

STATE OF MICHIGAN  
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET  
 PROCUREMENT  
 P.O. BOX 30026, LANSING, MI 48909  
 OR  
 530 W. ALLEGAN, LANSING, MI 48913

May 15, 2012

**CHANGE NOTICE NO. 2**  
 To  
**CONTRACT NO. 071B0200224**  
 Between  
**THE STATE OF MICHIGAN**  
 And

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Gnosis Technologies, Inc. 2562 Brookview Lane Dewitt, MI 48820	Jim Alger	<a href="mailto:Jim.alger@gnosistech.com">Jim.alger@gnosistech.com</a>
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(517) 881-8693	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR:	DTMB	Mark Lawrence	(517) 241-1640	<a href="mailto:Lawrencem1@michigan.gov">Lawrencem1@michigan.gov</a>
BUYER:	DTMB	Tammi Hart	(517) 335-4770	<a href="mailto:Hartt3@michigan.gov">Hartt3@michigan.gov</a>

INITIAL CONTRACT SUMMARY:			
DESCRIPTION: RESTART – SENIOR PROJECT MANAGER – DTMB/MDA			
INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
1 Yr.	June 1, 2010	May 31, 2013	2, 1 yr. options
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:	
OPTION EXERCISED: <input type="checkbox"/> NO <input checked="" type="checkbox"/> YES	IF YES, NEW EXPIRATION DATE: <b>May 31, 2013</b>
<b>Effective immediately, this Contract is hereby EXTENDED to May 31, 2013 and INCREASED by \$202,368.00. All other terms, conditions, specifications, and pricing remain the same. Per Vendor and Agency agreement and DTMB Procurement approval.</b>	
VALUE/COST OF CHANGE NOTICE:	<b>\$202,368.00</b>
ESTIMATED REVISED AGGREGATE CONTRACT VALUE:	<b>\$613,056.00</b>

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

May 20, 2011

**CHANGE NOTICE NO.1**  
**TO**  
**CONTRACT NO. 071B0200224**  
**between**  
**THE STATE OF MICHIGAN**  
**and**

NAME & ADDRESS OF VENDOR <b>Gnosis Technologies, Inc.</b> <b>2562 Brookview Lane</b> <b>Dewitt, MI 48820</b>  Email: <a href="mailto:jim.alger@gnosistech.com">jim.alger@gnosistech.com</a>	TELEPHONE Jim Alger <b>(517) 881-8693</b>
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 373-3993 <b>Joe Kelly</b>
Contract Compliance Inspector: Mark Lawrence <b>RESTART – Senior Project Manager – DTMB/MDA</b>	
CONTRACT PERIOD: From: <b>June 1, 2010</b> To: <b>May 31, 2012</b>	
TERMS <b>N/A</b>	SHIPMENT <b>N/A</b>
F.O.B. <b>N/A</b>	SHIPPED FROM <b>N/A</b>
MINIMUM DELIVERY REQUIREMENTS <b>N/A</b>	

**NATURE OF CHANGE(S):**

Effective immediately, this contract is hereby **EXTENDED** one year to **May 31, 2012** and **INCREASED** by **\$202,368.00**. Effective **June 1, 2011**, there will be a new hourly rate of **\$102/hour**. Please also note that the buyer has been changed to **Joe Kelly**.

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

**AUTHORITY/REASON(S):**

Per vendor and agency agreement, DTMB Purchasing Operations approval and the approval of the State Administrative Board on **May 17, 2011**.

**INCREASE: \$202,368.00**

**TOTAL REVISED ESTIMATED CONTRACT VALUE: \$410,688.00**

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

May 13, 2010

**NOTICE  
 OF  
 CONTRACT NO. 071B0200224  
 between  
 THE STATE OF MICHIGAN  
 and**

NAME & ADDRESS OF VENDOR <b>Gnosis Technologies, Inc.</b> <b>2562 Brookview Lane</b> <b>Dewitt, MI 48820</b>  Email: <a href="mailto:jim.alger@gnosistech.com">jim.alger@gnosistech.com</a>	TELEPHONE Jim Alger <b>(517) 881-8693</b>
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-0239 <b>Jacque Kuch</b>
Contract Compliance Inspector: Mark Lawrence <b>RESTART – Senior Project Manager – DTMB/MDA</b>	
CONTRACT PERIOD: From: <b>June 1, 2010</b> To: <b>May 31, 2011</b>	
TERMS <b>N/A</b>	SHIPMENT <b>N/A</b>
F.O.B. <b>N/A</b>	SHIPPED FROM <b>N/A</b>
MINIMUM DELIVERY REQUIREMENTS <b>N/A</b>	

The terms and conditions of this Contract are those of ITB #07110200115, this Contract Agreement and the vendor's quote. In the event of any conflicts between the specifications, terms and conditions indicated by the State and those indicated by the vendor, those of the State take precedence. Please refer to Pricing Sheet for price breakdown.

**TOTAL ESTIMATED CONTRACT VALUE: \$208,320.00**



## SECTION I GENERAL INFORMATION

### I-A PURPOSE

This Contract is for one (1) Senior Project Manager to assist the Department of Technology, Management, and Budget (DTMB), Michigan Department of Agriculture (MDA), Department of Energy, Labor and Economic Growth (DLEG), and the Department Natural Resources and Environment (DNRE) ( collectively referred to as "License Stakeholders" ) in identifying, piloting, and implementing an Enterprise Licensing Solution (ELS) for the State of Michigan. In addition to ELS, this individual may be assigned to manage other information technology projects for the Agency Services PMO supporting DNRE, DMA, Treasury, Lottery and Gaming.

This position supports the Michigan Business One Stop (MBOS) project which is the Governor's initiative to attract new businesses to Michigan and to improve the overall business climate. As project manager, this individual will lead Licensing Stakeholds, business owners, technical users, and the Michigan Business One Stop (MBOS) team in the evaluation of Commercial Off The Shelf (COTS) solutions that satisfy ELS requirements.

The contract period will be from 06/01/2010 to 05/31/2011 (approximately 1984 hours), with two one-year options. The State does not commit to procuring services in the quantities estimated or in any other amounts.

### I-B ISSUING OFFICE

This Contract is issued by Purchasing Operations, State of Michigan, Department of Technology, Management and Budget (DTMB), hereafter known as Purchasing Operations, for Agency Services in DTMB. Where actions are a combination of those of Purchasing Operations and Agency Services Michigan Department of Agriculture (MDA) the Michigan Department of Natural Resources and Environment (DNRE), The Department of Treasury, Lottery, and Gaming and the authority will be known as the State.

Purchasing Operations is the sole point of contact in the State with regard to all procurement and contractual matters relating to the services described herein. Purchasing Operations is the only office authorized to change, modify, amend, alter, clarify, or otherwise alter the specifications, terms, and conditions of this Contract. All communications concerning this procurement must be addressed to:

Jacque Kuch, Buyer  
DMB, Purchasing Operations  
2nd Floor, Mason Building  
P.O. Box 30026  
Lansing, Michigan 48909  
kuchj@michigan.gov

### I-C PROJECT MANAGER and CONTRACT ADMINISTRATOR

DTMB and the stakeholders have assigned a Project Manager and a Contract Administrator who have been authorized by Purchasing Operations to administer the resulting Contract(s) on a day-to-day basis during the term of the Contract. However, administration of any Contract implies no authority to change, modify, clarify, amend, or otherwise alter the terms, conditions, and specifications of such contract. That authority is retained by Purchasing Operations.

#### **The Project Manager for this contract is:**

Jeanne Irwin DTMB, Area Agency Services, MDA/DNRE  
Constitution Hall, south tower, 5<sup>th</sup> floor  
525 W. Allegan  
Lansing, MI 48909  
IrwinJ@michigan.gov

**The Contract Administrator for this contract is:**

Mark Lawrence  
DTMB, Bureau of Strategic Policy, Office of Contracts  
Constitution Hall, South Atrium  
525 West Allegan Street  
Lansing, MI 48913  
LawrenceM1@michigan.gov

**I-D INCURRING COSTS AND LEGISLATIVE APPROPRIATIONS**

The State of Michigan is not liable for any costs incurred by any bidder prior to signing of a contract by all parties and delivery of services under the contract. Any costs to be paid by the State are limited to those authorized by the terms and conditions of any resulting Contract.

The State fiscal year is October 1st through September 30th. The prospective contractor is advised that payments in any given fiscal year are contingent upon enactment of legislative appropriations.

**I-E PROPOSALS**

RESERVED

**I-F ACCEPTANCE OF ITB and PROPOSAL CONTENT**

RESERVED

**I-G CONTRACTOR RESPONSIBILITIES**

The Contractor will be required to assume responsibility for all contractual activities offered in this Contract, whether or not the Contractor performs them. Further, the State will consider the Contractor to be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the anticipated contract. Contractor must make timely payment to staff performing services for the State.

Note: If any personnel contracted through this RFP are not your employees, but that of another company, you must include a list of those companies (subcontractors), including firm name and address, contact person, complete description of skill sets to be subcontracted, and descriptive information concerning subcontractor's organizational abilities in your response. The State reserves the right to approve subcontractors for this work and to require the Contractor to replace subcontractors found to be unacceptable. The Contractor is totally responsible for adherence by the subcontractor to all provisions of the Contract. Failure to identify companies providing personnel for your use in Contracts will be cause for cancellation of your Contract and possible removal from the RE:START program.

**I-H NEWS RELEASES**

News releases pertaining to this Contract or the services, study, data, or project to which it relates will not be made without prior written State approval, and then only in accordance with explicit written instructions from the State. No results of the project are to be released without prior approval of the State and then only to persons designated.

**I-I SELECTION CRITERIA**

RESERVED

**I-J INDEPENDENT PRICE DETERMINATION**

RESERVED

**I-K SEALED BID RECEIPT (SEE ALSO PARAGRAPH IV-G)**

RESERVED

**I-L DISCLOSURE**

All information in a Contractor's proposal and any Contract resulting from this ITB is subject to disclosure under the provisions of the "Freedom of Information Act.", 1976 Public Act No. 442, as amended, MCL 15.231, et seq.



**I-M AWARD  
RESERVED**

**I-N MODIFICATIONS, REVISIONS, CONSENTS AND APPROVALS**

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

Additional services which are outside the Scope of Services of this Contract shall not be performed by the Contractor without the prior, written approval of the State. Additional services, when authorized by an executed contract, change order, or an amendment to this Contract, shall be compensated by a fee mutually agreed upon between the State and the Contractor.

**I-O CONTRACT DOCUMENTS**

The following constitute the complete and exclusive statement of the agreement between the parties as it relates to this transaction:

1. State's ITB and any Addenda thereto;
2. Contractor's response to the State's ITB and Addenda; and
3. All amendments and change orders as written and properly approved.

and by reference:

3. State's Pre-qualification RFI and any Addenda thereto;
4. Contractor's response to the State's Pre-qualification RFI and Addenda

All responses, representations, and assurances contained in the Proposal are incorporated into and are enforceable provisions of this Contract. In the event of any conflict between the provisions of the ITB, and the Contractor's response to the ITB, the terms of the ITB and any Contract amendments shall prevail.

**I-P SPECIAL TERMS AND CONDITIONS**

1. Normal State work hours are 8:00 a.m. to 5:00 p.m. Monday through Friday.
2. All work will be performed at the site identified in Section III of this Contract, unless otherwise agreed to by both parties.
3. The Contractor must permit representatives of the Department of Technology, Management and Budget (DTMB), and the agency, and other authorized public agencies interested in the services requested in this Contract to have full access to the services requested showing the Contractor's performance, during normal business hours.
4. The Contractor, during the performance of services detailed in this Contract, will be responsible for any loss or damage to original documents, belonging to the State when they are in the Contractor's possession. Restoration of lost or damaged original documents shall be at the Contractor's expense.
5. All questions, which may arise as to the quality and acceptability of work, the manner of performance and rate of progress of the work, the interpretation of designs and specifications, and as to the satisfactory and acceptable fulfillment of the terms of this agreement shall be decided by DTMB and the State agencies involved.
6. The Contractor shall agree that it will not volunteer, offer, or sell its services to any litigant against the State its agencies, employees and officials, with respect to any services that it has agreed to perform for the State, provided that this provision shall not apply either when the Contractor is issued a valid subpoena to testify in a judicial or administrative proceeding or when the enforcement of this provision would cause the Contractor to be in violation of any Michigan or Federal law.



7. All work prepared by the Contractor during the execution of this contract shall be considered works made by hire and shall belong exclusively to the State and its designees, unless specifically provided otherwise by mutual agreement of the authorized representatives of the Contractor and the State. This includes, but is not limited to, all new business processes created, all planning and design work performed, all technology developed, the source and object code of all software programs and systems, any business objects or databases created, all related documentation (written or automated), and all documents and reports.

If by operation of law any of the work, including all related intellectual property rights is not owned in its entirety by the State automatically upon creation thereof, the Contractor agrees to assign, and hereby assigns to the State and its designees the ownership of such work, including all related intellectual property rights. The Contractor agrees to provide, at no additional charge, any assistance and to execute any action reasonably required for the State to perfect its intellectual property rights with respect to the aforementioned work. If the Contractor uses any subcontractors to perform and prepare any of the work, the Contractor shall insure through agreement with the subcontractors that all intellectual property rights in any of the work shall belong exclusively to the State. Failure of the Contractor to insure such rights may be considered by the State to be a material breach of this contract.

8. The Contractor shall agree that they will not furnish or disclose any items owned by the State to a third party without the written permission of the State. This includes both items created as part of this contract and items owned by the State that are incidental to the contract. The Contractor shall also agree not to use items owned by the State for other purposes without the prior written permission of the State.
9. Individuals assigned by the Contractor are employees of the Contractor, and are not, under any circumstances or conditions, employees of the State.

The State will retain the right to release outright or request the replacement of any person who is working at an inferior level of performance. The Contractor will be given 24 hours advance notice of this action.

12. The Contractor's name, logo, or other company identifier may not appear on documentation delivered to the State without written authorization from the Contract Administrator. An exception to this will be transmittal of cover letters showing delivery of said documents.
13. The Contractor will certify in writing that it is in conformance with all applicable federal and state civil rights and practices equal employment opportunity for all persons regardless of race, creed, color, religion, national origin, gender or handicap; it is also in conformance with the requirements of the Americans with Disabilities Act. Failure to comply with the aforementioned laws may result in termination of the contract.
14. The Contractor shall use all software in accordance with the State's license agreements and any further restrictions imposed by the State. The Contractor shall not make any unauthorized copies of any software under any circumstances. Contractors found copying or knowingly using copyrighted software other than for backup purposes are subject to progressive disciplinary action. Contractors shall not provide software to any outsiders including consultants, local governmental units, and others when this would be a violation of law or copyright agreements.
15. Contractors are responsible for maintaining the confidentiality of their passwords and are liable for any harm resulting from disclosing or allowing disclosure of any password. Any conduct that restricts or inhibits the legitimate business use of State systems or network is prohibited. Each person must use State systems and networks only for lawful purposes. Specifically prohibited is any use of State systems or disclosure of any data which would constitute a criminal offense, give rise to civil liability, violate any State of Michigan policy, or otherwise violate any applicable local, state, or federal law. This



also applies to any computer systems or networks that are accessed from State computer systems or networks.

16. The DTMB and the stakeholders have developed, and will continue to develop during the course of this effort, a growing number of information technology standards. The selected Contractor must follow any and all standards adopted by DTMB and the stakeholders. Where standards do not exist, the final acceptance of a new technique, technology, or design will rest with the Project Manager, following consultation and review with DTMB.

## **I-Q DEPARTMENT AND CONTRACTOR RESPONSIBILITIES**

### **Department Responsibilities:**

1. Provide office space within the Departments for temporary employees selected to work on these projects. NOTE: Access to office space during non-working hours must be approved.
2. Provide conference room space when sufficient notice is given and space is available.
3. Provide telephones for calls originating from within the Department of Technology, Management and stakeholders that are project-related.
4. Provide copying services that are project-related.
5. Provide access to Facsimile equipment for items that are project-related.
6. Provide computer hardware and software, as deemed necessary, for all temporary staff/personnel working within the Department.

### **Contractor Responsibilities:**

1. Provide temporary professional services Monday through Friday, during the same work hours as those worked by State employees working at the identified facility.
2. Provide those services requested based on staff having the qualifications identified in this Contract.
3. Provide services on an as needed, if needed, basis. The exact timing and scheduling of the services shall be between the State and the contractor at the time of need.
4. All personnel provided by the Contractor shall be subject to the rules, regulations, and policies of the DTMB, agency/division and the State.
5. The Contractor shall replace all personnel whose work was found to be unsatisfactory within 24 hours of notification. Replacement of discontinued staff will be at the State's sole discretion; the State is not obligated to replace terminated or withdrawn individuals.

In the event an individual has been terminated or has voluntarily withdrawn from an assignment, the State will advise the Contractor which of the following three options will be employed:

- The State can request the same Contractor replace the individual with an individual of equal or greater qualifications.
  - The State can choose from the other candidates submitted in response to the ITB, if they are still available and the proposed rates are still valid.
  - The State can re-issue the ITB and obtain a new list of candidates and rates from eligible Contractors.
6. Contractor shall ensure that staff proposed for assignment are fully trained and meet the skill set requirements of the job position being filled.



7. The State and/or its agencies make changes to their technical architectures from time to time. If a contract individual is assigned to a State project or support area and the technology associated with their assignment changes, the Contractor is responsible for training in the new or changed technology (e.g., Contractor personnel needs training in a particular CASE tool in order to perform their State assignment).

The cost of the course, including any travel expenses, will be the responsibility of the Contractor and the training hours will not be billable to the State). This responsibility includes all fees associated with the actual training course, travel expenses, and also the hours the individual spends in training. The maximum liability to the Contractor firm for training hours for any individual will be two weeks per year.

8. Provide parking when working on-site.
9. Phone calls not related to the project are not to be charged to the State.
10. The Contractor recognizes its responsibility for all tasks and deliverables contained therein, warrants that it has fully informed itself of all relevant factors affecting accomplishment of the tasks and deliverables and agrees to be fully accountable for the performance thereof. In addition, the Contractor assumes full responsibility for the acts of all subcontractors. Contractor shall have sole responsibility for the supervision, daily direction and control, payment of salary (including withholding of income taxes and social security), worker’s compensation, disability benefits and the like for its personnel.

Contractor's management responsibilities include, but are not limited to, the following:

- Ensure personnel understand the work to be performed to which they are assigned.
- Ensure personnel know their management chain and adhere to Contractor policies and exhibit professional conduct to perform in the best interest of the State.
- Ensure personnel adhere to applicable laws, regulations, and Contract conditions governing Contractor performance and relationships with the State.
- Regularly assess personnel performance and provide feedback to improve overall task performance.
- Ensure high quality results are achieved through task performance.
- Provide training.

**I-R USE OF AGENCY STANDARD INFORMATION TECHNOLOGY ENVIRONMENT**

Unless otherwise stated in this Contract, all items produced by the Contractor must run on and be compatible with the information technology environment described in Section III.B. of this Contract.

It is recognized that technology changes rapidly. The staff may request a change in the standard environment using the process identified by DTMB. Any changes must be approved, in writing by DTMB, before work may proceed based on the changed environment.

Additionally, the State needs to be able to maintain software and other items produced as the result of the contract. Therefore, software development tools may not be used unless request is made, in writing, and approved by DTMB, in writing.



## SECTION II CONTRACTUAL SERVICES TERMS AND CONDITIONS

### II-A CONTRACT PAYMENT

The State shall not be liable to pay the Contractor for any work performed prior to the Contractor's receipt of a fully executed Blanket Purchase Order (BPO).

The services shall be provided and invoiced on a monthly basis, as used. After the services have been rendered, the Contractor shall invoice the State in accordance with the payment provisions of the Contract. Invoices must list the project, agency, Contract number and monthly rate. All invoices MUST include copies of timesheets signed by the project manager verifying hours were worked and that services were acceptably performed.

The State shall not be liable to pay the Contractor for any hours worked in excess of the rate stated in the BPO. The State will not pay the Contractor for overtime, holiday or other premium charges or other benefits.

The Contractor shall not receive payment for Services the State finds unsatisfactory or which were performed in violation of federal, state or local law, ordinance, rule or regulation.

### II-B ACCOUNTING RECORDS

The Contractor agrees that the State may, upon 24-hour notice, perform an audit at Contractor's location(s) to determine if the Contractor is complying with the requirements of the Contract. The Contractor agrees to cooperate with the State during the audit and produce all records and documentation that verifies compliance with the Contract requirements.

### II-C INDEMNIFICATION

1. For Purposes of Indemnification as set forth in this section, State means the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents.
2. General Indemnification  
The Contractor shall indemnify, defend and hold harmless the State from and against all losses, liabilities, penalties, fines, damages, and claims (including taxes), and all related costs, and all related costs and expenses (including reasonable attorneys; and costs of investigation, litigation, settlement, judgments, interest and penalties), arising from or in connection with any claim, demand, action, citation or legal proceeding against the State arising out of or resulting from the death or bodily injury of any person, or the damage, loss or destruction of any real or tangible personal property, in connection with the performance of services by Contractor, by any of its subcontractors, by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable provided that the Contractor is notified within 30 days from the time that the State has knowledge of such claims. This indemnification obligation shall not apply to the extent, if any, that such death, bodily injury or property damage is caused by the conduct of the State.
3. Patent/Copyright Infringement Indemnification  
The Contractor shall indemnify, defend and hold harmless the State from and against all losses, liabilities, damages (including taxes), and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties) incurred in connection with any action or proceeding threatened or brought against the State to the extent that such action or proceeding is based on a claim that any piece of equipment, software, commodity or service supplied by the Contractor or its subcontractors, or the operation of such equipment, software, commodity or service, or the use or reproduction of any documentation provided with such equipment, software, commodity or service infringes any United States patent, copyright or trade secret of any person or entity, which is enforceable under the laws of the United States.

In addition, should the equipment, software, commodity, or service, or its operation, become or in the State's or Contractor's opinion be likely to become the subject of a claim of infringement, the Contractor shall at the Contractor's sole expense (i) procure for the State the right to continue using the



equipment, software, commodity or service or, if such option is not reasonably available to the Contractor, (ii) replace or modify to the State's satisfaction the same with equipment, software, commodity or service of equivalent function and performance so that it becomes non-infringing, or, if such option is not reasonably available to Contractor, (iii) accept its return by the State with appropriate credits to the State against the Contractor's charges and reimburse the State for any losses or costs incurred as a consequence of the State ceasing its use and returning it.

4. Continuation of Indemnification Obligation

The duty to indemnify will continue in full force and effect, notwithstanding the expiration or early cancellation of the Contract, with respect to any claims based on facts or conditions that occurred prior to expiration or cancellation.

## II-D LIMITATION OF LIABILITY

The Contractor's liability for damages to the State for any cause whatsoever, and regardless of the form of action, whether in contract or tort, shall be limited the value of the Contract or \$200,000 which ever is higher. The foregoing limitation of liability shall not apply to claims for infringement of United States patent, copyright or trade secrets; to claims for death or bodily injury or damage to any real or tangible personal property caused by the negligence or fault of the Contractor; to claims related to the Contractor's unauthorized release of confidential information; to claims covered by other specific provisions of this Contract, if any, calling for liquidated damages; to the Contractor's indemnification obligations under Section II-C; and to the receipt of court costs or attorney's fees that might be awarded by a court in addition to damages after litigation based on this Contract.

Neither the Contractor nor the State shall be liable to the other for indirect or consequential damages even, if such party has been advised of the possibility of such damages. This limitation as to indirect or consequential damages does not apply to claims for infringement of United States patent, copyright or trade secrets; to claims related to the Contractor's unauthorized release of confidential information; to other specific provisions of this Contract, if any, calling for liquidated damages; or to the receipt of court costs or attorney's fees that might be awarded by a court in addition to damages after litigation based on this Contract.

## II-E CONTRACTOR'S LIABILITY INSURANCE

BEFORE STARTING WORK THE CONTRACTOR MUST FURNISH TO THE DIRECTOR OF PURCHASING OPERATIONS, CERTIFICATE(S) OF INSURANCE VERIFYING LIABILITY COVERAGE. THE CONTRACT OR PURCHASE ORDER NO. MUST BE SHOWN ON THE CERTIFICATE OF INSURANCE TO ASSURE CORRECT FILING. These Certificates shall contain a provision that coverage's afforded under the policies will not be canceled until at least fifteen days prior written notice bearing the Contract Number or Purchase Order Number has been given to the Director of Purchasing Operations.

The Contractor shall purchase and maintain such insurance as will protect him from claims set forth below which may arise out of or result from the Contractor's operations under the Contract (Purchase Order), whether such operations be by himself or by any Subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable:

1. Claims under workers' disability compensation, disability benefit and other similar employee benefit act. A non-resident Contractor shall have insurance for benefits payable under Michigan's Workers' Disability Compensation Law for any employee resident of and hired in Michigan; and as respects any other employee protected by workers' disability compensation laws of any other state the Contractor shall have insurance or participate in a mandatory state fund to cover the benefits payable to any such employee.
2. Claims for damages because of bodily injury, occupational sickness or disease, or death of his employees.
3. Claims for damages because of bodily injury, sickness or disease, or death of any person other than his employees, subject to limits of liability of not less than \$100,000 each occurrence and, when



applicable \$300,000 annual aggregate, for non-automobile hazards and as required by law for automobile hazards.

4. Claims for damages because of injury to or destruction of tangible property, including loss of use resulting, subject to a limit of liability of not less than \$50,000 each occurrence for non-automobile hazards and as required by law for automobile hazards.
5. Insurance for Subparagraphs (3) and (4) non-automobile hazards on a combined single limit of liability basis shall not be less than \$100,000 each occurrence and when applicable, \$300,000 annual aggregate.

The insurance shall be written for not less than any limits of liability herein specified or required by law, whichever is greater, and shall include contractual liability insurance as applicable to the Contractor's obligations under the Indemnification clause of the BPO.

## **II-F CANCELLATION**

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

1. **Material Breach by the Contractor.** In the event that the Contractor breaches any of its material duties or obligations under the Contract the State may, having provided written notice of cancellation to the Contractor, cancel this Contract in whole or in part, for cause, as of the date specified in the notice of cancellation.

In the event that this Contract is cancelled for cause, in addition to any legal remedies otherwise available to the State by law or equity, the Contractor shall be responsible for all costs incurred by the State in canceling the Contract, including but not limited to, State administrative costs, attorneys fees and court costs, and any additional costs the State may incur to procure the services required by this Contract from other sources. All excess re-procurement costs and damages shall not be considered by the parties to be consequential, indirect or incidental, and shall be subject to the dollar limitation of liability as provided in Section II-D.

In the event the State chooses to partially cancel this Contract for cause charges payable under this Contract will be equitably adjusted to reflect those services that are cancelled.

In the event this Contract is cancelled for cause pursuant to this section, and it is therefore determined, for any reason, that the Contractor was not in breach of contract pursuant to the provisions of this section, that cancellation for cause shall be deemed to have been a cancellation for convenience, effective as of the same date, and the rights and obligations of the parties shall be limited to that otherwise provided in the Contract for a cancellation for convenience.

2. **Cancellation For Convenience By the State.** The State may cancel this Contract for its convenience, in whole or part, if the State determines that such a cancellation is in the State's best interest. Reasons for such cancellation shall be left to the sole discretion of the State and may include, but not necessarily be limited to (a) the State no longer needs the services or products specified in the Contract, (b) relocation of office, program changes, changes in laws, rules, or regulations make implementation of the Contract services no longer practical or feasible, and (c) unacceptable prices for additional services requested by the State. The State may cancel the Contract for its convenience, in whole or in part, by giving the Contractor written notice 30 days prior to the date of cancellation. If the State chooses to cancel this Contract in part, the charges payable under this Contract shall be equitably adjusted to reflect those services that are cancelled.
3. In the event that funds to enable the State to effect continued payment under this Contract are not appropriated or otherwise made available. The 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 project. If funds are not appropriated or otherwise made available, the State shall have the right to cancel this Contract at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of cancellation to the Contractor. The State shall give the Contractor written notice of such non-appropriation or unavailability within 30 days after it receives notice of such non-appropriation or unavailability.

4. In the event the Contractor, an officer of the Contractor, or an owner of a 25% or greater share of the Contractor, is convicted of a criminal offense incident to the application for or performance of a State, public or private Contract or subcontract; or convicted of a criminal offense including but not limited to any of the following: embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, attempting to influence a public employee to breach the ethical conduct standards for State of Michigan employees; convicted under State or federal antitrust statutes; or convicted of any other criminal offense which in the sole discretion of the State, reflects upon the Contractor's business integrity.
5. In the event any final administrative or judicial decision or adjudication disapproves a previously approved request for purchase of personal services pursuant to Constitution 1963, Article 11, section 5, and Civil Service Rule 4-6. Cancellation may be in whole or in part and may be immediate as of the date of the written notice to the Contractor or may be effective as of the date stated in such written notice.

#### **II-G ASSIGNMENT**

The Contractor shall not have the right to assign this Contract or to assign or delegate any of its duties or obligations under this Contract to any other party (whether by operation of law or otherwise), without the prior written consent of the State. Any purported assignment in violation of this section shall be null and void. Further, the Contractor may not assign the right to receive money due under the Contract without the prior written consent of the State Purchasing Operations Director.

#### **II-H DELEGATION**

The Contractor shall not delegate any duties or obligations under this Contract to a subcontractor other than a subcontractor named in the bid unless the State Purchasing Operations Director has given written consent to the delegation.

#### **II-I NON-DISCRIMINATION CLAUSE**

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

#### **II-J UNFAIR LABOR PRACTICES**

Pursuant to 1980 Public Act 278, as amended, MCL 423.231, et seq, the State shall not award a Contract or subcontract to an employer whose name appears in the current register of employers failing to correct an unfair labor practice compiled pursuant to section 2 of the Act. This information is compiled by the United States National Labor Relations Board.

A Contractor of the State, in relation to the Contract, shall not enter into a Contract with a subcontractor, manufacturer, or supplier whose name appears in this register. Pursuant to section 4 of 1980 Public Act 278, MCL 423.324, the State may void any Contract if, subsequent to award of the Contract, the name of the



Contractor as an employer, or the name of the subcontractor, manufacturer or supplier of the Contractor appears in the register.

#### **II-K SURVIVOR**

Any provisions of the Contract that impose continuing obligations on the parties including, but not limited to the Contractor's indemnity and other obligations shall survive the expiration or cancellation of this Contract for any reason.

#### **II-L GOVERNING LAW**

This Contract shall in all respects be governed by, and construed in accordance with, the laws of the State of Michigan. Any dispute arising herein shall be resolved in the State of Michigan.

#### **II-M NO WAIVER OF DEFAULT**

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

#### **II-N SEVERABILITY**

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

#### **II-O 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 this Contract.

#### **II-P RELATIONSHIP OF THE PARTIES**

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

#### **II-Q MISCELLANEOUS**

1. The Contractor covenants that it is not, and will not become, in arrears to the State upon any contract, debt, or any other obligation to the State, including real property and personal property taxes.
2. **DAMAGES FOR UNAUTHORIZED PERSONNEL CHANGES**
  - a. The Contractor shall not replace the personnel designated in this Contract without the prior, written approval of the State.
  - b. If the Contractor violates this requirement, it shall pay the State, as liquidated damages and not as a penalty, a sum equal to the amount payable under this Contract.
  - c. The State may recover the amount due from the Contractor under this section by setting off against any amount due under this Contract or other contracts it may have with the Contractor.
3. **AUTHORIZATION & CAPABILITY**
  - a. The Contractor warrants that it has taken all corporate actions necessary for the authorization, execution, delivery and performance of this Contract. It is ready to perform its obligations.
  - b. The Contractor further warrants that the person signing this Contract is authorized to do so on behalf of the Contractor and is empowered to bind the Contractor to this Contract.



### SECTION III WORK STATEMENT

#### A. Brief Description of Work

This Project Manager will work with the Licensing Stakeholders and the Michigan Business One Stop (MBOS) team to evaluate Commercial Off The Shelf (COTS) solutions that can serve as the One Stop Pilot and satisfy ELS requirements.

The Project Manager will leverage the Functional Requirements that were documented for ELS and augment those requirements with input from other State of Michigan licensing operations to determine the best “fit” for the State, from a requirements and budget perspective.

Upon acceptance of a preferred solution for the Enterprise Licensing System, the Project Manager will assist the state by providing project plans and oversight for the acquisition and implementation (including customization and conversion) of the preferred solution.

#### B. Background on the work requested

Michigan Business One Stop (MBOS) is a Governor’s initiative to attract new businesses to Michigan and to improve the overall business climate in the State. Business owners can apply for or renew permits and licenses, file annual reports and pay unemployment taxes, or any other fees they are subject to under state law. Because one of the goals of the MBOS Program is to serve as the common portal for all licensing programs, many agencies need to modify or create applications in order to leverage the MBOS portal. The existence of several licensing system in the state makes this effort a complex one and also a time consuming effort which puts the MBOS project at a risk. In order to bring all the state licensing system into one umbrella, a new project was started which is Enterprise Licensing System (ELS).

Some preliminary project work was performed under a prior ReStart contract, # 071B9200130, titled “RE:START DIT/MBSII”. The term of that contract was 2/3/2009 – 1/31/2010. That contract was specifically for “The Michigan Department of Agriculture’s portion of the Michigan Business One Stop project, formerly known as the Michigan Business Service Improvement Initiative (MBSII). There is a time gap between the end of that contract, and the beginning of this one, due to delays in modifying the scope of the project and obtaining and requiring executive approvals.

#### C. Objectives

This Project Manager will work with the multiple agency business and technical users and in concert with the Michigan Business One Stop (MBOS) team to evaluate Commercial Off The Shelf (COTS) solutions that can serve as the One Stop Pilot and also fulfill the requirements identified for ELS.

The Project Manager will leverage the Functional Requirements that were documented for ELS and augment those requirements with input from other State of Michigan licensing operations to guide Licensing Stakeholders in determining the best solution for the State. The recommendation must accommodate the State’s timeline for implementing a Licensing Pilot for MBOS. The Project manager may also assist DTMB in managing projects for DNRE, MDA, Treasury, Gaming and Lottery that deals with tough deadlines and budgetary constraints.

#### D. Agency technical environment for the work

The State has a very complex network. The network has different perimeter entry points, and an internal network made up of a large wide-area network (WAN), a large metropolitan area network (MAN), and 3 hosting centers located in the Lansing metropolitan area.

#### Vendor Extranet:

This zone allows vendors to connect to the SOM network via either point-to-point WAN circuits, or Gateway to Gateway VPN over the internet. The SOM currently allows vendors to place their network equipment on our premise, or they can terminate their connection at our dmarc at an SBC facility. This zone is separated from the SOM network with a firewall. This access is application only; remote control access is not allowed.

#### SOM Lansing Metropolitan Area Network (LMAN):



This is the SOM's high-speed backbone network that is utilized by SOM employees to access SOM resources and Internet resources. The backbone is made up of redundant fiber links capable of transporting 2GBPS of traffic. Several State buildings as well as the State's 3 hosting centers are also connected to the backbone thru a distribution layer network.

#### **Agency Internet DMZ:**

This zone is for public-facing server access to the Internet. This zone is firewall protected from the Internet, as well as from the LMAN. Servers in this zone can connect with 100mb Ethernet. The state currently has Internet services provided by Merit and Sprint to provide redundancy. This zone is available at all 3 hosting centers.

All code changes undergo a three-step process to be introduced into production:

1. First, code is developed locally on the developer's workstation and tested in the "development" server environment, which is composed of MS SQL (2000 or 2005) database, Microsoft SQL 2000 or 2005 Reporting Services Server, and Windows 2000/2003 server that serves as both application and Web server (IIS 6.0). Work will be performed utilizing tools on the local developer's machine utilizing server based source code control. Contractors will be given Read/Write on all development servers as needed.
2. Second, once development is completed and initially tested, the code is moved to the Quality Assurance (QA) environment. The QA environment mimics the production environment and consists of Load Balanced Web Servers (IIS 6.0), Application Server (Windows 2000/2003), Microsoft SQL 2000 or 2005 Reporting Services Server, and Active/Active Clustered SQL Servers (MS SQL 2000 or 2005). Client(s) perform final user acceptance testing (UAT) to verify proper functionality.
3. Finally, once approval has been received, the code changes are promoted by DTMB staff to the Production Environment utilizing the same installation script(s) used for the QA environment. The Production Environment is composed of Load Balanced Web Servers (IIS 6.0), Application Server (Windows 2000/2003), Microsoft SQL 2000 or 2005 Reporting Services Server, and Active/Active Clustered SQL Servers (MS SQL 2000 or 2005).

#### **The platform for the current Enterprise Licensing System is:**

The technical environment for the Enterprise Licensing System has not been defined. The platform will be determined after reviewing potential Commercial Off The Shelf (COTS) applications to determine if a COTS package will meet the requirements for the ELS. The ELS will have a requirement to interface with the Michigan Business One Stop portal. This pilot, if successful, will be the proposed 'model' for all future fully integrated licenses and will be implemented in a java environment. At the completion of the pilot, an evaluation will occur that will determine the direction of future implementations.

#### **E. Description of the requested work, including deliverables and knowledge transfer**

The Project Manager will provide for the management and direction for the in-house project team and technical contractor in the complete and successful new development, conversion, modifications and enhancements of existing applications, providing the continued and new functionality required for the State's business operations for each of the agencies.

The project to be managed consists of the following high-level components:

1. Project Management
2. Business requirements validation and verification
3. Technical requirements validation and verification
4. Design of the replacement system
5. Development of the replacement system, including test plan and test scripts
6. Testing of replacement system in test environment
7. Production, load system to production environment, conversion of data
8. Training / Documentation
  - o User training and documentation
  - o System Administration training and documentation
9. Maintenance and Support
10. Additional enhancements identified through the business requirement process or legislatively mandated



Provide direction to SOM senior-level resources, during project initiation and planning. This includes recommendations on scope, resources and cost, as well as the best course of action/approach to attain the project objectives.

Provide project management for all project activities to ensure that project will be completed on time, within budget and within scope. This includes the development and execution of detailed project plans (and supporting documents) for all phases of the project including defining and analyzing client business requirements and developing statements of work for vendor services.

Develop, maintain and execute a comprehensive project plan and project artifacts for each phase of the project following the State's project management methodology.

Manage the business and system assessment documentation process working closely with the client stakeholders and subject matter experts. Review and analyze the results, alternative strategies, and recommend a plan to move forward to MDIT Project Manager.

Facilitate working sessions to gather business requirements. Develop a Request for Proposal document (s) detailing the application as envisioned in the Business and System Assessment document using State of Michigan standard RFP template. Assist the SOM in developing proposal evaluation plans and vendor selection.

Develop and execute a Communication Plan, detailing communications interactions with team, management, and stakeholders. Plan for and assist the Project Sponsor in sponsor-led communications and events. Develop and implement change control system; produces change management plans related to risk, costs, scope and time as part of change control system. Practice and implement effective control processes to ensure each project is delivered within scope and on time and on budget.

Provide State of Michigan resource planning, forecasting and role and skill descriptions.

Maintain records of work completed and deliverables. Ensure all program and system documentation is complete before approvals and payments are made.

Transition project knowledge to State staff over the project life cycle to ensure business continuity at the end of the contract.

Must adhere to State's Project Management Suite methodology.

The State of Michigan Project Management Methodology (PMM) will be used. This includes the project phases and processes to be accomplished, all templates that guide the user through processes necessary to complete activities throughout the project life cycle. More details of this methodology can be seen at: <http://www.michigan.gov/suite>.

Analyze recommended technical and business approaches and propose an integrated solution and plan that will meet the needs of the client

#### **SCOPE OF WORK:**

Perform Project Management tasks for the Enterprise Licensing System (ELS) Initiative, and other potential information technology projects. Review, evaluate and propose the right solution for ELS and complete the final recommendation document of the licensing software selected for ELS.

#### **TASKS:**

1. Set up a proof of Concept Analysis of the identified COTS package.
2. Ensure that the identified software functionality addresses Department licensing requirements
  - Require the vendor to provide demonstrations to each Department based upon
    - Use Cases focused on requirements for licensing businesses
    - Requirements gathered during Department meetings



- Comments/Issues raised as part of Spotlight evaluations
  - Proposed integration with One Stop
- Review current contracts with the State
- 3. Document Enterprise Requirements
  - Determine owner of Enterprise Licensing Project
  - Determine Enterprise requirements for One Stop, including
    - Enterprise functional requirements
    - Integration with One Stop Forms
    - Instant Acknowledgement
  - Guide License Stakeholders in determining the desired architecture for enterprise solution
  - Potential integration with Document Management System(s)
- 4. Develop Final Recommendations Document
  - Review demonstration evaluations and Enterprise Licensing Requirements with individual Agencies and document any outstanding functional gaps
  - Determine estimated costs for enterprise solution
    - Include approach and estimated costs for pilot
  - Create Final Recommendations Document

#### **DELIVERABLES:**

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

1. Document Enterprise Requirements
2. Manage the evaluation of selected COTS packages to determine the candidate for the pilot
3. Plan, execute, manage and complete the ELS Pilot using SUITE.
4. Work with purchasing to determine the best contract vehicle to procure the desired solution
5. Develop Final Recommendations Document
6. Provide Project Management guidance and leadership to complete the Enterprise Licensing System Initiative and other large technology projects.

#### **F. Any specific regulations, requirements or expertise applicable, including specific background/security checks required.**

##### **Project Manager Senior (not to exceed rate \$110.00)**

Plans and coordinates work teams. Provides management and technical support to project team members. Handles complex projects. Designs and implements project plans. Generally manages a group of applications system analysts or infrastructure specialists. Relies on experience and judgment to plan and accomplish goals. Typically reports to a senior manager.

#### **Each candidate must have:**

1. Seven years of recent IT project management experience and have demonstrated expert knowledge skills and abilities in project management.
2. Five years experience in analyzing, validating and documenting, project scopes, and business requirements.
3. Five years experience in facilitating meetings with clients and stakeholders for software development projects.
4. Bachelor's degree with 21 semester (32 term) credits hours in an information technology related major.
5. Professional certification in Project Management, such as the Project Management Professional (PMP) certification from the Project Management Institute or George Washington University.
6. Experience in Enterprise Licensing Systems software development, that can support businesses or professional licenses.
7. Experience in developing business requirements for licensing applications
8. Experience in successfully managing Information Technology projects whose budget was:
  - greater than \$1,000,000,
  - and whose timeline was greater than 2 years.
9. Experience in successfully managing IT projects whose scope included:
  - project management,



- risk analysis of the current system problems and process deficiencies,
  - and recommendations for business process and system improvements. Prefer experience with web-based IT projects.
10. Experience in writing and developing a Statement of Work and evaluation plan for Requests for Proposals (RFP) or Invitation to Bids (ITB) for IT projects.
  11. Extensive information technology knowledge, including familiarity with Physical System Architecture, Hardware, System Utilization, Data Storage, Configuration Management, Application software development methodology and tools, Networks, Security and Telecommunications. .
  12. Experience with software development quality assurance and testing.
  13. Experience in MS Project, MS Excel, MS Word, MS PowerPoint, macros charting
  14. Experience with software system development life cycle (SDLC)

**G. Reports required**

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

- Hours: Indicate the number of hours expended during the past two weeks, and the cumulative total to date for the project. Also state whether the remaining hours are sufficient to complete the project
- Accomplishments: Indicate what was worked on and what was completed during the current reporting period.
- Funds: Indicate the amount of funds expended during the current reporting period, and the cumulative total to date for the project
- Planned effort for the next period
- Outstanding issues
- Decisions or information the project team is waiting for.

See description of templates for additional reporting that may be applicable during the project life cycle in “F” immediately above.

**H. Location where the work is to be performed**

Various locations in the Lansing, MI Metropolitan area.

**I. Hours** - (7:45pm - 4:45pm), Monday - Friday

**J. State’s contract/project manager for the work [who does the Contractor report to]**

Name: Jeanne Irwin  
 Address: MDIT, Agency Services, 5<sup>th</sup> Floor, South Tower, Constitution Hall, Lansing  
 Phone: (517) 241-4652

**K. The numbers of personnel by skill set (classification), One**

**L. Project Manager Senior**

Project Manager capabilities with 7 or more years of experience.

**M. Start and End Dates for the work – June 1, 2010 thru May 31, 2011**

**N. PRICE PROPOSAL**

1. All rates quoted in this Contract will be firm for the duration of the contract. No price changes will be permitted.
2. Pricing  
 Classification/skill set: Senior Project Manager- Gregory Hopkins  
 Hourly Rate: \$105.00 x 1984 = \$208,320.00