properly estimate work effort and calculate cost to design and build a new system. This would result in extending the time frame of the design phase and require change orders to the project to increase the scope, time and monies necessary for that phase. It is possible that the implementation vendor could also misunderstand the requirements and build a system that will not meet the needs of the State of Michigan.

Alternatives to the Proposed Change:

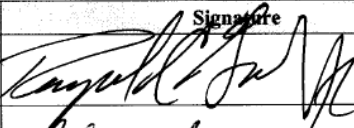

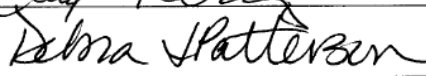
Delay the release of the DDI specifications until the Business Requirements are complete and accurate, which does not meet the States required dates. There are no other known alternatives.

Final Recommendation:

Approval of this Change Request is requested.

F. Signatures

Governance Body: Include all accountable / impacted key project stakeholders.

Name/Title	Signature	Date
Ray Gardner, PMP PCO, Project Manager		10-11-2011
Clay Tierney, UIA, Sr. Project Manager		10-14-2011
Deb Patterson, DIT, Sr. Project Manager		10.14.2011

State of Michigan
UIA Project Management Office for System Integration Project
BPC Activities - Sr. Project Manager
Project Change Request

A. General Information

Information to be provided in this section is general in nature and provides the necessary information about the organization of the project and project participants.

Project ID/Acronym:	UIA-IS Project	Date:	October 11, 2011
Controlling Agency:	DTMB / UIA	Modification Date:	
Prepared by:	Ray Gardner, PMP	Control Number (From Control Log)	CR034

B. Requestor Information

Proposed Change Description and References:

The requestor will provide information concerning the requested change along with any supporting documentation.

Over the course of the past few months, representatives from the Auditor General's office of the State of Michigan have been conducting an audit of the UIA Legacy System (UIA-LS). The Auditor General released their audit report findings to UIA on March 22, 2011. That Audit Report identified several deficiencies with the current UIA-LS and requested that UIA immediately develop a plan of action to remedy the noted deficiencies.

In order to comply with this Auditor General's Report, the Unemployment Insurance Agency (UIA) is seeking to take immediate action to improve their Benefit Payment Control (BPC) activities, most importantly in the areas of overpayment and fraud detection and collection activities. UIA and DTMB have asked CSG Government Solutions (CSG) to assist them to identify and manage the implementation of solutions to quickly address the audit findings.

This Change Request # 034 is for the extension of 480 hours for Mr. Larry Hoehne, a CSG Sr. Project Manager at a rate of \$164.90/hour, to start immediately. The Sr. Project Manager will support the Benefit Payment Control (BPC) activities associated with the Auditor General's report on a full-time basis. A separate and distinct project schedule will be developed and approved by DTMB/UIA and utilized to manage all BPC project tasks and work efforts.

The total cost for this Senior Project Manager for a total of 60 days at 8 hours/day is \$ 79,152.00.

Impact of Not Implementing Proposed Change:

The UIA is required to respond to the Auditor General's report within 60 business days, with a plan to address the identified deficiencies and area of concerns. UIA desires to more fully understand the scope and impact of the noted deficiencies. The CSG Sr. Project Manager will work over the course of the next several months to manage these BPC project schedule and activities and to perform the following:

- Implement IBI/On-Point overpayment detection and collection software;
- Identify process improvements; and
- Leverage other state best practices in BPC.

In addition, the activities performed by the Sr. Project Manager will support UIA responding to the Auditor General's report that indicated potential issues with Benefits Payment Control (BPC) and related fraud detection/recovery work.

Alternatives:

Failure by the State to sufficiently and effectively respond to the deficiencies noted in the Auditor General's report is not permitted. There are no other known alternatives.

C. Initial Review Results of the Change Request

Initial Review Date: October 11, 2011 Assigned to: Deb Patterson, Clay Tierney

- ☒ Approve for Impact Analysis
☐ Reject
☐ Defer Until:
Reason:

D. Initial Impact Analysis

Baselines Affected:

The State must respond quickly and decisively to the deficiencies noted in the Auditor General's report to identify potential causes of the problems and create viable solutions. There will not be any effect on the overall project baselines, as these Benefit Payment Control (BPC) activities will be performed in parallel with the PMO project activities, utilizing additional resources.

Configuration Items Affected:

The Benefits Payment Control activities; staffing; and optional contract hours will be affected by this Change Request.

Cost / Schedule Impact Analysis Required? ☒ Yes ☐ No

Impact on Cost:

As detailed below, **the cost of this CR is \$ 79,152.00.** These funds are available within the current year contract PO as optional resource hours/costs to be used at the States requested and defined need.

Impact on Schedule:

The activities performed by the Sr. Project Manager will support UIA responding to the Auditor General's report that indicated potential issues with Benefits Payment Control (BPC) and related fraud detection/recovery work.

Impact on Resources:

The project will require the extension of one (1) Senior Project Manager from CSG for a total of 60 business days.

Final Review Results:

"Click HERE and Type"

Review Date: October 13, 2011
Classification: ☒ HIGH ☐ MEDIUM ☐ LOW

E. Impact Analysis Results

Specific Requirements Definition:

CSG will provide one (1) Senior Project Manager for a total of 60 business days to manage and oversee the activities critical to UIA responding to the Auditor General's report, dated March 22, 2011. The documents produced will be used extensively during the DDI execution phase of the project.

Additional Resource Requirements	Work Days	Cost
Senior Project Manager	60	\$ 79,152.00
TOTAL	60	\$ 79,152.00

Impact of Not Implementing the Change:

If the State does not effectively respond to the Auditor General's report and the deficiencies identified, the noted problems will continue and the potential will exist for the State to continue to lose millions of dollars to improper and fraudulent claims by claimants and employers. The State will continue to suffer non-recovery of funds properly due the State.

Alternatives to the Proposed Change:

Failure to correct any identified problems with benefit payment collections or fraud by claimants or employers will result in loss revenue to the State.

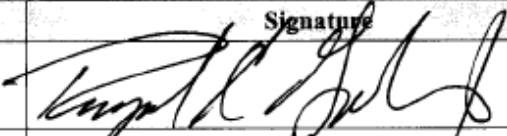
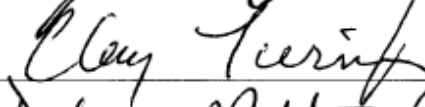

Incorrect or improper tax and/or benefit calculations, payments and/or collections could result in wrong information being sent to employers and claimants, which will not meet the State's required processing. There are no other known alternatives.

Final Recommendation:

Approval of this Change Request is requested.

F. Signatures

Governance Body: Include all accountable / impacted key project stakeholders.

Name/Title	Signature	Date
Ray Gardner, PMP PCO, Sr. Project Manager		10-11-2011
Clay Tierney UIA, Sr. Project Manager		10-14-11
Deb Patterson DTMB, Sr. Project Manager		10.14.2011

**CR035 - Sr Project Manager - IVR Activities – Wicks
State of Michigan
Project Control Office for UIA System Integration
IVR Activities - Sr. Project Manager
Project Change Request**

A. General Information

Information to be provided in this section is general in nature and provides the necessary information about the organization of the project and project participants.

Project ID/Acronym:	UIA-IS Project	Date:	October 11, 2011
Controlling Agency:	DTMB / UIA	Modification Date:	
Prepared by:	Ray Gardner, PMP	Control Number (From Control Log)	CR035

B. Requestor Information

Proposed Change Description and References:

The requestor will provide information concerning the requested change along with any supporting documentation.

The State of Michigan, Unemployment Insurance Agency (UIA) has Special Budget Request (SBR) funding from the Federal Government for the replacement of the hardware and operating system software of the Interactive Voice Response (IVR) system that supports the daily UIA activities.

The DTMB and UIA have a need to provide strong project management and oversight of the IVR replacement activities. As this activity has strong integration to the UIA Integrated System (UIA-IS) Project, the State is requesting CSG Government Solutions (CSG) to support them in this effort. The addition of resources to the UIA-IS Project is provided for under the existing contract Optional Support hours and approved funding.

This Change Request #035 is for the extension of one Sr. Project Manager (PM) to provide a full structured project management support for the IVR Replacement System activities. The Sr. Project Manager will be extended 160 hours at a rate of \$164.90/hours for a total cost of \$ 26,384.00.

This position will be allocated full-time to the IVR Replacement Project and will be based in the UIA-IS Project office in Detroit, MI.

Impact of Not Implementing Proposed Change:

The automated IVR system provides time-of-day restricted access to all of the State's unemployment Claimants. The State has secured federal funding to replace the existing hardware and operating system software and to upgrade the application software. The software upgrade will allow the State to implement a new telephone filed claim application, and improved call center management technology including: callback functionality, improved call routing, implementation of IVR top ten FAQ, and enhanced management capabilities.

The Federal funds are earmarked specifically for this purpose, and if not used will be forfeited back to the Federal Government, and the State will lose the opportunity to replace/upgrade this system to a more current and efficient platform.

Alternatives:

Failure by the State to sufficiently and effectively respond to Claimant inquires and claims automatically would place an unnecessary and arduous burden on State staff who would have to address these inquiries and claims manually. There are no known other reasonable alternatives.

C. Initial Review Results of the Change Request

Initial Review Date: October 11, 2011

Assigned to: Deb Patterson, Clay Tierney

☒ Approve for Impact Analysis

☐ Reject

☐ Defer Until:

Reason:

D. Initial Impact Analysis

Baselines Affected:

The State must respond quickly and effectively to Claimant requests for information and to allow Claimants to provide the State with accurate and timely claims and certification information and verifications. The State has legislative responsibilities to Claimants and Employers to process and pay approved UI claims timely and accurately. Some of these issues were noted in the Auditor General's report published on March 22, 2011 that identified potential causes of the problems and create viable solutions to inappropriate payment of benefits. The replacement and upgrade of the IVR system and application will assist the UIA in meeting the goals outlined in the Auditor General's report for proper system operations and control.

Configuration Items Affected:

The Interactive Voice Response (IVR) system and application; staffing; and optional contract hours will be affected by this Change Request.

Cost / Schedule Impact Analysis Required?

☒ Yes

☐ No

Impact on Cost:

As detailed below, **the cost of this CR is \$ 26,384.00.** These funds are available within the current year contract PO as optional resource hours/costs to be used at the States requested and defined need.

Impact on Schedule:

The IVR replacement and upgrade tasks and activities will be managed as a separate project and – while closely integrated with the UIA-IS Project – will not affect that project tasks, activities or timeline. The project will be managed as a project within the UIA PCO structure.

Impact on Resources:

The project will require the extension of one (1) Senior Project Manager from CSG for a total of 20 business days.

Final Review Results:

"Click HERE and Type"

Review Date: October 13, 2011

Classification:

☒ HIGH

☐ MEDIUM

☐ LOW

E. Impact Analysis Results

Specific Requirements Definition:

CSG will provide one (1) Senior Project Manager for a total of 130 business days to manage and oversee the activities critical to this project. The documents produced will be used extensively during the DDI execution phase of the project, when the IVR is fully integrated into the new UIA integrated Tax & Benefits System application.

Additional Resource Requirements	Work Days	Cost
Senior Project Manager	20	\$ 26,384.00
TOTAL	20	\$ 26,384.00

Impact of Not Implementing the Change:

The automated IVR system provides time-of-day restricted access to all of the State's unemployment Claimants. The State has secured federal funding to replace the existing hardware and operating system software and to upgrade the application software. The software upgrade will allow the State to implement a new telephone filed claim application, and improved call center management technology including: callback functionality, improved call routing, implementation of IVR top ten FAQ, and enhanced management capabilities.

The Federal funds are earmarked specifically for this purpose, and if not used will be forfeited back to the Federal Government, and the State will lose the opportunity to replace/upgrade this system to a more current and efficient platform.

Alternatives to the Proposed Change:

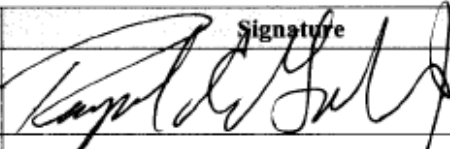
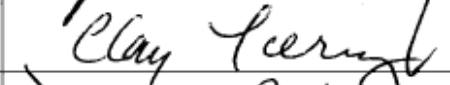

Failure by the State to sufficiently and effectively respond to Claimant inquires; claims and certifications automatically would place an unnecessary and arduous manual burden on State staff. There are no known other reasonable alternatives.

Final Recommendation:

Approval of this Change Request is requested.

F. Signatures

Governance Body: Include all accountable / impacted key project stakeholders.

Name/Title	Signature	Date
Ray Gardner, PMP PCO, Sr. Project Manager		10-11-2011
Clay Tierney UIA, Sr. Project Manager		10-14-2011
Deb Patterson DTMB, Sr. Project Manager		10.14.2011

CR036 - Sr Business analyst - IVR Extension
State of Michigan
Project Control Office for UIA System Integration
Sr. Business Analyst – IVR Extension
Project Change Request

A. General Information

Information to be provided in this section is general in nature and provides the necessary information about the organization of the project and project participants.

Project ID/Acronym:	UIA-IS Project	Date:	October 11, 2011
Controlling Agency:	DTMB / UIA	Modification Date:	
Prepared by:	Ray Gardner, PMP	Control Number (From Control Log)	CR036

B. Requestor Information

Proposed Change Description and References:

The requestor will provide information concerning the requested change along with any supporting documentation.

The State of Michigan, Unemployment Insurance Agency (UIA) has Special Budget Request (SBR) funding from the Federal Government for the replacement of the hardware and operating system software of the Interactive Voice Response (IVR) system that supports the daily UIA activities.

The DTMB and UIA have a need to provide strong project management and oversight of the IVR replacement activities. As this activity has strong integration to the UIA Integrated System (UIA-IS) Project, the State is requesting CSG Government Solutions (CSG) to support them in this effort. The addition of resources to the UIA-IS Project is provided for under the existing contract Optional Support hours and approved funding.

This Change Request #036 is for the extension of one (1) Sr. Business Analyst to provide support for the IVR Replacement System activities. The Sr. Business Analyst will be extended 160 hours at a rate of \$167.00/hour, for a total cost of \$ 26,720.00.

This position will be allocated full-time to the IVR Replacement Project and will be based in the UIA-IS Project office in Detroit, MI.

Impact of Not Implementing Proposed Change:

The automated IVR system provides time-of-day restricted access to all of the State's unemployment Claimants. The State has secured federal funding to replace the existing hardware and operating system software and to upgrade the application software. The software upgrade will allow the State to implement a new telephone filed claim application, and improved call center management technology including: callback functionality, improved call routing, implementation of IVR top ten FAQ, and enhanced management capabilities.

The Federal funds are earmarked specifically for this purpose, and if not used will be forfeited back to the Federal Government, and the State will lose the opportunity to replace/upgrade this system to a more current and efficient platform.

Alternatives:

Failure by the State to sufficiently and effectively respond to Claimant inquiries and claims automatically would place an unnecessary and arduous manual burden on State staff. There are no known other reasonable alternatives.

C. Initial Review Results of the Change Request

Initial Review Date: October 11, 2011 Assigned to: Deb Patterson, Clay Tierney

☒ Approve for Impact Analysis

☐ Reject

☐ Defer Until:

Reason:

D. Initial Impact Analysis**Baselines Affected:**

The State must respond quickly and effectively to Claimant requests for information and to allow Claimants to provide the State with accurate and timely claims and certification information and verifications. The State has legislative responsibilities to Claimants and Employers to process and pay approved UI claims timely and accurately. Some of these issues were noted in the Auditor General's report published on March 22, 2011 that identified potential causes of the problems and create viable solutions to inappropriate payment of benefits. The replacement and upgrade of the IVR system and application will assist the UIA in meeting the goals outlined in the Auditor General's report for proper system operations and control.

Configuration Items Affected:

The Interactive Voice Response (IVR) system and application; staffing; and optional contract hours will be affected by this Change Request.

Cost / Schedule Impact Analysis Required? ☒ Yes ☐ No

Impact on Cost:

As detailed below, the cost of this CR is \$ 26,720.00. These funds are available within the current year contract PO as optional resource hours/costs to be used at the States requested and defined need.

Impact on Schedule:

The IVR replacement and upgrade tasks and activities will be managed as a separate project and – while closely integrated with the UIA-IS Project – will not affect that project tasks, activities or timeline. The project will be managed as a project within the UIA PCO structure.

Impact on Resources:

The project will require the extension of one (1) Sr. Business Analyst from CSG for a total of 20 business days.

Final Review Results:

"Click HERE and Type"

Review Date: October 13, 2011

Classification: ☒ **HIGH** ☐ **MEDIUM** ☐ **LOW**

E. Impact Analysis Results

Specific Requirements Definition:

CSG will provide one (1) Senior Business Analyst for a total of 20 business days to document current IVR scripts and develop a testing plan to ensure that all scripts are transformed and properly function on the new application platform. The documents produced will be used extensively during the DDI execution phase of the project, when the IVR is fully integrated into the new UIA integrated Tax & Benefits System application.

Additional Resource Requirements	Work Days	Cost
Sr. Business Analyst	20	\$ 26,720.00
TOTAL	20	\$ 326,720.00

Impact of Not Implementing the Change:

The automated IVR system provides time-of-day restricted access to all of the State's unemployment Claimants. The State has secured federal funding to replace the existing hardware and operating system software and to upgrade the application software. The software upgrade will allow the State to implement a new telephone filed claim application, and improved call center management technology including: callback functionality, improved call routing, implementation of IVR top ten FAQ, and enhanced management capabilities.

The Federal funds are earmarked specifically for this purpose, and if not used will be forfeited back to the Federal Government, and the State will lose the opportunity to replace/upgrade this system to a more current and efficient platform.

Alternatives to the Proposed Change:

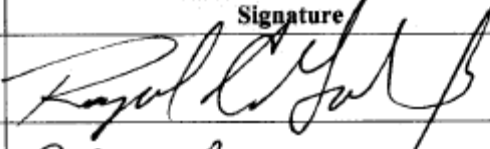
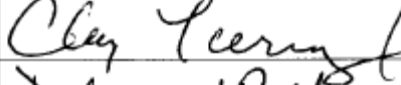

Failure by the State to sufficiently and effectively respond to Claimant inquires, claims and certifications automatically would place an unnecessary and arduous manual burden on State staff. There are no known other reasonable alternatives.

Final Recommendation:

Approval of this Change Request is requested.

F. Signatures

Governance Body: Include all accountable / impacted key project stakeholders.

Name/Title	Signature	Date
Ray Gardner, PMP PCO, Sr. Project Manager		10-11-2011
Clay Tierney UIA, Sr. Project Manager		10-14-11
Deb Patterson DTMB, Sr. Project Manager		10.14.2011

CR037 - Sr Business Analyst - Fraud RFP

State of Michigan

UIA Project Management Office for System Integration Project

Fraud Detection – Sr. Business Analyst

Project Change Request

A. General Information

Information to be provided in this section is general in nature and provides the necessary information about the organization of the project and project participants.

Project ID/Acronym:	UIA-IS Project	Date:	October 11, 2011
Controlling Agency:	DTMB / UIA	Modification Date:	
Prepared by:	Ray Gardner, PMP	Control Number (From Control Log)	CR037

B. Requestor Information

Proposed Change Description and References:

The requestor will provide information concerning the requested change along with any supporting documentation.

During the early part of this year, representatives from the Auditor General's office of the State of Michigan conducted an audit of the UIA Legacy System (UIA-LS). The Auditor General released their audit report findings to UIA on March 22, 2011. That Audit Report identified several deficiencies with the current UIA-LS and requested that UIA immediately develop a plan of action to remedy the noted deficiencies.

In order to comply with this Auditor General's Report, the Unemployment Insurance Agency (UIA) initiated immediate action to improve their Benefit Payment Control (BPC) activities, most importantly in the areas of overpayment and fraud detection and collection activities. UIA and DTMB have asked CSG Government Solutions (CSG) to assist them to identify and manage the implementation of solutions to quickly address the audit findings.

This Change Request # 037 is for the additional allocation of 200 hours for Kathy Reckewicz, a CSG Sr. Business Analyst at a rate of \$167.00 hour, to start work immediately. Ms. Reckewicz will support the development of a Request for Proposal (RFP) for a Fraud Detection solution to support the Benefit Payment Control (BPC) activities associated with the Auditor General's report. This effort will start immediately. The total cost for this Sr. Business Analyst for a 25 days at 8 hours/day is \$ 33,400.00.

Impact of Not Implementing Proposed Change:

The UIA – as required by the Auditor General's report – responded immediately with short term solutions and implemented changes within the required 60 business days. This change request continues with the approved plan to address the identified deficiencies and area of concerns. UIA is now required to develop and issue an RFP for a solution that supports additional Fraud Detection with data analysis/mining capabilities. The CSG Sr. Business Analyst will work with DTMB and UIA to develop the RFP document, and assisted the State with selection activities.

Alternatives:

Failure by the State to sufficiently and effectively respond to the deficiencies noted in the Auditor General's report is not permitted. There are no other known alternatives.

C. Initial Review Results of the Change Request

Initial Review Date: October 11, 2011 Assigned to: Deb Patterson, Clay Tierney

- ☒ Approve for Impact Analysis
☐ Reject
☐ Defer Until:

Reason:

D. Initial Impact Analysis

Baselines Affected:

The State must respond quickly and decisively to the deficiencies noted in the Auditor General's report to identify potential causes of the problems and create viable solutions. There will not be any effect on the overall project baselines, as these Benefit Payment Control (BPC) activities will be performed in parallel with the PMO project activities, utilizing additional resources.

Configuration Items Affected:

The Benefits Payment Control activities; staffing; and optional contract hours will be affected by this Change Request.

Cost / Schedule Impact Analysis Required? ☒ **Yes** ☐ **No**

Impact on Cost:

As detailed below, **the cost of this CR is \$ 33,400.00.** These funds are available within the current year contract PO as optional resource hours/costs to be used at the States requested and defined need.

Impact on Schedule:

The activities performed by the Sr. Business Analyst will support UIA responding to the Auditor General's report that indicated potential issues with Benefits Payment Control (BPC) and related fraud detection/recovery work.

Impact on Resources:

The project will require one (1) additional Senior Business Analyst from CSG for a total of 25 business days.

Final Review Results:

"Click HERE and Type"

Review Date: October 13, 2011

Classification: ☒ **HIGH** ☐ **MEDIUM** ☐ **LOW**

E. Impact Analysis Results

Specific Requirements Definition:

CSG will provide one (1) Senior Business Analyst for a total of 25 business days to manage and oversee the activities critical to UIA responding to the Auditor General's report, dated March 22, 2011. The documents produced will be used extensively during the DDI execution phase of the project.

Additional Resource Requirements	Work Days	Cost
Senior Business Analyst	25	\$ 33,400.00
TOTAL	25	\$ 33,400.00

Impact of Not Implementing the Change:

If the State does not effectively respond to the Auditor General's report and the deficiencies identified, the noted problems will continue and the potential will exist for the State to continue to lose millions of dollars to improper and fraudulent claims by claimants and employers. The State will continue to suffer non-recovery of funds properly due the State.

Alternatives to the Proposed Change:

Failure to correct any identified problems with benefit payment collections or fraud by claimants or employers will result in loss revenue to the State.

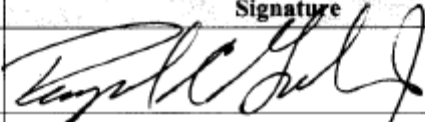
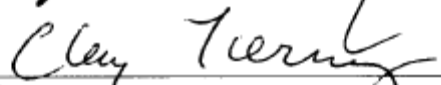

Incorrect or improper tax and/or benefit calculations, payments and/or collections could result in wrong information being sent to employers and claimants, which will not meet the State's required processing. There are no other known alternatives.

Final Recommendation:

Approval of this Change Request is requested.

F. Signatures

Governance Body: Include all accountable / impacted key project stakeholders.

Name/Title	Signature	Date
Ray Gardner, PMP PCO, Sr. Project Manager		10-11-2011
Clay Tierney UIA, Sr. Project Manager		10-14-11
Deb Patterson DTMB, Sr. Project Manager		10.14.2011

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

April 11, 2011

CHANGE NOTICE NO. 8
TO
CONTRACT NO. 071B0200123
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR CSG Government Solutions 180 North Stetson Avenue, Suite 3200 Chicago, IL 60601 rfp@csghdelivers.com	TELEPHONE (312) 444-2460 James Mahoney
	BUYER/CA (517) 373-1455 Laura Gyorkos
Contract Compliance Inspector: Ann Lindberg (313) 456-3218 MDIT/DELEG-UIA Project Management Office for System Integration Project	
CONTRACT PERIOD: From: January 19, 2010 To: January 18, 2013	
TERMS N/A	SHIPMENT N/A
F.O.B. N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	

NATURE OF CHANGE(S):

Effective immediately, the attached project change requests (CRO16 and CRO21) and Statement of Work #002 are incorporated into this contract. CRO16 is to add hours for a Sr. Business Architect. CRO21 is to add hours for a Sr. Project Manager. Please refer to the attached Statement of Work for a detailed description of tasks and deliverables.

All other terms, conditions and specifications remain the same.

AUTHORITY / REASON:

Per vendor request, agency agreement, and DTMB/Purchasing Operations approval.

CURRENT CONTRACT VALUE REMAINS: \$6,467,794.40



**MICHIGAN DEPARTMENT OF TECHNOLOGY,
MANAGEMENT AND BUDGET
IT SERVICES
STATEMENT OF WORK - #002**

Project Title: Unemployment Insurance Agency - Integrated System Project (UIA-IS)	Period of Coverage: March 31, 2011 - Jan 18, 2012
Requesting Department: DTMB / UIA	Date: March 31, 2011
Agency Project Managers: Deb Patterson, DTMB / Clay Tierney, UIA	Phone: 313-456-2602 / 313-456-2402
DTMB Contract Administrator: To be determined (TBD)	Phone: 313-456-xxxx

Brief Description of Services to be provided:

BACKGROUND:

The State of Michigan's Department of Licensing and Regulatory Affairs (LARA), Unemployment Insurance Agency (UIA) has embarked on a multi-year System Integration Project to complete a comprehensive and complex rewrite of Michigan's current Unemployment Insurance (UI) systems. Due to the challenges UIA faces in administering a complex program with constraints and limitations imposed by the mix of legacy systems, a modernized, integrated system will provide real-time data sharing across functions, increase productivity, enhance customer service and ease of use, and provide flexibility in complying with changing federal mandates and other requirements.

To achieve these objectives, UIA and its state partner agency, the Department of Technology, Management and Budget (DTMB) decided to seek an outside vendor who has significant expertise in providing Project Control Office (PCO) and governance services to function as the overall Project Manager (PM) for the new UIA Integrated System Project. The State issued a "Development and Implementation" Request for Proposal (RFP) for the new system and subsequently awarded the contract to CSG Government Solutions (CSG).

CSG is currently engaged full-time in assisting DTMB/UIA with the RFP development, procurement process, vendor selection and preparations for the Design, Development and Implementation (DDI) vendor execution phase of the overall project to replace the UIA Legacy System (UIA-LS). During this DDI Phase, CSG will serve alongside the UIA and the DTMB team to provide monitoring, quality assurance and related technical control services in conjunction with the development and implementation vendor for successfully completing the UIA-IS Project.

Over the course of the past few months, representatives of the State of Michigan Auditor General's office have been conducting an audit of the UIA-LS. The Auditor General released their audit report findings to UIA on March 22, 2011. That Audit Report identified several deficiencies with the current UIA-LS and requested UIA immediately develop a plan of action to remedy the noted deficiencies.

In order to comply with this Auditor General's Report, the Unemployment Insurance Agency (UIA) is seeking to take immediate action to improve their Benefit Payment Control (BPC) activities, most importantly in the areas of overpayment and fraud detection and collection activities. UIA and DTMB have asked CSG Government Solutions (CSG) to assist them to identify and manage the implementation of solutions to quickly address the audit findings.

A recommendation has been made to DTMB and UIA, which has been accepted, to utilize the existing Project Control Office (PCO) to manage these activities and to perform the following Action Plan activities:

Implement overpayment detection and collection software;

Identify process improvements; and
Leverage other state best practices in BPC.

This Statement of Work (SOW) is issued under and is subject to the terms of Contract No. 071B0200123 between the parties, dated January 19, 2010 in connection with the Project Management Office (PMO) for the UIA System Integration (UIA-IS) Modernization Project ("Contract") for State of Michigan Department of Technology, Management and Budget and Unemployment Insurance Agency ("Clients"), CSG's clients.

PROJECT OBJECTIVE:

The following are the overall project goals and objectives, and are supported by the activities outline in this SOW and associated Change Requests:

There are actions that can be taken which enable UIA to quickly and diligently address the audit by implementing solutions and business process improvements in the near term. However, there is no "silver bullet", and care should be taken to help assure that solutions and business process and policy-related changes are implemented in a disciplined fashion. It will require on-going effort and commitment from UIA to ensure adequate management and oversight.

SCOPE OF WORK:

CSG will provide consulting services for the following resources for the specified role and hourly rate, for actual hours worked. CSG staff will perform the activities as listed in the Tasks section below and as detailed in the approved project schedule(s).

CR #	Resource	Role	Rate	Hours
CR016	Connie Carter	Sr. Business Architect	\$ 200.85	520
CR016	Jeff Rhodes	Sr. Business Architect	\$ 200.85	1,040
CR021	Larry Hoehne	Sr. Project Manager	\$ 164.90	1,000

The above hourly rates, roles and maximum hours/role are defined and approved within the referenced Contract and relevant purchase order (PO) documents. Updated contract documents Article 1, Appendix A - Pricing, Table 3 (Supplemental Staffing) are included as attachments to this SOW.

TASKS:

CSG resources will fulfill the staff project roles for the duration of hours shown in the above table, and will perform the work specified below.

Senior Business Architect (Change Request # 016)

This Change Request # 016 is for the allocation of 1,560 hours for CSG Sr. Business Architect(s) at a rate of \$200.85/hour, starting work immediately. The Sr. Business Architect(s) will support: the current RFP procurement activities; Business Rules development; and the Benefit Payment Control (BPC) activities associated with the Auditor General's report. This Sr. Business Architect position will be filled by Mr. Jim Mahony, Ms. Connie Carter, and Mr. Jeff Rhodes. Mr. Mahony & Mr. Rhodes will split their time between the PMO and BPC activities, while Ms. Carter will be fully allocated to the BPC activities.

This Change Order will increase the total hours for this position in the Optional Hours pool by 1,560 hours, but will not increase the contract dollar amount. The total cost for these Senior Business Architects for a total of 195 days at 8 hours/day is \$ 313,326.00.

Senior Project Manager (Change Request # 021)

This Change Request # 021 is for the allocation of 1,000 hours for a CSG Sr. Project Manager at a rate of \$164.90/hour, starting work immediately. The Sr. Project Manager(s) will support the Benefit Payment Control (BPC) activities associated with the Auditor General's report on a full-time basis. A separate and distinct project schedule will be developed and approved by DTMB/UIA and utilized to manage all BPC project tasks and work efforts.

This Change Order will add an additional labor position to the Supplemental Hours pool, and will initially be

allocated for 1,000 hours, but will not increase the contract dollar amount, as other labor positions will be reduced accordingly. The total cost for the Senior Project Manager for a total of 125 days at 8 hours/day is \$ 164,900.00.

Implement Overpayment Detection and Overpayment Collection Software

There are few vendors focused specifically on UI fraud solutions. On Point Technologies offers their suite of software products specifically designed for unemployment insurance agencies to detect overpayments and recoup monies owed to agencies. CSG is familiar with On Point Technologies and their team, including their founder who at one time worked with the State of Illinois UI agency. A CSG-led PCO can work with On Point to implement targeted software to improve UIA's BPC processes, including the following activities:

Conduct Demonstration of Fraud-related Software Products

"Recover" Software Package

- Interfaces with State and National New Hire Directories to identify track potential overpaid claimants

- Generates collection and billing notices

- Manages delinquent cases

- Addresses Audit Findings #1, 2, 3

"Enforce" Software Package

- Manages liens, garnishment, civil actions and prosecutions

- Creates all necessary legal documents based on jurisdiction

- Addresses Audit Finding #4

Create and Oversee the Implementation Plan

Manage process through existing PCO structure

- Conduct Weekly Status Meetings

- Report overall project status at monthly DTMB/UIA executive status meetings

- Utilize CSG resources to identify necessary business process reorganization necessary to manage the cases created in the software

- Utilize CSG technical staff to manage installation and testing of software

Review Existing Business Processes and Identify Process Improvements

We recommend that a combined CSG/UIA team undertake a disciplined effort to identify areas of potential overpayments, improvements in non-monetary determination timeliness, and improvements in identification of fraud cases. CSG can lead and coordinate efforts to:

Conduct analysis of current processes and develop recommended solutions

- Deliver BPC Process Improvement Plan and Report within 60 days

- Identify and prioritize solutions as short term (can be implemented within 120 days) and long term (addressed in the rewrite project)

- Identify business process reorganization, policy changes, etc. necessary to implement recommendations

- Addresses Audit Findings #1, 2, 3, 4, 6, 7, 8, 9, 10

Manage process through existing PCO structure

- Conduct Weekly Status Meetings

- Report overall project status at monthly DTMB/UIA executive status meetings

- Utilize CSG Subject Matter and Technical Expertise

Leverage Other States Best Practices in BPC

We can also utilize our knowledge of the national UI market along with UIA expertise to identify three to five states with strong track records of benefit payment control activities, document their best practices, and identify opportunities to leverage these best practices for Michigan. CSG can lead and coordinate efforts to:

- Identify the top three to five States with strong BPC records

 - Review BAM measures

 - Research State collection activities

- Conduct Site Visits

- Create report of other State best practices

 - Complete report within 45 days

 - Document short term/long term solutions and recommendations to implement findings

 - Identify business process reorganization necessary to support recommendations

 - Addresses Audit Findings #1, 2, 3, 4, 6, 7, 8, 9, 10

- Manage process through existing PCO structure

 - Conduct Weekly Status Meetings

 - Report overall project status at monthly DTMB/UIA executive status meetings

 - Utilize CSG Subject Matter and Technical Expertise

DELIVERABLES:

Deliverables will not be considered complete until the Agency Sr. Project Manager and the DTMB Sr. Project Manager have both formally accepted them. Deliverables for this SOW are defined per the referenced Change Requests #16 and #21 and the currently approved detailed project schedules.

ACCEPTANCE CRITERIA:

Acceptance criteria for this SOW are per the existing Contract No. 071B0200123 between the parties, dated January 19, 2010 in connection with the Project Management Office (PMO) for the UIA System Integration (UIA-IS) Modernization Project ("Contract") for State of Michigan Department of Technology, Management and Budget and Unemployment Insurance Agency ("Clients"), CSG's clients.

PROJECT CONTROL AND REPORTS:

Project controls and reporting are defined and followed per existing Contract No. 071B0200123 between the parties, dated January 19, 2010 in connection with the Project Management Office (PMO) for the UIA System Integration (UIA-IS) Modernization Project ("Contract") for State of Michigan Department of Technology, Management and Budget and Unemployment Insurance Agency ("Clients"), CSG's clients.

SPECIFIC DEPARTMENT STANDARDS:

Agency and DTMB standards that are to be followed for this SOW are per the existing Contract No. 071B0200123 between the parties, dated January 19, 2010 in connection with the Project Management Office (PMO) for the UIA System Integration (UIA-IS) Modernization Project ("Contract") for State of Michigan Department of Technology, Management and Budget and Unemployment Insurance Agency ("Clients"), CSG's clients.

PAYMENT SCHEDULE:

The work associated with this SOW will be done on a time and materials basis. Invoicing by CSG and payment by DTMB will be governed by the terms and conditions defined within the existing Contract No. 071B0200123 between the parties, dated January 19, 2010 in connection with the Project Management Office (PMO) for the UIA System Integration (UIA-IS) Modernization Project ("Contract") for State of Michigan Department of Technology, Management and Budget and Unemployment Insurance Agency ("Clients") and any associated Purchase Orders. .

DTMB Contracts area will coordinate obtaining Agency Project Manager and DTMB/UIA Sr. Project Managers approvals. All invoices should reflect actual work completed by payment date, and must be approved by the DTMB Sr. Project Manager prior to payment. CSG will submit timesheets approved by the

DTMB Sr. Project Manager to support all invoices.

EXPENSES:

Invoices and payment for expenses will be per the terms and conditions defined within the existing Contract No. 071B0200123 between the parties, dated January 19, 2010 in connection with the Project Management Office (PMO) for the UIA System Integration (UIA-IS) Modernization Project ("Contract") for State of Michigan Department of Technology, Management and Budget and Unemployment Insurance Agency ("Clients"), CSG's clients.

PROJECT CONTACTS:

The designated Agency Sr. Project Manager is:

Mr. Clayton Tierney
Department of Licensing and Regulatory Affairs (LARA)
Unemployment Insurance Agency (UIA)
Cadillac Place, Ste 13-650
3024 West Grand Avenus
Detroit, MI 49202
313-456-2402

tierneyclaytonf@michigan.gov

The designated DTMB Project Manager is:

Ms. Debra Patterson
Department of Technology, Management & Budget (DTMB)
Agency Services
Cadillac Place, Ste 12-100
3024 West Grand Blvd
Detroit, MI 48202
313-456-2602

pattersondebraj@michigan.gov

The DTMB Contract Administrator for this project is:

To-be-determined (TBD)
Department of Technology, Management & Budget (DTMB)
Agency Services
Cadillac Place, Ste 12-100
3024 West Grand Blvd
Detroit, MI 48202
313-456-xxxx

To-be-determined @michigan.gov

AGENCY RESPONSIBILITIES:

DTMB and UIA responsibilities are as per the terms and conditions defined within the existing Contract No. 071B0200123 between the parties, dated January 19, 2010 in connection with the Project Management Office (PMO) for the UIA System Integration (UIA-IS) Modernization Project ("Contract") for State of Michigan Department of Technology, Management and Budget and Unemployment Insurance Agency ("Clients"), CSG's clients.

LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

Consultants will work mainly at Cadillac Place, 3024 West Grand Blvd, Detroit, Michigan 48202, with other activities being performed at various State office buildings in the Lansing, MI area as requested by the Sr. Project Managers and as necessary to reasonably support the project activities.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

This SOW is for time and materials work. The CONTRACTOR will charge for actual hours worked and will record all time worked on a weekly time sheet. The time sheets will be submitted to the State for approval along with the monthly invoice.

State of Michigan
UIA Project Management Office for System Integration Project
Business Rules & BPC Activities - Sr. Business Architects
Project Change Request

A. General Information

Information to be provided in this section is general in nature and provides the necessary information about the organization of the project and project participants.

Project ID/Acronym:	UIA-IS Project	Date:	March 31, 2011
Controlling Agency:	DTMB / UIA	Modification Date:	
Prepared by:	Ray Gardner, PMO PM	Control Number (From Control Log)	CR016

B. Requestor Information

Proposed Change Description and References:

The requestor will provide information concerning the requested change along with any supporting documentation.

The State of Michigan DTMB and UIA, along with CSG Government Solutions (CSG) have a need to provide a strong content and properly formatted set of business rules to the vendor selected to perform the Design, Development and Implementation (DDI) of the new UIA Integrated System (UIA-IS) project solution. The project team has decided that the addition of skilled, Sr. Business Architects, with subject matter unemployment insurance expertise would greatly benefit the current business rules development activities and assist with maintaining the current project schedule.

In addition, over the course of the past few months, representatives of the State of Michigan Auditor General's office have been conducting an audit of the UIA Legacy System (UIA-LS). The Auditor General released their audit report findings to UIA on March 22, 2011. That Audit Report identified several deficiencies with the current UIA-LS and requested UIA immediately develop a plan of action to remedy the noted deficiencies.

In order to comply with this Auditor General's Report, the Unemployment Insurance Agency (UIA) is seeking to take immediate action to improve their Benefit Payment Control (BPC) activities, most importantly in the areas of overpayment and fraud detection and collection activities. UIA and DTMB have asked CSG Government Solutions (CSG) to assist them to identify and manage the implementation of solutions to quickly address the audit findings.

This Change Request # 016 is for the allocation of 1,560 hours for CSG Sr. Business Architect(s) at a rate of \$200.85/hour, starting work immediately. The Sr. Business Architect(s) will support: the current RFP procurement activities; Business Rules development; and the Benefit Payment Control (BPC) activities associated with the Auditor General's report. This Sr. Business Architect position will be filled by Mr. Jim Mahony, Ms. Connie Carter, and Mr. Jeff Rhodes. Mr. Mahony & Mr. Rhodes will split their time between the PMO and BPC activities, while Ms. Carter will be fully allocated to the BPC activities.

This Change Order will increase the total hours for this position in the Optional Hours pool by 1,560 hours, but will not increase the contract dollar amount. The total cost for these Senior Business Architects for a total of 195 days at 8 hours/day is \$ 313,326.00.

Impact of Not Implementing Proposed Change:

If the business rule information is not completed accurately and readily available within the proper timeline, then the resulting functional documentation for the DDI phase of the project will be incomplete. Vendors may not have correct or complete information to properly estimate work effort and to design and build a new system. This could result in extending the time frame of the design phase and require change orders to the project to increase the scope, time and budget necessary to complete that phase. It is possible that the implementation vendor could also misunderstand the rules associated with specific requirements and build a system that does not meet the needs of the State of Michigan. The current business rules development and review is taking more time than currently planned and schedule, as knowledgeable UI experienced resources are not readily available.

With respect to the BPC activities, the UIA is required to respond to the Auditor General's report within 60 business days, with a plan to address the identified deficiencies and area of concerns. UIA desires to more fully understand the scope and impact of the noted deficiencies. The CSG Sr. Business Architects will work over the course of the next several months to manage these activities and to perform the following Action Plan activities:

- Implement overpayment detection and collection software;
- Identify process improvements; and
- Leverage other state best practices in BPC.

Alternatives:

Delay the design and development of the replacement UIA solution until the business rules are complete and accurate, which does not meet the States required implementation dates. Failure by the State to sufficiently and effectively respond to the deficiencies noted in the Auditor General's report is not permitted. There are no other known alternatives.

C. Initial Review Results of the Change Request

Initial Review Date: March 31, 2011 Assigned to: Deb Patterson, Clay Tierney

☒ Approve for Impact Analysis

☐ Reject

☐ Defer Until:

Reason:

D. Initial Impact Analysis

Baselines Affected:

The current baseline schedule for business rules development is slipping. The addition of this Sr. Business Architect will mitigate further slippages, and begin to bring this major task back into schedule compliance.

The State must respond quickly and effectively to the deficiencies noted in the Auditor General's report to identify potential causes of the problems and create viable solutions. There will not be any effect on

the overall project baselines, as these Benefit Payment Control (BPC) activities will be performed in parallel with the PMO project activities, utilizing additional resources.

Configuration Items Affected:

The business rules development, review and documentation; Benefits Payment Control activities; staffing; and optional contract hours will be affected by this Change Request.

Cost / Schedule Impact Analysis Required? ☒ **Yes** ☐ **No**

Impact on Cost:

As detailed below, **the cost of this CR is \$ 313,326.00**. These funds are available within the current year contract PO as optional resource hours/costs to be used at the States requested and defined need.

Impact on Schedule:

The current project schedule calls for the Design, Development and Implementation (DDI) contract to start in early July 2011. This Change Request will alleviate the risk of that schedule not being maintained.

In addition, the activities performed by these Sr. Business Architects will support UIA responding to the Auditor Generals report that indicated potential issues with Benefits Payment Control (BPC) and related fraud detection/recovery work.

Impact on Resources:

The project will require several additional Senior Business Architects from CSG for a total of 180 business days.

Final Review Results:

"Click HERE and Type"

Review Date: March 31, 2011

Classification: ☒ **HIGH** ☐ **MEDIUM** ☐ **LOW**

E. Impact Analysis Results

Specific Requirements Definition:

CSG will provide several Senior Business Architects for a total of 195 business days to: assist with the completion of clear, concise business rules, reviews and documentation; and to perform activities critical to UIA responding to the Auditor General's report, dated March 22, 2011. The documents produced will be used extensively during the DDI execution phase of the project.

Additional Resource Requirements	Work Days	Cost
Senior Business Architects	195	\$ 313,326.00

TOTAL	195	\$ 313,326.00

Impact of Not Implementing the Change:

If the development of the business rules is not completed accurately and completely, and in a timely manner to be ready for the DDI vendor phase of the project, the resulting UIA application will be incomplete or inaccurate. Vendors will not have enough information to properly estimate work effort and design and build a new system. This would result in extending the time frame of the design phase and require change orders to the project to increase the scope, time and monies due for that phase. It is possible that the implementation vendor could also misunderstand the requirements and build a system that does not meet the needs of the State of Michigan.

If the State does not effectively respond to the Auditor General's report and the deficiencies identified, the noted problems will continue and the potential will exist for the State to continue to lose millions of dollars to improper and fraudulent claims by claimants and employers. The State will continue to suffer non-recovery of funds properly due the State.

Alternatives to the Proposed Change:

Delay in the creation of complete and accurate business rules will cause schedule delays and increase the risk that the solution will not properly articulate UIA business. Failure to correct any identified problems with benefit payment collections or fraud by claimants or employers will result in loss revenue to the State.

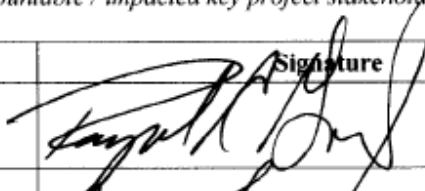
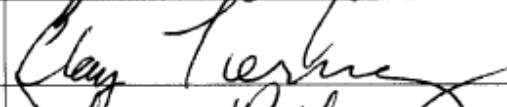

Incorrect or improper tax and/or benefit calculations, payments and/or collections could result in wrong information being sent to employers and claimants, which will not meet the State's required processing. There are no other known alternatives.

Final Recommendation:

Approval of this Change Request is requested.

F. Signatures

Governance Body: Include all accountable / impacted key project stakeholders.

Name/Title	Signature	Date
Ray Gardner, PMP PMO, Sr. Project Manager		4-4-2011
Clay Tierney, UIA, Sr. Project Manager		4-6-2011
Deb Patterson, DTMB, Sr. Project Manager		4.6.2011

State of Michigan
UIA Project Management Office for System Integration Project
BPC Activities - Sr. Project Manager
Project Change Request

A. General Information

Information to be provided in this section is general in nature and provides the necessary information about the organization of the project and project participants.

Project ID/Acronym:	UIA-IS Project	Date:	March 31, 2011
Controlling Agency:	DTMB / UIA	Modification Date:	
Prepared by:	Ray Gardner, PMO PM	Control Number (From Control Log)	CR021

B. Requestor Information

Proposed Change Description and References:

The requestor will provide information concerning the requested change along with any supporting documentation.

Over the course of the past few months, representatives of the State of Michigan Auditor General's office have been conducting an audit of the UIA Legacy System (UIA-LS). The Auditor General released their audit report findings to UIA on March 22, 2011. That Audit Report identified several deficiencies with the current UIA-LS and requested UIA immediately develop a plan of action to remedy the noted deficiencies.

In order to comply with this Auditor General's Report, the Unemployment Insurance Agency (UIA) is seeking to take immediate action to improve their Benefit Payment Control (BPC) activities, most importantly in the areas of overpayment and fraud detection and collection activities. UIA and DTMB have asked CSG Government Solutions (CSG) to assist them to identify and manage the implementation of solutions to quickly address the audit findings.

This Change Request # 021 is for the allocation of 1,000 hours for a CSG Sr. Project Manager at a rate of \$164.90/hour, starting work immediately. The Sr. Project Manager(s) will support the Benefit Payment Control (BPC) activities associated with the Auditor General's report on a full-time basis. A separate and distinct project schedule will be developed and approved by DTMB/UIA and utilized to manage all BPC project tasks and work efforts.

This Change Order will add an additional labor position to the Optional Hours pool, and will initially be allocated for 1,000 hours, but will not increase the contract dollar amount, as other labor positions will be reduced accordingly. The total cost for these Senior Project Manager for a total of 125 days at 8 hours/day is \$ 164,900.00.

Impact of Not Implementing Proposed Change:

The UIA is required to respond to the Auditor General's report within 60 business days, with a plan to address the identified deficiencies and area of concerns. UIA desires to more fully understand the scope and impact of the noted deficiencies. The CSG Sr. Project Manager will work over the course of the next several months to manage these BPC project schedule and activities and to perform the following:

- Implement overpayment detection and collection software;
- Identify process improvements; and
- Leverage other state best practices in BPC.

In addition, the activities performed by the Sr. Project Manager will support UIA responding to the Auditor Generals report that indicated potential issues with Benefits Payment Control (BPC) and related fraud detection/recovery work.

Alternatives:

Failure by the State to sufficiently and effectively respond to the deficiencies noted in the Auditor General's report is not permitted. There are no other known alternatives.

C. Initial Review Results of the Change Request

Initial Review Date: March 31, 2011 Assigned to: Deb Patterson, Clay Tierney

- ☒ Approve for Impact Analysis
☐ Reject
☐ Defer Until:
Reason:

D. Initial Impact Analysis

Baselines Affected:

The State must respond quickly and effectively to the deficiencies noted in the Auditor General's report to identify potential causes of the problems and create viable solutions. There will not be any effect on the overall project baselines, as these Benefit Payment Control (BPC) activities will be performed in parallel with the PMO project activities, utilizing additional resources.

Configuration Items Affected:

The Benefits Payment Control activities; staffing; and optional contract hours will be affected by this Change Request.

Cost / Schedule Impact Analysis Required? ☒ Yes ☐ No

Impact on Cost:

As detailed below, **the cost of this CR is \$ 164,900.00**. These funds are available within the current year contract PO as optional resource hours/costs to be used at the States requested and defined need.

Impact on Schedule:

The activities performed by the Sr. Project Manager will support UIA responding to the Auditor Generals report that indicated potential issues with Benefits Payment Control (BPC) and related fraud detection/recovery work.

Impact on Resources:

The project will require one (1) additional Senior Project Manager from CSG for a total of 125 business days.

Final Review Results:

"Click HERE and Type"

Review Date: March 31, 2011

Classification: ☒ **HIGH** ☐ **MEDIUM** ☐ **LOW**

E. Impact Analysis Results**Specific Requirements Definition:**

CSG will provide one (1) Senior Project Manager for a total of 125 business days to manage and oversee the activities critical to UIA responding to the Auditor General's report, dated March 22, 2011. The documents produced will be used extensively during the DDI execution phase of the project.

Additional Resource Requirements	Work Days	Cost
Senior Project Manager	125	\$ 164,900.00
TOTAL	125	\$ 164,900.00

Impact of Not Implementing the Change:

If the State does not effectively respond to the Auditor General's report and the deficiencies identified, the noted problems will continue and the potential will exist for the State to continue to lose millions of dollars to improper and fraudulent claims by claimants and employers. The State will continue to suffer non-recovery of funds properly due the State.

Alternatives to the Proposed Change:

Failure to correct any identified problems with benefit payment collections or fraud by claimants or employers will result in loss revenue to the State.

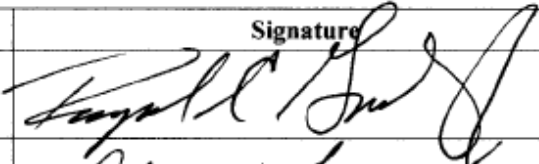
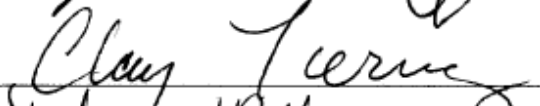

Incorrect or improper tax and/or benefit calculations, payments and/or collections could result in wrong information being sent to employers and claimants, which will not meet the State's required processing. There are no other known alternatives.

Final Recommendation:

Approval of this Change Request is requested.

F. Signatures

Governance Body: Include all accountable / impacted key project stakeholders.

Name/Title	Signature	Date
Ray Gardner, PMP PMO, Sr. Project Manager		4-4-2011
Clay Tierney UIA, Sr. Project Manager		4-6-2011
Deb Patterson DTMB, Sr. Project Manager		4.6.2011

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

March 29, 2011

CHANGE NOTICE NO. **7**
TO
CONTRACT NO. 071B0200123
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR CSG Government Solutions 180 North Stetson Avenue, Suite 3200 Chicago, IL 60601 rfp@csgdelivers.com	TELEPHONE (312) 444-2460 James Mahoney
	BUYER/CA (517) 373-1455 Laura Gyorkos
Contract Compliance Inspector: Ann Lindberg (313) 456-3218 MDIT/DELEG-UIA Project Management Office for System Integration Project	
CONTRACT PERIOD: From: January 19, 2010 To: January 18, 2013	
TERMS N/A	SHIPMENT N/A
F.O.B. N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	

NATURE OF CHANGE(S):

Effective immediately, the attached project change requests (CRO18, CRO19, CRO20) and Statement of Work #001 are incorporated into this contract. CRO18 is to add hours for a Sr. Business Analyst. CRO19 is to add hours for an IMS Application DBA, and CRO20 is to add hours for an Oracle Application DBA. Please refer to the attached Statement of Work for a detailed description of tasks and deliverables. Please note that the buyer is CHANGED to Laura Gyorkos.

All other terms, conditions and specifications remain the same.

AUTHORITY / REASON:

Per vendor request, agency agreement, and DTMB/Purchasing Operations approval.

CURRENT CONTRACT VALUE REMAINS: \$6,467,794.40



**MICHIGAN DEPARTMENT OF TECHNOLOGY,
MANAGEMENT AND BUDGET
IT SERVICES
STATEMENT OF WORK - #001**

Project Title: Unemployment Insurance Agency - Integrated System Project (UIA-IS)	Period of Coverage: March 01, 2011 - Jan 18, 2012
Requesting Department: DTMB / UIA	Date: February 28, 2011
Agency Project Manager: Deb Patterson, DTMB / Clay Tierney, UIA	Phone: 313-456-2602 / 313-456-2402
DTMB Contract Administrator: Laura Gyorkos	Phone: 517-373-1455

Brief Description of Services to be provided:

BACKGROUND:

The State of Michigan's Department of Licensing and Regulatory affairs (LARA), Unemployment Insurance Agency (UIA) has embarked on a multi-year System Integration Project to complete a comprehensive and complex rewrite of Michigan's current Unemployment Insurance (UI) systems. Due to the challenges UIA faces in administering a complex program with constraints and limitations imposed by the mix of legacy systems, a modernized, integrated system will provide real-time data sharing across functions, increase productivity, enhance customer service and ease of use, and provide flexibility in complying with changing federal mandates and other requirements.

To achieve these objectives, UIA and its state partner agency, the Department of Technology, Management and Budget (DTMB) decided to seek an outside vendor who has significant expertise in providing Project Management Office (PMO) and Governance services to function as the overall Project Manager (PM) for the new UIA Integrated System Project. The State issued a "Development and Implementation" Request for Proposal (RFP) for the new system and subsequently awarded the contract to CSG Government Solutions (CSG). In the current Pre-RFP Award Phase, CSG – performing as the Project Manager – has produced the RFP, and is currently in the process of providing procurement and vendor selection support to DTMB/UIA. In addition, CSG is embarking on the early stages of the preparation for the Post-RFP Phase. During this Post-RFP Phase, CSG will serve alongside the UIA and the DTMB team to provide monitoring, quality assurance and related technical control services in conjunction with the development and implementation vendor for successfully completing the UIA-IS Project.

The purpose then of the Project Management Office (PMO) for the Unemployment Insurance Agency (UIA) Integrated System Project is twofold, separated into two distinct phases:

The Pre-RFP Award Phase: with support from DTMB and UIA, CSG will develop the Request for Proposal (RFP) and facilitate the State's decision and selection process for the UI System Integration Project development and implementation vendor.

The Post-RFP Award Phase: in the performance of the Project Management Office (PMO) role, CSG will oversee the activities of the UIA-Integrated System Project vendor and will be the day-to-day representation of the State Of Michigan to the UI System Integration Project vendor (est. 27 – 48 months duration)

This Statement of Work is issued under and is subject to the terms of Contract No. 071B0200123 between the parties, dated January 19, 2010 in connection with the Project Management Office (PMO) for the UIA System Integration (UIA-IS) Modernization Project ("Contract") for State of Michigan Department of Technology, Management and Budget and Unemployment Insurance Agency ("Clients"), CSG's clients.

PROJECT OBJECTIVE:

The following are the overall project goals and objectives, and are supported by the activities outline in this SOW and associated Change Requests:

Agency Goals	Project Objectives
Technical Writing – create a detailed, solution driven RFP and supporting documentation to allow vendors bidding on the Development and Implementation RFP to submit meaningful proposals in terms of cost and time	Create a detailed, solution oriented RFP and supporting documentation which will be used to evaluate and select a Development and Implementation Vendor. Create criteria to be use to evaluate the Development and Implementation RFP responses and create sample questions to be used for the bidder's oral presentation. Develop the RFP by participating in the State pre-planning and analysis phases for the overall project, as the RFP is the key deliverable that consolidates everything from the other project deliverables.
Project Management – provide the application of knowledge, skills, tools and techniques to project activities to meet project requirements in terms of time, cost, and scope and at an acceptable level of quality	Follow the State of Michigan's SUITE guidelines and Project Management Methodology (PMM). Facilitate Project Management Buy-in by providing guidance and support to DTMB, the Executive Sponsors, Steering Committee, DTMB and UIA Senior Project Managers, Contract Administrator and partners in their understanding of project management best practices and discipline. Project Manager is PMP certified and has direct experience and skills to effectively apply project management tools and techniques. Focus on delivery encompassing time, cost, scope and acceptable levels of quality. A majority of the Project Manager's time is spent on communicating – with the team members and with project stakeholders.
System Architectural Assessment – perform a technical assessment of up to 3 state UI systems and other vendor solutions to identify the best options for a UIA system rewrite. Assessment will identify level of fit with UIA Business Requirements, Qualify of Code, scalability of architecture, performance, ease of maintenance and support, and cost and time to customize to meet UIA requirements	Provide Senior Business Architects who have a thorough understanding of UI system Integration efforts and how some recent efforts may benefit Michigan. Provide Senior System Architects who have a broad technology skill-set in order to effectively evaluate current and future technology needs for the new UI System as well the ability at assess the pros and cons of other UI solutions throughout the country. Focus on key service levels such as performance, cost, security, scalability, maintainability, and usability.
Project phasing (technical roadmap) – Identification of project phases necessary to implement all business requirements in the most efficient (time and schedule) manner, with no interruptions to current business services and minimal rework. The roadmap will identify risks associated with the phased approach and contain risk mitigation strategies for each identified risk.	The System Architects possess the knowledge to develop a plan that will guide the Integration effort by dividing the project into phases. The Business Analysts will provide guidance to create phases that delivers functionality to the business users in an efficient and logical manner. All project team members will work closely to develop a "road map" which packages units of work into meaningful release implementations.
Scope Control / Management – ability to package units of work into meaningful implementations (releases) of value to the stakeholders, and the	Each release must deliver value for the end users and also be based on an aggressive, yet realistic schedule. Re-work and interim, throw-away interfaces need to be minimized Team must work with the Development and Implementation vendor

ability to effectively evaluate, manage, and control changes to those planned releases as the State and/or application development vendor propose changes to the agreed upon plans	to ensure strong scope and change control management processes are utilized throughout the project.
Business / Technical / Infrastructure Quality Control – environment, database, and application code control to ensure the work promised – and only that work – is delivered, and to ensure the delivered system performs as required	Focus technology efforts so that they are always aligned with the business need. Business requirements will drive the technology, while control over the technical infrastructure design prevents the mind-set of “technology for technology’s sake.” Recognize the need to conduct performance engineering and ongoing system performance testing.

SCOPE OF WORK:

CSG will provide the consulting services for the following resources for the specified role and hourly rate, for actual hours worked, as defined within the Change Requests and associated contract purchase orders.

Resource	Role	Rate	Hours
Malcolm Abrams	IMS Application DBA	\$ 120.00	880
Arnold Hausmann	Oracle Application DBA	\$ 120.00	800
Erik Hobbie	Sr. Business Analyst	\$ 167.00	960
Jim Mahony	Sr. Business Architect	\$ 200.85	640

The above hourly rates, roles and maximum hours/role are defined and approved within the referenced Contract and relevant purchase order (PO) documents.

TASKS:

CSG resources will fulfill the staff project roles for the duration of hours shown in the above table, and will perform the work specified below.

IMS Application Database Administrator (Change Request # 019)

There are currently thirteen (13) IMS databases that support the UIA Mainframe Application System. The IMS Application DBA will work with the State DTMB and UIA staff to:

- Identify major data sources by system, including “data of record” sources for any redundant data across systems.
- Identify records that would not need to be converted and either create a plan to delete them or mark them so they can be easily excluded.
- Determine domain of reference values (that may or may not have a source table) for each major data source.
- Interview IT staff for known data anomalies that could impact Conversion.
- Create and maintain analysis reports/queries to quickly identify data requiring cleanup.
- Analyze all legacy data to identify any integrity problems.
- Develop approaches for data cleanup based on level of effort. Create “fix” programs or scripts and update queries. Work with users to develop appropriate manual update processes. Plan and execute all pre-conversion cleanup procedures.
- Develop appropriate backup/back-out procedures for all cleanup procedures. Develop and execute post-cleanup regression tests to ensure that cleanup procedures do not adversely impact legacy systems.

This resource is supplemental to the DTMB staff currently supporting the daily operations of the UIA Mainframe Application System.

Oracle Application Database Administrator (Change Request # 020)

There are currently three (3) Oracle databases that support the UIA Mainframe Application, web-services and Interactive Voice Response (IVR) systems. In addition there are approximately twenty (20) Microsoft Access databases residing on department workstations that support various reporting activities. The Oracle

Application DBA will work with the State DTMB and UIA staff to:

- Identify major data sources by system, including “data of record” sources for any redundant data across systems.
- Identify records that would not need to be converted and either create a plan to delete them or mark them so they can be easily excluded.
- Determine domain of reference values (that may or may not have a source table) for each major data source.
- Interview IT staff for known data anomalies that could impact Conversion.
- Create and maintain analysis reports/queries to quickly identify data requiring cleanup.
- Analyze all legacy data to identify any integrity problems.
- Develop approaches for data cleanup based on level of effort. Create “fix” programs or scripts and update queries. Work with users to develop appropriate manual update processes. Plan and execute all pre-conversion cleanup procedures.
- Develop appropriate backup/back-out procedures for all cleanup procedures. Develop and execute post-cleanup regression tests to ensure that cleanup procedures do not adversely impact legacy systems.

This resource is supplemental to the DTMB staff currently supporting the daily operations of the UIA Mainframe Application System, Web-services and IVR activities.

Sr. Business Analyst (BA) (Change Request # 018)

The Sr. Business Analyst (BA) will provide support and direction to the State Business Analysts (BA) currently developing the functional business rules. This Sr. BA will work with the project BA staff to develop appropriate business rules, attend working and review session, and assist with generation of documentation.

The current business rules development and review is taking more time than currently planned and scheduled. Although there are adequate state staff available, the early retirements have hindered the state's ability to assign knowledgeable Michigan UI experienced resources.

This resource is supplemental to the UIA staff currently and will be supporting the business rules development activities.

Sr. Business Architect (Change Request # 017)

The Sr. Business Architect has been assigned to this project since it started in February 2010. The Sr. Business Architect is an Unemployment Insurance (UI) subject matter expert (SME) and has had major responsibility in driving and facilitating the business requirements analysis, along with the narrative and process flow development. His subject matter expertise has been used extensively for RFP development and review and evaluation of the bidder proposals submitted to the State.

This request is to extend the Sr. Business Architect to allow continued support the RFP development and procurement processes, vendor selection process, contract negotiations, as well as utilize his unemployment insurance industry experience to support the business rules development activities.

This resource is supplemental to the UIA staff currently supporting the project activities and well as being a key contributor to the business rules development activities

DELIVERABLES:

Deliverables will not be considered complete until the Agency Sr. Project Manager and the DTMB Sr. Project Manager have both formally accepted them. Deliverables for this SOW are defined per the referenced Change Requests # 17, 18, 19 and 20 and the currently approved detailed project schedules.

ACCEPTANCE CRITERIA:

Acceptance criteria for this SOW are per the existing Contract No. 071B0200123 between the parties, dated January 19, 2010 in connection with the Project Management Office (PMO) for the UIA System Integration (UIA-IS) Modernization Project (“Contract”) for State of Michigan Department of Technology, Management and Budget and Unemployment Insurance Agency (“Clients”), CSG’s clients.

PROJECT CONTROL AND REPORTS:

Project controls and reporting are defined and followed per existing Contract No. 071B0200123 between the parties, dated January 19, 2010 in connection with the Project Management Office (PMO) for the UIA System

Integration (UIA-IS) Modernization Project ("Contract") for State of Michigan Department of Technology, Management and Budget and Unemployment Insurance Agency ("Clients"), CSG's clients.

SPECIFIC DEPARTMENT STANDARDS:

Agency and DTMB standards that are to be followed for this SOW are per the existing Contract No. 071B0200123 between the parties, dated January 19, 2010 in connection with the Project Management Office (PMO) for the UIA System Integration (UIA-IS) Modernization Project ("Contract") for State of Michigan Department of Technology, Management and Budget and Unemployment Insurance Agency ("Clients"), CSG's clients.

PAYMENT SCHEDULE:

The work associated with this SOW will be done on a time and materials basis. Invoicing by CSG and payment by DTMB will be governed by the terms and conditions defined within the existing Contract No. 071B0200123 between the parties, dated January 19, 2010 in connection with the Project Management Office (PMO) for the UIA System Integration (UIA-IS) Modernization Project ("Contract") for State of Michigan Department of Technology, Management and Budget and Unemployment Insurance Agency ("Clients") and any associated Purchase Orders. .

DTMB Contracts area will coordinate obtaining Agency Project Manager and DTMB/UIA Sr. Project Managers approvals. All invoices should reflect actual work completed by payment date, and must be approved by the DTMB Sr. Project Manager prior to payment. CSG will submit timesheets approved by the DTMB Sr. Project Manager to support all invoices.

EXPENSES:

Invoices and payment for expenses will be per the terms and conditions defined within the existing Contract No. 071B0200123 between the parties, dated January 19, 2010 in connection with the Project Management Office (PMO) for the UIA System Integration (UIA-IS) Modernization Project ("Contract") for State of Michigan Department of Technology, Management and Budget and Unemployment Insurance Agency ("Clients"), CSG's clients.

PROJECT CONTACTS:

The designated Agency Sr. Project Manager is:

Mr. Clayton Tierney
Department of Licensing and Regulatory Affairs (LARA)
Unemployment Insurance Agency (UIA)
Cadillac Place, Ste 13-650
3024 West Grand Avenue
Detroit, MI 49202
313-456-2402

tierneyclaytonf@michigan.gov

The designated DTMB Project Manager is:

Ms. Debra Patterson
Department of Technology, Management & Budget (DTMB)
Agency Services
Cadillac Place, Ste 12-100
3024 West Grand Blvd
Detroit, MI 48202
313-456-2602

pattersondebraj@michigan.gov

The DTMB Contract Administrator for this project is:

[Laura Gyorkos](#)
Department of Technology, Management & Budget (DTMB)
Purchasing Operations
Mason Building – Second Floor
530 W. Allegan
Lansing, MI 48933
517-373-1455

gyorkosl@michigan.gov

AGENCY RESPONSIBILITIES:

DTMB and UIA responsibilities are as per the terms and conditions defined within the existing Contract No. 071B0200123 between the parties, dated January 19, 2010 in connection with the Project Management Office (PMO) for the UIA System Integration (UIA-IS) Modernization Project ("Contract") for State of Michigan Department of Technology, Management and Budget and Unemployment Insurance Agency ("Clients"), CSG's clients.

LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

Consultants will work mainly at Cadillac Place, 3024 West Grand Blvd, Detroit, Michigan 48202, with other activities being performed at various State office buildings in the Lansing, MI area as requested by the Sr. Project Managers and as necessary to reasonably support the project activities.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

This SOW is for time and materials work. The CONTRACTOR will charge for actual hours worked and will record all time worked on a weekly time sheet. The time sheets will be submitted to the State for approval along with the monthly invoice.

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

January 7, 2011

CHANGE NOTICE NO. 6
TO
CONTRACT NO. 071B0200123
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR		TELEPHONE (312) 444-2460
CSG Government Solutions		James Mahoney
180 North Stetson Avenue, Suite 3200		
Chicago, IL 60601		BUYER/CA (517) 241-0239
rfo@csqdelivers.com		Jacque Kuch
Contract Compliance Inspector: Ann Lindberg (313) 456-3218		
MDIT/DELEG-UIA Project Management Office for System Integration Project		
CONTRACT PERIOD: From: January 19, 2010 To: January 18, 2013		
TERMS	N/A	SHIPMENT
		N/A
F.O.B.	N/A	SHIPPED FROM
		N/A
MINIMUM DELIVERY REQUIREMENTS		
N/A		

NATURE OF CHANGE(S):

Effective immediately, the attached project change request (CR015) is incorporated into this contract. CR015 authorizes 320 hours for one (1) full-time Oracle Application DBA to develop and plan for data cleansing and conversion of the legacy data.

All other terms, conditions and specifications remain the same.

AUTHORITY / REASON:

Per vendor request, agency agreement, and DTMB/Purchasing Operations approval.

CURRENT CONTRACT VALUE REMAINS: \$6,467,794.40

Contract 071B0200123

Change Notice 6

Signature Block

FOR THE CONTRACTOR:

CSG Government Solutions
Firm Name
Michael Cooney
Authorized Agent Signature
Michael Cooney
Authorized Agent (Print or Type)
1/13/11
Date

FOR THE STATE:

Signature
Seleana Samuel, Acting Manager
Name/Title
Contract Administration Unit
Division
Date

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY MANAGEMENT AND BUDGET December 10, 2010
PURCHASING OPERATIONS
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 5
TO
CONTRACT NO. 071B0200123
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR CSG Government Solutions 180 North Stetson Avenue, Suite 3200 Chicago, IL 60601 rfp@csghdelivers.com	TELEPHONE (312) 444-2460 James Mahoney
Contract Compliance Inspector: Ann Lindberg (313) 456-3218 MDIT/DELEG-UIA Project Management Office for System Integration Project	BUYER/CA (517) 241-0239 Jacque Kuch
CONTRACT PERIOD: From: January 19, 2010 To: January 18, 2013	
TERMS N/A	SHIPMENT N/A
F.O.B. N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	

NATURE OF CHANGE(S):

Effective immediately, the attached project change requests (CR012, CR013, CR014) are incorporated into this contract. CR012 adds hours for a Sr. Technical Architect. CR013 reduces the hours for the Project Scheduler, and adds hours for the Sr. Business Architect. CR014 adds hours for a Database Analyst, for data cleansing.

All other terms, conditions and specifications remain the same.

AUTHORITY / REASON:

Per vendor request, agency agreement, and DTMB/Purchasing Operations approval.

CURRENT CONTRACT VALUE REMAINS: \$6,467,794.40

State of Michigan
UIA Project Management Office for System Integration Project
Sr. Technical Architect Extension
Project Change Request

A. General Information

Information to be provided in this section is general in nature and provides the necessary information about the organization of the project and project participants.

Project ID/Acronym:	UIA Integrated System	Date:	October 07, 2010
Controlling Agency:	DTMB / UIA	Modification Date:	
Prepared by:	Ray Gardner, PMO PM	Control Number (From Control Log)	CR012

B. Requestor Information

Proposed Change Description and References:

The requestor will provide information concerning the requested change along with any supporting documentation.

The State of Michigan DTMB and UIA, along with CSG Government Solutions (CSG) have a need to extend one (1) of the current Senior Technical Architects assigned to the UI System Integration Project. Mr. Tim Saar has been assigned to this project as the Senior Technical Architect since it started in February 2010. Mr. Saar is a technology expert and has had major responsibility in driving and facilitating the technical analysis, along with overseeing the development of several RFP Appendices that document – through descriptions, context diagrams and metrics – the current UIA applications and interfaces. Mr. Saar's last day on the project is currently estimated to be the week ending October 15, 2010.

This request is to extend Mr. Saar for an additional twenty-five (25) business days - through January 18, 2011 - to allow him to continue supporting the RFP release, question/answer responses, Bidders Conference and other activities related to supporting the procurement process.

The total costs for extending Mr. Saar for 25 days at 8 hours per day is \$ 39,000.00.

Impact of Not Implementing Proposed Change:

If the technical and architectural information required to support the RFP release and the procurement process is not accurate and up-to-date, then the resulting RFP information and evaluation will be incomplete or inaccurate. Vendors may not have sufficient information to properly estimate work effort and calculate cost to design and build a new system. The State may not properly evaluate the Vendor solutions without a strong Technical architect assisting with the review or proposals.

Any of these issues could result in extending the time frame of the design phase and require change orders to the project to increase the scope, time and budget necessary to complete that phase. It is possible that the implementation vendor could also misunderstand the requirements and build a system that does not meet the needs of the State of Michigan.

The work to clarify and answer any technical and architectural questions or assisting with the technical evaluations could be compromised and take longer than currently planned. The effort necessary to complete the RFP procurement within the time frame requested by the State require Mr. Saar to provide his technical and architectural expertise to the process.

Alternatives:

Delay with the RFP procurement process until all components are complete and accurate, which does not meet the States required dates. There are no other known alternatives.

C. Initial Review Results of the Change Request

Initial Review Date: 10/07/2010 Assigned to: Deb Patterson, Clay Tierney

☒ Approve for Impact Analysis

☐ Reject

☐ Defer Until:

Reason:

D. Initial Impact Analysis

Baselines Affected:

There is no anticipated impact to the current overall project baseline, if this extension is granted.

Configuration Items Affected:

The Request for Proposal (RFP) procurement, staffing and optional contract hours will be affected by this Change Request.

Cost / Schedule Impact Analysis Required? ☒ Yes ☐ No

Impact on Cost:

As detailed below, the cost of this CR is \$ 39,000.00. These funds are available within the current year contract PO as optional resource hours/costs to be used at the States requested and defined need.

Impact on Schedule:

The current project schedule calls for the Design, Development and Implementation (DDI) RFP to be released on or about October 15, 2010. This Change Request will allow that schedule to be maintained.

Impact on Resources:

The project will require an extension of the current Senior Technical Architect from CSG for 25 business days.

Final Review Results:

"Click HERE and Type"

Review Date: 10/07/2010

Classification: ☒ **HIGH** ☐ **MEDIUM** ☐ **LOW**

E. Impact Analysis Results

Specific Requirements Definition:

CSG will extend Mr. Tim Saar for an equivalent additional 25 business days – part-time from October 11th, 2010 through January 18, 2011 to assist with the completion of clear, concise RFP, State procurement process and evaluation criteria. The work Mr. Saar will complete will become an integral part of the DDI RFP to be released to the vendor community on or about October 15, 2010.

Additional Resource Requirements	Work Days	Cost
Sr. Technical Architect – Tim Saar	25	\$ 39,000.00
TOTAL	25	\$ 39,000.00

Impact of Not Implementing the Change:

If continued development of the RFP components and procurement process are not properly prepared, with a strong focus on the needs of Michigan DTMB and specifically UIA, the resulting RFP will be incomplete. Vendors will not have enough information to properly estimate work effort and calculate cost to design and build a new system. This would result in extending the time frame of the design phase and require change orders to the project to increase the scope, time and monies due for that phase. It is possible that the implementation vendor could also misunderstand the requirements and build a system that does not meet the needs of the State of Michigan.

Alternatives to the Proposed Change:

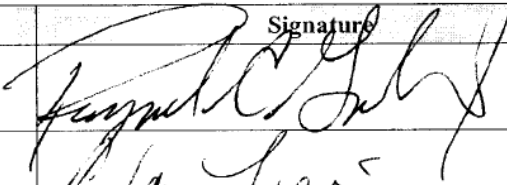
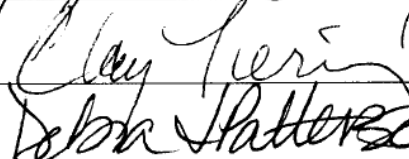
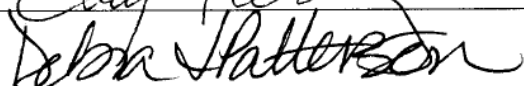
Delay the release of the RFP or of the Vendor proposal evaluations until the Technical Requirements are complete and accurate, which does not meet the States required dates. There are no other known alternatives.

Final Recommendation:

Approval of this Change Request is requested.

F. Signatures

Governance Body: Include all accountable / impacted key project stakeholders.

Name/Title	Signature	Date
Ray Gardner, PMP PMO Project Manager		10-8-2010
Clay Tierney, UIA, Sr. Project Manager		10-8-2010
Deb Patterson, DIT, Sr. Project Manager		10.8.2010

State of Michigan
UIA Project Management Office for Integrated System Project
Reallocated Scheduler/Architect Hours
Project Change Request

A. General Information

Information to be provided in this section is general in nature and provides the necessary information about the organization of the project and project participants.

Project ID/Acronym:	UIA Integrated System	Date:	October 07, 2010
Controlling Agency:	DTMB / UIA	Modification Date:	
Prepared by:	Ray Gardner, PMO PM	Control Number (From Control Log)	CR013

B. Requestor Information

Proposed Change Description and References:

The requestor will provide information concerning the requested change along with any supporting documentation.

The State of Michigan DTMB and UIA, along with CSG Government Solutions (CSG) have a need to reallocated hours of the Project Scheduler and the Sr. Business Architect. During the first contract year (Jan 19, 2010 thru Jan 18, 2011), the Project Scheduler will not fully utilize all the hours allocated to that position, while the Sr. Business Architect will fall short of that positions hours allocation.

This zero cost Change Request #013 will authorize the reduction of 150 hours from the hours allocated to the Project Scheduler and allow for the addition of 118.75 hours to the Sr. Business Architect allocation of hours. The cost of 150 hours at the Project Scheduler rate of \$ 92.15/hour is \$ 13,822.50. The cost of the Sr. Business Architect for 118.75 hours at \$ 116.40/hour is also \$ 13,822.50.

There is no change in duties or responsibilities. This CR allows both positions to maintain their full-time work on the project thru the end of the 1st contract year. Subsequent full-time allocations are not affected.

The total costs associated with reallocating these hours is \$0.00.

Impact of Not Implementing Proposed Change:

If the hours are not adjusted and reallocated, then the Sr. Business Architect will be required to stop work on the project in early December and would not be authorized to return until after January 19, 2011, when the 2nd year contract starts.

If the business requirement and UI relevant information is not completed accurately and within the proper time-line, then the resulting documentation for the RFP will be incomplete. Vendors may not have enough information to properly estimate work effort and calculate cost to design and build a new system. This could result in extending the time frame of the design phase and require change orders to the project to increase the scope, time and budget necessary to complete that phase. It is possible that the implementation vendor could also misunderstand the requirements and build a system that does not meet the needs of the State of Michigan.

The work to clarify and answer business requirement questions or to assist with the continuing development of the business rules would be compromised and take longer than currently planned. The effort necessary to complete the RFP procurement within the time frame requested by the State require the Sr. Business architect to provide business and process expertise to the process.

Alternatives:

Delay the release of the RFP until all components are complete and accurate, which does not meet the States required dates. There are no other known alternatives.

C. Initial Review Results of the Change Request

Initial Review Date: 10/07/2010

Assigned to: Deb Patterson, Clay Tierney

☒ Approve for Impact Analysis

☐ Reject

☐ Defer Until:

Reason:

D. Initial Impact Analysis

Baselines Affected:

There is no anticipated impact to the current overall project baseline, if this extension is granted.

Configuration Items Affected:

The Request for Proposal (RFP) development, staffing and optional contract hours will be affected by this Change Request.

Cost / Schedule Impact Analysis Required?

☒ Yes

☐ No

Impact on Cost:

As detailed above, the cost of this CR is \$ 0.00. This CR is to document the reallocation of hours between the Project Scheduler and the Sr. Business Architect positions. The original funds are available within the current base year contract PO.

Impact on Schedule:

The current project schedule calls for the Design, Development and Implementation (DDI) RFP to be released on or about October 15, 2010 and for support of the associated procurement process thru the end of this contract year. This Change Request will allow that schedule to be maintained.

Impact on Resources:

The CR will allow the adjustment and reallocation of hours between the Project Scheduler and the Sr. Business Architect. There is no change in duties or responsibilities. This CR allows both positions to maintain their full-time work on the project thru the end of the 1st contract year. Subsequent full-time allocations are not affected.

Final Review Results:

"Click HERE and Type"

Review Date: 10/07/2010**Classification:** ☒ **HIGH** ☐ **MEDIUM** ☐ **LOW****E. Impact Analysis Results****Specific Requirements Definition:**

This zero cost Change Request #013 will authorize the reduction of 150 hours from the hours allocated to the Project Scheduler and allow for the addition of 118.75 hours to the Sr. Business Architect allocation of hours. The cost of 150 hours at the Project Scheduler rate of \$ 92.15/hour is \$ 13,822.50. The cost of the Sr. Business Architect for 118.75 hours at \$ 116.40/hour is also \$ 13,822.50.

Additional Resource Requirements	Work Hours	Cost
Project Scheduler – Delphine Lockhart	-120 ⁻¹⁵⁰	<\$ 13,822.50>
Sr. Business Architect – Rachna Bhatia	+ 118.75	\$ 13,822.50
TOTAL		\$ 0.00

Impact of Not Implementing the Change:

If continued development of the RFP components and procurement process are not properly prepared, with a strong focus on the needs of Michigan DTMB and specifically UIA, the resulting RFP will be incomplete. Vendors will not have enough information to properly estimate work effort and calculate cost to design and build a new system. This would result in extending the time frame of the design phase and require change orders to the project to increase the scope, time and monies due for that phase. It is possible that the implementation vendor could also misunderstand the requirements and build a system that does not meet the needs of the State of Michigan.

Alternatives to the Proposed Change:

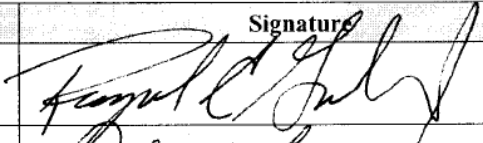
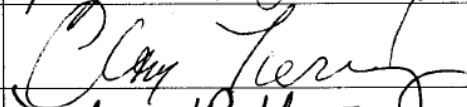

Delay of responding to Vendor questions & answers or delays in creating solid business rules does not meet the States required dates. There are no other known alternatives.

Final Recommendation:

Approval of this Change Request is requested.

F. Signatures

Governance Body: Include all accountable / impacted key project stakeholders.

Name/Title	Signature	Date
Ray Gardner, PMP PMO Project Manager		10-8-2010
Clay Tierney, UIA, Sr. Project Manager		10-8-2010
Deb Patterson, DIT, Sr. Project Manager		10.8.2010

State of Michigan
UIA Project Management Office for Integrated System Project
Application DBA
Project Change Request

A. General Information

Information to be provided in this section is general in nature and provides the necessary information about the organization of the project and project participants.

Project ID/Acronym:	UIA Integrated System	Date:	October 11, 2010
Controlling Agency:	DTMB / UIA	Modification Date:	
Prepared by:	Ray Gardner, PMO PM	Control Number (From Control Log)	CR014

B. Requestor Information

Proposed Change Description and References:

The requestor will provide information concerning the requested change along with any supporting documentation.

The State of Michigan DTMB and UIA, along with CSG Government Solutions (CSG) have a need to begin work on review of all data and databases to develop plans and processes that will support legacy data conversion. Extensive work will be done on planning for data cleansing activities associated with the UIA Integrated Systems (UIA-IS) Project. It is anticipated that an extensive amount of effort will be required to have this work substantially developed prior to the need by the State and Design, Development and Implementation (DDI) vendor during upcoming UIA-IS project execution.

The State is currently in the RFP procurement process for this project, with an anticipated project start in mid-year 2011. During the RFP development process, the team identified 13 current IMS, 3 Oracle and the 13 MS/Access databases that support the current UIA legacy application system. The documentation for these databases exists, but in some cases is outdated, sparse or non-existent. In addition, it is currently unknown how much data cleansing or purging will need to be done on the current data files.

The Application DBA will work with the State DTMB and UIA staff to:

- Identify major data sources by system, including "data of record" sources for any redundant data across systems.
- Identify records that would not need to be converted and either create a plan to delete them or mark them so they can be easily excluded.
- Determine domain of reference values (that may or may not have a source table) for each major data source.
- Interview IT staff for known data anomalies that could impact Conversion.
- Create and maintain analysis reports/queries to quickly identify data requiring cleanup.
- Analyze all legacy data to identify any integrity problems.
- Develop approaches for data cleanup based on level of effort. Create "fix" programs or scripts and update queries. Work with users to develop appropriate manual update processes. Plan and execute all pre-conversion cleanup procedures.
- Develop appropriate backup/back-out procedures for all cleanup procedures. Develop and execute post-cleanup regression tests to ensure that cleanup procedures do not adversely impact legacy systems.

This Change Request # 014 will authorize 480 hours for one (1) full-time Application Database at the current contract year rate of \$ 120.00/hour – total cost \$ 57,600.00.

Impact of Not Implementing Proposed Change:

As previously stated, the documentation for the existing legacy system databases exists, but in some cases is outdated, sparse or non-existent. In addition, it is currently unknown how much data cleansing or purging will need to be done on the current data files. This uncertainty poses high risk to the pending UIA-IS project, as the selected Vendor will working on a fixed-firm price contract. Any delays in the then approved project timeline by the State will generate cost change requests, and likely cause delays in the project implementation of a new UIA Integrated System. Any delays in the implementation of the replacement UIA Integrated System will cause the State to continue to maintain the current legacy system, at substantial (\$ 500 - 700K/month) costs.

Additionally, if the UIA data is not accurately defined and converted to the new UIA-IS within the proper time-line, then the resulting UIA-IS implementation will fail, or at a minimum experience delays. Vendors may not have enough information to properly estimate work effort and calculate cost to design and build a new system. This could result in extending the time frame of the design phase and require change orders to the project to increase the scope, time and budget necessary to complete that phase. There is high risk that the implemented system will not meet the needs of the State of Michigan.

Alternatives:

This work can be delayed until the DDI vendor is under contract, but then it must be done to effect a successful conversion. If delayed until later, the time constraints will be much more critical and the State will not have as much leeway to react to problems. There will be a higher increase of risk and any schedule delays during project execution will be more costly.

C. Initial Review Results of the Change Request

Initial Review Date: 10/11/2010 Assigned to: Deb Patterson, Clay Tierney

☒ Approve for Impact Analysis

☐ Reject

☐ Defer Until:

Reason:

D. Initial Impact Analysis

Baselines Affected:

There is no anticipated impact to the current phase of the overall project baseline, if this additional resource is approved.

Configuration Items Affected:

The items affected by the approval of this change request are staff and utilization of optional contract hours. Risk of future delays during project execution will be greatly reduced.

Cost / Schedule Impact Analysis Required?

☒ **Yes**

☐ **No**

Impact on Cost:

As detailed above, **the cost of this CR is \$ 57,600.00.** This CR is to authorize 480 hours for one (1) full-time Application Database to develop and plan for data cleansing and conversion of the legacy data. The optional hour funds are available within the current base year contract PO.

Impact on Schedule:

The current project schedule calls for the Design, Development and Implementation (DDI) RFP to be released on or about October 15, 2010 and for support of the associated procurement process thru the end of this contract year. This Change Request will not impact or affect that schedule.

Impact on Resources:

The CR will not impact any current resources or impede any project activities. It may require current DTMB & UIA staff to provide additional information in regard to the legacy databases and structures, but this work can be done in addition to daily activities. This CR is for the addition of one (1) Administrative Database Analyst (DBA).

Final Review Results:

"Click HERE and Type"

Review Date: 10/11/2010

Classification: ☒ **HIGH** ☐ **MEDIUM** ☐ **LOW**

E. Impact Analysis Results

Specific Requirements Definition:

This Change Request # 014 will authorize 60 days for one (1) full-time Application Database at the current contract year rate of \$ 120.00/hour – total cost \$ 57,600.00.

Additional Resource Requirements	Work Days	Cost
Application Database Administrator (DBA)	60	\$ 57,600.00
TOTAL		\$ 57,600.00

Impact of Not Implementing the Change:

As previously stated, the documentation for the existing legacy system databases exists, but in some cases is outdated, sparse or non-existent. In addition, it is currently unknown how much data cleansing or purging will need to be done on the current data files. This uncertainty poses high risk to the pending UIA-IS project, as the selected Vendor will working on a fixed-firm price contract. Any delays in the then approved project timeline by the State will generate cost change requests, and likely cause delays in the project implementation of a new UIA Integrated System. Any delays in the implementation of the replacement UIA Integrated System will cause the State to continue to maintain the current legacy system, at substantial (\$ 500 - 700K/month) costs.

Additionally, if the UIA data is not accurately defined and converted to the new UIA-IS within the proper time-line, then the resulting UIA-IS implementation will fail, or at a minimum experience delays. Vendors may not have enough information to properly estimate work effort and calculate cost to design and build a new system. This could result in extending the time frame of the design phase and require change orders to the project to increase the scope, time and budget necessary to complete that phase. There is high risk that the implemented system will not meet the needs of the State of Michigan.

Alternatives to the Proposed Change:

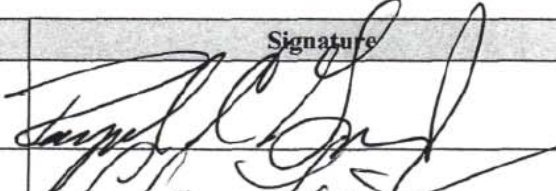
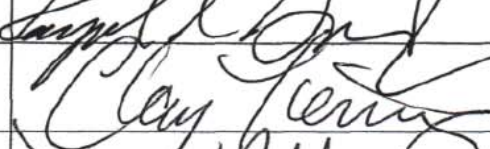
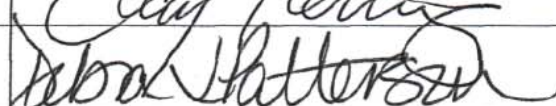
This work can be delayed until the DDI vendor is under contract, but then it must be done to effect a successful conversion. If delayed until later, the time constraints will be much more critical and the State will not have as much leeway to react to problems. There will be a higher increase of risk and any schedule delays during project execution will be more costly. There are no other known alternatives.

Final Recommendation:

Approval of this Change Request is requested.

F. Signatures

Governance Body: Include all accountable / impacted key project stakeholders.

Name/Title	Signature	Date
Ray Gardner, PMP PMO Project Manager		10-15-2010
Clay Tierney, UIA, Sr. Project Manager		10.15.2010
Deb Patterson, DIT, Sr. Project Manager		10.15.2010

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

August 25, 2010

CHANGE NOTICE NO. 4
TO
CONTRACT NO. 071B0200123
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR CSG Government Solutions 180 North Stetson Avenue, Suite 3200 Chicago, IL 60601 rfp@csgdelivers.com	TELEPHONE (312) 444-2460 James Mahoney
Contract Compliance Inspector: Ann Lindberg (313) 456-3218 MDIT/DELEG-UIA Project Management Office for System Integration Project	BUYER/CA (517) 241-0239 Jacque Kuch
CONTRACT PERIOD: From: January 19, 2010 To: January 18, 2013	
TERMS N/A	SHIPMENT N/A
F.O.B. N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	

NATURE OF CHANGE(S):

Effective immediately, additional hours are required of one of the current Senior Business Architects assigned to the UI System Integration Project. This is a time-only adjustment of 71 days @ \$195.00/hr as the dollars that presently exist within the existing contract. This time-only adjustment will be until January 18, 2011 to allow him to complete his assigned tasks (Jim Mahoney).

All other terms, conditions and specifications remain unchanged.

AUTHORITY / REASON:

Per vendor request, agency agreement, and DTMB/Purchasing Operations approval.

CURRENT CONTRACT VALUE REMAINS: \$6,467,794.40

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

June 16, 2010

CHANGE NOTICE NO. 3
TO
CONTRACT NO. 071B0200123
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR		TELEPHONE (312) 444-2460
CSG Government Solutions 180 North Stetson Avenue, Suite 3200 Chicago, IL 60601 rfp@csgdelivers.com		James Mahoney
		BUYER/CA (517) 241-0239
Contract Compliance Inspector: Ann Lindberg (313) 456-3218		
MDIT/DELEG-UIA Project Management Office for System Integration Project		
CONTRACT PERIOD:		From: January 19, 2010 To: January 18, 2013
TERMS	N/A	SHIPMENT
F.O.B.	N/A	SHIPPED FROM
MINIMUM DELIVERY REQUIREMENTS		N/A

NATURE OF CHANGE(S):

Effective immediately, the Project Scheduler for this contract is changed from Audra Cumberworth to Delphine Woolfork-Lockhart.

AUTHORITY / REASON:

Per vendor request, agency agreement, and Purchasing Operations approval.

CURRENT CONTRACT VALUE REMAINS: \$6,467,794.40

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

June 3, 2010

CHANGE NOTICE NO. 2
TO
CONTRACT NO. 071B0200123
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR CSG Government Solutions 180 North Stetson Avenue, Suite 3200 Chicago, IL 60601 rfp@csghdelivers.com	TELEPHONE (312) 444-2460 James Mahoney
Contract Compliance Inspector: Ann Lindberg (313) 456-3218 MDIT/DELEG-UIA Project Management Office for System Integration Project	BUYER/CA (517) 241-0239 Jacque Kuch
CONTRACT PERIOD: From: January 19, 2010 To: January 18, 2013	
TERMS N/A	SHIPMENT N/A
F.O.B. N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	

NATURE OF CHANGE(S):

Effective June 2, 2010, the attached Project Change Requests CR 3 are incorporated into this contract. These Change Requests encompass modifications to the release of an RFI to the vendor community, the inclusion of state visits as part of the evaluation process, removal of the 120 day Technical Oversight task and refocus of the Technical Roadmap document to be more prospective rather than retrospective.

AUTHORITY / REASON:

Per vendor request, agency agreement, and Purchasing Operations approval.

CURRENT CONTRACT VALUE REMAINS: \$6,467,794.40

State of Michigan
Project Management Office for UI System Integration Project
Project Change Request

A. General Information

Information to be provided in this section is general in nature and provides the necessary information about the organization of the project and project participants.

Project ID/Acronym:	UIA Rewrite Project	Date:	April 27, 2010
Controlling Agency:	DTMB / UIA	Modification Date:	May 10, 2010
Prepared by:	Ray Gardner, PMP	Control Number (From Control Log)	CR003

B. Requestor Information

Proposed Change Description and References:

The requestor will provide information concerning the requested change along with any supporting documentation.

This is a zero cost (\$0.00) Change Request # 003 which contains four (4) changes:

- 1) It has been decided that UIA and DTMB would like to release an RFI to the vendor community prior to the finalization of the development of an RFP for the UIA system re-write project. It is requested that the development and release of an RFI be added to the current Phase 1 project scope. Once the RFI development and release are included in the scope of the project, tasks will be added to the project schedule, resources will be assigned, and progress towards the completion of the development and release of the RFI can be tracked. The RFI release is anticipated to be in the late April, early May 2010 time frame.
- 2) It has been decided that UIA and DTMB would like to conduct state site visits as part of the RFP evaluation process, once bidders have provided their proposal responses to the State of Michigan for evaluation. Conducting the site visits during that stage of the project impacts the ability to complete the Technical Assessment & Site Visits 90 days after project start, as detailed in the Contract and Statement of Work. It is therefore requested that the specific requirement to have the Technical Assessment & State Site Visits completed 90 days after project start be removed. These two tasks will still be required but will be done later in the project as agreed to and documented in the Project Schedule.
- 3) It has been decided that UIA and DTMB no longer will require that the Technical Oversight tasks be completed 120 days after project start, as detailed in the Contract and Statement of Work. It has been determined that the completion of this task is not required to be completed prior to RFP release, but is required to be complete prior to the RFP evaluation process. It is therefore requested that the requirement to have the Technical Oversight tasks completed 120 days after project start be removed.
- 4) It has been suggested by the project PMO and agreed by UIA and DTMB that the Technical Roadmap document be re-focused to be more prospective rather than retrospective. The focus of the document will now detail the current DTMB/UIA application environment, assumptions/constraints, define Risks processes and offer a timeline for solutions, rather than mandating a specific architecture solution.

Impact of Not Implementing Proposed Change:

- 1) If tasks are not added for the development and release of an RFI, the project schedule will not accurately reflect work being done by the team, and performance against the schedule will be skewed.
- 2) If the requirement to have the Technical Assessment & Site Visits completed 90 days after project start is not removed, and these tasks are not completed 90 days after project start, the project will be reflected as behind schedule, and expectations may not be met.
- 3) If the requirement to have the Technical Oversight tasks completed 120 days after project start is not removed, and these tasks are not completed 120 days after project start, the project will be reflected as behind schedule, and expectations may not be met.
- 4) If the Technical Oversight is completed as per the original RFP requirements, then the State will be restricting vendor solutions, some of which may prove advantageous to UIA. These restrictions will not allow the State the flexibility to evaluate all vendor solutions and receive the potential for a best value procurement.

Alternatives:

No alternatives determined or required.

C. Initial Review Results of the Change Request

Initial Review Date: April 28, 2010

Assigned to: Deb Patterson, Clay Tierney,
Geraldyn Carter, Debbie Lychack

- ☒ Approve for Impact Analysis
☐ Reject
☐ Defer Until:
Reason:

D. Initial Impact Analysis

Baselines Affected:

Shift in when the tasks are scheduled and completed during Phase I project execution.

Configuration Items Affected:

Project Schedule will be updated to reflect the adjustment in task activities and due dates.

Cost / Schedule Impact Analysis Required? ☐ Yes ☒ No

Impact on Cost:

This is a zero dollar (\$0.00) change request.

Impact on Schedule:

Adjustments will be made to individual task activities and deliverable due dates. All tasks will be completed within the overall approved project schedule.

Impact on Resources:

No impact on staffing.

Final Review Results:

This CR003 is accepted by the project management and is approved by those identified in Section F: Signatures.

Review Date:

Classification: ☐ HIGH ☒ MEDIUM ☐ LOW

E. Impact Analysis Results**Specific Requirements Definition:**

Per Section B above.

Additional Resource Requirements	Work Days	Cost
	0	0
	0	0
	0	0
	0	0
	0	0
	0	0
TOTAL	0	0

Impact of Not Implementing the Change:

State does not receive quality deliverables focused on their current needs.

Alternatives to the Proposed Change:

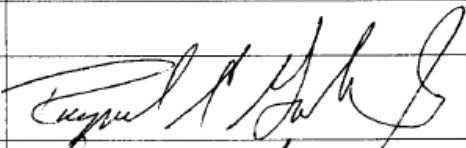
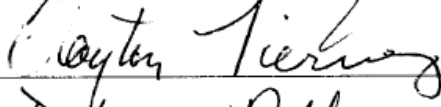

None at this time.

Final Recommendation:

Recommend ACCEPTANCE of this Change Request # 003.

F. Signatures

Governance Body: Include all accountable / impacted key project stakeholders.

Name/Title	Signature	Date
Ray Gardner, PMO Project Manager		5-11-10
Clay Tierney, UIA Sr. Project Manager		5-13-10
Deb Patterson, DTMB Sr. Project Manager		5.14.2010

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

April 12, 2010

CHANGE NOTICE NO. 1
TO
CONTRACT NO. 071B0200123
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR CSG Government Solutions 180 North Stetson Avenue, Suite 3200 Chicago, IL 60601 rfp@csghdelivers.com	TELEPHONE (312) 444-2460 James Mahoney BUYER/CA (517) 241-0239 Jacque Kuch
Contract Compliance Inspector: Ann Lindberg (313) 456-3218 MDIT/DELEG-UIA Project Management Office for System Integration Project	
CONTRACT PERIOD: From: January 19, 2010 To: January 18, 2013	
TERMS N/A	SHIPMENT N/A
F.O.B. N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	

NATURE OF CHANGE(S):

Effective April 12, 2010, the attached Project Change Requests CR 001 and CR 002 are incorporated into this contract. These Change Requests encompass modifications to Key Staff and Additional Staffing Classifications (Senior Business Analyst).

AUTHORITY / REASON:

Per vendor request, agency agreement, and Purchasing Operations approval.

CURRENT CONTRACT VALUE REMAINS: \$6,467,794.40

**Article 1, Appendix A
Pricing**

Table 1

Total Project Price Information Summary for Work to be Performed and Deliverables due.

Key Staff	Consultant Name	Hourly Rate	Yr 1 total hours	Yr 2 total hours	Yr 3 total hours	Total Cost	
Senior Project Manager	Ray Gardner	\$164.90	1840	1920	1920	\$936,632	
Senior Systems Architect	David Carver	\$145.50	1520	1920	1920	\$779,880	
Senior Systems Architect	Tim Saar	\$195.00	364.31			\$71,040	
Senior Systems Architect		\$175.00	0			\$ 0	
Senior Business Architect	Seth Tezyk	\$116.40	1520	1920	1920	\$623,904	
Senior Business Architect	Jim Mahony	\$195.00	648			\$126,360	
Technical Writer	Andy Mather	\$92.15	851			\$78,419	
Technical Writer	Debra LaRaia	\$92.15	125			\$11,519	
Project Scheduler	Audra Cumberworth	\$92.15	1760	1920	1920	\$516,040	
					Total Cost	\$ 3,143,794	

Article 1, Appendix A Pricing

Table 3

Hourly Rates for Supplemental Staffing

Additional Resource Staffing (SOW)	Est. Hrs. yr 1	Hrly. Rate Yr 1	Est. Hrs Yr 2	Hrly. Rate Yr 2	Hrly. Rate Yr 3	Est. Hrs Yr 3	Hrly. Rate Yr 3
Description of work to be completed	(planning, analysis (systems & business), pre-development & implementation tasks)		(development & implementation oversight, testing (planning & execution))			(development & implementation oversight, testing (planning & execution))	
Senior Database Modeler/Application DBA	961	\$120.00	2000	\$150.00	\$150.00	2000	\$150.00
Senior Systems Analyst/Developer -Java specialist	750	\$65.00	2000	\$112.00	\$130.00	2000	\$130.00
Testing Technician	1,500	\$75.00		\$125.00	\$125.00		\$125.00
Business Analyst	982	\$115.00	500	\$135.00	\$150.00		\$150.00
Usability Testing Specialist		\$100.00	500	\$100.00	\$110.00	500	\$110.00
Work Flow Co-ordinator		\$75.00	2000	\$75.00	\$75.00	2000	\$75.00
Infrastructure Manager		\$130.00	1500	\$130.00	\$150.00	1500	\$150.00
System Integration Project Configuration Management		\$120.00	1000	\$120.00	\$130.00	1500	\$130.00
Data Loading – Data Utilities		\$90.00	500	\$90.00	\$100.00	500	\$100.00
Sr. Business Analyst	3,425	\$160.00		\$167.00	\$175.00		

Yearly Totals:

\$937,500.00

\$1,151,500.00	\$1,235,000.00		\$1,235,000.00
		Total \$ for Additional Staff for Years 1, 2 and 3	\$3,324,000.00

Total \$ for Additional Staff for Years 1, 2 and 3	\$ 3,324,000.00
Total \$ for Key Staff	\$ 3,143,794.00

Total Bid Price (Total of Additional Staff plus Key Staff)	\$ 6,467,794.00
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State of Michigan
UIA Project Management Office for System Integration Project
Business Requirement – Business Analysts
Project Change Request

A. General Information

Information to be provided in this section is general in nature and provides the necessary information about the organization of the project and project participants.

Project ID/Acronym:	UIA Rewrite Project	Date:	March 10, 2010
Controlling Agency:	DIT / UIA	Modification Date:	
Prepared by:	Ray Gardner, Jim Mahony, Seth Tezyk	Control Number (From Control Log)	CR001

B. Requestor Information

Proposed Change Description and References:

The requestor will provide information concerning the requested change along with any supporting documentation.

CSG Government Solutions has reviewed the Functional Requirements for Benefits and Tax from the document entitled Requirements – Benefits & Tax (DRAFT).doc provide by UIA on 2/22/2010. Our assessment included transferring all the requirements into an Excel spreadsheet where columns were made to begin a traceability matrix as well as for comments. Each requirement was numbered for unique identification and placed in its respective category and sub-category. Our staff then reviewed each requirement and noted where we had questions and or comments.

After reviewing the requirements for Benefits and Tax, CSG believes that we have a good starting point, but the requirements are insufficient for placement directly into the RFP. The general assessment includes the following:

- Workflows need to be developed for the Benefits requirements.
- The level of detail on the majority of the Benefits requirements is insufficient for a vendor to accurately estimate work effort and cost in their response to the RFP.
- The requirements still need to be reconfirmed by the State of Michigan to ensure accuracy and to determine if they are still pertinent, since some of the requirements were developed up to four years ago.
- A narrative for each functional area needs to be developed to convey the expected functionality within the functional area.

CSG met with UIA to develop an efficient and effective approach to bring the requirements, associated workflows and narrative descriptions up to a level where they can be placed in the RFP that is in development. It was agreed that the focus will be placed on the Benefit Requirements to develop workflows, descriptive narratives and more detailed requirements. For Tax, the requirements and workflows will be confirmed and the narrative descriptions will be modified into "RFP language". The development of this approach is described in detail below:

The approach to completing requirements, developing workflows and a narrative description of each sub-functional area (Within Benefits, Tax, and Common) for input into the RFP will consist of two groups of people. The first group would encompass Subject Matter Experts, with each functional area assigned an "Owner." The Owners would ideally lead their sub-functional area for the life of the project into later phases. An Owner of one functional area can and may be a SME in a different functional area. The "Owner" will be responsible for signing off on the requirements, process flows and narrative descriptions to demonstrate that functional area design is complete and ready for the RFP. The second group would consist of Business Analysts, with a Senior BA and a Junior BA being assigned to each functional area and therefore a SME group. The Sr. BA position would be filled by a CSG resource and the Jr. BA position would be filled by a UIA resource.

The idea behind the discussion is to provide enough information for input into the RFP to allow vendors to accurately estimate effort and cost of building a complete UI system for the State Of Michigan. In order to ensure that the chosen vendor has an accurate understanding of the requirements, during the design phase of the project, they will be required to create Use Cases for each functional area to trace back to the requirements, workflows and narratives presented in the RFP.

Impact of Not Implementing Proposed Change:

If changes are not made to the existing requirements, workflows are not developed for the benefits requirements, and narratives not created, the resulting RFP will be incomplete. Vendors will not have enough information to properly estimate work effort and calculate cost to design and build a new system. This would result in extending the time frame of the design phase and require change orders to the project to increase the scope, time and budget necessary to complete that phase. It is possible that the implementation vendor could also misunderstand the requirements and build a system that does not meet the needs of the State of Michigan.

The work to clarify and finalize the Business Requirements and associated process flows will take longer than currently planned. This would delay the development of the UI system rewrite Design, Development and Implementation RFP and cause its release to fall outside the current fiscal year. There is a strong desire from both DIT and UIA that this RFP be release prior to the end of this fiscal year.

Alternatives:

Delay the release of the RFP until the Business Requirements are complete and accurate, which does not meet the States required dates. There are no other known alternatives.

C. Initial Review Results of the Change Request

Initial Review Date: 03/10/2010

Assigned to: Deb Patterson, Clay Tierney

☒ Approve for Impact Analysis

☐ Reject

☐ Defer Until:

Reason:

D. Initial Impact Analysis

Baselines Affected:

The current initial draft project schedule will be "crashed" by 1 month, to meet a Design, development and implementation (DDI) RFP release date of early July 2010. The RFP release in early July is necessary in order for the state to review DDI vendor proposal submission and have a selection decision no later than November 1, 2010.

Configuration Items Affected:

The Business Requirements, staffing and the Project Schedule will be affected by this CR.

Cost / Schedule Impact Analysis Required?

☒ Yes

☐ No

Impact on Cost:

As detailed below, **the cost of this CR is \$445,440.00**. These funds are available within the current year contract PO as optional resources to be used at the States requested and defined need.

Impact on Schedule:

The current project schedule calls for the selection of a Design, Development and Implementation (DDI) vendor in response to the UI Integration Project RFP to be made by 12/01/2010. The state has a desire to have this decision made no-later-than 11.01.2010. This Change Request will accelerate and "crash" the project schedule, so that the DDI Vendor selection date is 10/29/2010 – compressing the schedule is 1 month.

Impact on Resources:

The project will require an additional six (6) Sr. Business Analysts from CSG and six (6) Jr. Business Analysts from UIA for a full time duration of 12 weeks. Also, there will be an additional number of UI subject matter experts (SME) to support the Business Requirements clarification and process flow development sessions. All SMEs are UIA resources.

Final Review Results:

"Click HERE and Type"

Review Date: 3/15/2010

Classification:

☒ HIGH

☐ MEDIUM

☐ LOW

E. Impact Analysis Results**Specific Requirements Definition:**

CSG will provide six (6) Senior Business Analysts (Sr. BA) and UIA will provide 6 Junior Business Analysts (Jr. BA). Six (6) teams will be structured to work on reviewing business requirements in specific Unemployment Insurance functional areas – the proposed team structure is provided in the table below. The CSG Sr. BA will act as mentors to the UIA Jr. BA and provide skills training and knowledge transfer on facilitating business requirements sessions. The BAs will produce clear, concise business requirements, process flows and associated narratives. These documents will be included in the DDI RFP to be released later this fiscal year.

Following is assignments by functional area of the BA teams. The names of the Owner, SME and BA Team members will be applied to this table once known and approved by the SOM.

Functional Area	Sub-Functional Area	Owner	SME	BA Team
Benefits	Claims			Team 1
	Special Programs			Team 1
	Monetary Determination			Team 3
	Certifications			Team 1
	Non-Monetary Determination			Team 2
	Payments			Team 3
	Payments – Over Payments			Team 3
	Appeals Process			Team 2
	Benefit Charging			Team 3
	Claimant Maintenance			Team 1
Common	Payments / Collections			Team 5
	Reports			Team 4
	Reports – Federal			Team 4
	QA - Report			Team 4
	QA – Cross Matching			Team 4
	QA – TPS			Team 4
	QA – BAM			Team 4
	QA – BTQ			Team 4
	QA – DCA			Team 4
	QA – Investigation			Team 4
	QA – SUTA			Team 4
	QA – Misclassification			Team 4
	QA – Fraud Claims			Team 4
	Trust Fund			Team 5
	Correspondence			Team 5
	Work Flow			Team 5
Tax	Employer Registration			Team 6
	Rate Determinations			Team 6
	Quarterly Reporting (Wage and Tax)			Team 6
	Employer Maintenance			Team 6
	Employer Maintenance – Record			Team 6
	Employer Maintenance – Account			Team 6
	Employer Maintenance – Reimbursing			Team 6
	Employer Compliance / Field Audit			Team 6
	WOTC			Team 6
	POC / Bankruptcy			Team 6
	Appeals			Team 6

Additional Resource Requirements	Work Days	Cost
Sr. Business Analyst 1 - Kathy Reczkiewicz	58	\$ 72,240.00
Sr. Business Analyst 2 -	58	\$ 72,240.00
Sr. Business Analyst 3 -	58	\$ 72,240.00
Sr. Business Analyst 4 -	58	\$ 72,240.00
Sr. Business Analyst 5 -	58	\$ 72,240.00
Sr. Business Analyst 6 -	58	\$ 72,240.00
TOTAL	348	\$ 445,440.00

Impact of Not Implementing the Change:

If changes are not made to the existing requirements, workflows are not developed for the benefits requirements, and narratives not created, the resulting RFP will be incomplete. Vendors will not have enough information to properly estimate work effort and calculate cost to design and build a new system. This would result in extending the time frame of the design phase and require change orders to the project to increase the scope, time and monies due for that phase. It is possible that the implementation vendor could also misunderstand the requirements and build a system that does not meet the needs of the State of Michigan.

Alternatives to the Proposed Change:

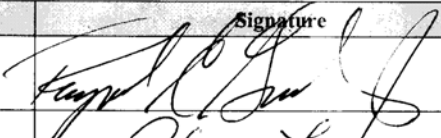
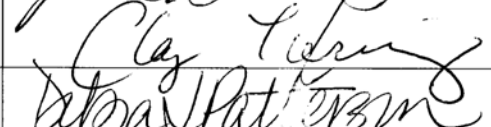

Delay the release of the RFP until the Business Requirements are complete and accurate, which does not meet the States required dates. There are no other known alternatives.

Final Recommendation:

"Click HERE and Type"

F. Signatures

Governance Body: Include all accountable / impacted key project stakeholders.

Name/Title	Signature	Date
Ray Gardner, CSG PMO Project Manager		3-15-2010
Clay Tierney, UIA, Sr. Project Manager		3-15-2010
Deb Patterson, DIT, Sr. Project Manager		3.15.2010

State of Michigan
UIA Project Management Office for System Integration Project
Visioning Session
Project Change Request

A. General Information

Information to be provided in this section is general in nature and provides the necessary information about the organization of the project and project participants.

Project ID/Acronym:	UIA Rewrite Project	Date:	March 12, 2010
Controlling Agency:	MDIT / UIA	Modification Date:	March 15, 2010
Prepared by:	Ray Gardner, Jim Mahony	Control Number (From Control Log)	CR002

B. Requestor Information

Proposed Change Description and References:

The requestor will provide information concerning the requested change along with any supporting documentation.

The Dept. of Information Technology (DIT) and the Unemployment Insurance Agency (UIA) have contracted with CSG Government Solutions (CSG) for – among other tasks - the development of a Request for Proposal (RFP) for the redesign, development and implementation (DDI) of the existing UI system. A critical component of the RFP is a strong Vision Statement and a set of goals and objectives for the overall UI System Rewrite project.

This change request is for a Sr. Business Architect (BA) for 64 hours to conduct a facilitated working session with the State of Michigan DIT and UIA executives. The BA will record the visioning session discussions and executive input, refine the information, conduct follow-on one-on-one or small group sessions as necessary and prepare a formal document for presentation to the executives for their review, modification and final acceptance.

The Vision Statement along with the DIT and UIA goals and objectives will then be infused into the RFP and Business Requirements documents.

Impact of Not Implementing Proposed Change:

The work to define a Vision Statement along with goals and objectives is critical to the work being done to clarify and finalize the Business Requirements, process flows and associated narratives. Without proper vision, goals and objectives for the UI System Rewrite project, the Business Requirements will not be consistent and focused. This could result in the UI System Rewrite project not delivering an adequate application to the State that would fit the needs of UI and/or its claimants, employers, workers or could cause a delay the development of the UI system rewrite design, development and implementation RFP. There is also a strong desire from the State that this RFP be release prior to the end of this fiscal year.

Alternatives:

Delay the release of the RFP until the Business Requirements are complete and accurate, which does not meet the State's desired release dates. There are no other known alternatives.

C. Initial Review Results of the Change Request

Initial Review Date: March 12, 2010

Assigned to: Deb Patterson, Clay Tierney

☒ Approve for Impact Analysis

☐ Reject

☐ Defer Until:

Reason:

D. Initial Impact Analysis

Baselines Affected:

In conjunction with the approval of CR001 (Business Requirements – Business Analysts), the current project schedule will be consolidated by 1 month, to meet an RFP release date by November 2010.

Configuration Items Affected:

The Business Requirements and staffing will be affected by this CR.

Cost / Schedule Impact Analysis Required?

☒ Yes

☐ No

Impact on Cost:

As detailed below, the cost of this CR is \$12,480.00. These funds are available within the current year contract PO as optional resources to be used at the State's requested and defined need.

Impact on Schedule:

There is no direct impact on the project schedule.

Impact on Resources:

The project will require an additional one (1) Sr. Business Architect from CSG for 64 hours total.

Final Review Results:

"Click HERE and Type"

Review Date:

Classification:

☒ HIGH

☐ MEDIUM

☐ LOW

E. Impact Analysis Results

Specific Requirements Definition:

This change request is for one (1) Sr. Business Architect (BA) for 64 hours to conduct a facilitated working session with the State of Michigan DIT and UIA executives. The BA will record the visioning session discussions and executive input, refine the information, conduct follow-on one-on-one or small group sessions as necessary and prepare a formal document for presentation to the executives for their review, modification and final acceptance.

Additional Resource Requirements	Work Days	Cost
Sr. Business Architect	8	12,480
TOTAL	8	12,480

Impact of Not Implementing the Change:

The work to define a Vision Statement along with goals and objectives is critical to the work being done to clarify and finalize the Business Requirements, process flows and associated narratives. Without proper vision, goals and objectives for the UI System Rewrite project, the Business Requirements will not be consistent and focused. This could result in the UI System Rewrite project not delivering an adequate application to the State that would fit the needs of UI and/or its claimants, employers, workers or could cause a delay the development of the UI system rewrite design, development and implementation RFP. There is also a strong desire from the State that this RFP be release prior to the end of this fiscal year.

Alternatives to the Proposed Change:

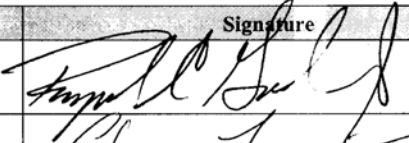
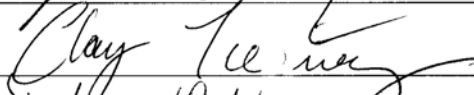
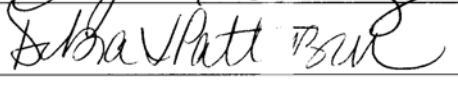
Delay the release of the RFP until the Business Requirements are complete and accurate, which does not meet the State's required dates. There are no other known alternatives.

Final Recommendation:

"Click HERE and Type"

F. Signatures

Governance Body: Include all accountable / impacted key project stakeholders.

Name/Title	Signature	Date
Ray Gardner, PMP PMO Project Manager		3-16-2010
Clay Tierney, UIA Sr. Proejct Manager		3-16-2010
Deb Patterson, MDIT Sr. Project Manager		3.16.2010

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

February 5, 2010

NOTICE
TO
CONTRACT NO. 071B0200123
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR CSG Government Solutions 180 North Stetson Avenue, Suite 3200 Chicago, IL 60601 jmahoney@csgdelivers.com	TELEPHONE (312) 444-2460 James Mahoney BUYER/CA (517) 241-0239 Jacque Kuch
Contract Compliance Inspector: Ann Lindberg (313) 456-3218 MDIT/DELEG-UIA Project Management Office for System Integration Project	
CONTRACT PERIOD: From: January 19, 2010 To: January 18, 2013	
TERMS N/A	SHIPMENT N/A
F.O.B. N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	

The terms and conditions of this Contract are those of RFP #071I9200193, this Contract Agreement and the vendor's quote dated June 9, 2009. In the event of any conflicts between the specifications, and terms and conditions, indicated by the State and those indicated by the vendor, those of the State take precedence.

Current Authorized Spend Limit: \$6,467,794.40

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

CONTRACT NO. 071B0200123
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR		TELEPHONE (312) 444-2460
CSG Government Solutions 180 North Stetson Avenue, Suite 3200 Chicago, IL 60601		James Mahoney
jmahoney@csgdelivers.com		BUYER/CA (517) 241-0239
		Jacque Kuch
Contract Compliance Inspector: Ann Lindberg (313) 456-3218		
MDIT/DELEG-UIA Project Management Office for System Integration Project		
CONTRACT PERIOD: From: January 19, 2010 To: January 18, 2013		
TERMS	N/A	SHIPMENT
		N/A
F.O.B.	N/A	SHIPPED FROM
		N/A
MINIMUM DELIVERY REQUIREMENTS		
N/A		
MISCELLANEOUS INFORMATION:		
<p>The terms and conditions of this Contract are those of RFP #07119200193, this Contract Agreement and the vendor's quote dated June 9, 2009. In the event of any conflicts between the specifications, and terms and conditions, indicated by the State and those indicated by the vendor, those of the State take precedence.</p>		
Current Authorized Spend Limit: \$6,467,794.40		

FOR THE CONTRACTOR:

CSG Government Solutions
Firm Name

Authorized Agent Signature

Authorized Agent (Print or Type)

Date

FOR THE STATE:

Signature

Greg Faremouth, Director
Name/Title

IT Division, Purchasing Operations
Division

Date



**STATE OF MICHIGAN
Department of Management and Budget
Purchasing Operations**

**Contract No. 071B0200123
MDIT/DELEG-UNEMPLOYMENT INSURANCE AGENCY
PROJECT MANAGEMENT OFFICE FOR SYSTEM INTEGRATION PROJECT**

Buyer Name: **Jacque Kuch**
Telephone Number: **(517) 241-0239**
E-Mail Address: **kuchj@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 Contract. 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.
DELEG	Department of Energy , Labor and Economic Growth
IT	Information Technology
MDIT	Michigan Department of Information Technology
PM	Project Manager
PMO	Project Management Office
PRO	Problem Resolution Office
RICC	Remote Initial Claims Center
SOM	State of Michigan
SUTA	State Unemployment Tax Action
UIA	Unemployment Insurance Agency

**Article 1 – Statement of Work (SOW)****1.000 Project Identification****1.001 Project Request**

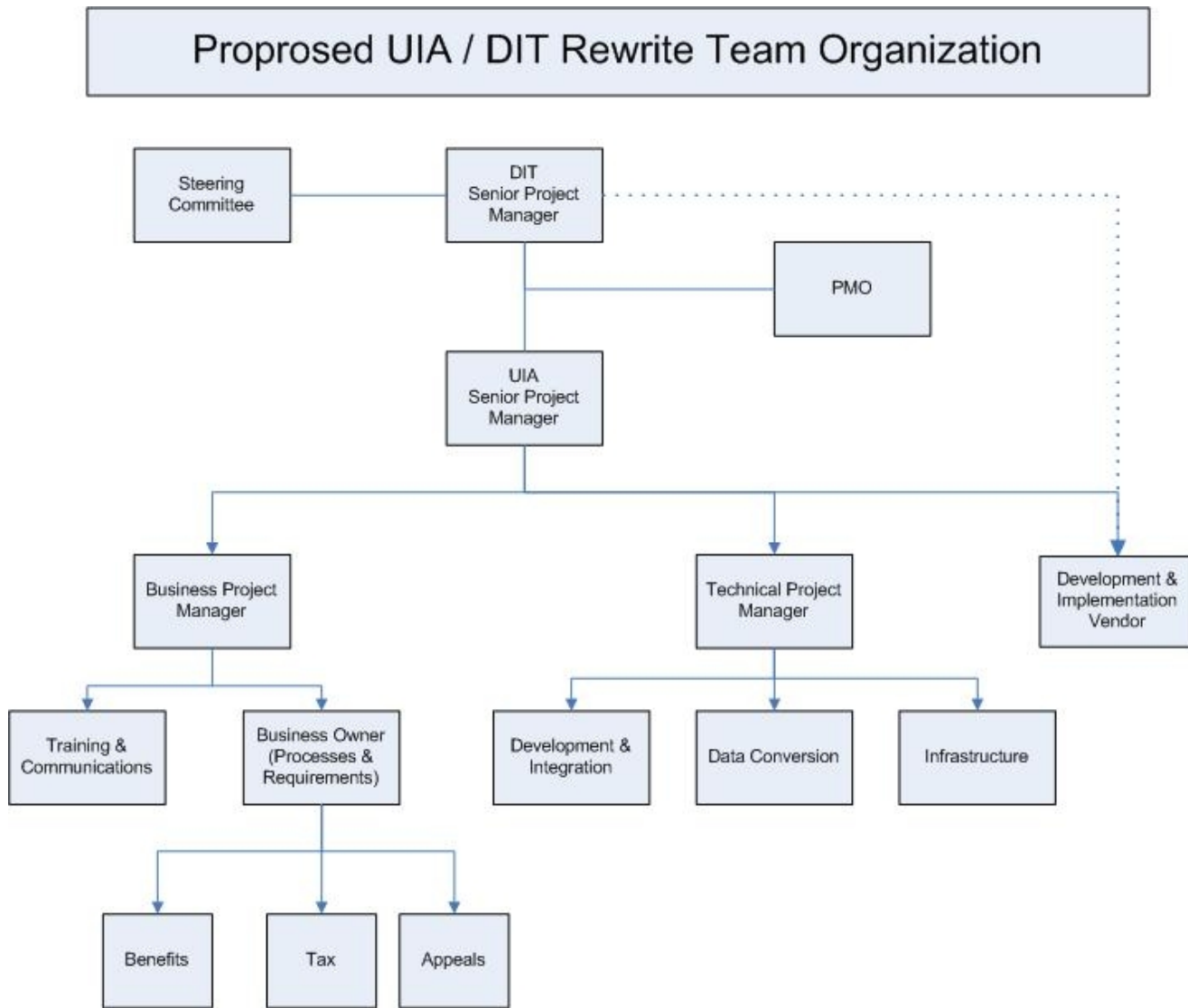
The purpose of this Contract is to establish a contract for a full-time, on-site Project Management Office (PMO) to oversee a comprehensive and complex rewrite of Michigan's current Unemployment Insurance Systems.

The PMO Project Manager will be responsible for the governance of the System Integration Project for the Unemployment Insurance Agency (UIA), including developing the overall strategy and plan to meet the goals and objectives outlined in the charter, gaining stakeholder agreement to the plan and establishing a budget. The PMO will be responsible for the creation of the Development and Implementation RFP, including the supporting documentation necessary to clearly articulate the technical requirements and business objectives of the new system. This PMO will also be responsible for the development of an overall technology roadmap for the new system, that leverages scalable technology that can accommodate anticipated growth into the future, and, uses technology assets that are included in the SOM's technology architecture standards.

This Contractor is precluded from bidding on any and all subsequent RFP's that are a result of this Contract.



SYSTEM INTEGRATION PROJECT PMO STRUCTURE



1.002 Background

The State of Michigan (SOM), Department of Energy, Labor & Economic Growth (DELEG), Unemployment Insurance Agency (UIA), is responsible for disbursing Unemployment Insurance benefits to those workers who are eligible, and collecting taxes from employers as defined in the Michigan Employment Security Act.

Currently, UIA's Information Technology systems used to administer Unemployment Insurance benefits, taxes and trust fund accounting are spread over several systems and platforms of varying ages. Development, maintenance, support and control have become more challenging as each new system adds a new level of complexity. UIA needs its core businesses – Benefits, Tax, and Wages – along with several secondary systems including Adjudication to be able to data share, real time, across functions. UIA needs to have intelligent interfaces to enhance customer service and ease of use. UIA needs to have an efficient system that will reduce paperwork, provide real time data verifications and eliminate duplicate data entry. UIA seeks to have an integrated tax, benefit, adjudication, and appeals system, either through the application of new technology or leveraging existing technologies, which needs to be determined.



UIA has four Remote Initial Claims Centers (RICC's) that are located in Detroit, Grand Rapids, Lansing, and Saginaw, and are responsible for delivering benefit payments, adjudication, claim filing, and other services to Michigan's unemployed workers. In addition, seven Problem Resolution Offices (PRO's), located in Detroit, Marquette, Gaylord, Livonia, Saginaw, Grand Rapids, and Lansing, provide access to filing technologies and problem resolution staff. The support functions for the RICC's and PRO's are concentrated in the Detroit Cadillac Place location, as are the Tax Office functions including employer compliance, tax rates establishment, benefit charging, the collection of taxes, and Trust Fund accounting.

In order to establish the scale of the project, the vendor should be aware that in CY 2007 Michigan's unemployment rate was 7.2% and UIA paid out nearly \$1.8 billion in regular state and federal unemployment benefits. At 12.6%, Michigan currently has one of the highest unemployment rates in the country. Consequently, in addition to regular UI Benefits, Michigan is paying out State Extended Benefits (EB) as well as federal Emergency Unemployment Compensation (EUC). In calendar year 2009 UIA paid benefits of over 7 billion dollars to over 900,000 claimants. In addition, the claims load is anticipated to rise through CY 2009 resulting in increased benefit payouts through CY 2010.

UIA uses a variety of applications to deliver services and the new system should combine the service delivery applications into one integrated whole. The System Integration Project consists of technology and business initiatives that must be seamlessly and effectively integrated to deliver one comprehensive and successful enterprise solution.

While the majority of the core UIA system resides in a mainframe environment, UIA has implemented several remote, self-service applications for use by its external customers. These remote applications currently use server-based applications to access Oracle databases, which in turn use Websphere MQ messaging or FTP to transfer and update the OS390 mainframe IMS database. UIA uses two separate IVR systems (one connected to the mainframe and one to Oracle) to gather claims data, and passes some of these calls to a PBX and ACD system relying on intelligent routing. While the majority of the data processing transactions occur in the mainframe environment, the data entry points (where UIA interacts with their internal and external customers) have increasingly relied on new technologies. These processes need comprehensive review and integration, in an environment that can meet UIA's service delivery level needs.

MDIT, UIA, and the Department of Management and Budget (DMB) have established three distinct work efforts necessary to "modernize" current UIA systems and procedures to a more robust technology solution, supplemented with more efficient internal processes. Those efforts include:

1. Establishment of a Project Management Office to oversee all phases of the modernization effort, including preparation of a technology roadmap.
2. Business requirements gathering and preparation of requirements documents that can be turned over to technical programming resources for implementation.
3. Integration/Implementation services to provide technical design, programming, testing, and deployment of business modules in a new, upgraded technology environment. This integrator will ensure all UIA components are sufficiently integrated and can share information as prescribed in requirements documentation.

1.100 Scope of Work and Deliverables

1.101 In Scope

The Contractor shall provide a Senior Project Manager, a Senior Systems Architect, a Senior Business Architect, a Project Scheduler and a Technical Writer. If the PMO Project Manager chooses to propose positions in addition to the Systems Architect, Business Architect, Project Scheduler, and Technical Writer, the contractor must provide a narrative for each additional resource that includes the job title, skill set, resume and brief description of the tasks to be performed by the additional resource. The PMO Project Manager is responsible to the State Senior Project Managers (Department of Information Technology (DIT) and UIA) and the Executive Sponsor and will act as a single point of contact coordinating all activities and personnel within the Project Management Office.



The State plans to issue a "Development and Integration / Implementation" RFP for the system rewrite during Fiscal Year 2010. This project requires minimal slippage of schedule dates and aggressive scope control. In order to meet an aggressive schedule and minimize risk to the State, it is important to perform thorough business and technical planning and analysis prior to project initiation and to establish project controls that closely monitors progress and allows for quick identification and resolution of issues post initiation.

PROJECT MANAGEMENT OFFICE		
PROJECT MANAGEMENT	TECHNICAL & BUSINESS ASSESSMENT AND OVERSIGHT	TECHNICAL WRITING
Develop and manage project schedule and plan for deliverables – high level	Perform technical assessment of up to 3 other state UI systems as well as other vendor options.	Produce 'Development and Implementation' RFP
Develop and manage project schedule and plan for project deliverables	Produce technology roadmap for an integrated UIA system for a solution that best meets UIA's business and technical needs. The roadmap will include a comprehensive phased approach for development and implementation	Determine evaluation criteria for vendor selection
Produce a business case and cost benefit analysis for moving forward with a UIA System Rewrite	Review Requirements documentation to verify the requirements are complete, clear and specific	Development of all project-related materials and documentation.
Develop implementation plan and timetable for entire UI System Modernization project. Produce detailed scope statement for new system.	Perform ongoing Technical and Business Quality Assurance activities to provide oversight of the work produced by the Development and Implementation vendor.	
Direct research of technical architect in the review of other state systems and the establishment of a technology roadmap	Create a user acceptance test plan and assist in testing activities	
Manage PMO vendor resource pool	Provide technical support to UIA to create and conduct training on the new system	
Facilitate communication across stakeholders		
Establish meeting schedules and agendas; facilitate status meetings		
Maintain issue tracking and resolution process		

Key objectives to be accomplished with the Project Management Office and this Contract include:

1. Technical Writing – create a detailed, solution-driven RFP and supporting documentation to allow vendors bidding on the Development and Implementation RFP to submit meaningful proposals in terms of cost and time.
2. Project Management – application of knowledge, skills, tools and techniques to project activities to meet project requirements in terms of time, cost, and scope and at an acceptable level of quality.
3. System Architectural Assessment – technical assessment of up to 3 state UI systems and other vendor solutions to identify the best options for a UIA system rewrite. Assessment will identify level of fit with UIA Business Requirements, Quality of Code, scalability of architecture, performance, ease of maintenance and support, and cost and time to customize to meet UIA requirements.



4. Project phasing (technical roadmap) – Identification of project phases necessary to implement all business requirements in the most efficient (time and schedule) manner, with no interruptions to current business services and minimal rework. The roadmap will identify risks associated with the phased approach and contain risk mitigation strategies for each identified risk.
5. Scope Control/Management – package units of work into meaningful implementations (releases) of value to the stakeholders, and effectively evaluate, manage, and control changes to those planned releases as the State and/or application development vendor propose changes to the agreed upon plans.
6. Business / Technical / Infrastructure Quality Control – environment, database, and application code control to ensure the work promised – and only that work – is delivered, and to ensure the delivered system performs as required.
7. In addition, the State anticipates unexpected events will require resource hours outside the scope of tasks covered by the base Contract. Examples of such unanticipated events are emergency application releases, changes to federal or state law/policy requiring system modifications, introduction of new technology to the UI Systems architecture, or a change in the State infrastructure. The State estimates that 10,000 hours per year will be needed to address unanticipated events. The State will utilize Statements of Work with the winning vendor to authorize hours to be drawn from this pool. Note that the annual 10,000 hours is an estimate only and that the State is not obligated to purchase all 10,000 hours in a given year.

A more detailed description of the software, services (work) and deliverables of this Contract is provided in Article 1, Section 1.104, Work and Deliverables.

1.102 Out Of Scope

1. Final decision on technical solution is the responsibility of DIT in consultation with the stakeholders.
2. Delivery of detailed business requirements will be the responsibility of the business requirements vendor.
3. Creation of Business Process Descriptions and Visio Work Flows will be the responsibility of the State.
4. Selection of the Development and Implementation and integration vendor will be the responsibility of the State.
5. Any hardware/software solutions procurement or implementations will be the responsibility of the Development and Implementation vendor and/or the State.
6. Ultimate acceptance/satisfaction of the end customer that the system meets their needs is the responsibility of the Development and Implementation vendor.

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 Managers (DIT and UIA) must approve any changes, in writing, before work may proceed based on the changed environment.

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)

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>

Agency Specific Technical Environment

The majority of the core of the existing UIA system resides on an IBM mainframe environment. The Internet applications recently developed by MDIT for use by external customers are server-based applications accessing an Oracle database. These web applications are written in .NET using either Visual Basic or C#. Data from the Oracle database is updated to the OS390 mainframe (IMS) database using either Websphere MQ messaging or FTP file transfers. There is also a weekly sweep for Oracle reload to keep the databases (IMS and Oracle) in sync. UIA also uses two separate IVR systems, one connected to the mainframe and one to Oracle to gather data, passing some of the calls to a PBX and ACD system relying on intelligent routing. While the majority of the data processing transactions occur in the mainframe environment, the data entry points, where UIA interacts with their internal and external customers have relied on newer technology.

1.104 Work and Deliverable**Deliverable(s)****PROJECT MANAGEMENT OFFICE**

Contractor shall provide deliverables/services and staff, and otherwise do all things necessary for or incidental to the performance of work, as set forth below:

The Project Management Office (PMO) shall establish and implement project management and technical processes, methodologies, and tools to minimize the risk and contain costs on the System Integration Project initiative. The PM shall support the State - and the State's application development and implementation vendor - in meeting the timely delivery of quality information technology services for all stakeholders of the UI System Modernization Project. The PM shall also be responsible for overseeing the creation the Request for Proposal (RFP) and supporting documents for the Development and Implementation contract. This shall include the development of an architectural roadmap, with a phased project schedule for full implementation of a new UIA system (as defined by the DIT and UIA). Once the Development and Implementation contract is awarded, the PM shall be responsible for performing schedule, scope and technical control tasks over all aspects of the project.

It is also the State's intent that the System Integration Project team shall be comprised of both Project Management Office and State of Michigan (SOM) DIT and UIA staff. The Contractor is responsible for utilizing and mentoring these State staff. These staff members will supplement vendor staff for various PM functions. The exact number of staff and positions shall be mutually agreed upon by the PMO Project Manager and the State. For purposes of identifying specific individuals and representative resumes, as well as pricing the proposal, the prospective vendor can assume a minimum of four (4) and no more than eight (8) State staff will be utilized for the System Integration Project team throughout the duration of this contract.

Tasks and Deliverables identifying the work are detailed below. This work will commence upon the start date of the Development and Implementation vendor and the tasks/services are also detailed below.



Due to the uncertainty of the size and scope of the UI System Modernization Project, the PMO Contractor shall provide up to 10,000 hours of staff time per year (above and beyond staff outlined below) to be used at the State's discretion (These hours can not be rolled over). The hourly rates bid for each position shall be the firm fixed "not to exceed" rates for each year as specified in Appendix A.

TASKS/DELIVERABLES:

Following is a description of the major tasks involved in providing project management control and technical control for the UI System Modernization Project.

The Project Management Office shall be required to follow the State Unified Information Technology Environment (SUITE) methodology. For Project Management activities, they must comply with the Project Management Methodology. As part of their oversight of the Development and Implementation Vendor, the PMO shall ensure that the Contractor follows the System Engineer Methodology.

TASKS

The State (DIT and UIA) and the PMO Project Manager jointly comprise the management team for the UI System Modernization Project. Specifically, the PMO Project Manager provides project management support to the State in project administration, scope change control, and issue management, performance metrics for the deliverables identified under System Assessment, Business Assessment, and Technical Writing. The PMO Project Manager also participates in project strategy and direction as requested.

The PMO shall provide assistance to the State in the form of independent oversight, monitoring, and reporting on activities and metrics critical for on-time delivery of quality technology services that meet the needs of UIA and DIT. The PMO Project Manager (PM) is responsible for creating and maintaining detailed MS Project plans and schedules that support project scope, costs, milestones, and deliverables. Once a project plan is resourced and baseline, all resources (State, PMO and Development and Implementation vendor team) are required to report effort against the plan. The PMO Project Manager (PM) uses this information to track progress against the plan, determine earned value calculations, derive weekly status reports and perform project evaluations.

Project Management Tasks:

- a) Prepare Scope Statement, Project Charter and Project Plan
- b) Prepare Summary Business Document – Create document that articulates goals, business drivers, objectives and expectations for the rewrite.
- c) Create Business Case and Cost Benefit Analysis document for Development and Implementation Vendor RFP – through meetings with the MDIT and UIA Senior Project Managers, the Executive Sponsor, and project Stakeholders and review of Systems and Business Assessment documents, create the business case for the UI System Modernization Project.
- d) Develop and manage project schedule – Develop and manage project schedules and application releases – Work in tandem with the System Integration Development and Implementation contractor to create system lifecycle schedules and plans that are logic and resource driven. Maintain the schedules to manage scope and interim deliverables to ensure project remains on time and within scope and budget.
- e) Maintain Scope Change Control and Issue Resolution processes – Provide structure to manage changes in scope; document and escalate issues; facilitate cross-functional team communication for timely issue resolution.
- f) Communication – Identify appropriate information requirements and their flows, and ensure individuals at all levels receive appropriate information in a timely manner; establish meeting schedules and agendas; facilitate status meetings and publish summary meeting notes; coordinate communication across stakeholders.
- g) Performance Monitoring - Maintain a disciplined process for monitoring deliverables and schedule milestones; create performance measurement baselines for scope, schedule and cost; produce and update project scorecards; monitor and publish earned value calculations.
- h) Facilitate Project Management Buy-in – Provide guidance and support to MDIT, the Executive Sponsors, Steering Committee, DIT and UIA Senior Project Managers, Contract Administrator and partners in their understanding of project management best practices and discipline.
- i) Contract Management Support – Provide contract management support to DIT Contractor Administrator and become familiar with the State's purchasing process.
- j) Perform Quality Control – Ensure that all deliverables are complete before securing approval from stakeholders.
- k) Production Ticket Assessment – After the new system or interim deliverables are in production, support the tracking of production tickets from the users and manage the ticket assessment process. Facilitate and coordinate the prioritization and integration of business requirements into maintenance releases. Facilitate weekly meetings to assess open tickets.



- l) Release Planning – Support the System Integration Project Release Planning process by close coordination with the Development and Implementation vendor in selection, research, and preliminary planning of interim deliverables releases. This effort includes input from production ticket assessment, Executive Leadership, and the PM, as well as groups representing the end users.
- m) Facilitation of, materials preparation and meeting notes for weekly status meetings for managers and team leaders.
- n) Facilitation of, materials preparation and meeting notes for bi-weekly leadership meetings.
- o) Facilitation of, materials preparation and meeting notes for weekly planning meetings.
- p) Participation in and materials preparation for Executive Leadership meetings, as requested by the Executive Sponsor.

System and Business Assessment and Oversight:

- a) Contractor shall perform a technical assessment of up to three state UI systems and other vendor solutions to identify the best options for a UI System Modernization project. Assessment shall identify level of fit with UIA Business Requirements, Quality of Code, scalability of architecture, performance, ease of maintenance and support, and cost and time to customize/develop to meet UIA requirements. The assessment shall also include issues encountered in each state's implementation of a new UI system as well as lessons learned. In addition, the assessment shall identify the technical components (hardware and software) of the system and identify if each component complies with the SOM Enterprise Architect Standards.
- b) Contractor shall create a technical road map for moving forward with a phased implementation of the UI System Modernization project. The roadmap shall identify all project phases, as well as major deliverables within each phase, necessary to implement business requirements in the most efficient (time and schedule) manner, with no interruptions to current business services and minimal rework. The roadmap shall identify risks associated with the phased approach and contain risk mitigation strategies for each identified risk.
- c) Contractor shall review business requirements to validate that the requirements conform to DIT standards, meet the business needs of UIA and provide the level of clarity and specificity to allow the Development and Implementation vendors to respond with RFP proposals for a system that will support UIA business needs. The business requirements document will be an addendum to the Development and Implementation RFP.
- d) Contractor shall perform technical oversight of Development and Implementation vendor. Tasks include:
 - Perform capacity planning, analysis and projections
 - Provide performance-tuning recommendations to development and maintenance teams (e.g., index recommendations, code efficiencies).
 - Establish and monitor code standards and practices as integrated with any applicable State and project standards.
 - Identify and monitor application quality standards (e.g., commit/restart, modularity, error handling) as integrated with any applicable State and project standards.
 - Establish and monitor standards for programming languages and application interfaces and integrate with any applicable State standards.
 - Assist the State with software updates, and provide ongoing support management and maintenance of the software used in managing the project.
- e) Contractor shall perform lead business analyst services. Tasks include:
 - Facilitate peer reviews for exit stage interviews to validate functional and system design meets the business requirements
 - Maintains business requirements document; updates requirements based on agreed upon changes. Performs correspondence updates to the requirements matrix.
 - Facilitates communication between technical team and UIA business analysts
 - Perform complex task analyses to evaluate and document change requests
 - Conduct change management activities for business process improvement
 - Provide analytical and technical assistance in gap analysis
 - Assist in the preparation of training materials
 - Develop user acceptance test plan
 - Assist UIA teams in the development of test scenarios, and scripts.
 - Facilitate usability testing sessions including interaction with test subjects to elicit meaningful comments and resolving questions that arise during testing.



- Document the results of usability testing
- Facilitate sessions in which clients review usability testing results.

NOTE – several of these artifacts have been developed under separate vendor engagements between DIT, UIA and contract vendors. These documents shall be used to supplement, and, hasten the delivery of this component. The SOM desires to leverage work already completed for the purposes of containing costs and accelerating timelines.

Technical Writing

- a) Contractor shall write Development and Implementation RFP document. The RFP document shall be specific and detailed to the extent necessary to ensure that the full scope of work and project expectations are identified to the Development and Implementation RFP bidders. The RFP document shall be created within the State of Michigan RFP template and include all required information. In addition to required information, the RFP document should also include:
 - Project objectives
 - Description of all functional areas of new system
 - Identify Activities/Tasks required of Development and Implementation Vendor.
 - Provide a summary of high-level description of each Activity
 - Provide a definition of the task within each Activity and specify detailed deliverables for each task. The tasks must be specific, measurable, and time constrained
- b) Contractor shall propose Criteria for evaluation and award of Development and Implementation RFP – Identify criteria for assessing bidder's responses to ensure responses meet the requirements and deliverables of the RFP; develop sample questions for bidder's oral presentation, if needed; develop criteria to guide the State in the evaluation of bidder responses to sample questions

DELIVERABLES

Although this is a time and material contract the State has specific deliverables which the contractor will be responsible to submit. These deliverables will not be considered complete until formally reviewed, accepted and approved by the DIT and UIA Senior Project managers and the Executive Sponsor (or their designated agents). Deliverables include:

Project Management:

- a) Project Scope, Project Charter and Project Plan Documents. The documents for pre-Development and Implementation RFP activities must be completed within 10 business days of the start date for PMO contract; the documents for post Development and Implementation RFP activities must be completed within 10 business days of the start date for the Development and Implementation vendor. For the Post Development and Implementation award tasks, the Development and Implementation Vendor will provide the initial drafts of these three documents. Contractor will work with the Development and Implementation Vendor to deliver the final Project Concept Document, Project Charter, and Project Plan to the State. Contractor will confirm that the documents tie back to the RFP and the Development and Implementation Vendor's contract and proposal.
- b) Detailed Project Plan– Project plan will be created as a result of the development of the Work Breakdown Structure and Critical Path. Plan should include milestones, tasks, hours, duration, schedule, and resource allocation. The detail should be at the level that no task is greater than 80 hours. A plan will be created for both pre and post Development and Implementation RFP award tasks. The project plan for the pre Development and Implementation award must be completed within 15 business days of the start date for the PMO contract; the project plan for the post Development and Implementation RFP activities must be completed within 20 business days of the start date for the Development and Implementation vendor. The Contractor will use the detailed project plan from the pre Development and Implementation award and incorporate the Development and Implementation Vendor's detailed project plan from their proposal to create the detailed project plan. The Contractor, the Development and Implementation Vendor, DIT, UIA Senior Project managers and the Executive Sponsor will work together to identify logical groupings of activities to form the WBS.
- c) Communication Plan – Plan must identify communication needs of stakeholders and how those needs will be met. Communication Plan must be created within 20 business days of the start date for PMO contract. The Communication Plan will cover all project phases.
- d) Performance Monitoring Plan – Plan will identify nature and frequency of status and progress reporting. Plan will also identify evaluation criteria for quarterly project health checks. Plan will also address how additional performance monitoring tools, including variance analysis and earned value analysis will be integrated into



performance monitoring to insure project stays on track in terms of scope, costs and timeline. The Performance Plan will cover all project phases and must be completed within 20 business days of the start date of the PMO contract.

- e) Business Case and Cost Benefit Analysis document for Development and Implementation Vendor RFP – The Business Case and Cost Benefit Analysis document will be used to identify the goals, objectives and expectations of the System Integration Project and include the return on investment data. This document must be created up to 90 business days of initiation of the start date of the PMO contract.
- f) Project Management Reports – Project status reports, progress reports and performance reports will be produced as required and stated within the Performance Monitoring Plan.
- g) Materials and meeting notes for weekly status meetings for managers and team leaders.
- h) Materials and meeting notes for bi-weekly leadership meetings.
- i) Materials and meeting notes for weekly planning meetings.
- j) Performance metrics including score cards, earned value analysis, project evaluation, resource usage, defects found and resolved in testing, defects introduced into production, analysis of Application Development and Implementation vendor warranty work, and analysis of application down time.
- k) Materials for close-out of each release, including archival of all project data, lessons learned sessions, and close-out of any open action items.
- l) Ad hoc reports requested by the Executive Sponsor.

System and Business Assessment

- a) Technical assessment document resulting from the analysis of up to three state UI systems and other vendor solutions to identify the best options for a UIA system rewrite. Assessment shall identify level of fit with UIA Business Requirements, Quality of Code, scalability of architecture, performance, ease of maintenance and support, and cost and time to customize to meet UIA requirements. The assessment shall also include issues encountered in the State's implementation of a new UI system as well as lessons learned. In addition, the assessment shall identify the technical components (hardware and software) of the system and identify if each component complies with the SOM Enterprise Architect Standards. The technical assessment document must be created within up to 90 business days of start date for PMO contract.
- b) A technical road map for moving forward with a phased implementation of the UIA system rewrite. The roadmap shall identify all project phases necessary to implement business requirements in the most efficient (time and schedule) manner, with no interruptions to current business services and minimal rework. The roadmap shall identify risks associated with the phased approach and contain risk mitigation strategies for each identified risk. The technical road map shall be created within 60 business days of start date for PMO contract.
- c) A written results of the review of business requirements documents to validate that the requirements conform to MDIT standards, meet the business needs of UIA and provide the level of clarity and specificity to allow the Development and Implement vendors to respond with RFP proposals for a system that will support UIA business needs. The business requirements document shall be an addendum to the Development and Implementation RFP. The written results of the business requirements review must be created within 40 business days of start date for PMO contract.
- d) Technical Oversight:
 - Capacity plan, analysis and projections document (for new system)
 - Performance-tuning recommendations to development and maintenance teams (e.g., index recommendations, code efficiencies).
 - Code standards and practices document as integrated with any applicable State and project standards.
 - Code review results document
 - Quality standards document (e.g., commit/restart, modularity, error handling) as integrated with any applicable State and project standards.
 - Quality standards review results document
 - Standards document for programming languages and application interfaces and integrate with any applicable State standards.
 - Standards review results document.

The capacity plan, analysis and projections document, as well as the standards document, must be created within 120 business days of PMO contract start date.

All reviews (code, quality and standards) will be conducted, at a minimum, on a monthly basis. The review results document must be submitted on the 10th business day of each month (for the prior month's review).

- e) Lead Business Analysis:



- Structured Walkthrough Defect Tracking Log and Meeting Record
- Updated business requirements and requirements matrix document
- User Acceptance Test Plan
- Change Control Log
- Issue Tracking Log

Structured Walkthroughs shall be performed upon completion of each Deliverable. Business Requirements and Requirements Matrix documents must be updated within 2 business days following agreed upon changes to requirements.

User Acceptance Test Plan must be completed by the completion of the System Design phase.

Change Control must be updated within 2 business days following change approval. Issue Tracking Log must be updated within 2 business days of the identification of the issue/change to the status of the issue.

NOTE – several of these artifacts have been developed under separate vendor engagements between MDIT, UIA and contract vendors. These documents shall be used to supplement, and, hasten the delivery of this component. The SOM desires to leverage work already completed for the purposes of containing costs and accelerating timelines.

Technical Writing

- a) Request for Proposal for Development and Implementation Vendor – the RFP document that will be put out to bid to obtain a vendor for the UI System Modernization Project. The RFP document deliverable also includes responding to bidder questions during the RFP process. A work-in-progress document shall be submitted on a monthly basis following task begin date. The RFP document shall be completed within 40 business days of PMO contract start date. The initial RFP deliverable provides the RFP outline along with all sections that are available, (such as Terms and Conditions). This includes placeholders for all remaining sections that will be finalized during the pre Development and Implementation award phase.
- b) RFP Evaluation Criteria Document – a document that identifies the key criteria, including weighted importance, for consideration in evaluating the Development and Implementation proposals. Document will also contain suggested questions to ask of bidders and key points to look for in responses. The RFP Evaluation Criteria document must be completed within 40 business days of PMO contract start date.

1.200 Roles and Responsibilities

1.201 Contractor Staff, Roles, and Responsibilities

Senior Project Manager

Contractor shall provide a full-time, on-site Project Manager to provide the overall management of this strategic and complex initiative. The Project Manager shall provide management services for all project activities to ensure that the project will be completed on time, within budget, and within scope.

The Project Manager shall create and manage detailed project plans and schedules for the day-to-day tracking and oversight of deliverables within the project using SOM Project Management Methodology. The Project Manager shall create and use tools to monitor and report on schedule progress, resource utilization, issue resolution/escalation, and process adherence. The Project Manager shall also gather and report on vendor performance and compliance.

Senior Systems Architect

Contractor shall provide a full-time onsite Systems Architect who will be responsible for providing technical expertise throughout the lifecycle of the project. This includes all tasks and deliverables previously identified.

Senior Business Architect

Contractor shall provide a full-time, onsite Business Architect who will be responsible for providing technical expertise throughout the lifecycle of the project. This includes all tasks and deliverables previously identified.

Technical Writer

The Contractor shall provide a Technical Writer will be responsible for tasks and deliverables for the Development and Implementation RFP documents.

**Project Scheduler**

Contractor shall provide a Project Scheduler will be responsible for the update of schedules for day-to-day tracking. The Project Scheduler will support the Project Manager using project management tools, techniques, and methodologies such as MS Project, MS Word, MS Excel, MS PowerPoint, Remedy and Tracker Tools to assist in the monitoring of individual tasks. The Project Manager directs the daily activities of the Project Scheduler. The Project Scheduler does many of the administrative tasks needed to monitor and report on the status of a release.

Resource staffing for additional 10,000 hours per year

As previously stated, due to the uncertainty of the size and scope of the System Integration Project initiative, the Contractor is asked to provide up to 10,000 hours of staff time per year (above and beyond staff outlined above) to be used at the State's discretion. Due to the uncertainty of a start date for each of these positions, the vendor will not be required to staff the position. However, upon the State's request to secure the additional resource(s), the contractor shall submit an actual resume of a proposed candidate. The State reserves the right to reject the proposed candidate and request additional resumes.

The potential positions, with required skills, are identified in Appendix B

A. Contractor Staff

Contractor shall provide a list of all subcontractors, including firm name, address, contact person, and a complete description of the work to be contracted. Include descriptive information concerning subcontractor's organization and abilities.

Contractor shall identify a Single Point of Contact (SPOC). The duties of the SPOC shall include, but not be limited to:

- supporting the management of the Contract,
- facilitating dispute resolution, and
- advising the State of performance under the terms and conditions of the Contract.

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

All Personnel may be subject to the State's interview and approval process. Any key staff substitution must have the prior approval of the State. The State has identified the following as key personnel for this project:

- Project Manager
- System Architect
- Business Architect
- Technical Writer
- Project Scheduler

The Contractor shall propose sufficient qualified staffing to satisfy the deliverables and time frames of this Statement of Work.

B. On Site Work Requirements**1. Location of Work**

The work is to be performed, completed, and managed at the following locations: Cadillac Place, Detroit, MI or elsewhere in the greater metro Detroit area.

2. Hours of Operation:

- a. Normal State working hours are 8:00 a.m. to 5:00 p.m. EST, Monday through Friday, with work performed as necessary after those hours to meet project deadlines. No overtime will be authorized or paid.
- b. The State is not obligated to provide State management of assigned work outside of normal State working hours. The State reserves the right to modify the work hours in the best interest of the project.
- c. Contractor shall observe the same standard holidays as State employees. The State does not compensate for holiday pay.

**3. Travel:**

- a. No travel or expenses will be reimbursed. This includes travel costs related to training provided to the State by Contractor.
- b. Travel time will not be reimbursed.

4. Additional Security and Background Check Requirements:

On a case-by-case basis, Contractor may be requested to present certifications evidencing satisfactory Michigan State Police Background checks ICHAT and drug tests for all staff identified for assignment to this project.

Contractor personnel shall be required to complete and submit an RI-8 Fingerprint Card for the National Crime Information Center (NCIC) Finger Prints, if required by project.

Contractor shall pay for all costs associated with ensuring their staff meets all requirements.

1.202 State Staff, Roles, and Responsibilities

The State shall provide the following resources for the Contractor's use on this project:

- Work space
- Minimal clerical support
- Desk
- Telephone
- PC workstation
- Printer
- Access to copiers and fax machine
- The State will NOT supply parking, cell phones, or pagers as part of this contract for the contractor's staff.

State Executive Sponsor

The State Executive Sponsor for the System Integration Project will be:

Lynn Draschil, Deputy Director
Michigan Department of Information Technology

Susan Corbin, Deputy Director
Department of Energy, Labor, and Economic Growth

The State project team will consist of Executive Subject Matter Experts (SME's), project support, and a MDIT and Agency project manager:

Executive Subject Matter Experts

The Executive Subject Matter Experts representing the business units involved will provide the vision for the business design and how the application shall provide for that vision. They shall be available on an as needed basis. The Executive SME's will be empowered to:

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

Name	Agency/Division	Title
Susan Easton	UIA Benefit Services	Director, Federal Programs and Policy
Larry McLaren	UIA Benefit System Control	Manager
Linda Kalinowski	UIA Employer System Support	Manager

State Project Manager- (MDIT and UIA)



DIT and UIA shall provide a Project Manager who shall be responsible for the State's responsibilities and oversight throughout the lifecycle of this project.

The State's Project Manager shall provide the following services:

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

Name	Agency/Division	Title
Debra Patterson	MDIT	Senior Project Manager
Geralyn Carter	MDIT	Project Manager
Clay Tierney	UIA	Senior Project Manager
Deborah Lychack	UIA	Project manager

It is anticipated that a minimum four to eight State staff will be added to various areas of the UI System Modernization Project. UIA intends to provide Project Managers for the UIA staff and State-owned deliverables within the project. The State will also have a full-time Project Manager to manage state DIT staff and DIT-owned deliverables within the project. In addition, the State intends to assign DIT staff to support the PMO vendor in the oversight of the Development and Implementation vendor deliverables. Their functions will vary as skill sets are learned and enhanced. It is the State's intent that by project completion, the knowledge and skills required to operate and manage the System Integration Project could fully reside with these staff.

State Contract Compliance Inspector

DIT shall provide a Contract Compliance Inspector whose duties shall include, but not be limited to, supporting the management of the Contract.

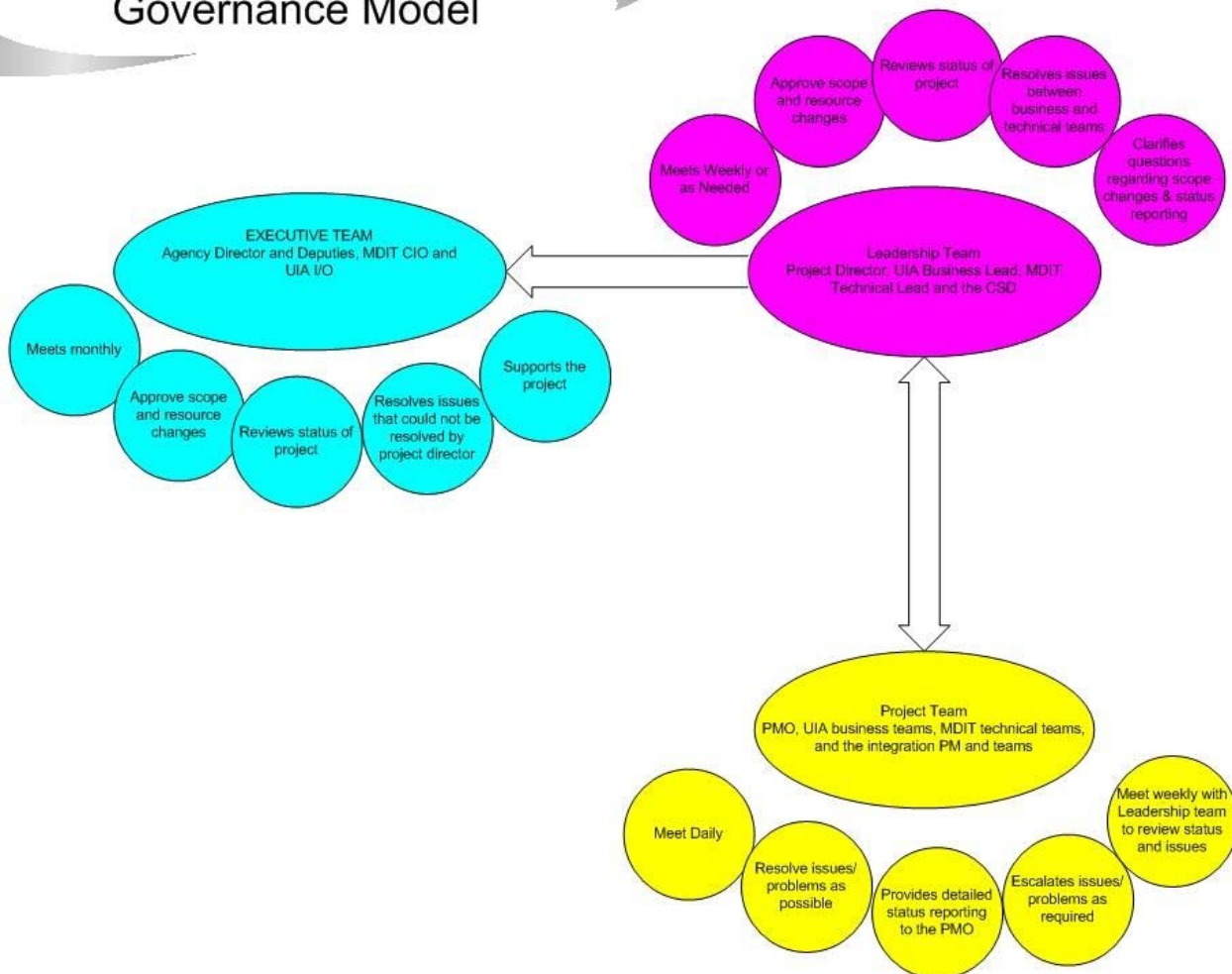
Name	Agency/Division	Title
Ann Lindberg	MDIT/Agency Services	Contract Administrator

1.203 Other Roles and Responsibilities

The intent of the Contract is to utilize as many SOM processes as possible. With that in mind, some resources within both DIT and UIA business units may be needed to assist the contractor in understanding the current processes in place. These staff may be utilized for short periods of time to help System Integration Project staff understand application processes and procedures.



Governance Model



1.300 Project Plan

1.301 Project Plan Management

Contractor shall carry out this project under the direction and control of the DIT and UIA Senior Project Managers and the UIA Executive Sponsor. While DIT is the contract administrator for the contract, no changes to the scope, timeline or cost will be made without prior approval of UIA management. Direction of the project shall be provided by DIT and UIA.

Although there will be continuous liaison with the PMO Project Manager, the State Senior Project Managers, the Executive Sponsor, and the project team, the State Senior Project Managers shall meet weekly, at a minimum, with the PMO Project Manager for the purpose of reviewing progress and providing necessary guidance to the PMO Project Manager in resolving problems which arise.

While the required communication plans shall identify frequency of meetings and project updates, at a minimum the PMO Project Manager shall submit written weekly Status Reports which outline work accomplished during the reporting period, highlighting milestones achieved; work to be accomplished during the subsequent reporting period; and problems, real or anticipated, which should be brought to the attention of the State Senior Project Managers, the Executive Sponsor and the project team. If a problem has the potential to impact the scope, schedule or project costs, the DIT Project Manager and the Executive Sponsor shall schedule a meeting with the PMO Project Manager to determine the impact of the problem and the risk to the project and work with the Project Management to resolve the problem. Quarterly Project Evaluations shall be submitted to the State Senior Project Managers and the Executive Sponsor. A quarterly meeting shall be required to discuss the evaluation and determine if changes to the Project Plan are warranted.



The PMO Project Manager shall manage the project schedules. Updated project plans shall be distributed to the DIT Project Manager and the Executive Sponsor on a monthly basis to reflect project status in terms of schedule, scope and cost. Any schedule slippage that impacts the critical path that cannot be corrected within a two-week time period or without changes to scope or cost must be brought to the immediate attention of the State Senior Project Managers and the Executive Sponsor.

Orientation Meeting

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

Performance Review Meetings

The Contractor shall attend monthly meetings, at a minimum, to review the Contractor's performance under the Contract. The meetings shall be held in Detroit, Michigan, or by teleconference, as mutually agreed by the State and the Contractor. The State shall bear no cost for the time and travel of the Contractor for attendance at the meeting.

Project Control

1. The Contractor shall carry out this project under the direction and control of DIT and UIA.
2. Within 15 business days of the execution of the contract, the contractor shall submit to the State project manager(s) for final approval of the project plan. This initial plan shall be for all work required prior to the award of the Development and Implementation RFP. The project plan for the work to be performed post award of the Development and Implementation RFP must be submitted within 20 business days of the start date for the Development and Implementation contract. This project plan must be in agreement with Article 1, Section 1.104 Work and Deliverables, and must include the following:
 - The Contractor's project organizational structure.
 - The Contractor's staffing table with names and title of personnel assigned to the project. This must be in agreement with staffing of accepted proposal. Necessary substitutions due to change of employment status and other unforeseen circumstances may only be made with prior approval of the State.
 - The project work breakdown structure (WBS) showing sub-projects, activities and tasks, and resources required and allocated to each.
 - The time-phased plan in the form of a graphic display, showing each event, task, and decision point in the WBS.
3. The Contractor shall manage the project in accordance with the State Unified Information Technology Environment (SUITE) methodology, which includes standards for project management, systems engineering, and associated forms and templates which is available at <http://www.michigan.gov/suite>
 - a. Contractor shall use an automated tool for planning, monitoring, and tracking the Contract's progress and the level of effort of any Contractor personnel spent performing Services under the Contract. The tool shall have the capability to produce:
 - Staffing tables with names of personnel assigned to Contract tasks.
 - Project plans showing tasks, subtasks, deliverables, and the resources required and allocated to each (including detailed plans for all Services to be performed within the next 15 business days, updated semi-monthly).
 - Updates must include actual time spent on each task and a revised estimate to complete.
 - Graphs showing critical events, dependencies and decision points during the course of the Contract.
 - b. Any tool(s) used by Contractor for such purposes must produce information of a type and in a manner and format that will support reporting in compliance with the State standards.

1.302 Reports

Reporting formats must be submitted to the MDIT Project Manager for approval within 10 business days after the execution of the contract. Once both parties have agreed to the format of the report, it shall become the standard to follow for the duration of the contract.

Weekly Project Status Reports must be provided to the State Senior Project Managers, the Executive Sponsor, and other key project personnel as identified by MDIT and UIA.

Monthly Project Plan updates must be provided to the State Senior Project Managers, the Executive Sponsor, and other key project personnel as identified by MDIT and UIA.



Monthly Performance Reports must be provided to the State Senior Project Managers, the Executive Sponsor, and other key project personnel as identified by MDIT and UIA.

Quarterly Project Evaluation Reports must be provided to the State Senior Project Managers, the Executive Sponsor, and other key personnel as identified by MDIT and UIA.

Monthly Standards Review Reports must be provided to the State Senior Project Managers, the Executive Sponsor, and other key personnel as identified by MDIT and UIA.

Weekly Issue logs must be provided to the State Senior Project Managers, the Executive Sponsor, and other key personnel as identified by MDIT and UIA.

1.400 Project Management

1.401 Issue Management

An issue is an identified event that if not addressed may affect schedule, scope, quality, or budget.

The Contractor shall maintain an issue log for issues relating to the provision of services under this Contract. The issue management log must be communicated to the State's Senior Project Managers on an agreed upon schedule, with email notifications and updates. The issue log must be updated and must contain the following minimum elements:

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

Issues shall be escalated for resolution from level 1 through level 3, as defined below:

Level 1 – Business leads

Level 2 – State Senior Project Managers

Level 3 – Executive Sponsors

1.402 Risk Management

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

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

A risk management plan format shall be submitted to the State for approval within twenty (20) business days after the effective date of the contract resulting from the upcoming RFP. The risk management plan will be developed during the initial planning phase of the project, and be in accordance with the State's PMM methodology. Once both parties have agreed to the format of the plan, it shall become the standard to follow for the duration of the contract. The plan must be updated bi-weekly, or as agreed upon.

The contractor shall provide the tool to track risks. The Contractor shall work with the State and allow input into the prioritization of risks.

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

1.403 Change Management

Change management is defined as the process to communicate, assess, monitor, and control all changes to system resources and processes. The State also employs change management in its administration of the Contract.



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

The Contractor must employ change management procedures to handle such things as “out-of-scope” requests or changing business needs of the State while the migration is underway.

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

1.500 Acceptance

1.501 Acceptance Criteria

Deliverables are not considered complete until formally accepted and approved by the SOM Senior Project Managers and the Executive Sponsor (or their designated agent). Approval for deliverables must be in writing. Upon completion of a deliverable, the PMO Project Manager will present the deliverable to the SOM Senior Project Managers and the Executive Sponsor for review and acceptance. The SOM Senior Project Managers and the Executive Sponsor will have 10 business days to review and accept/reject the deliverable. If the deliverable is rejected, the SOM Senior Project Managers and the Executive Sponsor will meet with the PMO Project Manager and present to the PMO Project Manager the reasons why the deliverable is not accepted, as delivered.

The acceptance criteria for deliverables under this Contract are as follows:

The SOM Senior Project Managers, the Executive Sponsor, and the PMO Project Manager will mutually agree upon delivery dates for specific processes and other output, which will be part of the System Integration Project schedule. The PMO vendor will be held accountable to these deliverables in a similar manner as the SOM staff, the Development and Implementation Vendor, and others are held accountable for their project tasks.

For those deliverables that are services deliverables, the PMO will submit a monthly report, with the billing invoice, that identifies work performed by each contractor resource to the SOM Senior Project Managers and the Executive Sponsor (or their designated agents) for review and approval.

The work performed must include sufficient detail to map work performed to tasks within the project plan. Where the resource is expected to produce project reports or monthly status reports that resource should identify those reports produced as part of the overall project management and technical oversight of the project. These reports are included within the Statement of Work section of the Contract and include:

- Status Reports
- Performance Reports
- Project Evaluations
- Project Score Cards
- Standards Monitoring and Audit Reports

For those deliverables that are a result of a Change Request, the PMO Project Manager will submit a completed Change Request document to the SOM Senior Project Managers and the Executive Sponsor.

1.502 Final Acceptance

Signoff (approval) of the SOM Senior Project Managers and the Executive Sponsor for the deliverables and services rendered each month will constitute final acceptance. Only the DIT Project Manager can authorize payment of any invoice following the review and approval of the UIA Project Manager and Executive Sponsor.

1.600 Compensation and Payment

1.601 Compensation and Payment Method of Payment

The Contract is a “Time and Materials” contract. The pricing is all-inclusive.

Travel



The State requires all Contractor staff to perform all work for the System Integration Project on-site at the UIA project office. Travel to and from the UIA System Integration Project work site is not billable and travel time to and from the System Integration Project work site is exclusive of the project work hours.

In the event travel away from the UIA System Integration Project work site is required, all travel reimbursement will be paid according to the State of Michigan's Standardized Travel Rates and Regulations. This information may be found at: http://www.michigan.gov/dmb/0,1607,7-150-9141_13132---,00.html

All air, car and hotel reservations must be made through the State Contract with Passageways Travel at (517) 333-5880 or (800) 915-8729. All original receipts must be included with your travel voucher and invoices, which must include the purchase order number. Failure to follow this policy will result in reduced reimbursement.

In the event it is necessary for contractual staff to travel for this project, prior approval must be obtained by the project manager. Travel charges will be reimbursed at current state-authorized rates as outlined by DMB guidelines and must be accompanied by actual receipts. Travel time will not be reimbursed.

Statements of Work and Issuance of Purchase Orders

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

Invoicing

Contractor shall submit properly itemized invoices to "Bill To" Address on Purchase Order. Invoices 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;
- 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-reserved

1.7 Additional Terms and Conditions Specific to this Contract

1.701 SUTA Dumping

TERMS AND CONDITIONS**CONTRACT NO. 071B0200123**

Contractor shall agree that during the period of this engagement/contract, it will refrain from conducting training seminars or publishing instructional or promotional materials in any form that instructs or encourages its clients or potential clients about any aspect of the practice known as "SUTA (State Unemployment Tax Action) Dumping." SUTA Dumping is the practice of manipulating the UI Tax Rate to achieve a lower rate and then using the lower rate to pay lower UI taxes, which is prohibited by Section 22b of the MES Act.



Article 2, Terms and Conditions

2.000 Contract Structure and Term

2.001 Contract Term

This Contract is for a period of three years beginning January 19, 2010 through January 18, 2013. 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 five (5) additional one-year periods.

2.003 Legal Effect

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

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

2.004 Attachments & Exhibits

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

2.005 Ordering

The State will issue a written Purchase Order, Blanket Purchase Order, Direct Voucher or Procurement Card Order, which must be approved by the Contract Administrator or the Contract Administrator's designee, to order any Services/Deliverables under this Contract. All orders are subject to the terms and conditions of this Contract. No additional terms and conditions contained on either a Purchase Order or Blanket Purchase Order apply unless they are also specifically contained in that Purchase Order or Blanket Purchase Order's accompanying Statement of Work. Exact quantities to be purchased are unknown, however, the Contractor shall 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, MDIT and UIA (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:

Jacque Kuch, Buyer
Purchasing Operations
Department of Management and Budget
Mason Bldg, 2nd Floor
PO Box 30026
Lansing, MI 48909
kuchj@michigan.gov
(517)241-0239

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:

Ann Lindberg
MDIT Agency Services
Cadillac Place, Suite #9-350
Email: lindberga@michigan.gov – Phone: (313)456-3218

2.023 Project Managers

The following individual will oversee the project:

Debra Patterson, MDIT Project Manager
Systems Integration Project
Cadillac Place, Suite #12-142



PattersonDebraJ@michigan.gov
(313)456-2602

UIA Project Manager
Clayton Tierney, Director
UIA Office of Management Services
Cadillac Place, Suite #13-650

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:

Jacque Kuch, Buyer
Purchasing Operations
Department of Management and Budget
Mason Bldg, 2nd Floor
PO Box 30026
Lansing, MI 48909
kuchj@michigan.gov
(517)241-0239

Contractor:

CSG Government Solutions
180 North Stetson Avenue
Suite 3200
Chicago, IL 60601

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

2.026 Binding Commitments

Representatives of Contractor must have the authority to make binding commitments on Contractor's behalf within the bounds set forth in 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 shall 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 RFP and Contract or project to which it relates shall not be made without prior written State approval, and then only in accordance with the explicit written instructions from the State. No results of the activities associated with the RFP and Contract are to be released without prior written approval of the State and then only to persons designated.

2.032 Contract Distribution

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

2.033 Permits

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

2.034 Website Incorporation

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

2.035 Future Bidding Preclusion

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

2.036 Freedom of Information

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

2.037 Disaster Recovery

Contractor and the State recognize that the State provides essential services in times of natural or man-made disasters. Therefore, except as so mandated by Federal disaster response requirements, Contractor personnel dedicated to providing Services/Deliverables under this Contract will provide the State with priority service for repair and work around in the event of a natural or man-made disaster.

2.040 Financial Provisions

2.041 Fixed Prices for Services/Deliverables – RESERVED

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

1. 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.
2. Each Contractor invoice will show details as to charges by Service/Deliverable component and location at a level of detail reasonably necessary to satisfy the State's accounting and charge-back requirements. Invoices for Services performed on a time and materials basis will show, for each individual, the number of hours of Services performed during the billing period, the billable skill/labor category for such person and the applicable hourly billing rate. Prompt payment by the State is contingent on the Contractor's invoices showing the amount owed by the State minus any holdback amount to be retained by the State in accordance with **Section 1.064**.
3. 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.
4. 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

- a. The Contractor must provide the Contract Compliance Inspector with the names of the Key Personnel.
- b. Key Personnel must be dedicated as defined in the Statement of Work to the Project for its duration in the applicable Statement of Work with respect to other individuals designated as Key Personnel for that Statement of Work.
- c. The State will have the right to recommend and approve in writing the initial assignment, as well as any proposed reassignment or replacement, of any Key Personnel. Before assigning an individual to any Key Personnel position, Contractor shall notify the State of the proposed assignment, will introduce the individual to the appropriate State representatives, and will provide the State with a resume and any other information about the individual reasonably requested by the State. The State reserves the right to interview the individual before granting written approval. In the event the State finds a proposed individual unacceptable, the State will provide a written explanation including reasonable detail outlining the reasons for the rejection.
- d. Contractor must not remove any Key Personnel from their assigned roles on the Contract without the prior written consent of the State. The Contractor's removal of Key Personnel without the prior written consent of the State is an unauthorized removal ("Unauthorized Removal"). Unauthorized Removals do not include replacing Key Personnel for reasons beyond the reasonable control of Contractor, including illness, disability, leave of absence, personal emergency circumstances, resignation, or for cause termination of the Key Personnel's employment. Unauthorized Removals does not include replacing Key Personnel because of promotions or other job movements allowed by Contractor personnel policies or Collective Bargaining Agreement(s) as long as the State receives prior written notice before shadowing occurs and Contractor provides 30 days of shadowing unless parties agree to a different time period. The Contractor with the State must review any Key Personnel replacements, and appropriate transition planning will be established. Any Unauthorized Removal may be considered by the State to be a material breach of the Contract, in respect of which the State may elect to exercise its termination and cancellation rights.
- e. The Contractor must notify the Contract Compliance Inspector and the Contract Administrator at least 10 business days before redeploying non-Key Personnel, who are dedicated primarily to the Project, to other



projects. If the State does not object to the redeployment by its scheduled date, the Contractor may then redeploy the non-Key Personnel.

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

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

2.064 Contractor Personnel Location

All staff assigned by Contractor to work on the Contract will perform their duties either primarily at Contractor's offices and facilities or at State facilities. Without limiting the generality of the foregoing, Key Personnel will, at a minimum, spend at least the amount of time on-site at State facilities as indicated in the applicable Statement of Work. Subject to availability, selected Contractor personnel may be assigned office space to be shared with State personnel.

2.065 Contractor Identification

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

2.066 Cooperation with Third Parties

Contractor agrees to cause its personnel and the personnel of any Subcontractors to cooperate with the State and its agents and other contractors including the State's Quality Assurance personnel. As reasonably requested by the State in writing, the Contractor shall 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 shall provide the Services/Deliverables directly or through its affiliates, subsidiaries, subcontractors or resellers. Regardless of the entity providing the Service/Deliverable, the Contractor shall 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 shall 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

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

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

The Contractor shall contact the Department of Management and Budget, Financial Services immediately to advise them of any breaches in security where card data has been compromised. In the event of a security intrusion, the Contractor agrees the Payment Card Industry representative, or a Payment Card Industry approved third party, will be provided with full cooperation and access to conduct a thorough security review. The review will validate compliance with the Payment Card Industry Data Security Standard for protecting cardholder data. Contractor agrees to properly dispose sensitive cardholder data when no longer needed. The Contractor shall continue to treat cardholder data as confidential upon contract termination.

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

2.100 Confidentiality**2.101 Confidentiality**

Contractor and the State each acknowledge that the other possesses and will continue to possess confidential information that has been developed or received by it. As used in this Section, "Confidential Information" of Contractor 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 shall 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 shall 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. 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 contains no untrue statement of material fact or omits any material fact necessary to make the information not misleading.
- m. It is not in material default or breach of any other contract or agreement that it may have with the State or any of its departments, commissions, boards, or agencies. Contractor further represents and warrants that it has not been a party to any contract with the State or any of its departments that was terminated by the State or the department within the previous five years for the reason that Contractor failed to perform or otherwise breached an obligation of the contract.
- n. If any of the certifications, representations, or disclosures made in the Contractor's original bid response change after contract award, the Contractor is required to report those changes immediately to the Department of Management and Budget, Purchasing Operations.

2.122 Warranty of Merchantability

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

2.123 Warranty of Fitness for a Particular Purpose

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

2.124 Warranty of Title

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

2.125 Equipment Warranty

RESERVED

2.126 Equipment to be New

RESERVED

2.127 Prohibited Products

RESERVED

**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 INSURED on the Commercial General Liability certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

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

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

- ☒ 3. Workers' compensation coverage must be provided according to applicable laws governing the employees and employers work activities in the state of the Contractor's domicile. If 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.



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

- ☒ 4. Employers liability insurance with the following minimum limits:
\$100,000 each accident
\$100,000 each employee by disease
\$500,000 aggregate disease
- ☐ 5. Employee Fidelity, including Computer Crimes, insurance naming the State as a loss payee, providing coverage for direct loss to the State and any legal liability of the State arising out of or related to fraudulent or dishonest acts committed by the employees of Contractor or its Subcontractors, acting alone or in collusion with others, in a minimum amount of one million dollars (\$1,000,000.00) with a maximum deductible of fifty thousand dollars (\$50,000.00).
- ☐ 6. Umbrella or Excess Liability Insurance in a minimum amount of ten million dollars (\$10,000,000.00), which must apply, at a minimum, to the insurance required in Subsection 1 (Commercial General Liability) above.
- ☐ 7. Professional Liability (Errors and Omissions) Insurance with the following minimum coverage: three million dollars (\$3,000,000.00) each occurrence and three million dollars (\$3,000,000.00) annual aggregate.
- ☐ 8. Fire and Personal Property Insurance covering against any loss or damage to the office space used by Contractor for any reason under this Contract, and the equipment, software and other contents of the office space, including without limitation, those contents used by Contractor to provide the Services to the State, up to its replacement value, where the office space and its contents are under the care, custody and control of Contractor. The policy must cover all risks of direct physical loss or damage, including without limitation, flood and earthquake coverage and coverage for computer hardware and software. The State must be endorsed on the policy as a loss payee as its interests appear.

2.132 Subcontractor Insurance Coverage

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

2.133 Certificates of Insurance and Other Requirements

Contractor must furnish to DMB Purchasing Operations, certificate(s) of insurance verifying insurance coverage or providing satisfactory evidence of self-insurance as required in this Section (the "Certificates"). The Certificate must be on the standard "accord" form or equivalent. **The Contract 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 shall 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 shall 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 **60** 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 shall 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 shall 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 shall 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 shall 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 shall 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.

- Reconciling all accounts between the State and the Contractor;
- 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 2.150**. 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 shall 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 two times the value of the Contract or \$500,000 which ever is higher. The foregoing limitation of liability does not apply to claims for infringement of United States patent, copyright, trademarks or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor; to claims covered by other specific provisions of this Contract calling for liquidated damages; or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on this Contract.

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

2.230 Disclosure Responsibilities**2.231 Disclosure of Litigation**

Contractor 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. (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 RESERVE

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 shall 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 shall not be in default for a delay in performance to the extent the delay is caused by the State.

2.242 Service Level Agreement (SLA)

(a) SLAs will be completed with the following operational considerations:

- (1) SLAs will not be calculated for individual Incidents where any event of Excusable Failure has been determined; Incident means any interruption in Services.
- (2) SLAs will not be calculated for individual Incidents where loss of service is planned and where the State has received prior notification or coordination.
- (3) SLAs will not apply if the applicable Incident could have been prevented through planning proposed by Contractor and not implemented at the request of the State. To invoke this consideration, complete documentation relevant to the denied planning proposal must be presented to substantiate the proposal.
- (4) Time period measurements will be based on the time Incidents are received by the Contractor and the time that the State receives notification of resolution based on 24x7x365 time period, except that the time period measurement will be suspended based on the following:
 - (i) Time period(s) will not apply where Contractor does not have access to a physical State Location and where access to the State Location is necessary for problem identification and resolution.



- (ii) Time period(s) will not apply where Contractor needs to obtain timely and accurate information or appropriate feedback and is unable to obtain timely and accurate information or appropriate feedback from the State.
- (b) Chronic Failure for any Service(s) will be defined as three unscheduled outage(s) or interruption(s) on any individual Service for the same reason or cause or if the same reason or cause was reasonably discoverable in the first instance over a rolling 30 day period. Chronic Failure will result in the State's option to terminate the effected individual Service(s) and procure them from a different vendor for the chronic location(s) with Contractor to pay the difference in charges for up to three additional months. The termination of the Service will not affect any tiered pricing levels.
- (c) Root Cause Analysis will be performed on any Business Critical outage(s) or outage(s) on Services when requested by the Contract Administrator. Contractor shall provide its analysis within two weeks of outage(s) and provide a recommendation for resolution.
- (d) All decimals must be rounded to two decimal places with five and greater rounding up and four and less rounding down unless otherwise specified.

2.243 Liquidated Damages

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

Unauthorized Removal of any Key Personnel

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

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

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

2.244 Excusable Failure

Neither party will be liable for any default, damage or delay in the performance of its obligations under the Contract to the extent the default, damage or delay is caused by government regulations or requirements (executive, legislative, judicial, military or otherwise), power failure, electrical surges or current fluctuations, lightning, earthquake, war, water or other forces of nature or acts of God, delays or failures of transportation, equipment shortages, suppliers' failures, or acts or omissions of common carriers, fire; riots, civil disorders; strikes or other labor disputes, embargoes; injunctions (provided the injunction was not issued as a result of any fault or negligence of the party seeking to have its default or delay excused); or any other cause beyond the reasonable control of a party; provided the non-performing party and its Subcontractors are without fault in causing the default or delay, and the default or delay could not have been prevented by reasonable precautions and cannot reasonably be circumvented by the non-performing party through the use of alternate sources, workaround plans or other means, including disaster recovery plans.

If a party does not perform its contractual obligations for any of the reasons listed above, the non-performing party will be excused from any further performance of its affected obligation(s) for as long as the circumstances prevail. But the party 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 shall 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 shall 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 shall 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 shall 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 shall 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 shall 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 shall 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 shall 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 shall 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**

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

2.262 Vesting of Rights

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

2.263 Rights in Data

The State is the owner of all data made available by the State to the Contractor or its agents, Subcontractors or representatives under the Contract. The Contractor shall 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 shall 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 shall 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 shall 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 –RESERVE****2.282 State Employee Purchases-RESERVE****2.290 Environmental Provision - RESERVE****2.300 Deliverables****2.301 Software – RESERVE****2.302 Hardware –RESERVE****2.303 Equipment to be New-RESERVE****2.304 Equipment to be New and Prohibited Products-RESERVE****2.310 Software Warranties****2.311 Performance Warranty**

The Contractor represents and warrants that Deliverables, after Final Acceptance, will perform and operate in compliance with the requirements and other standards of performance contained in this Contract (including all descriptions, specifications and drawings made a part of the Contract) for a period of (90) ninety days. In the event of a breach of this warranty, Contractor shall promptly correct the affected Deliverable(s) at no charge to the State.

2.312 No Surreptitious Code Warranty

The Contractor represents and warrants that no copy of licensed Software provided to the State contains or will contain any Self-Help Code or any Unauthorized Code as defined below. This warranty is referred to in this Contract as the "No Surreptitious Code Warranty."

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

As used in this Contract, "Unauthorized Code" means any virus, Trojan horse, spyware, worm or other Software routines or components designed to permit unauthorized access to disable, erase, or otherwise harm software, equipment, or data; or to perform any other such actions. The term Unauthorized Code does not include Self-Help Code. Unauthorized Code does not include Software routines in a computer program, if any, designed to permit an owner of the computer program (or other person acting by authority of the owner) to obtain access to a licensee's computer system(s) (e.g. remote access via modem) for purposes of maintenance or technical support.

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

2.313 Calendar Warranty

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

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



recognition, including, but not limited to, data stored in databases and hardware device internal system dates; calculations and program logic (e.g., sort algorithms, calendar generation, event recognition, and all processing actions that use or produce date values) that accommodates same century and multi-century formulas and date values; interfaces that supply data to and receive data from other systems or organizations that prevent non-compliant dates and data from entering any State system; user interfaces (i.e., screens, reports, etc.) that accurately show 4 digit years; and assurance that the year 2000 shall be correctly treated as a leap year within all calculation and calendar logic.

2.314 Third-party Software Warranty

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

2.315 Physical Media Warranty

Contractor represents and warrants that each licensed copy of the Software provided by the Contractor is free from physical defects in the media that tangibly embodies the copy. This warranty does not apply to defects discovered more than (30) thirty days after that date of Final Acceptance of the Software by the State. This warranty does not apply to defects arising from acts of Excusable Failure. If the Contractor breaches this warranty, then the State shall be entitled to replacement of the non-compliant copy by Contractor, at Contractor's expense (including shipping and handling).

2.320 Software Licensing

2.321 Cross-License, Deliverables Only, License to Contractor

The State grants to the Contractor, the royalty-free, world-wide, non-exclusive right and license under any Deliverable now or in the future owned by the State, or with respect to which the State has a right to grant such rights or licenses, to the extent required by the Contractor to market the Deliverables and exercise its full rights in the Deliverables, including, without limitation, the right to make, use and sell products and services based on or incorporating such Deliverables.

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

The State grants to the Contractor, the royalty-free, world-wide, non-exclusive right and license under any Deliverable and/or Derivative Work now or in the future owned by the State, or with respect to which the State has a right to grant such rights or licenses, to the extent required by the Contractor to market the Deliverables and/or Derivative Work and exercise its full rights in the Deliverables and/or Derivative Work, including, without limitation, the right to make, use and sell products and services based on or incorporating such Deliverables and/or Derivative Work.

2.323 License Back to the State

Unless otherwise specifically agreed to by the State, before initiating the preparation of any Deliverable that is a Derivative of a preexisting work, the Contractor shall cause the State to have and obtain the irrevocable, nonexclusive, worldwide, royalty-free right and license to (1) use, execute, reproduce, display, perform, distribute internally or externally, sell copies of, and prepare Derivative Works based upon all preexisting works and Derivative Works thereof, and (2) authorize or sublicense others from time to time to do any or all of the foregoing.

2.324 License Retained by Contractor

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

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

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



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

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

2.325 Pre-existing Materials for Custom Software Deliverables

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

2.330 Source Code Escrow

2.331 Definition

"Source Code Escrow Package" shall mean:

- a. A complete copy in machine-readable form of the source code and executable code of the Licensed Software, including any updates or new releases of the product;
- b. A complete copy of any existing design documentation and user documentation, including any updates or revisions; and/or
- c. Complete instructions for compiling and linking every part of the source code into executable code for purposes of enabling verification of the completeness of the source code as provided below. Such instructions shall include precise identification of all compilers, library packages, and linkers used to generate executable code.
- d.

2.332 Delivery of Source Code into Escrow

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

2.333 Delivery of New Source Code into Escrow

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

2.334 Verification

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

2.335 Escrow Fees

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

2.336 Release Events

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

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



- c. The Contractor voluntarily or otherwise discontinues support of the provided products or fails to support the products in accordance with its maintenance obligations and warranties.

d.

2.337 Release Event Procedures

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

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

d.

2.338 License

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

2.339 Derivative Works

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

2.400 Other Provisions

2.411 Forced Labor, Convict Labor, or Indentured Servitude Made Materials

Bidder represents and certifies that, to the best of its knowledge and belief no foreign (outside of the U.S.) made equipment, materials, or supplies, will be furnished to the State under any resulting Contract, that have been produced in whole or in part by forced labor, convict labor, or indentured servitude.

_____ (Initial)

2.421 Knowledge of Child Labor for Listed End Products

- a. "Forced or indentured child labor" means all work or service:
 - i. Exacted from any person under the age of 18 under the menace of any penalty for its nonperformance and for which the worker does not offer himself voluntarily; or
 - ii. Performed by any person under the age of 18 under a contract the enforcement of which can be accomplished by process or penalties.
- b. *Listed end products.* The following end product(s) being acquired under this solicitation is (are) included in the List of Products Requiring Contractor Certification as to Forced or Indentured Child Labor, identified by their country of origin. There is a reasonable basis to believe that listed end products from the listed countries of origin may have been mined, produced, or manufactured by forced or indentured child labor.



Listed End Product	Listed Country of Origin

- c. *Certification.* The State will not make award to a Bidder unless the Bidder, by checking the appropriate block, certifies to one of the following:
- () The Bidder will not supply any end product listed in paragraph (b) of this provision that was mined, produced, or manufactured in a corresponding country as listed for that end product.
 - () The Bidder may supply an end product listed in paragraph (b) of this provision that was mined, produced, or manufactured in the corresponding country as listed for that product. The Bidder certifies that it has made a good faith effort to determine whether forced or indentured child labor was used to mine, produce, or manufacture the end product. On the basis of those efforts, the Bidder certifies that it is not aware of any the use of child labor.

_____ (Initial)



**Article 1, Appendix A
Pricing**

Table 1

Total Project Price Information Summary for Work to be Performed and Deliverables due.

Key Staff	Consultant Name	Hourly Rate	Yr 1 total hours	Yr 2 total hours	Yr 3 total hours	Total Cost	
Senior Project Manager	Jon Walton	\$164.90	1840	1920	1920	\$936,632	
Senior Systems Architect	Samer Naser	\$145.50	1520	1920	1920	\$779,880	
Senior Systems Architect	Tim Saar	\$195.00	192			\$37,440	
Senior Systems Architect	Indra Tjandra	\$175.00	192			\$33,600	
Senior Business Architect	Seth Tezyk	\$116.40	1520	1920	1920	\$623,904	
Senior Business Architect	Jim Mahony	\$195.00	648			\$126,360	
Technical Writer	Deborah LaRaia	\$92.15	976			\$89,938	
Project Scheduler	Audra Cumberworth	\$92.15	1760	1920	1920	\$516,040	
					Total Cost	3,143,794	



Article 1, Appendix A Pricing

Table 3

Hourly Rates for Supplemental Staffing

Additional Resource Staffing (SOW)	Est. Hrs. yr 1	Hrly. Rate Yr 1	Est. Hrs Yr 2	Hrly. Rate Yr 2	Hrly. Rate Yr 3	Est. Hrs Yr 3	Hrly. Rate Yr 3
Description of work to be completed	(planning, analysis (systems & business), pre-development & implementation tasks)		(development & implementation oversight, testing (planning & execution))			(development & implementation oversight, testing (planning & execution))	
Senior Database Modeler/Application DBA	2500	\$120.00	2000	\$150.00	\$150.00	2000	\$150.00
Senior Systems Analyst/Developer -Java specialist	2500	\$65.00	2000	\$112.00	\$130.00	2000	\$130.00
Testing Technician	2500	\$75.00	0	\$125.00	\$125.00	0	\$125.00
Business Analyst	2500	\$115.00	500	\$135.00	\$150.00		\$150.00
Usability Testing Specialist		\$100.00	500	\$100.00	\$110.00	500	\$110.00
Work Flow Coordinator		\$75.00	2000	\$75.00	\$75.00	2000	\$75.00
Infrastructure Manager		\$130.00	1500	\$130.00	\$150.00	1500	\$150.00
System Integration Project Configuration Management		\$120.00	1000	\$120.00	\$130.00	1500	\$130.00
Data Loading - Data Utilities		\$90.00	500	\$90.00	\$100.00	500	\$100.00

Yearly Totals:

\$937,500.00	\$1,151,500.00	\$1,235,000.00		\$1,235,000.00
			Total \$ for Additional Staff for Years 1, 2 and 3	\$3,324,000.00

Total \$ for Additional Staff for Years 1, 2 and 3	3,324,000.00
Total \$ for Key Staff	3,143,794.00

Total Bid Price (Total of Additional Staff plus Key Staff)	6,467,794.00
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Article 1, Appendix B Supplemental Staffing Requirements

Senior Database Modeler/Application DBA

- 5 years experience designing, developing and evaluating large logical and physical data models (500+ tables) using tools similar to and including Erwin/ERX and IBM Rational Rose
- 5 years experience in database development and administration using Oracle version 9i or newer in web-based environment. Experience working with Oracle 11g preferred.
- 5 years experience providing database modeling/DBA services on large, complex multi-year systems development projects (similar in size and scope to a UI system)
- 5 years experience performing tuning/troubleshooting of Oracle database management systems
- 5 years of experience conducting database design reviews, reviewing project requirements, identifying entities, attributes and relationships and determining impacts of database changes
- 5 years experience developing and enforcing database standards
- 3 years experience in verbal and written communications with clients and technical staff in English

Senior Systems Analyst/Developer – Java Specialist

- 7 years experience analyzing business requirements, generating system specifications, converting specifications into code, and applying knowledge of computer programming techniques and computer languages
- 5 years total development experience in J2EE / Java 2.x, Struts/Spring Framework
- 5 years total development experience in Web Services, and XML
- 5 years experience working with application/solution architects to set direction of design and development for application development projects
- 5 years experience evaluating user requests for new programs or modified program components to determine feasibility, cost and time required, compatibility with current systems and computer capabilities
- 5 years experience reviewing technical designs and specifications for completeness and conformance to quality standards, especially as a mentor to less experienced developers
- 3 years experience in verbal and written communications with clients and technical staff in English

Testing Technician

- 3 years experience writing test documentation, including test plans and test scripts
- 3 years experience evaluating, recommending, and implementing automated test tools and strategies
- 3 years experience executing test cases and analyzing test outcomes
- 3 years experience documenting testing status and managing the testing process, including test defect logs
- 3 years experience in verbal and written communication with clients in English

Business Analyst

- 3 years leading information gathering session(s) to capture and business requirements, business processes and technical considerations
- 3 years experience performing complex task analysis to evaluate task flow for applications and web sites
- 3 years producing technical documents such as business requirements documents, use cases and business specifications.
- 3 years experience in verbal and written communications with clients and technical staff in English
- 3 years leading review sessions to discuss draft document and determine the appropriate revisions
- 3 years experience in verbal and written communication with clients in English
- UI knowledge preferred

Usability Testing Specialist

Critical experience and skills required:

- 2 years experience assisting development teams in the design and development of usability test plans, scenarios, and scripts.
- 2 years experience creating and executing test cases for web sites and software applications
- 3 years experience in verbal and written communication with clients in English
- 3 years experience in verbal and written communication with clients in English

**Work Flow Coordinator**

Critical experiences and skills required:

- A history of working within a project environment.
- 1 year experience managing projects on system development projects.
- 1 year experience with one or more structured development methodologies.
- Experience in defining and managing Work Approval processes.
- 3 years experience in verbal and written communication with clients in English

Infrastructure Manager

Critical experiences and skills include:

- 5 years of management experience including three very large database projects, both in a mainframe and web environment.
- 3 years of technical leadership experience, directly contributing to production software
- 3 years experience in verbal and written communication with clients in English

System Integration Project Configuration Management

Critical experiences and skills required:

- 3 years experience with configuration management, including version control integrated within a software development life cycle
- 2 years in scripting build processes for large application, including Unix scripting, DOS scripting, and SQL scripting for performing database modifications/updates.
- 3 years experience in verbal and written communication with clients in English

Data Loading, Data Utilities

Critical experiences and skills required for each skill set:

- 3 years of experience using ANSI SQL on a major RDBMS
- 2 years of experience loading large amounts of data into database for testing and data conversion purposes
- 1 year of experience preparing smaller testing subset of data from a larger production database
- Oracle: Through 10g, including SQL*Loader, Export, Import, PL/SQL optimizations for loading data, and Oracle specific SQL syntax.
- DB2: Through 8.1, including DB2 load, load from cursor, export, and import utilities, and DB2 specific SQL syntax.
- 3 years experience in verbal and written communication with clients in English