

STATE OF MICHIGAN
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET October 29, 2010
 PURCHASING OPERATIONS
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 2
TO
CONTRACT NO. 071B0200249
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR		TELEPHONE (616) 696-0582
INFOR GLOBAL SOLUTIONS, MICHIGAN INC 13560 Morris Rd. Suite 4100 Alpharetta, GA 30004 Kandi.Foley@infor.com		Kandi Foley
		CONTRACTOR NUMBER/MAIL CODE
		BUYER/CA (517) 373-3993 Dale Reif
Contract Compliance Inspector: Barbara Suska 472-MSI SYTELINE UPGRADE TO VERSION 8.0		
CONTRACT PERIOD: 3 yrs. + 3 one-year options From: June 7, 2010 To: June 6, 2013		
TERMS		SHIPMENT
N/A		N/A
F.O.B.		SHIPPED FROM
N/A		N/A
MINIMUM DELIVERY REQUIREMENTS N/A		
MISCELLANEOUS INFORMATION:		

NATURE OF CHANGE(S):

This Contract Change Notice replaces all Price Tables in their entirety with the attached Price Tables. MAPICS Business Intelligence for Syteline, Syteline Crystal Reports-embedded license and Infor ERP SL Business Intelligence (5 pack) maintenance have been removed. All other terms and conditions remain the same.

AUTHORITY/REASON(S):

Per vendor and DTMB Purchasing Operations agreement.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$350,314.98

Table: Project Cost Summary:

No.	Project Cost(s)	Cost (\$)	Comments
A.	Software Breakdown provided in Table 1	\$37,500.00	Includes Crystal Reports and EPAK
B.	Business Requirements and Implementation Costs (Customization of COTS) Breakdown provided in Table 2	\$88,170.00	Includes implementation of EPAK
C.	Training, Documentation, Knowledge Transfer/Transition Give breakdown in Table 3	\$34,340.00	Includes EPAK training
D.	Software Maintenance and Support (3 years EPAK with Content, Syteline 8.01) Give breakdown in Table 4	\$178,759.19	Includes three-years of Knowledge Zone Level I Subscription and maintenance @ \$1,828.38 per year
Total Project Cost		\$338,769.19	

The State reserves the right to not purchase year two subscription and maintenance for the Knowledge Zone product,

Table 1: Breakdown of Software Licenses

No.	Software license(s) cost	Product Name and Version	Cost (\$)	Comments
A.	Upgrade of current Michigan State Industries multi site (34) Commercial off the Shelf (COTS) Enterprise Resource Planning (ERP) system from version 6.01 to version 8.01	Upgrade Syteline 6.01 to Syteline 8.01	\$500.00	The \$500 fee is for Crystal Reports
	Enterprise Performance Accelerator Kit (EPAK) with Content	EPAK	\$37,000.00	This is 50% off of original price per Infor FLEX program.
Total Cost of Software Licenses including COTS and Third Party Software			\$37,500.00	

The State of Michigan/Michigan State Industries currently has an up to date paid maintenance and support agreement that includes this upgrade.

Table 2: Customization of COTS - Business Requirements and Implementation Costs

No.	Category	Total cost (\$) (Contractor must transfer category totals to Project Summary Cost Table)	Comments (Contractor must provide a narrative to explain how they arrived at the costs identified)
B.	Business Requirements Includes: <ul style="list-style-type: none"> • Validation and verification of current custom business requirements within Syteline 6.01 that are not standard in SyteLine 8.01. • Documenting non standard customizations identified that require contractor assistance. • Retrofit customizations identified in planning phase using MS SQL programming for Syteline 8.01 	\$16,300	We are providing 2 SOW's, one without EPAK implementation and training and the other including EPAK implementation and training. The costs within this RFP include all EPAK costs.
	Implementation		
	Data Conversion and Migration Includes: <ul style="list-style-type: none"> • Convert, test and validate all Progress databases to MS SQL 	\$34,630	
	Installation and Configuration Includes: <ul style="list-style-type: none"> • Syteline 8.01 ERP • Data Collection • EPAK with content • MS SQL Database Contractor must upgrade SyteLine from version 6.01 to the standard unmodified State owned SyteLine 8.01 licensed software version.	\$8,300	
	Pilot and Testing: Includes: <ul style="list-style-type: none"> • The contractor creating a Test/ Pilot and Production environment including system administration testing for multi-site setup for 34 sites. • The Contractor will create sufficient pilots to assess and successfully migrate data, setup and configure software and assist go live readiness. 	\$26,940	
	Interface/Integration with Data Collection System	\$2,000	
	Combined Total Business Requirements & Implementation Costs (data conversion, data migration, installation, configuration, pilot/testing and interfaces/integration)	\$88,170	

Table 3: Breakdown of Training, Documentation, Knowledge Transfer/Transition Cost

No.	Training and Documentation	Cost (\$)	Comments
C.	<p>Train the Trainer for up to ten (10) State staff in Lansing, MI at a State provided location and dates as mutually agreed upon for: SyteLine 8.01 System Administration SyteLine 8.01 navigation and net change</p> <p>Train the Trainer in Lansing, MI at a State provided location and dates mutually agreed upon for Crystal reports for up to three (3) MSI staff EPAK development for up to three (3) MSI staff Database, application and systems administration for up to three (3) MDTMB staff. This will include technical training to configure the applications including establishing databases and interfaces, data conversion, customization and upgrading customized software and security.</p> <p>This will include all training manuals, training plans and other documentation provided by Contractor which become the property of the State.</p>	\$28,840	<p>Training Breakdown:</p> <p><u>*Original:</u> System Admin 16 @ 175.00 = \$2,800.00 Syteline Delta 40 @ 215.00 = \$8,600.00 Crystal Reports 16 @ 215.00 = \$3,440.00 EPAK 80 @ 175.00 = \$14,000.00 Total \$28,840.00</p> <p><u>Revised:</u> System Admin 16 @ 175.00 = \$2,800.00 Syteline Delta 40 @ 215.00 = \$8,600.00 Crystal Reports 16 @ 215.00 = \$3,440.00 EPAK 40 @ 175.00 = \$5,250.00 Total \$28,690.00</p> <p>Original Training cost \$28,840.00 less revised training cost \$28,690.00 = \$150.00 savings.</p>
	<p>Documentation – Contractor must provide complete upgrade and configuration documentation which includes any customization of MS SQL programming code, Crystal Reports or .Net code</p> <p>Business process documentation</p> <p>Upgrade process documentation</p>	\$5,500	
	Total Training and Documentation Cost	\$34,340	

Table 4: Recurring Costs: Software Maintenance and Support

No.	Cost Categories	Software Cost (\$)	Comments
D.	Software and Hardware Maintenance and Support cost Includes : This is for Syteline 8.01, EPAK module and all future software updates and system enhancements applicable to system modules licensed to the State.		The prices reflect the cost once the Syteline 8 software is installed and used in a production environment at Michigan State Industries.
	Original and once Syteline 8 implemented:	\$42,411.00	
	Syteline 8 maintenance items:	\$985.00	
	Syteline ERP - Transaction User		
	Syteline ERP - Data Collection User		
	Syteline Crystal Reports - Embedded License - ERP	\$0.00	
	EPAK End User	\$865.97	KnowledgeZone subscription is currently co-termed with existing SL6 maintenance. The cost includes the purchase of Knowledge Zone subscription per year. Per contractor the State has been grandfathered into a Level 1 price for Knowledge Zone.
	EPAK Developer	\$1,519.24	
	EPAK ERP Syteline Content	\$5,064.15	
	Knowledgezone Level 1 – Online Guide Subscription	\$8625.00	
	Knowledgezone Level 1 maintenance	\$1725.00	
	Change Notice #2 for Year 1 (11/1/10 to 10/31/11) for maintenance coverage of both Syteline 6.0 and then Syteline 8.01 once implemented:		
	Syteline Progress Package Maintenance	\$8,644.82	
	Infor ERP Syteline Data Collection maintenance	\$985.40	
	Infor ERP Syteline maintenance	\$39,810.75	The price is \$1,828.38 per year with no maintenance fee.
	Infor ERP Syteline source Code maintenance	\$6,967.26	If the State elects to continue the use of the Knowledge Zone subscription after year 3 additional funding will be required and approved as a contract change.
	EPAK Content maintenance (5/31/10 to 5/30/11) to co term with current agreement	\$5,064.15	
	EPAK Content maintenance (5/31/11 to 10/31/11)	\$2110.06	
	EPAK Development license maintenance (5/31/10 to 5/30/11) to co term with current agreement	\$1,519.24	
	EPAK Development maintenance (5/31/11 to 10/31/11)	\$633.02	
EPAK 90 users maintenance (5/31/10 to 5/30/11) to co term with current agreement	\$865.97		
EPAK 90 users maintenance (5/31/11 to 10/31/11)	\$360.82		
Year 1 (11/1/10 – 10/31/11) of all modules identified in gray shaded area above Original and change Order #2.	\$56,408.23		
Year 1 (11/1/10 – 10/31/11) Knowledge Zone Level 1 subscription	\$1,828.38		
Year 2 (11/1/11- 10/31/12) of all modules identified in gray shaded area above	\$52370.72		
Year 2 (11/1/11 – 10/31/12) Knowledge Zone Level 1 subscription	\$1,828.38		
Year 3 (11/1/12 – 10/31/13) of all modules identified in gray shaded area above	\$53941.84		
Year 3 (11/1/12 – 10/31/14) Knowledge Zone Level 1 subscription	\$1,828.38		
Total Software Maintenance and Support Recurring Costs for Years 1, 2 and 3	\$178,759.19		

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 20, 2010

CHANGE NOTICE NO. 1
TO
CONTRACT NO. 071B0200249
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR		TELEPHONE (616) 696-0582
INFOR GLOBAL SOLUTIONS, MICHIGAN INC 13560 Morris Rd. Suite 4100 Alpharetta, GA 30004 Kandi.Foley@infor.com		Kandi Foley
		CONTRACTOR NUMBER/MAIL CODE
		BUYER/CA (517) 373-3993 Dale Reif
Contract Compliance Inspector: Barbara Suska 472-MSI SYTELINE UPGRADE TO VERSION 8.0		
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D.	Software Maintenance and Support (3 years EPAK with Content, Syteline 8.01) Give breakdown in Table 4	\$178,212.73	Includes three years of Knowledge Zone Level I Subscription @ \$1,828.38 per year
	Total Project Cost	\$338,222.73	

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	Total Training and Documentation Cost	\$34,340	

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

June 3, 2010

NOTICE
OF
CONTRACT NO. 071B0200249
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR		TELEPHONE (616) 696-0582 Kandi Foley
INFOR GLOBAL SOLUTIONS, MICHIGAN INC 13560 Morris Rd. Suite 4100 Alpharetta, GA 30004 Kandi.Foley@infor.com		CONTRACTOR NUMBER/MAIL CODE
		BUYER/CA (517) 373-3993 Dale Reif
Contract Compliance Inspector: Barbara Suska 472-MSI SYTELINE UPGRADE TO VERSION 8.0		
CONTRACT PERIOD: 3 yrs. + 3 one-year options From: June 7, 2010 To: June 6, 2013		
TERMS N/A	SHIPMENT N/A	
F.O.B. N/A	SHIPPED FROM N/A	
MINIMUM DELIVERY REQUIREMENTS N/A		
MISCELLANEOUS INFORMATION:		

Estimated Contract Value: \$350,314.98

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

CONTRACT NO. 071B0200249
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR INFOR GLOBAL SOLUTIONS, MICHIGAN INC 13560 Morris Rd. Suite 4100 Alpharetta, GA 30004 <p style="text-align: right;">Kandi.Foley@infor.com</p>	TELEPHONE (616) 696-0582 Kandi Foley CONTRACTOR NUMBER/MAIL CODE BUYER/CA (517) 373-3993 Dale Reif
Contract Compliance Inspector: Barbara Suska <p style="text-align: center;">472-MSI SYTELNE UPGRADE TO VERSION 8.0</p>	
CONTRACT PERIOD: 3 yrs. + 3 one-year options From: June 7, 2010 To: June 6, 2013	
TERMS <p style="text-align: center;">N/A</p>	SHIPMENT <p style="text-align: center;">N/A</p>
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	
MISCELLANEOUS INFORMATION: The terms and conditions of this Contract are those of RFP # 084R0200060, this Contract and the Contractor's quote. 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.	
Estimated Contract Value: \$350,314.98	

THIS IS NOT AN ORDER: Orders for delivery will be issued directly by the Department of Corrections through the issuance of a Purchase Order Form.

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

<p>FOR THE CONTRACTOR:</p> <hr/> <p style="text-align: center;">Firm Name</p> <hr/> <p style="text-align: center;">Authorized Agent Signature</p> <hr/> <p style="text-align: center;">Authorized Agent (Print or Type)</p> <hr/> <p style="text-align: center;">Date</p>	<p>FOR THE STATE:</p> <hr/> <p style="text-align: center;">Signature Dale Reif, Buyer</p> <hr/> <p style="text-align: center;">Name/Title IT Division</p> <hr/> <p style="text-align: center;">Division</p> <hr/> <p style="text-align: center;">Date</p>
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STATE OF MICHIGAN
Department of Technology, Management and Budget
Purchasing Operations

SyteLine 6.01 to SyteLine 8.01 Software Upgrade Project
Enterprise Resource Planning System
Contract Number 071B0200249

Buyer Contact Information
Dale N. Reif
(517) 373-3993
reifd@michigan.gov



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DEFINITIONS

Days	Means calendar days unless otherwise specified.
24x7x365	Means 24 hours a day, seven days a week, and 365 days a year (including the 366th day in a leap year).
Additional Service	Means any Services/Deliverables within the scope of the Contract, but not specifically provided under any Statement of Work, that once added will result in the need to provide the Contractor with additional consideration.
Audit Period	See Section 2.110
Business Day	Whether capitalized or not, shall mean any day other than a Saturday, Sunday or State-recognized legal holiday (as identified in the Collective Bargaining Agreement for State employees) from 8:00am EST through 5:00pm EST unless otherwise stated.
Blanket Purchase Order	An alternate term for Contract as used in the State's 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.
MTDMB	Michigan Department of Technology, 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 CONTRACT 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.
CONTRACT	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.
Other Terms	Capitalized terms defined in the Contractor Agreements and used herein shall have the same meaning as contained in the Contractor Agreements.



Article 1 – Statement of Work (SOW)

1.000 Project Identification

1.001 Project Request

The purpose of this Contract is to upgrade the current Michigan State Industries (MSI) multi-site Commercial off the Shelf (COTS) Enterprise Resource Planning (ERP) SyteLine version 6.01 to version 8.01. Services include the upgrade, installation, configuration and customization of SyteLine 8.01; the purchase of the Enterprise Performance Accelerator Kit (EPAK) module; data conversion and migration from a Progress Database to MS SQL; training, documentation, knowledge transfer and ongoing maintenance and support.

1.002 Background

MSI currently uses SyteLine as its ERP Solution. The current version of SyteLine (SL6.01) is no longer supported. MSI has made the decision to upgrade to SyteLine 8.01. The State owns the software but requires assistance in the upgrade process. The upgrade is for a standard installation of SL8. This is a multi-site system (34 sites) currently hosted in a Citrix environment. SL6.01 uses Progress Database and is written in Progress 4GL. SyteLine 8.01 uses MS SQL Database and Programming and is in .NET.

1.100 Scope of Work and Deliverables

1.101 In Scope

The goal of this Contract is to upgrade to SyteLine 8.01 and maintain the viability of the warranty and maintenance agreement of the upgraded product. This Contract consists of the following high level scope of the work and deliverables, which is further limited by the scope and responsibilities mutually agreed to in the Work Order for such services.

- Project planning
- Installation and configuration of software
 - SyteLine 8.01 ERP
 - Data Collection
 - EPAK (Enterprise Performance Accelerator Kit – With Content)
 - SQL Database
- Data conversion and migration from Progress to MS SQL,
- Customization – Business Requirements
 - Identify and resolve current customizations. Retrofitting where SyteLine 8.01 cannot substitute functionality
- Pilot and Test
- Training to include:
 - SyteLine 8.01 System Administration
 - SyteLine 8.01 navigation and changes from SL6.01
 - SyteLine 8.01 Crystal Reports
 - SyteLine EPAK module.
- Documentation tool with SyteLine 8.01 (EPAK)
- Maintenance and support

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

1.102 Out Of Scope

- The purchase of a new or replacement ERP system is out of scope.
- The purchase of hardware is out of scope.
- Documentation of MSI business processes.



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).

The parties shall work together to help ensure that all services provided as a result of this CONTRACT comply with all applicable State IT policies and standards set forth below ("State IT Policies"). The State will review Contractor's Services, including its methodologies, and to the extent that such Services are inconsistent with any of the State IT Policies, the State shall notify the Contractor in writing of such noncompliance and the Contractor shall work with the State to remedy any such noncompliance. Should there be a question of compliance, both the State and Contractor will work to resolve this issue to the mutual satisfaction of both parties.

The Contractor awarded the contract will use reasonable efforts to request an exception to State IT policies and standards in accordance with MDTMB 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 MDTMB 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 MDTMB. The Contractor must request, in writing, approval to use non-standard software development tools, providing justification for the requested change and all costs associated with any change. The State's Project Manager and MDTMB must approve any tools, in writing, before use on any information technology project.

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

- MDTMB Single Login.
- MDTMB 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>



1.104 Work and Deliverables

As between the Statement of Work in the Contract and the Work Order mutually agreed to and signed by the parties, the Work Order shall control the scope of the Services that are subject of the Statement of Work.

The State reserves the right to purchase additional software licenses, training, services, maintenance and support. These additional purchases will require an amendment to the Contract and may require approval from the State Administrative Board.

A. Project Planning

Contractor must have the current system upgraded to SyteLine 8.01 and in operation by October 1, 2010.

B. Installation and Configuration

The Contractor must upgrade SyteLine 6.01 to the standard unmodified State owned SyteLine 8.01 Licensed Software version within the agreed upon time. The installation and configuration of SyteLine 8.01 must be in a manner that will not affect MSI's maintenance agreement.

The Contractor must install and configure the Enterprise Performance Accelerator Kit with Content software. The installation and configuration of the Enterprise Performance Accelerator Kit with Content must be completed as mutually agreed.

The Contractor must install and configure the Data Collection module as mutually agreed.

Deliverable

- Documented upgrade process.
- Successful upgrade to SyteLine 8.01 and the Data Collection module.
- Purchase, installation and configuration of EPAK (With Content) module.
- Installation and configuration of MS SQL Database.

Acceptance Criteria

DTMB and MSI must provide written approval of each deliverable.

C. Data Conversion and Migration

The Contractor must convert, migrate, test and validate all Progress database tables to MS SQL 2005 within the time line as mutually agreed.

Deliverable

- Successful Data Conversion and Migration from Progress DB to MS SQL 2005.

Acceptance Criteria

DTMB and MSI must provide written approval of each deliverable.

D. Customization - Business Requirements

The Contractor must validate and verify the current business requirements within SyteLine 6.01. SyteLine 8.01 is a COTS product but custom program design with MS SQL, .NET and Crystal Reports may be required for customizations recognized in the Initial Planning Phase. Contractor must resolve current customizations that may require custom programming to the upgraded SyteLine8.01.

Deliverable(s)

- Validate and verify the current custom business requirements within SyteLine 6.01 that are not standard in SyteLine 8.01.
- Document the nonstandard customizations identified that require Contractor assistance.
- Contractor customizes the approved business requirements identified in planning phase

Acceptance Criteria

- Contractor delivers a written requirements document for custom business requirements.



- Contractor delivers a design document for the nonstandard customizations.
- Contractor customizes the approved business requirements implemented in SyteLine 8.01.

E. Pilot and Test

The Contractor must create a test/pilot and production environment including system administration testing. This is a multi-site setup consisting of 34 sites. The Contractor must create sufficient pilots tests to assess data, set up software and assist with go-live readiness. The Contractor and the State must mutually agree to the process and time line for this task.

Deliverable(s)

- Successfully tested the pilot environment in accordance with Section 1.401 and Section 2.250.
- Completed test document as mutually agreed upon.

Acceptance Criteria

DTMB and MSI must approve the completed test document in writing.

F. Training

The Contractor must provide training in a variety of formats and a variety of levels such as basic, advanced and refresher. All training manuals, training plans and other documentation provided become the property of the State. Pricing for the formats, levels, manuals and other associated training costs are located in the attached Pricing Tables.

The Contractor must provide training to MSI and MDTMB staff on product installation, use and administration:

Contractor must provide Train the Trainer classroom training in Lansing, MI at a State provided location and dates as mutually agreed upon for:

- SyteLine 8.01 System Administration up to ten (10) State staff
- SyteLine 8.01 (navigation and net change) up to ten (10) State staff
- Crystal Reports for up to three (3) MSI staff
- EPAK development for up to three (3) MSI staff
- Database, application and systems administration training for up to three (3) MDTMB staff

Deliverable(s)

- Completed Train the Trainer classroom sessions for SyteLine 8.01 System Administration, SyteLine 8.01 (navigation and net change), Crystal Reports, EPAK development and Database, application and systems administration.
- Technical training for MDTMB staff to configure the applications including establishing databases and interfaces, data conversion, customization, and upgrading the customized software.
- System administration training for State personnel who will be responsible administration of the system, including security

Acceptance Criteria

DTMB and MSI must approve the training plan prior to conducting a session including training materials.

G. Documentation

The Contractor must provide comprehensive upgrade and configuration documentation upon completion of the deliverable. This documentation must include any customization of the MS SQL programming code, Crystal Reports software and the .Net code.

Deliverable(s)

- Business Process documentation.
- Upgrade Process documentation.

Acceptance Criteria



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

H. Maintenance and Support

The Contractor must provide maintenance and support for the upgraded SyteLine 8.01, the EPAK module, Data Collection and on all future software updates and system enhancements applicable to system modules licensed to the State under the terms of the Software Support Agreement.

The State will supply the Contractor a SecurID VPN token for remote access to administer the application.

The Contractor must provide the MDTMB Project Manager and the MSI Project Manager with information on software problems encountered at other installations along with the solution to those problems, when such information is relevant to State software.

The Contractor will use reasonable efforts to alert the State of any material errors or defects in the deliverables known, or made known to Contractor from any source during the Contract term that could cause the production of inaccurate, or otherwise materially incorrect, results to the extent they affect the State.

The Contact Customer Care team can be reached 8:00 AM to 5:00 PM EST by dialing 1 877-772-4111.

Assistance may also be found at Contractor's Support Portal at www.infor365.com to register for access and manage all of their support needs. Once an incident is created or updated, a Support Analyst will work directly with the customer to resolve the issue.

1.200 Roles and Responsibilities

1.201 Contractor Staff, Roles, And Responsibilities

A. Contractor Staff

The Contractor must provide sufficient qualified staffing to satisfy the deliverables of this Contract. The Single Point of Contact (SPOC) information for the Contract is as follows:

Kandi Foley
3223 Kraft Avenue
Grand Rapids, MI 49512
(O) 616-696-0582
(M) 616-485-2002
(F) 678-319-9289
kandi.foley@infor.com

B. On Site Work Requirements

1. Additional Security and Background Check Requirements:

Contractor must present certifications evidencing satisfactory Michigan State Police Background checks ICHAT and drug tests for all staff identified for assignment to this project. In addition, proposed Contractor personnel will be required to complete and submit an RI-8 Fingerprint Card for the National Crime Information Center (NCIC) Finger Prints, if required by project. The State will reimburse Contractor for all costs associated with ensuring their staff meets all requirements.

2. Location of Work

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

MDTMB Agency Services (MDOC/AG)
1st Floor Hannah Bldg.
608 W. Allegan St.
Lansing, MI

MSI/Office of Employment Readiness
5656 S, Cedar St.



Suite 100
Lansing, MI 48911

3. 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. Contractor shall observe the same standard holidays as State employees. The State does not compensate for holiday pay or furlough days.
- 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 and agreed to by the Contractor.

4. Travel:

No travel expenses will be reimbursed. This includes travel time and travel costs related to training provided to the State by Contractor.

1.202 State Staff, Roles, And Responsibilities

The State will provide application and database servers. The State will provide the Contractor with remote access to SyteLine servers and databases.

The State will provide the following resources for the Contractor’s use on this project as needed including SecurID and VPN access to Servers and internet access while on site.

The State project team will consist of Executive Subject Matter Experts (SME’s) and a MDTMB and MSI 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 resolve deviations from project plan
- Provide acceptance sign-off
- Ensure timely availability of State resources
- Make key implementation decisions within 48-hours of notification by Contractor.

Name	Agency/Division	Title	Phone/e-mail
Timothy Johnson	MDOC / MSI	Chief Accountant - MSI	johnsotm@michigan.gov
Kelly Raymor	MDTMB – Agency Services	Programmer / Analyst	raymork@michigan.gov

Project Managers

The MDTMB Project Manager and the MSI Project Manager will provide the following services:

- Provide State facilities and coordinate the State resources necessary for the project
- Facilitate communication between different State departments/divisions
- Provide acceptance and sign-off of deliverable/milestone
- Review and approve timesheets and invoices
- Resolve project issues and escalate as needed
- Apply change control procedures
- Monitor project activities to ensure they conform to the original objectives and requirements
- Document and archive all important project decisions
- Arrange, schedule and facilitate State staff attendance at all project meetings.
- Coordinate with the Contractor in determining the system configuration.



Name	Agency/Division	Title
Timothy Johnson	MDOC / MSI	MDOC/MSI Project Manager
Kelly Raymor	MDTMB – Agency Services	MDTMB Project Manager

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

Name	Agency/Division	Title
Barbara Suska	MDTMB	Contract Administrator

1.203 Other Roles And Responsibilities – Deleted NA

1.300 Project Plan

1.301 Project Plan Management

Preliminary Project Plan

Contractor will provide a Preliminary Project Plan with the proposal for evaluation purposes, including necessary time frames and deliverables for the various stages of the project and the responsibilities and obligations of both the Contractor and the State. The Preliminary Project Plan shall include all deliverable/milestones specified in Section 1.104. The Preliminary Project Plan must be created in Microsoft Project or equivalent and include:

- a. A description of the deliverables to be provided under this contract.
- b. Target dates and critical paths for the deliverables.
- c. Identification of roles and responsibilities, including the organization responsible. Contractor is to provide a roles and responsibility matrix.
- d. The labor, hardware, materials and supplies required to be provided by the State in meeting the target dates established in the Preliminary Project Plan.
- e. Internal milestones
- f. Task durations

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

The contractor will conduct a planning session to schedule and coordinate events and resources.

The Project is defined as follows:

- 1. Project Planning
- 2. Data (Financial, Item Master, etc.)
- 3. Architecture

Orientation Meeting

Upon five (5) calendar days from execution of the Contract, the Contractor will be required to attend an orientation meeting to discuss the content and procedures of the Contract. The meeting will be held in Lansing, Michigan, at a date and time mutually acceptable to the State and the Contractor. The State shall bear no cost for the time and travel of the Contractor for attendance at the meeting.

Performance Review Meetings

The State will require the Contractor to attend monthly meetings, at a minimum, to review the Contractor’s performance under the Contract. The meetings will be held in Lansing, Michigan or by teleconference as mutually agreed. The State shall bear no cost for the time and travel of the Contractor for attendance at the meeting.

Project Control

The Contractor will carry out this project under the direction and control of the MDTMB MSI Project Managers. The Contractor will 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>



- Contractor will use an automated tool for planning, monitoring, and tracking Contract 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 fourteen (14) calendar 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.
- 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.

Within ten, (10) working days of the execution of the Contract, the Contractor will submit to the MDTMB and MIS Project Managers for final approval of the Project Plan. 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 project work breakdown structure (WBS) showing sub-projects, activities and tasks, and resources required and allocated to each.

1.302 Reports

Reporting formats must be submitted to the MDTMB and MSI Project Managers for approval within ten (10) business days after the execution of the Contract. The agreed to report format shall become the standard to follow for the duration of the Contract.

- Weekly Project status
- Updated project plan
- Summary of activity during the report period
- Accomplishments during the report period
- Deliverable status
- Schedule status
- Action Item status
- Issues
- Change Control

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 will provide leadership and guidance throughout the project, escalate issues as needed, and attend all Steering Committee Meetings. 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 Project Manager 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 – Project Managers

Level 3 – Executive Subject Matter Experts (SME's)

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 CONTRACT. 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 will 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 Technology, 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 MDTMB 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 MDTMB 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 will 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.

Document Deliverables

1. Documents are dated and in electronic format. Contractor shall use commercially reasonable efforts to make such documents compatible with State of Michigan software in accordance with Article 1.302. The State will be responsible for communicating requirements for these documents to the Contractor, and working with the Contractor to resolve compatibility issues.



2. Requirements documents are reviewed and updated throughout the development process to assure requirements are delivered in the final product.
3. Draft documents are not accepted as final deliverables.
4. The documents will be reviewed and accepted in accordance with the requirements of the Contract and Appendices.
5. MDTMB will review documents within a mutually agreed upon timeframe.
 - a. Approvals will be written and signed by MSI and MDTMB Project Managers.
 - b. Issues will be documented and submitted to the Contractor.
 - c. After issues are resolved or waived, the Contractor will use reasonable efforts to resubmit documents for approval within a mutually agreed to timeframe.

Software Services Deliverables – Software includes, but is not limited to, software product, development tools, support tools, data migration software, integration software, and installation software.

1. Beta software is not accepted as final deliverable.
2. The software services deliverables will be reviewed and accepted in accordance with the requirements of the contract.
3. MDTMB will review software services deliverables within a mutually agreed upon timeframe for acceptance of functionality, usability, installation, performance, security, standards compliance, backup/recovery, and operation.
 - a. Approvals will be written and signed by MSI and MDTMB Project Managers.
 - b. Unacceptable issues will be documented and submitted to the Contractor.
 - c. After issues are resolved or waived, the Contractor will resubmit each software services deliverable for approval within 30 days of receipt.
4. Software services deliverables are installed and configured, with assistance from MDTMB, in an appropriate environment (e.g. development, conversion, QA testing, UAT testing, production, and training).
5. Contingency plans, de-installation procedures, and software services deliverables are provided by the Contractor and approved by MSI and MDTMB Project Managers.
6. Final acceptance of the software services deliverables will depend on the successful completion of User Acceptance Testing (UAT).
7. Testing will demonstrate the software services deliverables compliance with the requirements of the contract. At a minimum, the testing will confirm the following:
 - a. Functional - the capabilities of the software services deliverables with respect to the functions and features described in the contract.
 - b. Performance - the ability of the software services deliverables to perform the workload throughput requirements. All problems should be completed satisfactorily within the allotted time frame.
8. MDTMB will review test software services deliverables, data, and results within a mutually agreed upon timeframe.
 - a. Approvals will be written and signed by MSI and MDTMB Project Managers.
 - b. Unacceptable issues will be documented and submitted to the Contractor.
 - c. After issues are resolved or waived, the Contractor will resubmit test software, data and results for approval within 30 days of receipt.
9. MDTMB will review software license agreements within a mutually agreed upon timeframe.
 - a. Approvals will be written and signed by MSI and MDTMB Project Managers.
 - b. Unacceptable issues will be documented and submitted to the Contractor.
 - c. After issues are resolved or waived, the Contractor will resubmit the license agreement for approval and final signature by the authorized State signatory within 30 days of receipt
10. Software services deliverable's source code, where applicable, is reviewed by MDTMB within a mutually agreed upon timeframe for readability, structure, and configuration management.
 - a. Approvals will be written and signed by MSI and MDTMB Project Managers.
 - b. Unacceptable issues will be documented and submitted to the Contractor.
 - c. After issues are resolved or waived, the Contractor will resubmit source code for approval.



1.502 Final Acceptance

Final acceptance is expressly conditioned upon completion of all deliverables, completion of all tasks in the project plan as approved, completion of all applicable inspection and/or testing procedures, delivery of services, and the certification by the State that the Contractor has met the defined requirements. Final acceptance of any software services deliverables will be formally executed in writing by the State of Michigan and the Contractor after all issues identified during User Acceptance Testing have been resolved, tested, and accepted.

1.600 Compensation and Payment

1.601 Compensation And Payment

MDTMB will pay Contractor upon receipt of properly completed invoice, submitted to the billing address on the State issued Purchase Order not more often than monthly. All invoices must reflect actual work completed by invoice date and must be approved by the MDOC/MSI Project Manager and MDTMB Project Manager prior to payment. The invoice must document a description of the work performed and fees. When expenses are invoiced, receipts must be provided along with a detailed breakdown of each type of expense.

Invoicing

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

- Contract number;
- Purchase Order number
- Contractor name, address, phone number, and Federal Tax Identification Number;
- Date(s) of delivery and/or date(s) of installation and set up;
- Price for each item
- 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.

Method of Payment: Contractor will invoice the State for all services and applicable charges on a bi-monthly basis, as Contractor renders the services or the State incurs the charges, as applicable Payment shall be considered timely if made by the MDTMB within forty-five (45) days after receipt of properly completed invoices. The Costs Table(s) attached must be used as the format for submitting pricing information.

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

Out-of-Pocket Expenses

Contractor out-of-pocket expenses are not separately reimbursable by the State unless, on a case-by-case basis for unusual expenses, the State has agreed in advance and in writing to reimburse Contractor for such an expense at the State's current travel reimbursement rates. The State of Michigan's Standardized Travel Rates and Regulations may be found at: http://www.michigan.gov/dmb/0,1607,7-150-9141_13132---,00.html

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. Payment Schedule
 8. 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.

Maintenance and Support

In the event that funds for maintenance and support are not appropriated by the State in a timely manner for any annual support period, then the State may pay maintenance and support charges on a monthly basis, in arrears. Payment of maintenance service/support of less than one (1) month's duration shall be prorated at 1/30th of the basic monthly maintenance charges for each calendar day. This provision shall not prevent Contractor from exercising any rights and remedies under the Agreements for nonpayment.

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



Article 2, Terms and Conditions

2.000 Contract Structure and Term

2.001 Contract Term

This Contract is for a period of three (3) year beginning June 7, 2010 through June 6, 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 three (3) additional one (1) year periods.

2.003 Legal Effect

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

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

2.004 Attachments & Exhibits

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

2.005 Ordering

The State will issue a written Purchase Order, Blanket Purchase Order, Direct Voucher or Procurement Card Order, which must be approved by the Contract Administrator or the Contract Administrator's designee, to order any Services/Deliverables under this Contract. All orders are subject to the terms and conditions of this Contract and the Software License Agreement, Software Services Agreement and Software Support Agreement between the parties, as applicable. No additional terms and conditions contained on either a Purchase Order or Blanket Purchase Order apply unless they are also specifically contained in that Purchase Order or Blanket Purchase Order's accompanying Statement of Work. Exact quantities to be purchased are unknown; however, the Contractor will be required to furnish all such materials and services as may be ordered during the CONTRACT period.

2.006 Order of Precedence

The Contract, including the Software License Agreement, Software Services Agreement and Software Support Agreement between the parties and 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 the Software License Agreement, Software Services Agreement, Software Support Agreement or a Statement of Work (collectively the Software License Agreement, Software Services Agreement, Software Support Agreement and Statement of Work are referred to herein as the "Agreements"), the terms of the Software License Agreement, Software Services Agreement and Software Support Agreement or Statement of Work, as applicable, will take precedence (as to



that Statement of Work only); provided, however, that any subsequent Statement of Work signed after the effective date of the Contract may not modify or amend the terms of the Contract, unless modified or amended 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. Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Agreements.

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

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



2.022 Contract Compliance Inspector

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

Barb Suska
Michigan Department of Technology, Management and Budget
Enterprise Portfolio Management Office
525 W. Allegan St.
Constitution Hall – 1st floor NW Tower
Suskab2@michigan.gov
517-335-4067
517-241-8852

2.023 Project Managers

The following individual will oversee the project:

Kelly Raymor – MDTMB Project Manager]
Michigan Department of Technology, Management and Budget
608 W. Allegan Street
Hannah building 1st floor
Lansing, MI 48913(Address)
RaymorK@michigan.gov
517-335-2609

Tim Johnson – MSI Project Manager
Michigan State Industries
5656 S. Cedar Street, Suite 100
PO Box 30723
Lansing, MI 48909
johnsotm@michigan.gov
517-373-4107
Fax: 517-373-6697

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, estimated 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 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 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, then mutually agreed upon 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 and the State shall release Contractor from any liability resulting from the requested Change.

(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 Technology, 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 commences performing work outside the scope of this Contract and then ceases performing that work, the Contractor must, at the request of the State, retract any out-of-scope work that would adversely affect the Contract.

2.025 Notices

Any notice given to a party under the Contract must be deemed effective, if addressed to the party as addressed below, upon: (i) delivery, if hand delivered; (ii) receipt of a confirmed transmission by facsimile if a copy of the notice is sent by another means specified in this Section; (iii) the third Business Day after being sent by U.S. mail, postage pre-paid, return receipt requested; or (iv) the next Business Day after being sent by a nationally recognized overnight express courier with a reliable tracking system.

State:

State of Michigan
Purchasing Operations
Attention: Dale N. Reif
PO Box 30026
530 West Allegan
Lansing, Michigan 48909

**Contractor:**

Infor Global Solutions (Michigan), Inc.
Attention: General Counsel
13560 Morris Road, Suite 4100
Alpharetta, Georgia 30004
USA, FAX number 678-319-8949

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 and limits of Contractor's authority policies and procedures. Contractor may change the representatives from time to time upon written notice.

2.027 Relationship of the Parties

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

2.028 Covenant of Good Faith

Each party must act reasonably and in good faith. Unless stated otherwise in the Contract, the parties will not unreasonably delay, condition or withhold the giving of any consent, decision or approval that is either requested or reasonably required of them in order for the other party to perform its responsibilities under the Contract.

2.029 Assignments

Neither party may assign the Contract, or assign or delegate any of its duties or obligations under the Contract, to any other party (whether by operation of law or otherwise), without the prior written consent of the other party; provided, however, that the State may assign the Contract in its entirety to any other State agency, department, division or department without the prior consent of Contractor. Contractor may, upon prompt written notice to the State but without the State's consent, assign all of Contractor's rights and obligations under the Contract and the Agreements in connection with a merger, reorganization, sale or transfer of substantially all of the capital stock or assets of Contractor or its applicable operating division.

2.030 General Provisions**2.031 Media Releases**

News releases (including promotional literature and commercial advertisements) pertaining to the CONTRACT 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 CONTRACT 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 CONTRACT; it may be precluded from bidding on the subsequent CONTRACT. 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 CONTRACT development, or as a Vendor offering free assistance) to gain a competitive advantage on the CONTRACT

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 Prices for Services/Deliverables

Each Statement of Work or Purchase Order issued under this Contract shall specify (or indicate by reference to the appropriate Contract Exhibit) the prices for all Services/Deliverables, and the associated payment terms and payment amounts.

2.042 Adjustments for Reductions in Scope of Services/Deliverables

If the scope of the Services/Deliverables under any fixed price 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 fixed fee 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 approved in writing under the Statement of Work, without executing a Contract Change Notice.

2.044 Invoicing and Payment – In General

- (a) Each Statement of Work issued under this Contract shall list (or indicate by reference to the appropriate Contract Exhibit) the prices for all Services/Deliverables, equipment and commodities to be provided, and the associated payment terms and payment amounts.
- (b) Each Contractor invoice will show details as to charges by Service/Deliverable component and location at a level of detail reasonably necessary to satisfy the State's accounting and charge-back requirements. Invoices for Services performed on a time and materials basis will show, for each individual, the number of hours of Services performed during the billing period, the billable skill/labor category for such person and the applicable hourly billing rate. Prompt payment by the State is contingent on the Contractor's invoices showing the amount owed by the State..
- (c) Correct invoices will be due and payable by the State, in accordance with the State's standard payment procedure as specified in 1984 Public Act No. 279, MCL 17.51 et seq., within 45 days after receipt, provided the State determines that the invoice was properly rendered.



- (d) All invoices should reflect actual work done. Specific details of invoices and payments will be agreed upon between the Contract Administrator and the Contractor after the proposed Contract Agreement has been signed and accepted by both the Contractor and the Director of Purchasing Operations, Department of Management & Budget. This activity will occur only upon the specific written direction from Purchasing Operations.

2.045 Pro-ration - Deleted NA

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.

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.

2.052 Sales and Use Taxes

The State represents and warrants that it is exempt for Michigan sales and use tax on its purchases. Provided that the State provides Contractor with such reasonable supporting documentation as is requested by Contractor evidencing the State's tax exempt status, no such charges for Michigan sales and use taxes will apply.

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 Subcontractor) and must be fully qualified to perform the work assigned to them. Contractor must include a similar provision in any subcontract entered into with a Subcontractor. For the purposes of this Contract, independent contractors engaged by Contractor solely in a staff augmentation role must be treated by the State as if they were employees of Contractor for this Contract only; however, the State understands that the relationship between Contractor and Subcontractor is an independent contractor relationship.

2.062 Contractor Key Personnel – Deleted NA

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

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.

**2.064 Contractor Personnel Location – Deleted NA****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, and at the State's expense, the Contractor will provide to the State's agents and other contractors reasonable access to Contractor's Project personnel, systems and facilities to the extent the access relates to activities specifically associated with this Contract and will not interfere or jeopardize the safety or operation of the systems or facilities. The State acknowledges that Contractor's time schedule for the Contract is very specific and agrees not to unnecessarily or unreasonably interfere with, delay or otherwise impeded Contractor's performance under this Contract with the requests for access.

2.067 Contract Management Responsibilities

Contractor shall have overall responsibility for managing and 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 using reasonable efforts to provide timely notice to the State in Contractor's reasonable opinion if the State's failure to perform its responsibilities in accordance with the Project Plan is likely to delay the timely achievement of any Contract tasks.

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

2.068 Contractor Return of State Equipment/Resources

The Contractor must return to the State any State-furnished equipment, facilities and other resources when no longer required for the Contract in the same condition as when provided by the State, reasonable wear and tear excepted.

2.070 Subcontracting by Contractor**2.071 Contractor Full Responsibility**

Contractor shall have full responsibility for the 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 – Deleted NA**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. .

2.074 Flow Down

Except where specifically approved in writing by the State on a case-by-case basis, Contractor shall include substantially similar obligations as those in **Sections 2.031, 2.060, 2.100, 2.110, 2.120, 2.130, and 2.200** in its agreements with any Subcontractors.

2.075 Competitive Selection

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

2.080 State Responsibilities

2.081 Equipment

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

2.082 Facilities

The State must designate space as long as it is available and as provided in the Statement of Work, to house the Contractor's personnel whom the parties agree will perform the Services/Deliverables at State facilities (collectively, the "State Facilities"). The Contractor must have reasonable access to, and unless agreed otherwise by the parties in writing must observe and comply with all rules and regulations relating to each of the State Facilities (including hours of operation) used by the Contractor in the course of providing the Services. Contractor agrees that it will not, without the prior written consent of the State, use any State Facilities or access any State information systems provided for the Contractor's use, or to which the Contractor otherwise gains access in the course of performing the Services, for any purpose other than providing the Services to the State.

2.090 Security

2.091 Background Checks

On a case-by-case basis, the State may investigate the Contractor's personnel before they may have access to State facilities and systems. The scope of the background check is at the discretion of the State and the results will be used to determine Contractor personnel eligibility for working within State facilities and systems. The investigations will include Michigan State Police Background checks (ICHAT) and may include the National Crime Information Center (NCIC) Finger Prints. Proposed Contractor personnel may be required to complete and submit an RI-8 Fingerprint Card for the NCIC Finger Print Check. Any request for background checks will be initiated by the State and will be reasonably related to the type of work requested.

All Contractor personnel will also be expected to comply with the State's security and acceptable use policies for State IT equipment and resources. See <http://www.michigan.gov/dit>. Furthermore, Contractor personnel will be expected to agree to the State's security and acceptable use policies before the Contractor personnel will be accepted as a resource to perform work for the State. It is expected the Contractor will present these documents to the prospective employee before the Contractor presents the individual to the State as a proposed resource. Contractor staff will be expected to comply with all Physical Security procedures in place within the facilities where they are working.

2.092 Security Breach Notification

If either party breaches this Section, the breaching party 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. Each party must report to the other party in writing any use or disclosure of Confidential Information, whether suspected or actual, other than as provided for by the Contract within 10



days of becoming aware of the use or disclosure or the shorter time period as is reasonable under the circumstances.

2.093 PCI DATA Security Requirements – Deleted NA

2.100 Confidentiality

2.101 Confidentiality.

The following provisions under this Section 2.100 are in addition to the confidentiality obligations set forth in the Agreements.

2.102 Protection and Destruction of Confidential Information

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 the Agreements and 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.

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 – Deleted NA

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. Any such audits must be conducted during normal business hours on Contractor's premises where such records are located and shall be conducted at the State's sole expense.



2.113 Retention of Records

Contractor must maintain at least until the end of the Audit Period all pertinent financial and accounting records (including time sheets and payroll records, and information pertaining to the Contract and to the Services, equipment, and commodities provided under the Contract) pertaining to the Contract according to generally accepted accounting principles and other procedures specified in this Section. Financial and accounting records must be made available, upon request, to the State at any time during the Audit Period. If an audit, litigation, or other action involving Contractor's records is initiated before the end of the Audit Period, the records must be retained until all issues arising out of the audit, litigation, or other action are resolved or until the end of the Audit Period, whichever is later.

2.114 Audit Resolution

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

2.115 Errors

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

2.120 Warranties.

2.121 The following warranties under this Sections 2.120 are in addition to the warranties set forth in the Agreements The contract signatory has the power and authority, including any necessary corporate authorizations, necessary to enter into this Contract, on behalf of Contractor.

- a) It is qualified and registered to transact business in all locations where required.
- b) 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.
- c) 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.
- d) 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.
- e) 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.
- f) To the best of Contractor's knowledge, all financial statements, reports, and other information furnished by Contractor to the State as part of its response to the CONTRACT 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.

- g) As of the effective date of this Contract, 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 that would adversely affect the performance of Contractor's obligation under this Agreement. To the best of Contractor's knowledge, 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.

2.122 Warranty of Merchantability – Deleted NA

2.123 Warranty of Fitness for a Particular Purpose – Deleted NA

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. Goods provided by Contractor, under this Contract, shall be delivered free of any rightful claim of any third person by of infringement or the like. The State's sole remedy for any breach of this warranty is set forth in Section 8 of the Software License Agreement.

2.125 Equipment Warranty – Deleted NA

2.126 Equipment to be New – Deleted NA

2.127 Prohibited Products

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

2.128 Consequences for Breach

The remedies available for breach of the Contract are set forth in the Agreements. All warranty disclaimers and limitations set forth in the Agreements shall apply to the warranties provided above.

If the Contractor breaches any of the warranties contained in this section, the breach may be considered as a default in the performance of a material obligation of this Contract.

2.130 Insurance

2.131 Liability Insurance

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

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

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

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



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

See www.michigan.gov/dleg.

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

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

- 1. Commercial General Liability with the following minimum coverage:
 - \$2,000,000 General Aggregate Limit other than Products/Completed Operations
 - \$2,000,000 Products/Completed Operations Aggregate Limit
 - \$1,000,000 Personal & Advertising Injury Limit
 - \$1,000,000 Each Occurrence Limit

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

- 2. If a motor vehicle is used to provide services or products under this Contract, the Contractor must have vehicle liability insurance on any auto including owned, hired and non-owned vehicles used in Contractor's business for bodily injury and property damage as required by law.

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

- 3. Workers' compensation coverage must be provided according to applicable laws governing the employees and employers work activities in the state of the Contractor's domicile. If 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

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 MDTMB 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 Contractor using reasonable endeavors to provide the State with 30 days prior written notice.. 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 third party 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 to the extent they 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 – Deleted NA

2.143 Employee Indemnification

In any claims against the State of Michigan, its departments, divisions, agencies, sections, commissions, officers, employees and agents, by any employee of the Contractor or any of its subcontractors, the indemnification obligation under the Contract must not be limited in any way by the amount or type of damages, compensation or benefits payable by or for the Contractor or any of its subcontractors under worker's disability compensation acts, disability benefit acts or other employee benefit acts. This indemnification clause is intended to be comprehensive. Any overlap in provisions, or the fact that greater specificity is provided as to some categories of risk, is not intended to limit the scope of indemnification under any other provisions.

2.144 Patent/Copyright Infringement Indemnification

To the extent permitted by law, the Contractor must indemnify, defend and hold harmless the State from and against all losses, liabilities, damages (including taxes), and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties) incurred in connection with any action or proceeding threatened or brought against the State to the extent that the action or proceeding is based on a claim that any piece of equipment, software, commodity or service



supplied by the Contractor or its subcontractors, or the operation of the equipment, software, commodity or service, or the use or reproduction of any documentation provided with the equipment, software, commodity or service infringes any United States patent, copyright, trademark or trade secret of any person or entity, which is enforceable under the laws of the United States.

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

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

2.145 Continuation of Indemnification Obligations

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

2.146 Indemnification Procedures

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

- (a) After the State receives notice of the action or proceeding involving a claim for which it will seek indemnification, the State must promptly notify Contractor of the claim in writing and take or assist Contractor in taking, as the case may be, any reasonable action to avoid the imposition of a default judgment against Contractor. No failure to notify the Contractor relieves the Contractor of its indemnification obligations except to the extent that the Contractor can prove damages attributable to the failure. Within 10 days following receipt of written notice from the State relating to any claim, the Contractor must notify the State in writing whether Contractor agrees to assume control of the defense and settlement of that claim (a "Notice of Election"). After notifying Contractor of a claim and before the State receiving Contractor's Notice of Election, the State is entitled to defend against the claim, at the Contractor's expense, and the Contractor will be responsible for any reasonable costs incurred by the State in defending against the claim during that period.
- (b) If Contractor delivers a Notice of Election relating to any claim: (i) the State is entitled to participate in the defense of the claim and to employ counsel at its own expense to assist in the handling of the claim and to monitor and advise the State about the status and progress of the defense; (ii) the Contractor must, at the request of the State, demonstrate to the reasonable satisfaction of the State, the Contractor's financial ability to carry out its defense and indemnity obligations under this Contract; (iii) the Contractor must periodically advise the State about the status and progress of the defense and must obtain the prior written approval of the State before entering into any settlement of the claim or ceasing to defend against the claim and (iv) to the extent that any principles of Michigan governmental or public law may be involved or challenged, the State has the right, at its own expense, to control the defense of that portion of the claim involving the principles of Michigan governmental or public law. But the State may retain control of the defense and settlement of a claim by notifying the Contractor in writing within 10 days after the State's receipt of Contractor's information requested by the State under clause (ii) of this paragraph if the State determines that the Contractor has failed to demonstrate to the reasonable satisfaction of the State the Contractor's financial ability to carry out its defense and indemnity obligations under this Section. Any litigation activity on behalf of the State, or any of its subdivisions under this Section, must



be coordinated with the Department of Attorney General. In the event the insurer's attorney represents the State under this Section, the insurer's attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.

- (c) If Contractor does not deliver a Notice of Election relating to any claim of which it is notified by the State as provided above, the State may defend the claim in the manner as it may deem appropriate, at the cost and expense of Contractor. If it is determined that the claim was one against which Contractor was required to indemnify the State, upon request of the State, Contractor must promptly reimburse the State for all the reasonable costs and expenses.

2.150 Termination/Cancellation.

2.151 Notice and Right to Cure

If the Contractor breaches the contract, and the State in its sole discretion determines that the breach is curable, then the State will provide the Contractor with written notice of the breach and a time period (not less than 30 days) to cure the Breach. The notice of breach and opportunity to cure is inapplicable for successive or repeated breaches or if the State determines in its sole discretion that the breach poses a serious and imminent threat to the health or safety of any person or the imminent loss, damage, or destruction of any real or tangible personal property.

2.152 Termination for Cause

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

2.153 Termination for Convenience

The State may terminate this Contract for its convenience, in whole or part, if the State determines that a termination is in the State's best interest. Reasons for the termination must be left to the sole discretion of the State and may include, but not necessarily be limited to (a) the State no longer needs the Services or products specified in the Contract, (b) relocation of office, program changes, changes in laws, rules, or regulations make implementation of the Services no longer practical or feasible, (c) unacceptable prices for Additional Services or New Work requested by the State, or (d) falsification or misrepresentation, by inclusion or non-inclusion, of information material to a response to any CONTRACT 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) deliver to the State, unless otherwise directed, all Deliverables completed 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, except to the extent provided in Section 2(c) "Scheduling and Cancellation" of the Software Services Agreement, 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.

- (b) Upon a good faith termination, the State may assume, at its option, any subcontracts and agreements for services and deliverables provided under this Contract, and may further pursue completion of the Services/Deliverables under this Contract by replacement contract or otherwise as the State may in its sole judgment deem expedient.

2.158 Reservation of Rights

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

2.160 Termination by Contractor

2.161 Termination by Contractor

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

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

2.170 Transition Responsibilities

2.171 Contractor Transition Responsibilities

If the State terminates this contract, for convenience or cause, or if the Contract is otherwise dissolved, voided, rescinded, nullified, expires or rendered unenforceable, the Contractor agrees to comply, with commercially reasonable 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. These efforts must include, but are not limited to, those listed in **Section 2.150**.

2.172 Contractor Personnel Transition

The Contractor must work with the State, or a specified third party, to develop a transition plan setting forth the specific tasks and schedule to be accomplished by the parties, to effect an orderly transition. The Contractor must allow as many personnel as practicable to remain on the job to help the State, or a specified third party, maintain the continuity and consistency of the services required by this Contract. In addition, during or following the transition period, in the event the State requires the Services of the Contractor's subcontractors or vendors, as necessary to meet its needs, Contractor agrees to reasonably, and with good-faith, work with the State to use the Services of Contractor's subcontractors or vendors. Contractor will notify all of Contractor's subcontractors of procedures to be followed during transition.

2.173 Contractor Information Transition

The Contractor agrees to provide reasonable detailed specifications for all Services/Deliverables needed by the State, or specified third party, to properly provide the Services/Deliverables required under this Contract. The Contractor will provide the State with asset management data generated from the inception of this Contract through the date on which this Contractor is terminated in a comma-delineated format unless



otherwise requested by the State. The Contractor will deliver to the State any remaining owed reports and documentation still in Contractor's possession subject to appropriate payment by the State.

2.174 Contractor Software Transition

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

2.175 Transition Payments

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

2.176 State Transition Responsibilities

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

- (a) Reconciling all accounts between the State and the Contractor;
- (b) Completing any pending post-project reviews.
- (c) The State shall pay any associated fees or costs associated with the Contractor's obligations under this Section 2.170 at Contractor's then current rates.

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**. 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 2.182**. Notwithstanding anything to the contrary in this Contract, any stop work order shall be subject to the cancellation provisions and charges set forth in the Section 2(c) "Scheduling and Cancellation" of the Software Services Agreement.

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 in accordance with Section 2(c) of the Software Services Agreement. For the avoidance of doubt, except as provided herein, 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, MDTMB, 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, MDTMB, or designee, must issue a written opinion regarding the issue(s) in dispute within 30 calendar days. The opinion regarding the dispute must be considered the State's final action and the exhaustion of administrative remedies.
- (b) This Section will not be construed to prevent either party from instituting, and a party is authorized to institute, formal proceedings earlier to avoid the expiration of any applicable limitations period, to preserve a superior position with respect to other creditors, or under Section 2.193.
- (c) The State will not mediate disputes between the Contractor and any other entity, except state agencies, concerning responsibility for performance of work under the Contract.

2.193 Injunctive Relief

The only circumstance in which disputes between the State and Contractor will not be subject to the provisions of **Section 2.192** is where a party makes a good faith determination that a breach of the terms of the Contract by the other party is the that the damages to the party resulting from the breach will be so immediate, so large or severe and so incapable of adequate redress after the fact that a temporary restraining order or other immediate injunctive relief is the only adequate remedy.



2.194 Continued Performance – Deleted NA

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.

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.

The Contractor's liability for damages to the State is limited in accordance with the Agreements, but in no event shall exceed the value of the fees paid by the State for the twelve month period in which such liability first arose. The State's liability for damages to the Contractor is limited to the value of the Contract.

Notwithstanding anything to the contrary herein, the foregoing limitations of liability set forth in this section 2.220 shall not apply to: (a) any third party claims for infringement of United States patent, copyright, trademark or trade secrets; (b) any third party claims for personal injury or damage to personal tangible property to the extent caused by the gross negligence or willful misconduct of the Contractor, (c) either party's breach of its confidentiality obligations, or (d) the State's breach of Section 3 (license) of the Software License Agreement or its misuse or misappropriation of the Component Systems.

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 to the extent it might reasonably be expected to adversely affect the Contractor's performance of its obligations under this Contract. 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 to the extent it might reasonably be expected to adversely affect the Contractor's performance of its obligations under this Contract. The Contractor must disclose in writing to the Contract Administrator any such litigation, investigation, arbitration or other proceeding (collectively, "Proceeding") within 30 days of its occurrence. Details of settlements that are prevented from disclosure by the terms of the settlement may be annotated. Information provided to the State from Contractor's publicly filed documents referencing its material litigation will be deemed to satisfy the requirements of this Section.



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

- (a) the ability of Contractor (or a Subcontractor) to continue to perform this Contract according to its terms and conditions, or
- (b) whether Contractor (or a Subcontractor) in performing Services for the State is engaged in conduct which is similar in nature to conduct alleged in the Proceeding, which conduct would constitute a breach of this Contract or a violation of Michigan law, regulations or public policy, then the Contractor must provide the State all reasonable assurances requested by the State to demonstrate that:
 - (1) Contractor and its Subcontractors will be able to continue to perform this Contract and any Statements of Work according to its terms and conditions, and
 - (2) Contractor and its Subcontractors have not and will not engage in conduct in performing the Services which is similar in nature to the conduct alleged in the Proceeding.
- (c) Contractor must make the following notifications in writing:
 - (1) Within 30 days of Contractor becoming aware that a change in its ownership or officers has occurred, or is certain to occur, or a change that could result in changes in the valuation of its capitalized assets in the accounting records, Contractor must notify MDTMB Purchasing Operations.
 - (2) Contractor must also notify MDTMB 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 MDTMB Purchase Operations within 30 days whenever changes to company affiliations occur.

2.232 Call Center Disclosure – Deleted NA

2.233 Bankruptcy

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

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

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

2.240 Performance

2.241 Time of Performance

- (a) Contractor shall use reasonable efforts to notify the State in a timely manner upon becoming aware of any circumstances that may reasonably be expected to jeopardize the timely completion of any Deliverables/Services on the estimated scheduled due dates in the latest State-approved delivery schedule and must inform the State of the projected revised 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 estimated Contract time periods, the Contractor will use reasonable efforts to notify the State. . Contractor will not be in default for a delay in performance to the extent the delay is caused by the State.

2.242 Service Level Agreement (SLA) – Deleted NA

2.243 Liquidated Damages – Deleted NA

2.244 Excusable Failure – Deleted NA



2.250 Approval of Deliverables

2.251 Delivery of Deliverables – Deleted NA

2.252 Contractor System Testing – Deleted NA

2.253 Approval of Deliverables, In General – Deleted NA

2.254 Process for Approval of Written Deliverables – Deleted NA

2.255 Process for Approval of Custom Software Deliverables – Deleted NA

2.256 Final Acceptance – Deleted NA

2.260 Ownership

2.261 Ownership of Work Product by State – Deleted NA

2.262 Vesting of Rights – Deleted NA

2.263 Rights in Data

The State is the owner of all data made available by the State to the Contractor or its agents, Subcontractors or representatives under the Contract. The Contractor will not use the State's data for any purpose other than providing the Services, nor will any part of the State's data be disclosed, sold, assigned, leased or otherwise disposed of to the general public or to specific third parties or commercially exploited by or on behalf of the Contractor. No employees of the Contractor, other than those on a strictly need-to-know basis, have access to the State's data. Contractor will not possess or assert any lien or other right against the State's data. Without limiting the generality of this Section, the Contractor must only use personally identifiable information as strictly necessary to provide the Services and must disclose the information only to its employees who have a strict need-to-know the information. The Contractor must comply at all times with all laws and regulations applicable to the personally identifiable information.

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

2.264 Ownership of Materials

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

2.270 State Standards

2.271 Existing Technology Standards

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

2.272 Acceptable Use Policy

To the extent that Contractor has access to the State computer system, Contractor must comply with the State's Acceptable Use Policy, see <http://www.michigan.gov/ditservice>. All Contractor employees must be



required, in writing, to agree to the State's Acceptable Use Policy before accessing the State system. The State reserves the right to terminate Contractor's access to the State system if a violation occurs.

2.273 Systems Changes

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

2.280 Extended Purchasing

2.281 MiDEAL (Michigan Delivery Extended Agreements Locally – Deleted NA

2.282 State Employee Purchases – Deleted NA

2.290 Environmental Provision

2.291 Environmental Provision

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

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

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

- (a) The Contractor must use, handle, store, dispose of, process, transport and transfer any material considered a Hazardous Material according to all federal, State and local laws. The State must provide a safe and suitable environment for performance of Contractor's Work. Before the commencement of Work, the State must advise the Contractor of the presence at the work site of any Hazardous Material to the extent that the State is aware of the Hazardous Material. If the Contractor encounters material reasonably believed to be a Hazardous Material and which may present a substantial danger, the Contractor must immediately stop all affected Work, notify the State in writing about the conditions encountered, and take appropriate health and safety precautions.



- (b) Upon receipt of a written notice, the State will investigate the conditions. If (a) the material is a Hazardous Material that may present a substantial danger, and (b) the Hazardous Material was not brought to the site by the Contractor, or does not result in whole or in part from any violation by the Contractor of any laws covering the use, handling, storage, disposal of, processing, transport and transfer of Hazardous Materials, the State must order a suspension of Work in writing. The State must proceed to have the Hazardous Material removed or rendered harmless. In the alternative, the State must terminate the affected Work for the State's convenience.
- (c) Once the Hazardous Material has been removed or rendered harmless by the State, the Contractor must resume Work as directed in writing by the State. Any determination by the Michigan Department of Community Health or the Michigan Department of Environmental Quality that the Hazardous Material has either been removed or rendered harmless is binding upon the State and Contractor for the purposes of resuming the Work. If any incident with Hazardous Material results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Work will not be counted in a time as mutually agreed by the parties.
- (d) If the Hazardous Material was brought to the site by the Contractor, or results in whole or in part from any violation by the Contractor of any laws covering the use, handling, storage, disposal of, processing, transport and transfer of Hazardous Material, or from any other act or omission within the control of the Contractor, the Contractor must bear its proportionate share of the delay and costs involved in cleaning up the site and removing and rendering harmless the Hazardous Material according to Applicable Laws to the condition approved by applicable regulatory agency(ies).

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

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

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

2.300 Deliverables

2.301 Software - Deleted NA

2.302 Hardware – Deleted NA

2.310 Software Warranties

2.311 Performance Warranty – Deleted NA

2.312 No Surreptitious Code Warranty

2.127 No Surreptitious Code Warranty

The Contractor represents and warrants that it will not knowingly provide any copy of licensed Software to the State contains 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 or to restrict unauthorized users from accessing or utilizing the system.



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. The remedies available for breach of this warranty are set forth in Section 6(a) of the Agreement.

2.313 Calendar Warranty – Deleted NA

2.314 Third-party Software Warranty – Deleted NA

2.315 Physical Media Warranty – Deleted NA

2.320 Software Licensing

2.321 Cross-License, Deliverables Only, License to Contractor – Deleted NA

2.322 Cross-License, Deliverables and Derivative Work, License to Contractor – Deleted NA

2.323 License Back to the State – Deleted NA

2.324 License Retained by Contractor – Deleted NA

2.325 Pre-existing Materials for Custom Software Deliverables – Deleted NA

2.330 Source Code Escrow

2.331 Definition – Deleted NA

2.332 Delivery of Source Code into Escrow – Deleted NA

2.333 Delivery of New Source Code into Escrow – Deleted NA

2.334 Verification – Deleted NA

2.335 Escrow Fees – Deleted NA

2.336 Release Events – Deleted NA

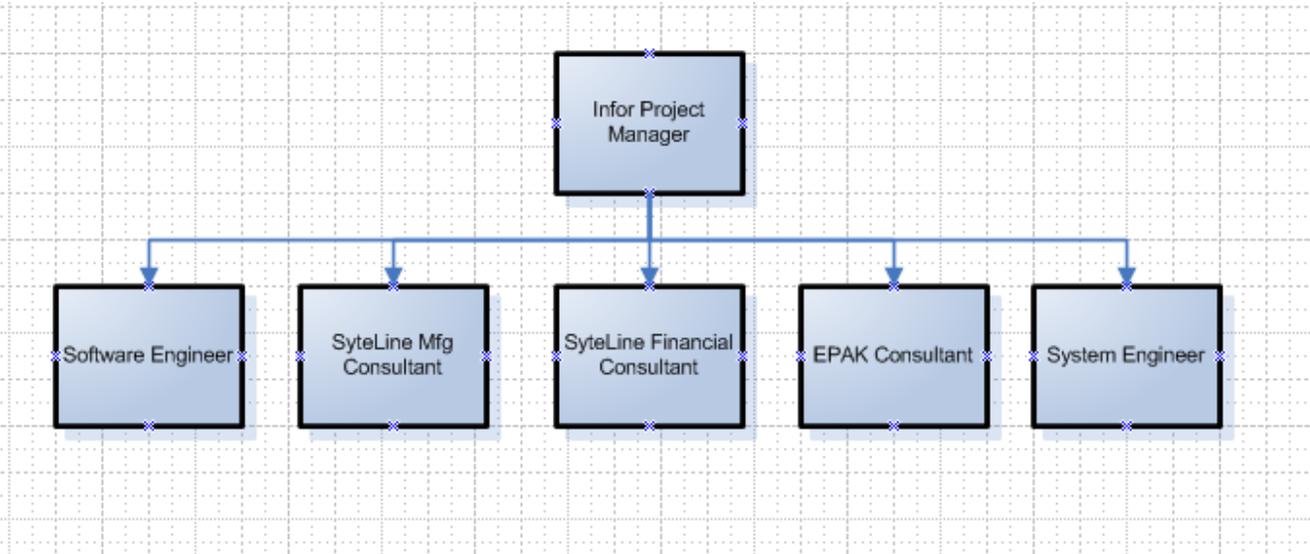
2.337 Release Event Procedures – Deleted NA

2.338 License – Deleted NA

2.339 Derivative Works – Deleted NA



Appendix – Organizational Chart





ADDENDUM TO SOFTWARE LICENSE AGREEMENT

This Addendum to Software License Agreement ("Addendum"), effective as of May _____, 2010, amends the Software License Agreement entered into in connection with this Addendum on March 31, 2010 between State of Michigan ("Licensee") and Infor Global Solutions (Michigan), Inc. ("Infor") (the "License Agreement"). In case of any conflict between the License Agreement and this Addendum, the terms and conditions of this Addendum shall control. Except as otherwise expressly modified herein, all terms and conditions of the License Agreement shall remain in full force and effect.

The parties agree as follows:

1. Section 5 of the License Agreement is deleted and replaced it its entirety with the following:

5. Payment and Taxes.

(a) Payment. Licensee will pay Infor all license fees (as specified on an Order Form) within forty-five (45) days of the Order Form Date and all invoices within forty-five (45) days of the date of invoice. Late payments are subject to a late charge equal to the lesser of: (i) one and one-half percent (.75%) per month; and (ii) the highest rate permitted by applicable law.

(b) Taxes and Shipping Charges. Licensee is responsible for paying all taxes (except for taxes based on Infor's net income or capital stock) and shipping charges relating to this Agreement, the Component Systems, any services provided and payments made under this Agreement. Applicable tax amounts (if any) are not included in the fees set forth in this Agreement and any Order Form. Infor will invoice Licensee for applicable tax and shipping amounts and such invoices are due upon Licensee's receipt thereof. Licensee represents and warrants that it is exempt for Michigan sales and use tax on its purchases. Provided that Licensee provides Infor with such reasonable supporting documentation as is requested by Infor evidencing the Licensee's tax exempt status, no such charges for Michigan sales and use taxes will apply.

2. The first sentence of Section 14 of the License Agreement is deleted and replaced it its entirety with the following:

"This Agreement will be governed by and construed under the laws of the State of Michigan, as applicable to agreements executed and wholly performed therein, but without regard to the choice of law provisions thereof."

3. Section 19 of the License Agreement is deleted and replaced it its entirety with the following:

19. Entire Agreement. This Services Agreement and Contract between the State of Michigan and Infor executed concurrently with this Addendum contain the entire understanding of the parties with respect to its subject matter, and supersedes and extinguishes all prior oral and written communications between the parties about its subject matter. Any purchase order or similar document, which may be issued by Licensee in connection with this Services Agreement, does not modify this Services Agreement. No modification of this Services Agreement will be effective unless it is in writing, is signed by each party, and expressly provides that it amends this Services Agreement. This Services Agreement and any signed agreement or instrument entered into in connection herewith or contemplated hereby, and any amendments hereto or thereto, to the extent signed and delivered by means of digital imaging, electronic mail or a facsimile machine, shall be treated in all manner and respects as an original agreement or instrument and shall be considered to have the same binding legal effect as if it were the original signed version thereof delivered in person. This Services Agreement and all Work Orders may be signed in counterparts.

Except to the extent modified by this Addendum, all other terms and conditions of the Agreement are hereby ratified and confirmed as being in full force and effect. The foregoing terms and conditions are accepted and agreed by the following authorized representatives of the parties:



Infor Global Solutions (Michigan), Inc.

State of Michigan

By _____

By _____

Name Printed _____

Name Printed _____

Title _____

Title _____

Date _____

Date



ADDENDUM TO SOFTWARE SUPPORT AGREEMENT

This Addendum to Software Support Agreement ("Addendum"), effective as of May ____, 2010 amends the Software Support Agreement entered into in connection with this Addendum on March 31, 2010 between ("Licensee") and Infor Global Solutions, Inc. ("Infor") (the "Support Agreement"). In case of any conflict between the Support Agreement and this Addendum, the terms and conditions of this Addendum shall control. Except as otherwise expressly modified herein, all terms and conditions of the Support Agreement shall remain in full force and effect.

The parties agree as follows:

4. **The following language shall be added to the end of Subsection 4(c) of the Support Agreement:**
 "Licensee represents and warrants that it is exempt for Michigan sales and use tax on its purchases. Provided that Licensee provides Infor with such reasonable supporting documentation as is requested by Infor evidencing the Licensee's tax exempt status, no such charges for Michigan sales and use taxes will apply."

5. **Subsection 4(d) of the Support Agreement is deleted and replaced in its entirety with the following:**
 (d) Invoices and Late Charges. Licensee will pay each Infor invoice within forty-five (45) days of the date of invoice and in any event, on or before the dates specified in this Support Agreement or the applicable Order Form. Late payments are subject to a late charge equal to the lesser of: (i) one and one-half percent (.75%) per month; and (ii) the highest rate permitted by applicable law.

Except to the extent modified by this Addendum, all other terms and conditions of the Agreement are hereby ratified and confirmed as being in full force and effect. The foregoing terms and conditions are accepted and agreed by the following authorized representatives of the parties:

Hansen Information Technologies

State of Michigan

By _____

By _____

Name Printed _____

Name Printed _____

Title _____

Title _____

Date _____

Date _____



Table: Project Cost Summary:

No.	Project Cost(s)	Cost (\$)	Comments
E.	Software Breakdown provided in Table 1	\$37,500.00	Includes Crystal Reports and EPAK
F.	Business Requirements and Implementation Costs (Customization of COTS) Breakdown provided in Table 2	\$88,170.00	Includes implementation of EPAK
G.	Training, Documentation, Knowledge Transfer/Transition Give breakdown in Table 3	\$34,340.00	Includes EPAK training
H.	Software Maintenance and Support (3 years EPAK with Content, Syteline 8.01) Give breakdown in Table 4	\$190,304.98	Includes two-years of Knowledge Zone Subscription and maintenance @ \$10,350 per year
Total Project Cost		\$350,314.98	

The State reserves the right to not purchase year two subscription and maintenance for the Knowledge Zone product,



Table 1: Breakdown of Software Licenses

No.	Software license(s) cost	Product Name and Version	Cost (\$)	Comments
A.	Upgrade of current Michigan State Industries multi site (34) Commercial off the Shelf (COTS) Enterprise Resource Planning (ERP) system from version 6.01 to version 8.01	Upgrade Syteline 6.01 to Syteline 8.01	\$500.00	The \$500 fee is for Crystal Reports
	Enterprise Performance Accelerator Kit (EPAK) with Content	EPAK	\$37,000.00	This is 50% off of original price per Infor FLEX program.
Total Cost of Software Licenses including COTS and Third Party Software			\$37,500.00	

The State of Michigan/Michigan State Industries currently has an up to date paid maintenance and support agreement that includes this upgrade.



Table 2: Customization of COTS - Business Requirements and Implementation Costs

No.	Category	Total cost (\$) (Contractor must transfer category totals to Project Summary Cost Table)	Comments (Contractor must provide a narrative to explain how they arrived at the costs identified)
B.	Business Requirements Includes: <ul style="list-style-type: none"> • Validation and verification of current custom business requirements within Syteline 6.01 that are not standard in SyteLine 8.01. • Documenting non standard customizations identified that require contractor assistance. • Retrofit customizations identified in planning phase using MS SQL programming for Syteline 8.01 	\$16,300	We are providing 2 SOW's, one without EPAK implementation and training and the other including EPAK implementation and training. The costs within this RFP include all EPAK costs.
	Implementation		
	Data Conversion and Migration Includes: <ul style="list-style-type: none"> • Convert, test and validate all Progress databases to MS SQL 	\$34,630	
	Installation and Configuration Includes: <ul style="list-style-type: none"> • Syteline 8.01 ERP • Data Collection • EPAK with content • MS SQL Database Contractor must upgrade SyteLine from version 6.01 to the standard unmodified State owned SyteLine 8.01 licensed software version.	\$8,300	



<p>Pilot and Testing: Includes:</p> <ul style="list-style-type: none"> • The contractor creating a Test/ Pilot and Production environment including system administration testing for multi-site setup for 34 sites. • The Contractor will create sufficient pilots to assess and successfully migrate data, setup and configure software and assist go live readiness. 	<p>\$26,940</p>	
<p>Interface/Integration with Data Collection System</p>	<p>\$2,000</p>	
<p>Combined Total Business Requirements & Implementation Costs (data conversion, data migration, installation, configuration, pilot/testing and interfaces/integration)</p>	<p>\$88,170</p>	



Table 3: Breakdown of Training, Documentation, Knowledge Transfer/Transition Cost

No.	Training and Documentation	Cost (\$)	Comments
C.	<p>Train the Trainer for up to ten (10) State staff in Lansing, MI at a State provided location and dates as mutually agreed upon for: SyteLine 8.01 System Administration SyteLine 8.01 navigation and net change</p> <p>Train the Trainer in Lansing, MI at a State provided location and dates mutually agreed upon for Crystal reports for up to three (3) MSI staff</p> <p>EPAK development for up to three (3) MSI staff Database, application and systems administration for up to three (3) MDTMB staff. This will include technical training to configure the applications including establishing databases and interfaces, data conversion, customization and upgrading customized software and security.</p> <p>This will include all training manuals, training plans and other documentation provided by Contractor which become the property of the State.</p>	\$28,840	
	<p>Documentation – Contractor must provide complete upgrade and configuration documentation which includes any customization of MS SQL programming code, Crystal Reports or .Net code</p> <p>Business process documentation</p> <p>Upgrade process documentation</p>	\$5,500	
	Total Training and Documentation Cost	\$34,340	



Table 4: Recurring Costs: Software Maintenance and Support

No.	Cost Categories	Software Cost (\$)	Comments
D.	<p>Software and Hardware Maintenance and Support cost Includes : This is for Syteline 8.01, EPAK module and all future software updates and system enhancements applicable to system modules licensed to the State.</p> <p>Syteline 8 maintenance items: SyteLine ERP - Transaction User SyteLine ERP - Data Collection User MAPICS Business Intelligence for SyteLine SyteLine Crystal Reports - Embedded License - ERP EPAK End User EPAK Developer EPAK ERP SyteLine Content Knowledgezone Level 1 – Online Guide Subscription Knowledgezone Level 1 maintenance</p>	<p>\$42,411.00 \$985.00 \$4,027.00 \$0.00 \$865.97 \$1,519.24 \$5,064.15 \$8625.00 \$1725.00</p>	<p>The prices reflect the cost once the Syteline 8 software is installed and used in a production environment at Michigan State Industries.</p> <p>KnowledgeZone subscription is currently co-termed with existing SL6 maintenance. The cost includes the purchase of Knowledge Zone subscription at \$8625.00 plus maintenance at \$1725.00 for a total of \$10,350.00 per year. The table includes this cost for years one and two only. If the State elects to continue the use of the Knowledge Zone Subscription and maintenance for year three, additional funding will required and approved as a contract change.</p>
	Year 1 (11/1/10 – 10/31/11)	\$65,222.36	
	Year 2 (11/1/11- 10/31/12)	\$66,868.53	
	Year 3 (11/1/12 – 10/31/13)	\$58,214.09	
	Year 4 (OPTIONAL) (11/1/13 – 10/31/14)		
	Year 5 (OPTIONAL) (11/1/14 –10/31/15)		
	Year 6 (OPTIONAL) (11/1/15 – 10/31/16)		
	Total Software Maintenance and Support Recurring Costs for Years 1, 2 and 3	\$190,304.98	