



STATE OF MICHIGAN ENTERPRISE PROCUREMENT

Department of Technology, Management, and Budget
525 W. ALLEGAN ST., LANSING, MICHIGAN 48913
P.O. BOX 30026 LANSING, MICHIGAN 48909

CONTRACT CHANGE NOTICE

Change Notice Number 3
to
Contract Number 071B130025

CONTRACTOR	APPRISS INC
	10401 Linn Station Road
	Louisville, KY 40223-3842
	Lalla O'Bryan
	(502) 815-5533
	lobryan@appriss.com
	*****1324

STATE	Program Manager	Kim Koppesch-Woods	DTMB
		(517) 241-3314	
	Koppesch-WoodsK@michigan.gov		
	Contract Administrator	Simon Baldwin	DTMB
(517) 284-6997			
BaldwinS@michigan.gov			

CONTRACT SUMMARY				
DESCRIPTION: Vine Software Maint.				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW	
October 1, 2010	September 30, 2015	5 - 1 Year	September 30, 2016	
PAYMENT TERMS		DELIVERY TIMEFRAME		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input type="checkbox"/> No	
MINIMUM DELIVERY REQUIREMENTS				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input checked="" type="checkbox"/>	1-Year	<input type="checkbox"/>		September 30, 2017
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$4,295,792.96		\$ 907,712.96	\$5,203,505.92	

DESCRIPTION: Effective June 21, 2016, This Contract is increased by \$907,712.96; \$637,712.96 for the second option year maintenance and support, and \$270,000.00 for the Registration Link enhancement for the Michigan Crime Victim Information and Notification Everyday (MI-VINE). Per the attached Statement of Work (SOW) below. All other terms, conditions, specifications, and pricing remain the same. Per Contractor and Agency agreement, and DTMB Procurement approval and State Administrative board approval on June 21, 2016.



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

Project Title: MI-VINE Enhancement	Period of Coverage: 02/28/17-
Requesting Department: Michigan Department of Health and Human Services (MDHHS) Crime Victim Services	Date: 02/01/2016
Agency Project Manager: Beth Adcock	Phone: 517-241-5275
DTMB Project Manager: Kim Koppsch-Woods	Phone: 517-241-3314

Brief Description of Services to be provided:

Contract Change Notice to Appriss Contract 071B1300025 to enhance Michigan Victim Information and Notification Everyday (MI-VINE) by successfully implementing REGISTRATION LINK for Michigan VINE to improve the existing interfaces.

BACKGROUND:

Appriss Contract 071B1300025 offers ongoing maintenance and enhancements for the proprietary Custom-off-the-Shelf (COTS) Michigan Victim Information and Notification Everyday (MI-VINE), an automated victim notification service. The system Michigan Crime Victim Notification Network (MCVNN), **now under its new name (MI-VINE), effective 2015**, was implemented in 2003 in the Department of Corrections and there are currently 75 county Sheriff Departments, 71 county Prosecutor Offices and the Department of Attorney General using the MI-VINE to notify victims of custody status and court events involved in their case. This automated notification system greatly enhances victim safety and convenience while providing added response capabilities for agencies implementing crime victims rights. MI-VINE is a free, confidential 24-hour telephone-computer interface that allows crime victims and other citizens to register to receive almost instantaneous telephone and/or email notice whenever a prisoner's custody status changes.

Notifications produced by the system include the majority of crime victim rights act requirements, including court event information. The MI-VINE system is a free service of the Michigan Department of Community Health, Crime Victim Services Commission, in partnership with the Michigan Department of Corrections, Department of Attorney General, Prosecuting Attorneys Coordinating Council, Prosecuting Attorneys Association of Michigan and the Michigan Sheriff's Association. All costs are paid by assessments collected from convicted criminal defendants.

Michigan Victim Information and Notification Everyday (MI-VINE) must be enhanced with new technologies to assure reliable continuity and effective, accurate, timely victim notification of custody status and court event information.

PROJECT OBJECTIVE:

To implement new technology (NT) enhancements to the existing Michigan Victim Information and Notification Everyday (MI-VINE). Appriss shall identify the approach and major phases required to deliver the REGISTRATION LINK® service, which through a set of business logic (based on existing offender data fields provided to the VINE system) will identify the offender and link any existing registration(s).

Linking ability will include:

- County agency to other County Agency
- County to DOC
- DOC to County
- Case to Offender – REGISTRATION LINK® 2.0

SCOPE OF WORK:

Appriss shall complete enhancement to the proprietary VINE® system by successfully implementing REGISTRATION LINK for Michigan VINE.

REGISTRATION LINK® will look for specific criteria to match a victim registration for an offender from one agency to another. When a match is successful the registration will then automatically copy to the new offender record.

Registration Link 2.0 will apply specific criteria to a formulaic process to match offender records in the MI VINE system across multiple facilities, including courts. When a match is successful, the system will check for existing registrations and copy them from the initial record to the matched record, provided the matched record does not have a delete date set or registrations blocked

Scope of the project may include, but not limited to, planning, facilitate project sessions, develop business requirements and solutions, new and/or updated software, testing, implementation, documentation, and ongoing maintenance and support.

TASKS/DELIVERABLES:

Appriss shall complete the following tasks and deliverables, and otherwise do all things necessary for or incidental to complete successful implementation of REGISTRATION LINK for Michigan VINE to enhance Michigan Victim Information and Notification Everyday (MI-VINE).

1. Provide MDHHS capability to review the automated matching results report via the secure web portal. The automated matching report must include:
 - A date driven report (start/end date),
 - Able to select the facility type (Jails and/or DOC),
 - Able to select a specific agency or all agencies.

2. The report results must display the following fields:
 - The date matched
 - Subject type (Offender)
 - Subject ID
 - Subject Name
 - Agency
 - Status (custody)
 - Status date

3. Registrations that are able to be linked must retain their original notification method when the registration was created:
 - Phone
 - Email
 - SMS
 - TTY

4. Establish matching of offenders independent of the workflow and offender custody status at each location (e.g. will not be dependent on a "Transfer" status to kick off the search)

5. Add "Case to Offender" linking capability.

6. Additional product features and benefits:
 - Utilization of web-based reports to monitor the offender matching results and copied registrations
 - The system will continuously monitor for movement and updates on offenders and copy registrations when applicable.

ACCEPTANCE CRITERIA:

Tasks/Deliverables/Services and all work necessary for or incidental for the complete and successful interface enhancements will not be considered complete until the DTMB and MDHHS Project Managers have formally accepted them.

Software enhancements may include, but not limited to, software product, development tools, support tools, data migration software, integration software and installation software. The following criteria apply to software enhancement deliverables:

- Beta software is not accepted as final deliverable.
- DTMB will review the software enhancements for acceptance of functionality, usability, installation, performance, security, standards compliance, backup/recovery and operation. Approvals will be written and signed by Agency/DTMB Project Manager. Unacceptable issues will be documented and submitted to the Contractor. After issues are resolved or waived, the Contractor will resubmit software for approval.
- Software enhancements are installed and configured in appropriate environment (e.g. development, test, pre-live, live). Contingency plans and de-installation procedures and software are provided by Contractor and approved by the Agency/DTMB Project Managers.
- Contractor will successfully test software enhancements in the development environment before moving the enhancement to the test and pre-live environments for final software testing by DTMB. Approvals will be written and signed by Agency/DTMB Project Managers.
- Unacceptable issues will be documented and submitted to the Contractor. After issues are resolved or waived, the Contractor will resubmit test software, data and results for approval. Only after successful State testing in the test and pre-live area will the enhancement be implemented in the production environment. This implementation should occur at an agreed upon time during non-business hours, such as late evenings or weekends.

PROJECT CONTROL AND REPORTS:

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

Hours: Indicate the number of hours expended during the past two weeks, and the cumulative total to date for the project. Also state whether the remaining hours are sufficient to complete the project.

Accomplishments: Indicate what was worked on and what was completed during the current reporting period.

Challenges: Describe any issues that may result in changes to the statement of work, deviations

from the project budget, or delays in the established time line.

Funds: Indicate the amount of funds expended during the current reporting period, and the cumulative total to date for the project.

SPECIFIC DEPARTMENT STANDARDS:

Agency standards, if any, in addition to DTMB standards.

Per contract, 071B1300025

PAYMENT SCHEDULE:

Payment will be made on a Satisfactory acceptance of each Milestone basis and all invoices must include the purchase order.

MILESTONES:

1. Script UAT Complete on PREP- 50%
2. Registration Link 2.0 Implementation – 50%

DTMB will pay CONTRACTOR upon receipt of properly completed invoices which shall be submitted to the billing address on the State issued purchase order not more often than monthly. DTMB Contracts area will coordinate obtaining Agency Project Manager and DTMB Project Manager approvals. All invoices should reflect actual work completed by payment date, and must be approved by the Agency Project Manager and DTMB Project Manager prior to payment. The invoices shall describe and document to the State's satisfaction a description of the work performed the progress of the project, and fees. When expenses are invoiced, receipts will need to be provided along with a detailed breakdown of each type of expense.

Payment shall be considered timely if made by the DTMB within forty-five (45) days after receipt of properly completed invoices.

EXPENSES:

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

PROJECT CONTACTS:

The designated Agency Project Manager is:

Beth Adcock

Program Specialist

DCH - Crime Victim Services

(517) 334-9943

ADCOCKB@michigan.gov

The designated DTMB Project Manager is:

Kim Koppsch-Woods

Department of Technology, Management & Budget

Customer Service supporting DHHS

Chandler Plaza

300 East Michigan Ave.

Lansing, MI 48933

517-241-3314

Koppsch-WoodsK@michigan.gov

AGENCY RESPONSIBILITIES:

MDCH/DTMB will provide a project manager to approve project documents, deliverables, and payment

MDCH will pull reports through a web-based reporting mechanism at regular intervals. The output measurement will be at the time of implementation of the new interface deployment.

LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

Consultants will primarily work at their work location with contact with DTMB on a regular basis.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

Work hours are not to exceed eight (8) hours a day, forty (40) hours a week. Normal working hours of 8:00 am to 5:00 pm are to be observed unless otherwise agreed to in writing.

No overtime will be permitted.

This purchase order is a release from Contract Number 071B1300025. This purchase order, statement of work, and the terms and conditions of Contract Number 071B1300025 constitute the entire agreement between the State and the Contractor.

Project Schedule:

Milestones	Responsible	Target Completion From Contract Signing, Timespans are Concurrent
Project Kickoff	Appriss	10 days
Project Requirements Document (PRD)	Appriss	20 days
Provide document to customer	MDHHS	30 days
Customer Sign-off		
User Interface Design (notification scripts)	Appriss	
Voice Script Design	Appriss / MDHHS	35 days
Voice Customer Review	MDHHS	40 days
Voice Customer Sign-off	MDHHS	45 days
Email Script to Customer	Appriss	45 days
Email Script Customer Review	Appriss / MDHHS	55 days
Email Script Customer Sign-off	MDHHS	60 days
Script Development / Testing	Appriss	90 days
Configuration and Testing	Appriss	120 days
Customer Review of Reporting Website	MDHHS	150 days
Deploy to Production	Appriss	160 days

Milestones	Responsible	Target Completion From Contract Signing, Timespans are Concurrent
Project Closeout Sign-off	MDHHS	180 days

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

CHANGE NOTICE NO. 2
 to
CONTRACT NO. 071B1300025
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
Appriss, Inc. 10401 Linn Station Road, Suite 200 Louisville, KY 40223-3842	Lalla O'Bryan	lobryan@appriss.com
	PHONE	CONTRACTOR'S TAX ID NO. (LAST FOUR DIGITS ONLY)
	(502) 815-5533	1324

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER / CCI				
CONTRACT ADMINISTRATOR	DTMB	Terry Mead	517-284-7035	meadt@michigan.gov

CONTRACT SUMMARY			
DESCRIPTION: DCH MCVNN Vine Software Maintenance			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
October 1, 2010	September 30, 2015	5, one year	September 30, 2015
PAYMENT TERMS		DELIVERY TIMEFRAME	
N/A		N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS			

DESCRIPTION OF CHANGE NOTICE				
EXERCISE OPTION?	LENGTH OF OPTION	EXERCISE EXTENSION?	LENGTH OF EXTENSION	REVISED EXP. DATE
<input checked="" type="checkbox"/>	1 year	<input type="checkbox"/>		September 30, 2016
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$3,658,080.00		\$637,712.96	\$4,295,792.96	

DESCRIPTION: Effective October 1, 2015, this contract is hereby amended and increased by \$637,712.96 to exercise the first option year for maintenance and support of the Michigan Victim Information and Notification Everyday (MI-VINE) system for the Michigan Department of Community Health (MDCH) Crime Victims Notification Systems (CVNS) for the time period of October 1, 2015 to September 30, 2016. Pricing has been increased per Vendor's attached Service Agreement Renewal Quote dated 7/28/2015. All other terms, conditions, pricing and specifications remain the same. Per vendor and agency agreement, DTMB Procurement and the approval of the State Administrative Board on

September 1, 2015.



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

Project Title: Crime Victims Notification System Option Year 1 CCN	Period of Coverage: 10/01/15 – 09/30/16
Requesting Department: Michigan Department of Community Health (MDCH) Crime Victim Services	Date: 03/06/15
Agency Project Manager: Beth Adcock	Phone: 517-241-5275
DTMB Project Manager: Jeff Haskell	Phone: 517-335-5040

Brief Description of Services to be provided:

Contract Change Notice (CCN) to increase contract for option year one (1) out of five (5) one year periods permissive under 2.002 contract terms to procure ongoing maintenance and support of the MI-VINE system for the Michigan Department of Community Health (MDCH) Crime Victims Notification Systems (CVNS) for the time period of 10/01/15 – 09/30/16.

BACKGROUND:

Appriss Contract 071B1300025 offers ongoing maintenance and enhancements for the proprietary Custom-off-the-Shelf (COTS) Michigan Victim Information and Notification Everyday (MI-VINE), an automated victim notification service. The system Michigan Crime Victim Notification Network (MCVNN), **now under its new name (MI-VINE), effective 2015**, was implemented in 2003 in the Department of Corrections and there are currently 75 county Sheriff Departments, 71 county Prosecutor Offices and the Department of Attorney General using the MI-VINE to notify victims of custody status and court events involved in their case. This automated notification system greatly enhances victim safety and convenience while providing added response capabilities for agencies implementing crime victims rights. MI-VINE is a free, confidential 24-hour telephone-computer interface that allows crime victims and other citizens to register to receive almost instantaneous telephone and/or email notice whenever a prisoner's custody status changes.

Notifications produced by the system include the majority of crime victim rights act requirements, including court event information. The MI-VINE system is a free service of the Michigan Department of Community Health, Crime Victim Services Commission, in partnership with the Michigan Department of Corrections, Department of Attorney General, Prosecuting Attorneys Coordinating Council, Prosecuting Attorneys Association of Michigan and the Michigan Sheriff's Association. All costs are paid by assessments collected from convicted criminal defendants.

PROJECT OBJECTIVE:

The objective of this SOW is to exercise the first option year for ongoing maintenance and support of the MI-VINE system for the Michigan Department of Community Health (MDCH) Crime Victims Notification Systems (CVNS) for the time period of 10/01/15 - 09/30/16.

SCOPE OF WORK:

Appriss will provide the following services for the complete and successful support and maintenance of the proprietary VINE® system providing the functionality required for the State's business operations. This project consists of the following components:

- **Maintenance** - Maintenance is defined as repair or replacement services provided to identify and repair software malfunctions in order to return the system to its original operating condition. Maintenance also includes an agreement to provide an annual renewable software subscription to include future upgrades (both major and minor revisions of the application) and ongoing vendor

- product support.
- **Support.**- Help Desk and Technical
- **Enhancements** – These projects will be determined at time of need and a separate work statement will be developed

TASKS/DELIVERABLES:

Appriss shall complete the following tasks and deliverables:

Software maintenance and support will include but is not limited to:

- A. Software maintenance and Support
 1. System Maintenance - develop and provide corrections, changes or workarounds for any defects, errors, or malfunctions in the software.
 2. Help Desk
 3. Adaptive and Preventive Maintenance
 4. Performance Maintenance
 5. Documentation Update
- B. Future Enhancements
 1. Application Adjustments & New Development
 2. Interoperability Development with Other Applications
 3. System Interface Adjustments & New Interfaces
 4. Future Enhancement Process
- C. Additional Services
 1. Implementation
 2. Training

ACCEPTANCE CRITERIA:

Software enhancements may include, but not limited to, software product, development tools, support tools, data migration software, integration software and installation software. The following criteria apply to software enhancement deliverables:

- Beta software is not accepted as final deliverable.
- DTMB will review the software enhancements for acceptance of functionality, usability, installation, performance, security, standards compliance, backup/recovery and operation. Approvals will be written and signed by Agency/DTMB Project Manager. Unacceptable issues will be documented and submitted to the Contractor. After issues are resolved or waived, the Contractor will resubmit software for approval.
- Software enhancements are installed and configured in appropriate environment (e.g. development, test, pre-live, live). Contingency plans and de-installation procedures and software are provided by Contractor and approved by the Agency/DTMB Project Managers.
- Contractor will successfully test software enhancements in the development environment before moving the enhancement to the test and pre-live environments for final software testing by DTMB. Approvals will be written and signed by Agency/DTMB Project Managers.
- Unacceptable issues will be documented and submitted to the Contractor. After issues are resolved or waived, the Contractor will resubmit test software, data and results for approval. Only after successful State testing in the test and pre-live area will the enhancement be implemented in the production environment. This implementation should occur at an agreed upon time during non business hours, such as late evenings or weekends.

PROJECT CONTROL AND REPORTS:

A monthly progress report must be submitted to the Agency Project Managers as requested by the State.

Monthly reports will include a narrative to explain problems experienced in the period, recommendations for change to the project plan, and any comments the Contractor may have. The report may be submitted with the billing invoice. Each progress report must also contain the following:

- **Hours:** Indicate the number of hours expended during the past two weeks, and the cumulative total to date for the project. Also state whether the remaining hours are sufficient to complete the project.
- **Accomplishments:** Indicate what was worked on and what was completed during the current reporting period.
- **Challenges:** Describe any issues that may result in changes to the statement of work, deviations from the project budget, or delays in the established time line.

- **Funds:** Indicate the amount of funds expended during the current reporting period, and the cumulative total to date for the project.

SPECIFIC DEPARTMENT STANDARDS:

Agency standards, if any, in addition to DTMB standards.
Per contract, 071B1300025

PAYMENT SCHEDULE:

Payment will be made on a Satisfactory acceptance of each Deliverable basis and all invoices must include the purchase order. DTMB will pay CONTRACTOR upon receipt of properly completed invoices which shall be submitted to the billing address on the State issued purchase order not more often than monthly. DTMB Contracts area will coordinate obtaining Agency Project Manager and DTMB Project Manager approvals. All invoices should reflect actual work completed by payment date, and must be approved by the Agency Project Manager and DTMB Project Manager prior to payment. The invoices shall describe and document to the State's satisfaction a description of the work performed the progress of the project, and fees. When expenses are invoiced, receipts will need to be provided along with a detailed breakdown of each type of expense.

Payment shall be considered timely if made by the DTMB within forty-five (45) days after receipt of properly completed invoices.

EXPENSES:

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

PROJECT CONTACTS:

The designated Agency Project Manager is:

Beth Adcock

Program Specialist

Department of Community Health - Crime Victim Services Commission

201 Townsend Street

PO Box 30195

Lansing, MI 48933

(517) 241-5275

AdcockB@michigan.gov

The designated DTMB Project Manager is:

Jeff Haskell

Department of Technology, Management & Budget

Customer Service supporting DCH

Chandler Plaza

300 East Michigan Ave.

Lansing, MI 48933

517-335-5040

HaskellJ@michigan.gov

AGENCY RESPONSIBILITIES:

Per contract, 071B1300025.

LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

Consultants will primarily work at their work location with contact with DTMB on a regular basis.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

Work hours are not to exceed eight (8) hours a day, forty (40) hours a week. Normal working hours of 8:00 am to 5:00 pm are to be observed unless otherwise agreed to in writing.

No overtime will be permitted.

Service Agreement Renewal Quote



10401 Linn Station Road
Suite 200
Louisville, KY 40223

Date: July 28, 2015
Customer Name: Terry Mead
Buyer, IT Division
DTMB - Procurement
State of Michigan
Address: 300 E. Michigan Avenue
Lansing, MI 48913

Service Agreement #: 071B1300025

Project Type: VINE Services DOC, Jails and Courts

Original Service Agreement Date: 15 March 1999

Last Service Agreement Date: 01 October 2014

Service Agreement Renewal Date: 01 October 2015

Service Agreement Renewal Term: 12 months

Next Service Agreement Renewal Date: 01 October 2016

Contract Changes: A 6% increase in the amount of \$36,096.96 annually has been assessed as of this Option Year 1 renewal term, October 1, 2015. Pricing will be held thru September 30, 2018.

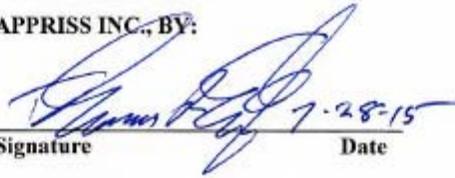
Maintenance and Support	Cost (\$)
Option Year 1 (2015-2016)	637,712.96
Option Year 2 (2016-2017)	637,712.96
Option Year 3 (2017-2018)	637,712.96
Option Year 4 (2018-2019)	650,467.22
Option Year 5 (2019-2020)	663,476.56
Total Maintenance (Option Years 1-5)	3,227,082.66

Project Pricing: \$637,712.96 Annually or \$53,142.75 Monthly

This Service Agreement Renewal Notice, unless specifically noted in the Contract Changes section above, extends all service terms and other contract provisions of the prior contract period. No interruptions in delivery of service will occur in relation to this Service Agreement Renewal.

AUTHORIZATION:

APPRISS INC., BY:


Signature Date

Thomas R. Seigle
Executive Vice President

Thank you for partnering with Appriss to keep communities safe and informed.

STATE OF MICHIGAN
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET January 10, 2012
 PROCUREMENT
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO.1
OF
CONTRACT NO. 071B1300025
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR		TELEPHONE (502) 815-5533	
Appriss, Inc. 10401 Linn Station Road, Suite 200 Louisville, KY 40223-3842 Email: lobryan@appriss.com		Lalla O'Bryan	
		CONTRACTOR NUMBER/MAIL CODE	
		BUYER/CA (517) 241-1638	
Reid Sisson			
Contract Compliance Inspector: Sara Williams			
DCH MCVNN Vine Software Maintenance			
CONTRACT PERIOD: 5 yrs. + 5 one-year options From: October 1, 2010 To: September 30, 2015			
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):

Effective immediately, Exhibit A dated December 1, 2011 is hereby incorporated into this Contract. This Contract is also INCREASED by \$600,000.00.

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

AUTHORITY/REASON(S):

Per vendor and agency agreement, DTMB Procurement approval and the approval of the State Administrative Board dated January 17, 2012.

INCREASE: \$600,000.00

TOTAL REVISED ESTIMATED CONTRACT VALUE: \$3,658,080.00



Exhibit A

Michigan Department of Community Health Scope of Work (SOW) Public Safety Group (PSG)

Project Name:	MCVNN NT
Product:	Appriss NT
Contract Number:	#071B1300025
Product Director:	Tim Bingham
Professional Services Director:	Renee Armstrong
Senior Account Manager:	Emily Lepping 10401 Linn Station Road Louisville KY 40223-3842 502-815-5574 elepping@appriss.com
Account Manager:	Jonathan Waunch
Date:	December 1, 2011

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DOCUMENT REVISION HISTORY			
Version	Date	Changes	Updated By
1.0	4.18.2011	Original document	Emily Lepping
1.2	12.1.2011	Updated per change requests from DTMB and MDCH	Emily Lepping

PURPOSE OF THE DOCUMENT

In order to meet the needs and expectations of the Michigan Department of Community Health and the Michigan Department of Technology Management and Budget (DTMB), it is imperative that the Appriss project team has a clear and defined scope of work to follow. The purpose of this document is to outline the scope of work and key tasks needed to successfully implement MCVNN NT for the state of Michigan, MDCH Legal Affairs, and Crime Victim Services Commission. Since this is a technological update of existing interfaces to the MCVNN system, the only eligible provider is the creator of the existing interfaces which is Appriss.

SCOPE OF WORK OBJECTIVE

Identify the approach, high level phases, and deliverables required to deliver MCVNN NT for the identified contracted agencies.

The 30 identified/targeted contracted agencies are as follows:

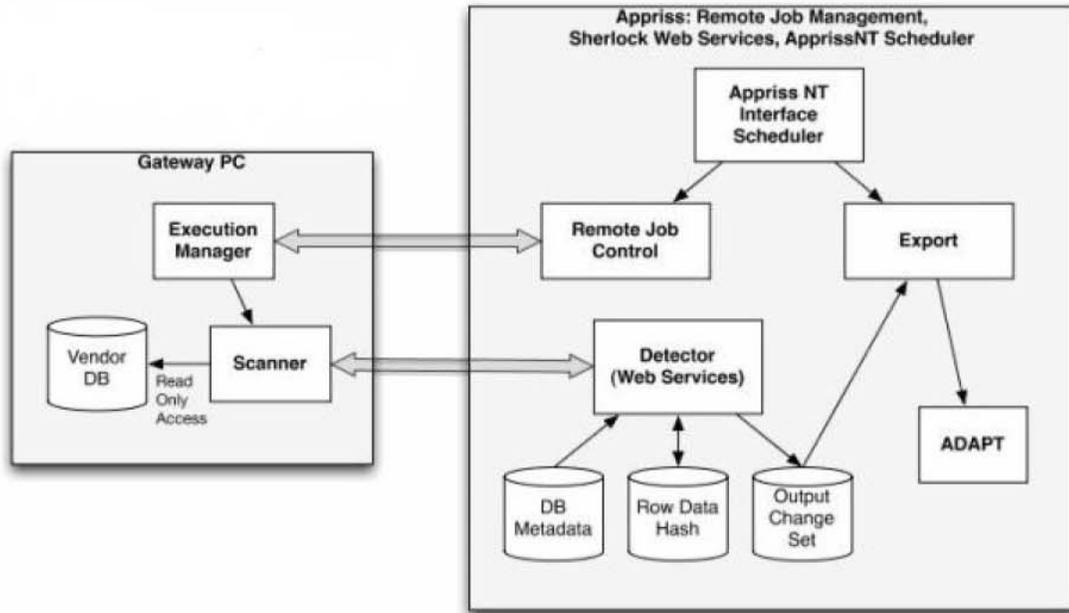
Ingham, Monroe, Menominee, Lake, Van Buren, Tuscola, Arenac, Wayne, Saginaw, Ottawa, Berrien, Calhoun, Isabella, Newaygo, Chippewa, St. Joseph, Mason, Roscommon, Dickinson, Alpena, Ogemaw, Huron, Osceola, Gratiot, Hillsdale, Kalkaska, Otsego, Crawford, Mackinac, and Alcona County Sheriff's Offices.

PROJECT SCOPE

To implement the project, the following scope has been identified and documented to assist in delivering the needed solution, a technological update to the existing MCVNN interface. The following strategy for implementation will be used. There will be a two phased approach to the project. Appriss does not need to access Michigan's systems in order to address or complete this scope of work. Appriss agrees to use the SUITE and DTMB documentation where applicable if/when provided by MDCH.

Once the business requirement of signing the change order and Scope of Work document, Appriss will move to Phase 1 of the project - to develop a Project Requirement Document (PRD) with input from the various stakeholders. Once the PRD is finalized and signed off by the customer, Appriss will commence with Phase II of the project. The PRD is intended to identify both the project deliverables and project objectives. It provides a basis for confirming or developing common understanding of project scope among the stakeholders.

The technical aspect which involves data acquisition is covered under Phase 2 of the project - the implementation of MCVNN NT for each contracted agency. Implementation of MCVNN NT must begin within 4 months following sign-off of Phase 1. Implementation will then be at a rate of a minimum of 2 agencies per month for a total of 30 agencies.



DATA COLLECTION METHODOLOGY

Data Acquisition Component:

Overview: The data elements collected today in VINE are not required to change or be improved upon to benefit from the new technology afforded by MCVNN NT. MCVNN will benefit from improved monitoring of data and greater technical support by improving the method of data collection. There are 3 methods to redeploying the new technology-based interfaces that will dramatically improve data collection:

1. Sherlock
2. Web services
3. Customized Interfaces

Sherlock is the preferred method; however, Appriss is offering of the 3 (web services and customized interfaces) options to allow for flexibility for the 3rd party vendor to provide access to the data. The implementation will follow the same SOM/DTMB standards as required under the contract with Appriss for the existing MCVNN interfaces.

One of any of three options will produce a similar and acceptable result, a combination or totality of the options is redundant. Appriss does have preferred method, that being the Sherlock method.

1. Sherlock (most desirable) - This method offers the most monitoring control by implementing the SQL Extractor, which will monitor the database for changes to the data and transmit data to the VSA system. Sherlock is a new configuration tool that will pull information such as inserts, updates or deletions directly from a Jail Management System database and bring the information into a SQL Extractor that flows into an acquisition, mapping and exporting tool. Some of the benefits include improved supportability and availability and improved flexibility. The SQL extractor is a component of Sherlock, built by Appriss. It bears the responsibility of extracting the data out of the database. It

will be implemented within the Sherlock solution on the Gateway PC. Sherlock will be implemented in one of the two following ways:

- a. Trigger method – A trigger will need to be setup by the vendor, agency or Appriss on each table that Appriss will collect data from so that all inserts, updates and deletes are written to the audit table. Appriss would need read-only database access to the audit table as well as any other tables that data is collected from. Implementing this trigger strategy is the most efficient way for Sherlock to collect data from an agency’s database.
 - b. Read-only database access – At a minimum, Appriss would need read-only database access to the tables that data is collected from.
2. Web Services - For agencies preferring to send info directly to our Data Center, Appriss has created a web service based on the National Information Exchange Model (NIEM) and Global Justice Reference Architecture (JRA) standards. Data will be collected directly into the Acquisition and Mapping and Exporting services. Since the web service is a component to possibly be considered between the agency and Appriss, nothing will be required of the DCH/DTMB.
 3. Appriss New Customized Interface – For agencies not able to utilize either of the first two methods, a custom interface will be created using Appriss’ most current development standards, programming languages, new monitoring technologies and allow for utilization of the new Maestro component as detailed below. The customized interface will encompass set process integrity standards.

Appriss will implement VINE NT in one of three configurations as described above, and as agreed to by the agency and Jail Management System (JMS) vendor. All work regardless of data acquisition method will be completed at a price per agency of \$20,000 and Appriss is responsible for all third party JMS vendor fees. If one of the three configurations is not successfully deployed into production for a given agency, Appriss will continue to utilize the already existing interface with the agency at no additional cost.

Appriss will conduct and ensure system testing and Agency testing (including DCH) in a both the prep and production environment.

Maestro

Overview: Today the data acquisition runs remotely on the Gateway PC. This impedes Appriss from having first-hand knowledge of the issues. By adding the component of Maestro, Appriss is added to the workflow via an “Execution Manager”. The Execution Manager will be controlled by Appriss, not by the Gateway PC.

Through the increased monitoring capabilities of MCVNN NT, the Appriss support technicians are able to quickly diagnose the issues that arise and able to resolve them faster and with minimal interruption to the agency’s staff. Appriss is able to accomplish this through implementing Maestro, which offers tighter control in collecting data and capturing any detailed errors that may occur. The current MCVNN service is not an off-the-shelf software product but is modeled as a SaaS – Software as a Service. Within this service Appriss creates interfaces to the agency’s jail management system, receives data, provides technical support, and monitors the system and agency data – which includes access and control of the equipment, the Gateway PC. In keeping with the SaaS model, costs associated with delivering MCVNN are considered institutional costs and cannot be broken down by component. The Maestro component is part of MCVNN’s overall architecture and carries no individual costs but is bundled with the overall technology update to MCVNN NT. All ongoing maintenance is covered by the existing MCVNN

agreement with Appriss. There is no additional ongoing cost incurred for maintenance and support for MCVNN NT.

Benefits:

- Appriss will control problem detection before alarms are even triggered
- Quicker diagnosis and faster resolution
- Enables monitoring back and forth and triggers self- healing capabilities
- Solves an information distribution factor – through Maestro Appriss can send software to the agency
- Minimizes interruptions to the agency

Appriss is a SaaS (Software as a Service) provider. As such, it funds the development and support of the IT infrastructure, and licenses access to the application and support services. With MCVNN NT there are no additional licenses (already covered by MCVNN’s ongoing maintenance). Appriss will install the new software on the equipment that has been provided to the agencies (referred to as VINE Gateway PC). For agencies without equipment but using FTP interfaces to transmit data, the software installation is not applicable. The SaaS modeled proprietary software is replacing the current MCVNN software, and is not placed on any State of Michigan equipment.

STANDARD PRODUCT FEATURES INCLUDED

Data Acquisition Component: Sherlock, web service or customized interface will be utilized.

Execution: Appriss’ Maestro will be utilized and installed.

Global Justice Reference Architecture (JRA) based: The new system provides the capability to accept transactions through a web service that conforms to the JRA specifications. Your technical resources will be provided with a Service Specification package that will allow you to easily integrate with the MCVNN system.

NIEM Conformant: The system is able to accept data formatted in a NIEM compliant XML document. Appriss will utilize one of the following methods:

- Appriss will accept a document that is similar to the NDEX Incarceration/Booking Information Exchange Package Documentation (IEPD)
- Appriss will be prepared to utilize the upcoming SAVIN IEPD
- or, Appriss will be developing a specific NIEM IEPD to support the needs of the MCVNN solution

You will be able to use the IEPD to reduce the development time to implement or change the solution.

Improved Supportability and better availability: Through the increased monitoring capabilities of MCVNN NT, the Appriss support technicians are able to quickly diagnose the issues that arise and be able to resolve them faster and with minimal interruption to the Sheriff’s offices. Appriss is able to accomplish this through implementing Maestro, which offers tighter control in collecting data and capturing any detailed errors that may occur. For the most control, we will implement the SQL Extractor, which will monitor the database for changes to the data and transmit data to the MCVNN system.

Improved flexibility: The MCVNN NT architecture provides analytical tools that enable the Appriss technicians to be able to make changes to the system with minimal to no software development, reducing time to develop, test and deploy changes to your system.

Survey: To measure the positive impact of the redeployment of interfaces. Reporting will be pulled by the Michigan Department of Community Health through a web-based reporting mechanism at regular intervals. The output measurement will be at the time of implementation of the new interface deployment. An invitation to respond to a survey serving registered users will be offered to gauge their satisfaction of the service, as well.

DELIVERABLES AND TASKS

The estimated start date will commence with the contract signing, and actual redeployment by agency will start approximately four months following the signing of the Project Requirements Document (PRD).

- Maestro Deployment
- Determine new data acquisition component using either Sherlock, Web Services, or Customized Services
- Define targeted agencies
- Deploy chosen data acquisition component



MCVNN NT Scope of Work

Initial Project Plan for VINE NT:

Initial Project Plan that will be developed for Each Agency to be implemented (this plan is for Agency 1):

		Task Name	Duration	Start	Finish	Predecessors	Resource Names
1		Contract Signed	1 day	Mon 1/23/12	Mon 1/23/12		Appriss,MDCH
2		Internal Kick-off	5 days?	Tue 1/24/12	Mon 1/30/12	1	Appriss
3		Customer Kick-off	1 day	Tue 1/31/12	Tue 1/31/12	2	Appriss,MDCH
4		PRD Signed	9 days	Wed 2/1/12	Mon 2/13/12	3	Appriss,MDCH
5		Survey Development & Deployment	175 days	Tue 2/14/12	Mon 10/15/12	4	Appriss
6		Vendor Contacts	330 days	Tue 2/14/12	Mon 5/20/13	4	Appriss
7		Agency 1	65 days	Tue 2/14/12	Mon 5/14/12	4	Appriss,Agency
8		Agency 2	65 days	Tue 2/14/12	Mon 5/14/12	4	Appriss,Agency
9		Agency 3	86 days	Tue 2/14/12	Tue 6/12/12	4	Appriss,Agency
10		Agency 4	86 days	Tue 2/14/12	Tue 6/12/12	4	Appriss,Agency
11		Agency 5	109 days	Tue 2/14/12	Fri 7/13/12	4	Appriss,Agency
12		Agency 6	109 days	Tue 2/14/12	Fri 7/13/12	4	Appriss,Agency
13		Agency 7	130 days	Tue 2/14/12	Mon 8/13/12	4	Appriss,Agency
14		Agency 8	130 days	Tue 2/14/12	Mon 8/13/12	4	Appriss,Agency
15		Agency 9	152 days	Tue 2/14/12	Wed 9/12/12	4	Appriss,Agency
16		Agency 10	152 days	Tue 2/14/12	Wed 9/12/12	4	Appriss,Agency
17		Agency 11	175 days	Tue 2/14/12	Mon 10/15/12	4	Appriss,Agency
18		Agency 12	175 days	Tue 2/14/12	Mon 10/15/12	4	Appriss,Agency
19		Agency 13	195 days	Tue 2/14/12	Mon 11/12/12	4	Appriss,Agency
20		Agency 14	195 days	Tue 2/14/12	Mon 11/12/12	4	Appriss,Agency
21		Agency 15	218 days	Tue 2/14/12	Thu 12/13/12	4	Appriss,Agency
22		Agency 16	218 days	Tue 2/14/12	Thu 12/13/12	4	Appriss,Agency
23		Agency 17	110 days	Mon 8/20/12	Fri 1/18/13	4	Appriss,Agency
24		Agency 18	110 days	Mon 8/20/12	Fri 1/18/13	4	Appriss,Agency
25		Agency 19	131 days	Mon 8/20/12	Mon 2/18/13	4	Appriss,Agency
26		Agency 20	131 days	Mon 8/20/12	Mon 2/18/13	4	Appriss,Agency
27		Agency 21	154 days	Mon 8/20/12	Thu 3/21/13	4	Appriss,Agency
28		Agency 22	154 days	Mon 8/20/12	Thu 3/21/13	4	Appriss,Agency
29		Agency 23	174 days	Mon 8/20/12	Thu 4/18/13	4	Appriss,Agency
30		Agency 24	174 days	Mon 8/20/12	Thu 4/18/13	4	Appriss,Agency
31		Agency 25	195 days	Mon 8/20/12	Fri 5/17/13	4	Appriss,Agency
32		Agency 26	195 days	Mon 8/20/12	Fri 5/17/13	4	Appriss,Agency
33		Agency 27	217 days	Mon 8/20/12	Tue 6/18/13	4	Appriss,Agency
34		Agency 28	217 days	Mon 8/20/12	Tue 6/18/13	4	Appriss,Agency
35		Agency 29	240 days	Mon 8/20/12	Fri 7/19/13	4	Appriss,Agency
36		Agency 30	240 days	Mon 8/20/12	Fri 7/19/13	4	Appriss,Agency

		Task Name	Duration	Start	Finish	Predecessors	Resource Names
1		Agency Kick-off	5 days	Tue 2/14/12	Mon 2/20/12		Appriss,Agency,MDCH
2		Agency Questionnaire	5 days	Tue 2/21/12	Mon 2/27/12	1	Appriss,Agency
3		Install Maestro	5 days	Tue 2/28/12	Mon 3/5/12	2	Appriss
4		VINE NT Interface Development	25 days	Tue 2/28/12	Mon 4/2/12	2	Appriss,Vendor
5		Agency Configuration & Testing	10 days	Tue 4/3/12	Mon 4/16/12	4	Appriss
6		Project Lifecycle Documentation	5 days	Tue 4/17/12	Mon 4/23/12	5	Appriss
7		Interface Documentation	5 days	Tue 4/17/12	Mon 4/23/12	5	Appriss
8		User Acceptance Testing	15 days	Tue 4/17/12	Mon 5/7/12	5	Appriss,Agency
9		Deploy to Production	5 days	Tue 5/8/12	Mon 5/14/12	8	Appriss

Resources needed:

MDCH – Appriss will need VINE Program Manager for the following tasks:

- Contract Signature
- Attendance at the kick-off meeting
- Assistance with information for Appriss to create PRD
- PRD review and signature
- Minimal assistance contacting agencies and/or vendors, when assistance is needed

Vendor – Appriss will need Vendor cooperation and participation for the following tasks (Agency technical staff will serve as the Vendor in the cases of agency in-house interfaces where there is no vendor):

- Assistance with determining the best approach to build VINE NT interface with the Vendor’s system
- Provide database access and/or build triggers for Sherlock OR provide development of custom VINE NT interface.
- Note that Appriss is referring to the databases at the jail (agency) level only. Either the jail or the jail management system vendor would grant security access.

Agency-Appriss will need agency cooperation and participation for the following tasks:

- Agency kick-off meeting
- Complete agency questionnaire
- Technical assistance, if needed (i.e. network access, database access, etc.)
- User acceptance testing

RESPONSIBILITIES

This project will require the participation of the MCVNN Program Manager to the same extent as is required by the current MCVNN service, such as facilitating agency or jail management system vendor communication if necessary. Appriss assumes all other responsibility for the deployment of MCVNN NT.

Appriss anticipates the participation of the MCVNN Program Manager in its regularly scheduled technical meetings in order to be kept apprised as to the project status, and if any assistance is needed in agency level communication. Appriss has a project team assigned to Michigan for support and maintenance, and the exact same staff will be involved in VINE NT. The team members are Jack Henderson, Kim Bailey, Robbie Bern, Aminata Deen, Mona Mallory, Charles Ammerman, and Jonathan Waunch- Account Manager and Emily Lepping- Senior Account Manager. DTMB would include the MDCH Legal Affairs Crime Victim Services Commission.

ASSUMPTIONS & RISKS

Identified assumptions include:

- For data collection method #1, above, Agency/Vendor will at a minimum give Appriss “read-only” access to system database(s). Preferred Sherlock method is the installation of triggers. For our purposes- Vendor is referring to the 3rd party jail management system vendors for the Michigan jail/sheriff offices.
- If data collection method #2 is selected the vendor/agency will develop to Appriss web-standards for error monitoring and detection and data element specification will be followed
- Data layout for agency will change to new layout. There are no specific data layout changes to detail until work starts with an agency. Dependent upon that agency’s layout, the data elements will be delivered in a revised order.
- Appriss will re-configure the MCVNN product to accept the data in the new layout
- Existing MCVNN features and notifications will not be altered or modified
- Appriss will provide a Project Manager who will manage the implementation team and create a Project Requirement Document (PRD) and serve as a primary contact during the implementation phase. This team will consist of implementation & support analyst, data analyst, quality assurance resources and services. Appriss agrees to use SUITE and DTMB documentation where applicable if/when provided by MDCH.
- Appriss will provide the necessary development resources for the interface re-design
- Appriss will provide access to the pre-production (PREP) environment for user acceptance testing prior to deployment to production
- The Michigan Department of Community Health and DTMB will provide a project manager to approve project documents, deliverables, and payment



MCVNN NT Scope of Work

BILLING MILESTONES

MCVNN is based on a SasS (Software as a Service) model, and all costs are inclusive as a fee for service. The \$600,000 is based on the SAVIN (BJA FY11) grant award benefitting 30 Michigan agencies. MDCH will be charged the work for all 30 agencies in a one-time fee; no additional charges will be incurred. In keeping with the SaaS model, Appriss warrants the MCVNN NT project through the entire contract period for MCVNN and any subsequent renewals.

Milestone	Amount Billed	Comment
Milestone1 – Project Requirements Document (PRD) Signed	40%	Billed upon PRD signing
Milestone2 – Individual Agency Implementations	*50%	*Appriss will bill 1/27 of 50% for each agency implemented. The remaining 3 agencies (to total the 30 contracted) will be completed at no additional cost.
Milestone3 – MCVNN NT Project Completion	*10%	Billed upon Project Close Out Document signing

Estimated Milestones

Grant	SAVIN 2011	Startup Cost	\$600,000.00
Agencies	30	Recurring Cost	\$ -

Contract Month	Milestone Breakdown	Sites	Milestone Description
1	\$ -		Contract Signature
2	\$ 240,000.00		PRD Signed
3	\$ -		
4	\$ -		
5	\$ 22,222.22	2	2 agencies
6	\$ 22,222.22	2	2 agencies
7	\$ 22,222.22	2	2 agencies
8	\$ 22,222.22	2	2 agencies
9	\$ 22,222.22	2	2 agencies
10	\$ 22,222.22	2	2 agencies
11	\$ 22,222.22	2	2 agencies
12	\$ 22,222.22	2	2 agencies
\$ 417,777.78			Year 1
13	\$ 22,222.22	2	2 agencies
14	\$ 22,222.22	2	2 agencies
15	\$ 22,222.22	2	2 agencies
16	\$ 22,222.22	2	2 agencies
17	\$ 22,222.22	2	2 agencies
18	\$ 11,111.11	2	1 agency (#27) charged / 1 agency (#28) no charge
19	\$ 60,000.00	2	Project Completion + 2 agencies (#29 & #30) no charge
20			
21			
22			
23			
24			
\$ 182,222.22		30	Year 2
24 months Grand Total			\$ 600,000.00



MCVNN NT ongoing maintenance will be covered under the MCVNN-Appriss original annual maintenance. No additional maintenance fees will be incurred.

APPROVAL SIGNATURES

Print Name	Signature	Title	Date

By signing above, the customer indicates agreement with the contents herein, and confirms that the Appriss project team has identified the scope of work necessary to deliver the needed project objectives. Additional detailed documentation and project timelines will be included in the Project Requirements Document (PRD) which will occur during the project kick off phase and upon successful contracting.

PROPOSED PRICING

Based on the Scope of Work description, Appriss is pleased to present for the Michigan Department of Community Health the below proposed price quote. Pricing includes both standard services and any applicable customized services stated by the state of Michigan’s requirements. Standard services are defined as the details identified within the Scope of Work. Any requested work by MDCH or DTMB beyond the scope to deployment would require a review and pricing evaluation.

Standard Solution Fees:	Fee
30 agencies included in the MCVNN NT project	\$600,000.00
Customized Solution Fees:	Fee
	\$0.00

Price quote estimate is based on the date of the scope of work description and outlined assumptions and risks. Any additional information that would change the scope of the work may warrant other pricing considerations. The above proposed pricing is valid for 90 days from December 1, 2011.

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

October 1, 2010

NOTICE
OF
CONTRACT NO. 071B1300025
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR		TELEPHONE (502) 815-5533	
Appriss, Inc. 10401 Linn Station Road, Suite 200 Louisville, KY 40223-3842 Email: lobryan@appriss.com		Lalla O'Bryan	
		CONTRACTOR NUMBER/MAIL CODE	
		BUYER/CA (517) 373-3993	
		Dale Reif	
Contract Compliance Inspector: Sara Williams			
DCH MCVNN Vine Software Maintenance			
CONTRACT PERIOD: 5 yrs. + 5 one-year options From: October 1, 2010 To: September 30, 2015			
TERMS		SHIPMENT	
N/A		N/A	
F.O.B.		SHIPPED FROM	
N/A		N/A	
MINIMUM DELIVERY REQUIREMENTS			
N/A			
MISCELLANEOUS INFORMATION:			

TOTAL Estimated Contract Value: \$3,058,080.00

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. 071B1300025
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR Appriss, Inc. 10401 Linn Station Road, Suite 200 Louisville, KY 40223-3842 Email: lobryan@appriss.com	TELEPHONE (502) 815-5533 Lalla O'Bryan CONTRACTOR NUMBER/MAIL CODE BUYER/CA (517) 373-3993 Dale Reif
Contract Compliance Inspector: Sara Williams DCH MCVNN Vine Software Maintenance	
CONTRACT PERIOD: 5 yrs. + 5 one-year options From: October 1, 2010 To: September 30, 2015	
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-DR-084R0200121, 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: \$3,058,080.00	

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.

FOR THE CONTRACTOR: Appriss, Inc. Firm Name Thomas R. Seigle Authorized Agent Signature Authorized Agent (Print or Type) Date	FOR THE STATE: Signature Greg Faremouth, Division Director Name/Title IT Division Division Date
--	--



STATE OF MICHIGAN
Department of Technology, Management and Budget
Purchasing Operations

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

Contract Number 071B1300025
Software Maintenance and Support
Victim Information and Notification Everyday



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Attachment 4 - COST TABLE **64**



Article 1 – Statement of Work (SOW)

1.000 Project Identification

1.001 Project Request

The purpose of this contract is for ongoing maintenance and enhancements for the proprietary Custom-off-the-Shelf (COTS) Victim Information and Notification Everyday (VINE®), an automated victim notification service. The State of Michigan does not have access to maintain the source code. The contract will be for term of five (5) years, with five 1-year extensions possible.

1.002 Background

In 1985 the Crime Victims Rights Act created comprehensive rights of notification and participation in all stages of the criminal justice process for felony crime victims in Michigan. In 1988 the law was amended to include the victims of serious misdemeanors and juvenile offenses. Many amendments significantly improving on the implementation and scope of services have since been made. The law creates a duty for police agencies, sheriffs, the Department of Corrections, prosecuting attorneys, courts and other agencies to include crime victims within the formal conduct of investigative, judicial, sentencing and post sentencing proceedings. The county prosecuting attorney provides a substantial amount of additional case management and advocacy work under the Act. Capable and dedicated victim advocates in prosecutors' offices throughout the state perform much of these duties.

A recent advancement to crime victim notification is the Michigan Crime Victim Notification Network (MCVNN), VINES® system. The system was implemented in 2003 in the Department of Corrections and there are currently 65 county Sheriff Departments, 73 county Prosecutor Offices and the Department of Attorney General using MCVNN to notify victims of custody status and court events involved in their case. This automated notification system greatly enhances victim safety and convenience while providing added response capabilities for agencies implementing crime victims rights. MCVNN is a free, confidential 24-hour telephone-computer interface that allows crime victims and other citizens to register to receive almost instantaneous telephone and/or email notice whenever a prisoner's custody status changes.

Notifications produced by the VINES® system include the majority of crime victim rights act requirements, including court schedule information. The MCVNN is a free service of the Michigan Department of Community Health, Crime Victim Services Commission, in partnership with the Michigan Department of Corrections, Department of Attorney General, Prosecuting Attorneys Coordinating Council, Prosecuting Attorneys Association of Michigan and the Michigan Sheriff's Association. All costs are paid by assessments collected from convicted criminal defendants.

1.100 Scope of Work and Deliverables

1.101 In Scope

Contractor will provide the following services for the complete and successful support and maintenance of the proprietary VINE® system providing the functionality required for the State's business operations. This project consists of the following components:

- **Maintenance** - Maintenance is defined as repair or replacement services provided to identify and repair software malfunctions in order to return the system to its original operating condition. Maintenance also includes an agreement to provide an annual renewable software subscription to include future upgrades (both major and minor revisions of the application) and ongoing vendor product support.
- **Support**.- Help Desk and Technical
- **Enhancements** – These projects will be determined at time of need and a separate work statement will be developed

A more complete description of the supplies and/or services sought for this project is provided in Section 1.104, Work and Deliverables.

1.102 Out Of Scope

The following are out of the scope of this Request for Proposals:



- Business process re-engineering services
- Licenses for any product other than those required for the existing VINE®
- Maintenance or enhancements other than what is required for the VINE®

1.103 Environment

Contractor is required to review all applicable links provided below and state compliance in their response. The links below provide information on the State's Enterprise IT policies, standards and procedures which includes security policy and procedures, IT strategic plan, eMichigan web development and the State Unified Information Technology Environment (SUITE).

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

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 DTMB Standard Information Technology Environment. During the duration of this contract, upgrades will need to be compatible with the State IE version, MS Office products, Adobe, or other DTMB standards for software. 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 DTMB. 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 DTMB 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 DTMB, 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:

- DTMB Single Sign On.
- DTMB 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>

Current Agency VINE® Software/Hardware environment:

Contractor must be able to maintain the VINE® application using the current software/hardware environment as shown below:



- Database: Oracle 10g
- Development Language: Java
- Development Framework: J2EE
- Web Server: Apache
- Application Server: Glassfish
- Operating System: Linux
- Reporting Tools: Vines Custom Web Application that has access to many out of the box queries for data contained within the system

1.104 Work And Deliverable

Section overview - Software maintenance and support will include but is not limited to:

- A. Software maintenance and Support
 6. System Maintenance - develop and provide corrections, changes or workarounds for any defects, errors, or malfunctions in the software.
 7. Help Desk
 8. Adaptive and Preventive Maintenance
 9. Performance Maintenance
 10. Documentation Update
- B. Future Enhancements
 5. Application Adjustments & New Development
 6. Interoperability Development with Other Applications
 7. System Interface Adjustments & New Interfaces
 8. Future Enhancement Process
- C. Additional Services
 1. Implementation
 2. Training

A. Software Maintenance and Support

Contractor shall supply annual software maintenance and support services that provide systems management. Contractor must fully understand all the functionality provided by the VINES® software programs. Contractor must be able to explain how each aspect of the software works and be able to document needed corrections for submission to VINES® for resolution.

VINE is a Software as a Service (SaaS) solution which offers a number of benefits for software maintenance and updates over the typical commercial off the shelf (COTS) software package that is either installed locally as is, or is customized through development efforts. This solution is not a COTS software package that would require Michigan personnel to install software on each of the end users physical personal computer; the service is available through a toll-free phone number; and through both our public web portal VINELink.com and our secure administrative web portal VINEWatch.com. All maintenance of the service provided is centrally located and hosted, routinely updated and monitored, with configurable options to meet the contractual requirements set forth by the State of Michigan.

1. **System Maintenance Activities** – Contractor will provide Software maintenance. Software Maintenance refers to regular and routine work performed by the Contractor on the VINES® System. This includes any work required to correct defects in the system operation as required to meet Contract requirements. This includes any routine file maintenance to update any information required for operation of the system such as data changes, constructing new edits, investigating batch job failures, investigating and correcting application defaults, repairing jobs run incorrectly, repairing problems due to system software failures, repairing problems due to operator or schedule error, rectifying problems due to web page, program, object, class, scripts, control language, or database errors, repairing security problems, repairing and restoring corrupted files, table structures, and databases, rectifying incorrect documentation, and repairing problems due to jobs run with incorrect data.
 - a. The Contractor will perform system maintenance as defined in the Scope of Work for the component parts of the system after implementation. Appriss has a standard software



maintenance window on Wednesday mornings between the hours of 4:00 a.m. and 6:00 a.m. As part of our software as a service (SaaS) model, applications will be unavailable during this window. Internally this outage is used to update changes to our platform to keep our services in line with our customer's service level agreements.

- b. The maintenance period is for the life of the VINES® System contract.
- c. All maintenance will be performed by qualified personnel who are familiar with the system.
- d. The Contractor will provide backup maintenance resources.
- e. The Contractor will provide for escalation of maintenance issues to ensure critical issues are resolved. Appriss has a standard software maintenance window on Wednesday mornings between the hours of 4:00 a.m. and 6:00 a.m. As part of our software as a service (SaaS) model, applications will be unavailable during this window. Internally this outage is used to update changes to our platform to keep our services in line with our customer's service level agreements.
- f. The Contractor will provide remote diagnostic capabilities. Appriss provides a SaaS model that allows for all systems to be available internally to qualified Appriss personnel. Appriss will provide remote diagnostic capabilities to the VINE workstations, gateway pc's, and interfaces through a tool called Bomb Guard, or other remote diagnostic resources identified by Appriss.
- g. The Contractor will provide one point of contact to report system malfunction whether malfunction is due to software or is of unknown origin. The Contractor will then be responsible for providing the appropriate remedy. The Appriss Operations Center, located in Louisville, Kentucky, will be the central point of contact that is available 24x7x365. The AOC is accessible using 1-866-277-7477 or via email at aodc@appriss.com. The AOC is staffed to receive reports of system malfunctions and resolve those malfunctions through our Incident Resolution Process.
- h. The Contractor will make maintenance of the system available from the Contractor on an annually renewable Contract basis.
- i. Contractor will provide the following services for the system:
 - i. Error Correction. Upon notice by State of a problem with the system (that can be verified), the Contractor shall use reasonable efforts to correct or provide a working solution for the problem.
 - ii. The Contractor shall notify the State of any material errors or defects in the deliverables known, or made known to the Contractor from any source during the Contract term that could cause the production of inaccurate or otherwise materially incorrect, results.
 - iii. The Contractor shall initiate actions, as may be commercially necessary or proper to effect corrections of any such errors or defects.
- j. Contractor must coordinate implementing enhancements, new releases and other changes to the VINES® with all users.

2. Help Desk Support

Contractor must provide software support services for the VINES® Software as described in this Section.

Appriss provides 24 x 7 x 365 support to technical and end-users via 1-866-277-7477 or e-mail at aodc@appriss.com. Response for such support is provided within a minimum of four hours.

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

3. Adaptive and Preventive Maintenance Activities

- a. Adaptive and preventive maintenance addresses upgrades to the system due to technical changes to system components to keep the system maintainable, including the following services:



- i. Upgrades or patches of the application server, Windows components, operating system, or other system and application software.
- ii. Software modifications and upgrades necessary because of expiring third-party vendor support.
- iii. Hardware, database, or application conversions that do not modify user functionality.
- iv. One-time loads or reformat of user data.
- v. Report distribution changes.
- vi. Disaster recovery plan activities. Appriss has a Disaster Recovery plan that addresses a variety of disaster events, man-made and natural occurrences. A copy can be provided to the customer upon execution of a contract.
- b. The changes should be transparent to the end user.
- c. Adaptive release changes will be performed in a monthly patch release.
- d. For major upgrades requiring a more significant amount of time to develop, test, and implement, the changes should be completed as part of a development release or a quarterly release.
- e. Application Repair –Contractor must offer patches or fixes to acknowledged issues of the VINES® System within an acceptable timeframe.

4. Performance Maintenance Activities – perform maintenance activities to improve the performance of the application.

- a. Performance maintenance includes the following services:
 - i. Improve the performance, maintainability, or other attributes of an application system.
 - ii. Data table restructuring.
 - iii. Data purges and or archiving to reduce/improve data storage.
 - iv. Run time improvements.
 - v. Replace utilities to reduce run time.
 - vi. Potential problem correction.
 - vii. Data set expansions to avoid space problems.
- b. Performance maintenance changes will be performed in a monthly patch release or, for major changes requiring significantly more time to develop, test, and implement, the changes should be completed as part of a development release or quarterly release.
- c. Activities that typically can be completed independent of a production release (e.g., data set expansions, data purges) may be completed on a more frequent basis (e.g., daily or weekly).

9. Documentation Update -. Information about any unique aspects of the Michigan implementation must be recorded and available to all support personnel.

B. Application Development for Future Enhancements - see Attachments 3 for Appriss Change Order Frm/Process.

Future enhancements will be required based on federal and state requirements. A separate Statement of Work will be written for any required enhancements. The contractor will bid each enhancement request as a fixed price proposal. The contractor will not begin work until authorized by the Agency/DTMB Project Managers. The order of completion will be determined by the Agency/DTMB Project Managers. All approvals will be in writing and signed by Agency/DTMB Project Managers.

Contractor will provide future development services and/or software enhancement meeting the definitions below.

System enhancements / scope modifications include changes to the system that are necessary to meet:

- a. New State policy requirements,
- b. New Federal regulations,
- c. New technology requested by the State, or
- d. Accommodate new or updated interfaces requested by the State.

The Contractor must be able to respond to requests to modify the VINES® software to meet future needed functionality.



- A. Application Adjustments & New Development - Contractor must provide the ability to request changes or new development work of the VINES® software.
- B. Interoperability Development with Other Applications - Contractor must provide the ability to request integrations or interoperability with other products or services of the VINES® software.
- C. System Interface Adjustments & New Interfaces – Contractor must provide the ability to request changes or customizations to the application user interface of the VINES® software.

The following enhancements are needed for MDTMB/MDCH and should be included in Contractor's proposal based on fixed rates provided in Attachment 4– Cost Table.

SMS (Short Message Service) Enhancement (text messaging notification option) – see Attachment 1 – Appriss Scope of Work

The contractor will enhance the MCVNN service to include SMS Text Messaging as an additional outbound notification method. SMS notification capabilities will allow victims to register for an additional notification method and provide a new mechanism for victims and other registrants to receive notifications

SMS Enhancement Features will include:

- The MCVNN inbound toll free number will be modified to add an option to register to receive SMS outbound notifications
- Michigan's VINEWatch registration page will be modified to include SMS registrations
- Michigan's VINELink registration page will be modified to include SMS registrations.
- The SMS registration option will inform registrants that they will be responsible for any fee from their phone carrier for receipt of such messages
- SMS notification formats will allow for a total of 160 character messages. Standard SMS formats will be provided for existing outbound messages.
- Registrants may register up to 5 numbers at a time in VINELink for SMS delivery numbers for outbound notification purposes.
- SMS registrations will be captured and tracked as a new notification method in the VINEWatch reports.
- Registrants can also register for SMS notifications through the assistance of a VINE Service Representative.

VINELink.com in Spanish Enhancement – see Attachment 2 – Appriss Scope of Work

The contractor will provide the www.vinelink.com public website in Spanish. The solution to add a Spanish VINELink to the web tool will allow Hispanic victims to navigate the VINELink service absent language barriers, thereby increasing its usage and promote multicultural inclusion amongst those seeking critical victim services.

The contractor will have a button (in Spanish) on the MI Vine Link home page, that once selected would display VINELink in Spanish according to the details listed below:

- This option would apply to the entire state (site level option), including any new modules that would be added in the future (for example: VINE Courts and Probation and Parole, Juvenile Courts)
- Tab names: (Home, Search and Register, State Victim Resources, Map) will be in Spanish
- Sub Tab names: (Offender, VINE Courts, Probation and Parole, Sex Offender, Protective Order) will be in Spanish

Items below would apply to all sub tabs (Offender, VINE Courts, P&P):

- Banner: VINELink logo would be in English - tag line would be in Spanish
- Appriss Disclaimer: Spanish
- The name "VINE" will always be VINE (English)
- The name "MI Vine Link "will always be "MI Vine Link" (English)
- Error Messages throughout VINELink will be displayed in Spanish
- Agency Over ride capability would be able to be done in Spanish



Acceptance Criteria

Software enhancements may include, but not limited to, software product, development tools, support tools, data migration software, integration software and installation software. The following criteria apply to software enhancement deliverables:

- Beta software is not accepted as final deliverable.
- DTMB will review the software enhancements for acceptance of functionality, usability, installation, performance, security, standards compliance, backup/recovery and operation. Approvals will be written and signed by Agency/DTMB Project Manager. Unacceptable issues will be documented and submitted to the Contractor. After issues are resolved or waived, the Contractor will resubmit software for approval.
- Software enhancements are installed and configured in appropriate environment (e.g. development, test, pre-live, live). Contingency plans and de-installation procedures and software are provided by Contractor and approved by the Agency/DTMB Project Managers.
- Contractor will successfully test software enhancements in the development environment before moving the enhancement to the test and pre-live environments for final software testing by DTMB. Approvals will be written and signed by Agency/DTMB Project Managers.
- Unacceptable issues will be documented and submitted to the Contractor. After issues are resolved or waived, the Contractor will resubmit test software, data and results for approval. Only after successful State testing in the test and pre-live area will the enhancement be implemented in the production environment. This implementation should occur at an agreed upon time during non business hours, such as late evenings or weekends.

1.200 Roles and Responsibilities

1.201 Contractor Staff, Roles, and Responsibilities

A. Contractor Staff

The Contractor will provide sufficient qualified staffing to satisfy the deliverables of the Statement of Work. Professional support staff must be well-trained on the VINES® product. Support personnel must English-speaking and be available via a toll-free number. Due to sensitivities of the system, it is preferable for all support activities to occur in the continental United States of America.

B. On Site Work Requirements

1. 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. 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. Contractor will pay 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 Contractor's facilities in Louisville, Kentucky, and/or at Chandler Plaza, 300 E. Michigan Avenue, Lansing, Michigan.

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.
- b. The State is not obligated to provide State management of assigned work outside of normal State working hours. The State reserves the right to modify the work hours in the best interest of the project.
- c. Contractor shall observe the same standard holidays as State employees. The State does not compensate for holiday pay.



4. Travel:

- a. No travel or expenses will be reimbursed. This includes travel costs related to training provided to the State by Contractor.
- b. Travel time will not be reimbursed.

1.202 State Staff, Roles, And Responsibilities

The state will provide the resources (work space, desk, telephone , pc workstation, etc) for the Contractor’s use on this project if working on-site.

State Project Manager(s)

DTMB will provide a Project Manager(s) who will be responsible for the State’s infrastructure and coordinate with the Contractor in determining the system configuration.

Name	Agency/Division	Title
Tonnie Diffin	DTMB/Agency Services	Project Manager

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

Name	Agency/Division	Title
Sara Williams	DTMB/Agency Services	Contract Administrator

1.300 Project Plan

1.301 Project Plan Management

Section 1.300 may be required if the State requests enhancement services through this contract. At a minimum, the Plan needs to contain the following items, or reasonable substitutions:

- 1. A work breakdown structure of the major phases of the project, accounting for all tasks, deliverables and milestones.
- 2. A timetable for each task, deliverable, and milestone.
- 3. A summary of total Contractor and state hours by phase. The Work Plan, as described above, must cover the entire project and each phase, and must reflect state staff, tasks, and schedules.
- 4. Any assumptions or constraints identified by the Contractor. If there are needs for state staff in addition to those referenced in Section 1.202, the Contractor should note this need at this point.
- 5. An explanation of how the schedule provides for the handling of potential and actual problems, this must also include general plans for dealing with the slippage of critical dates.

1.302 Reports

A monthly progress report must be submitted to the Agency Project Managers as requested by the State. Monthly reports will include a narrative to explain problems experienced in the period, recommendations for change to the project plan, and any comments the Contractor may have. The report may be submitted with the billing invoice. Each progress report must also contain the following:

- 1. **Hours:** Indicate the number of hours expended during the past month, and the cumulative total to date for the project. Also state whether the remaining hours are sufficient to complete the project.
- 2. **Accomplishments:** Indicate what was worked on and what was completed during the current reporting period.
- 3. **Funds:** Indicate the amount of funds expended during the current reporting period, and the cumulative total to date for the project.

1.400 Project Management

Section 1.400 may be required if the State requests enhancement services through this contract:

1.401 Issue Management

An issue is an identified event that if not addressed may affect schedule, scope, quality, or budget.



The Contractor shall maintain an issue log for issues relating to the provision of services under this Contract. The issue management log must be communicated to the State's 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 RFP. The risk management plan will be developed during the initial planning phase of the project, and be in accordance with the State's PMM methodology. Once both parties have agreed to the format of the plan, it shall become the standard to follow for the duration of the contract. The plan must be updated bi-weekly, or as agreed upon.

The Contractor shall provide the tool to track risks. The Contractor 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 Management and Budget, Purchasing Operations Buyer, who will make recommendations to the Director of Purchasing Operations regarding ultimate approval/disapproval of change request. If the DMB Purchasing Operations Director agrees with the proposed modification, and all required approvals are obtained (including State Administrative Board), the Purchasing Operations Buyer will issue an addendum to the Contract, via a Contract Change Notice. **Contractors who provide products or services prior to the issuance of a Contract Change Notice by the DMB Purchasing Operations, risk non-payment for the out-of-scope/pricing products and/or services.**

The Contractor must employ change management procedures to handle such things as "out-of-scope" requests or changing business needs of the State while the migration is underway.



The Contractor 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 Criteria

Acceptance criteria for deliverables will be identified in each individual project SOW.

1.502 Final Acceptance

Final acceptance criteria for deliverables will be identified in each individual project SOW.

1.600 Compensation and Payment

1.601 Compensation And Payment

This is a fixed price/deliverable based contract. The rates quoted will be firm for the duration of this Contract. See **Attachment 4** for Contract Price List.

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

Statements of Work and Issuance of Purchase Orders - The parties agree that the Services/Deliverables to be rendered by Contractor pursuant to this Contract (and any future amendments of it) will be defined and described in detail in Statements of Work or Purchase Orders (PO) executed under this Contract. Contractor shall not be obliged or authorized to commence any work to implement a Statement of Work until authorized via a PO issued against this Contract. Contractor shall perform in accordance with this Contract, including the Statements of Work/Purchase Orders executed under it.

Invoicing - Contractor will submit properly itemized invoices to "Bill To" Address on Purchase Order. Incorrect or incomplete invoices will be returned to Contractor for correction and reissue. Invoices must provide and itemize, as applicable:

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

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.



Article 2, Terms and Conditions

2.000 Contract Structure and Term

2.001 Contract Term

This Contract is for a period of five (5) years beginning October 1, 2010 through September 30, 2015. All outstanding Purchase Orders must also expire upon the termination (cancellation for any of the reasons listed in **Section 2.150**) of the Contract, unless otherwise extended under the Contract. Absent an early termination for any reason, Purchase Orders issued but not expired, by the end of the Contract's stated term, will remain in effect for the balance of the fiscal year for which they were issued.

2.002 Options to Renew

This Contract may be renewed in writing by mutual agreement of the parties not less than 30 days before its expiration. The Contract may be renewed for up to five (5) additional one (1) year periods.

2.003 Legal Effect

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

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

2.004 Attachments & Exhibits

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

2.005 Ordering

The State will issue a written Purchase Order, Blanket Purchase Order, Direct Voucher or Procurement Card Order, which must be approved by the Contract Administrator or the Contract Administrator's designee, to order any Services/Deliverables under this Contract. All orders are subject to the terms and conditions of this Contract. No additional terms and conditions contained on either a Purchase Order or Blanket Purchase Order apply unless they are also specifically contained in that Purchase Order or Blanket Purchase Order's accompanying Statement of Work. Exact quantities to be purchased are unknown, however, the Contractor will be required to furnish all such materials and services as may be ordered during the CONTRACT period. Quantities specified, if any, are estimates based on prior purchases, and the State is not obligated to purchase in these or any other quantities.

2.006 Order of Precedence

The Contract, including any Statements of Work and Exhibits, to the extent not contrary to the Contract, each of which is incorporated for all purposes, constitutes the entire agreement between the parties with respect to the subject matter and supersedes all prior agreements, whether written or oral, with respect to the subject matter and as additional terms and conditions on the purchase order must apply as limited by **Section 2.005**.

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



2.007 Headings

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

2.008 Form, Function & Utility

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

2.009 Reformation and Severability

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

2.010 Consents and Approvals

Except as expressly provided otherwise in the Contract, if either party requires the consent or approval of the other party for the taking of any action under the Contract, the consent or approval must be in writing and must not be unreasonably withheld or delayed.

2.011 No Waiver of Default

If a party fails to insist upon strict adherence to any term of the Contract then the party has not waived the right to later insist upon strict adherence to that term, or any other term, of the Contract.

2.012 Survival

Any provisions of the Contract that impose continuing obligations on the parties, including without limitation the parties' respective warranty, indemnity and confidentiality obligations, survive the expiration or termination of the Contract for any reason. Specific references to survival in the Contract are solely for identification purposes and not meant to limit or prevent the survival of any other section

2.020 Contract Administration

2.021 Issuing Office

This Contract is issued by the Department of Technology, Management and Budget, Purchasing Operations and Department of Community Health (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 N. Reif, Buyer
Purchasing Operations
Department of Management and Budget
Mason Bldg, 2nd Floor
PO Box 30026
Lansing, MI 48909
reifd@michigan.gov
(517)0373-3993

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:



Sara Williams, Contract Liaison
Michigan Department of Information Technology
Chandler Plaza, 2nd Floor
300 E. Michigan Avenue
Lansing, MI 48913
Williamss11@michigan.gov
(517) 335-1277

2.023 Project Manager

The following individual will oversee the project:

Tonnie Diffin, DTMB Manager
Michigan Department of Information Technology
Chandler Plaza, 1st Floor
300 E. Michigan Avenue
Lansing, MI 48913
conways@michigan.gov
(517) 373-3523

2.024 Change Requests

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

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

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

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

(1) Change Request at State Request

If the State should require Contractor to perform New Work, Additional Services or make changes to the Services that would affect the Contract completion schedule or the amount of compensation due Contractor (a "Change"), the State shall submit a written request for Contractor to furnish a proposal for carrying out the requested Change (a "Change Request").

(2) Contractor Recommendation for Change Requests:

Contractor shall be entitled to propose a Change to the State, on its own initiative, should it be of the opinion that this would benefit the Contract.



- (3) Upon receipt of a Change Request or on its own initiative, Contractor shall examine the implications of the requested Change on the technical specifications, Contract schedule and price of the Deliverables and Services and shall submit to the State without undue delay a written proposal for carrying out the Change. Contractor’s proposal will include any associated changes in the technical specifications, Contract schedule and price and method of pricing of the Services. If the Change is to be performed on a time and materials basis, the Amendment Labor Rates shall apply to the provision of such Services. If Contractor provides a written proposal and should Contractor be of the opinion that a requested Change is not to be recommended, it shall communicate its opinion to the State but shall nevertheless carry out the Change as specified in the written proposal if the State directs it to do so.
- (4) By giving Contractor written notice within a reasonable time, the State must be entitled to accept a Contractor proposal for Change, to reject it, or to reach another agreement with Contractor. Should the parties agree on carrying out a Change, a written Contract Change Notice must be prepared and issued under this Contract, describing the Change and its effects on the Services and any affected components of this Contract (a “Contract Change Notice”).
- (5) No proposed Change must be performed until the proposed Change has been specified in a duly executed Contract Change Notice issued by the Department of Management and Budget, Purchasing Operations.
- (6) If the State requests or directs the Contractor to perform any activities that Contractor believes constitute a Change, the Contractor must notify the State that it believes the requested activities are a Change before beginning to work on the requested activities. If the Contractor fails to notify the State before beginning to work on the requested activities, then the Contractor waives any right to assert any claim for additional compensation or time for performing the requested activities. If the Contractor commences performing work outside the scope of this Contract and then ceases performing that work, the Contractor must, at the request of the State, retract any out-of-scope work that would adversely affect the Contract.

2.025 Notices

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

State:

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

Contractor:

Name:
 Address:

Either party may change its address where notices are to be sent by giving notice according to this Section.

2.026 Binding Commitments

Representatives of Contractor must have the authority to make binding commitments on Contractor’s behalf within the bounds set forth in the Contract. Contractor may change the representatives from time to time upon written notice.

2.027 Relationship of the Parties

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

**2.028 Covenant of Good Faith**

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

2.029 Assignments

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

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

If the Contractor intends to assign the contract or any of the Contractor's rights or duties under the Contract, the Contractor must notify the State in writing at least 90 days before the assignment. The Contractor also must provide the State with adequate information about the assignee within a reasonable amount of time before the assignment for the State to determine whether to approve the assignment.

2.030 General Provisions**2.031 Media Releases**

News releases (including promotional literature and commercial advertisements) pertaining to the RFP and Contract or project to which it relates shall not be made without prior written State approval, and then only in accordance with the explicit written instructions from the State. No results of the activities associated with the RFP and Contract are to be released without prior written approval of the State and then only to persons designated.

2.032 Contract Distribution

Purchasing Operations retains the sole right of Contract distribution to all State agencies and local units of government unless other arrangements are authorized by Purchasing Operations.

2.033 Permits

Contractor must obtain and pay any associated costs for all required governmental permits, licenses and approvals for the delivery, installation and performance of the Services. The State must pay for all costs and expenses incurred in obtaining and maintaining any necessary easements or right of way.

2.034 Website Incorporation

The State is not bound by any content on the Contractor's website, even if the Contractor's documentation specifically referenced that content and attempts to incorporate it into any other communication, unless the State has actual knowledge of the content and has expressly agreed to be bound by it in a writing that has been manually signed by an authorized representative of the State.

2.035 Future Bidding Preclusion

Contractor acknowledges that, to the extent this Contract involves the creation, research, investigation or generation of a future RFP; it may be precluded from bidding on the subsequent RFP. The State reserves the right to disqualify any bidder if the State determines that the bidder has used its position (whether as an incumbent Contractor, or as a Contractor hired to assist with the RFP development, or as a Vendor offering free assistance) to gain a competitive advantage on the RFP

**2.036 Freedom of Information**

All information in any proposal submitted to the State by Contractor and this Contract is subject to the provisions of the Michigan Freedom of Information Act, 1976 Public Act No. 442, as amended, MCL 15.231, et seq (the "FOIA").

2.037 Disaster Recovery

Contractor and the State recognize that the State provides essential services in times of natural or man-made disasters. Therefore, except as so mandated by Federal disaster response requirements, Contractor personnel dedicated to providing Services/Deliverables under this Contract will provide the State with priority service for repair and work around in the event of a natural or man-made disaster.

2.040 Financial Provisions**2.041 Fixed Prices for Services/Deliverables**

Each Statement of Work or Purchase Order issued under this Contract shall specify (or indicate by reference to the appropriate Contract Exhibit) the firm, fixed prices for all Services/Deliverables, and the associated payment milestones and payment amounts. The State may make progress payments to the Contractor when requested as work progresses, but not more frequently than monthly, in amounts approved by the Contract Administrator, after negotiation. Contractor must show verification of measurable progress at the time of requesting progress payments.

2.042 Adjustments for Reductions in Scope of Services/Deliverables

If the scope of the Services/Deliverables under any Statement of Work issued under this Contract is subsequently reduced by the State, the parties shall negotiate an equitable reduction in Contractor's charges under such Statement of Work commensurate with the reduction in scope.

2.043 Services/Deliverables Covered

For all Services/Deliverables to be provided by Contractor (and its Subcontractors, if any) under this Contract, the State shall not be obligated to pay any amounts in addition to the charges specified in this Contract.

2.044 Invoicing and Payment – In General

- (a) Each Statement of Work issued under this Contract shall list (or indicate by reference to the appropriate Contract Exhibit) the prices for all Services/Deliverables, equipment and commodities to be provided, and the associated payment milestones and payment amounts.
- (b) Each Contractor invoice will show details as to charges by Service/Deliverable component and location at a level of detail reasonably necessary to satisfy the State's accounting and charge-back requirements. Invoices for Services performed on a time and materials basis will show, for each individual, the number of hours of Services performed during the billing period, the billable skill/labor category for such person and the applicable hourly billing rate. Prompt payment by the State is contingent on the Contractor's invoices showing the amount owed by the State minus any holdback amount to be retained by the State in accordance with **Section 1.064**.
- (c) Correct invoices will be due and payable by the State, in accordance with the State's standard payment procedure as specified in 1984 Public Act No. 279, MCL 17.51 et seq., within 45 days after receipt, provided the State determines that the invoice was properly rendered.
- (d) All invoices should reflect actual work done. Specific details of invoices and payments will be agreed upon between the Contract Administrator and the Contractor after the proposed Contract Agreement has been signed and accepted by both the Contractor and the Director of Purchasing Operations, Department of Management & Budget. This activity will occur only upon the specific written direction from Purchasing Operations.

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



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

2.045 Pro-ration

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

2.046 Antitrust Assignment

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

2.047 Final Payment

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

2.048 Electronic Payment Requirement

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

2.050 Taxes

2.051 Employment Taxes

Contractors are expected to collect and pay all applicable federal, state, and local employment taxes, including the taxes.

2.052 Sales and Use Taxes

Contractors are required to be registered and to remit sales and use taxes on taxable sales of tangible personal property or services delivered into the State. Contractors that lack sufficient presence in Michigan to be required to register and pay tax must do so as a volunteer. This requirement extends to: (1) all members of any controlled group as defined in § 1563(a) of the Internal Revenue Code and applicable regulations of which the company is a member, and (2) all organizations under common control as defined in § 414(c) of the Internal Revenue Code and applicable regulations of which the company is a member that make sales at retail for delivery into the State are registered with the State for the collection and remittance of sales and use taxes. In applying treasury regulations defining "two or more trades or businesses under common control" the term "organization" means sole proprietorship, a partnership (as defined in § 701(a) (2) of the Internal Revenue Code), a trust, an estate, a corporation, or a limited liability company.

2.060 Contract Management

2.061 Contractor Personnel Qualifications

All persons assigned by Contractor to the performance of Services under this Contract must be employees of Contractor or its majority-owned (directly or indirectly, at any tier) subsidiaries (or a State-approved Subcontractor) and must be fully qualified to perform the work assigned to them. Contractor must include a similar provision in any subcontract entered into with a Subcontractor. For the purposes of this Contract, independent contractors engaged by Contractor solely in a staff augmentation role must be treated by the State as if they were employees of Contractor for this Contract only; however, the State understands that the relationship between Contractor and Subcontractor is an independent contractor relationship.

**2.062 Contractor Key Personnel - Reserved****2.063 Re-assignment of Personnel at the State's Request - Reserved****2.064 Contractor Personnel Location**

All staff assigned by Contractor to work on the Contract will perform their duties either primarily at Contractor's offices and facilities or at State facilities. Without limiting the generality of the foregoing, Key Personnel will, at a minimum, spend at least the amount of time on-site at State facilities as indicated in the applicable Statement of Work. Subject to availability, selected Contractor personnel may be assigned office space to be shared with State personnel.

2.065 Contractor Identification

Contractor employees must be clearly identifiable while on State property by wearing a State-issued badge, as required. Contractor employees are required to clearly identify themselves and the company they work for whenever making contact with State personnel by telephone or other means.

2.066 Cooperation with Third Parties

Contractor agrees to cause its personnel and the personnel of any Subcontractors to cooperate with the State and its agents and other contractors including the State's Quality Assurance personnel. As reasonably requested by the State in writing, the Contractor will provide to the State's agents and other contractors reasonable access to Contractor's Project personnel, systems and facilities to the extent the access relates to activities specifically associated with this Contract and will not interfere or jeopardize the safety or operation of the systems or facilities. The State acknowledges that Contractor's time schedule for the Contract is very specific and agrees not to unnecessarily or unreasonably interfere with, delay or otherwise impeded Contractor's performance under this Contract with the requests for access.

2.067 Contract Management Responsibilities

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

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

2.068 Contractor Return of State Equipment/Resources

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

2.070 Subcontracting by Contractor**2.071 Contractor full Responsibility**

Contractor shall have full responsibility for the successful performance and completion of all of the Services and Deliverables. The State will consider Contractor to be the sole point of contact with regard to all contractual matters under this Contract, including payment of any and all charges for Services and Deliverables.

2.072 State Consent to delegation

Contractor shall not delegate any duties under this Contract to a Subcontractor unless the Department of Management and Budget, Purchasing Operations has given written consent to such delegation. The State shall have the right of prior written approval of all Subcontractors and to require Contractor to replace any



Subcontractors found, in the reasonable judgment of the State, to be unacceptable. The State's request shall be written with reasonable detail outlining the reasons for the removal request. Additionally, the State's request shall be based on legitimate, good faith reasons. Replacement Subcontractor(s) for the removed Subcontractor shall be fully qualified for the position. If the State exercises this right, and the Contractor cannot immediately replace the removed Subcontractor, the State will agree to an equitable adjustment in schedule or other terms that may be affected by the State's required removal. If any such incident with a removed Subcontractor results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLA for the affected Work will not be counted for a time agreed upon by the parties.

2.073 Subcontractor bound to Contract

In any subcontracts entered into by Contractor for the performance of the Services, Contractor shall require the Subcontractor, to the extent of the Services to be performed by the Subcontractor, to be bound to Contractor by the terms of this Contract and to assume toward Contractor all of the obligations and responsibilities that Contractor, by this Contract, assumes toward the State. The State reserves the right to receive copies of and review all subcontracts, although Contractor may delete or mask any proprietary information, including pricing, contained in such contracts before providing them to the State. The management of any Subcontractor will be the responsibility of Contractor, and Contractor shall remain responsible for the performance of its Subcontractors to the same extent as if Contractor had not subcontracted such performance. Contractor shall make all payments to Subcontractors or suppliers of Contractor. Except as otherwise agreed in writing by the State and Contractor, the State will not be obligated to direct payments for the Services other than to Contractor. The State's written approval of any Subcontractor engaged by Contractor to perform any obligation under this Contract shall not relieve Contractor of any obligations or performance required under this Contract. A list of the Subcontractors, if any, approved by the State as of the execution of this Contract, together with a copy of the applicable subcontract is attached.

2.074 Flow Down

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

2.075 Competitive Selection

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

2.080 State Responsibilities

2.081 Equipment

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

2.082 Facilities

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

2.090 Security

2.091 Background Checks

On a case-by-case basis, the State may investigate the Contractor's personnel before they may have access to State facilities and systems. The scope of the background check is at the discretion of the State and the results will be used to determine Contractor personnel eligibility for working within State facilities and systems.



The investigations will include Michigan State Police Background checks (ICHAT) and may include the National Crime Information Center (NCIC) Finger Prints. Proposed Contractor personnel may be required to complete and submit an RI-8 Fingerprint Card for the NCIC Finger Print Check. Any request for background checks will be initiated by the State and will be reasonably related to the type of work requested.

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

2.092 Security Breach Notification

If the Contractor breaches this Section, the Contractor must (i) promptly cure any deficiencies and (ii) comply with any applicable federal and state laws and regulations pertaining to unauthorized disclosures. Contractor and the State will cooperate to mitigate, to the extent practicable, the effects of any breach, intrusion, or unauthorized use or disclosure. Contractor must report to the State in writing any use or disclosure of Confidential Information, whether suspected or actual, other than as provided for by the Contract within 10 days of becoming aware of the use or disclosure or the shorter time period as is reasonable under the circumstances.

2.093 PCI DATA Security Requirements - Reserved

2.100 Confidentiality

2.101 Confidentiality

Contractor and the State each acknowledge that the other possesses and will continue to possess confidential information that has been developed or received by it. As used in this Section, "Confidential Information" of Contractor must mean all non-public proprietary information of Contractor (other than Confidential Information of the State as defined below), which is marked confidential, restricted, proprietary, or with a similar designation. "Confidential Information" of the State must mean any information which is retained in confidence by the State (or otherwise required to be held in confidence by the State under applicable federal, state and local laws and regulations) or which, in the case of tangible materials provided to Contractor by the State under its performance under this Contract, is marked as confidential, proprietary or with a similar designation by the State. "Confidential Information" excludes any information (including this Contract) that is publicly available under the Michigan FOIA.

2.102 Protection and Destruction of Confidential Information

The State and Contractor will each use at least the same degree of care to prevent disclosing to third parties the Confidential Information of the other as it employs to avoid unauthorized disclosure, publication or dissemination of its own confidential information of like character, but in no event less than reasonable care. Neither Contractor nor the State will (i) make any use of the Confidential Information of the other except as contemplated by this Contract, (ii) acquire any right in or assert any lien against the Confidential Information of the other, or (iii) if requested to do so, refuse for any reason to promptly return the other party's Confidential Information to the other party. Each party will limit disclosure of the other party's Confidential Information to employees and Subcontractors who must have access to fulfill the purposes of this Contract. Disclosure to, and use by, a Subcontractor is permissible where (A) use of a Subcontractor is authorized under this Contract, (B) the disclosure is necessary or otherwise naturally occurs in connection with work that is within the Subcontractor's scope of responsibility, and (C) Contractor obligates the Subcontractor in a written Contract to maintain the State's Confidential Information in confidence. At the State's request, any employee of Contractor and of any Subcontractor having access or continued access to the State's Confidential Information may be required to execute an acknowledgment that the employee has been advised of Contractor's and the Subcontractor's obligations under this Section and of the employee's obligation to Contractor or Subcontractor, as the case may be, to protect the Confidential Information from unauthorized use or disclosure.



Promptly upon termination or cancellation of the Contract for any reason, Contractor must certify to the State that Contractor has destroyed all State Confidential Information.

2.103 Exclusions

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

2.104 No Implied Rights

Nothing contained in this Section must be construed as obligating a party to disclose any particular Confidential Information to the other party, or as granting to or conferring on a party, expressly or impliedly, any right or license to the Confidential Information of the other party.

2.105 Respective Obligations

The parties' respective obligations under this Section must survive the termination or expiration of this Contract for any reason.

2.110 Records and Inspections

2.111 Inspection of Work Performed

The State's authorized representatives must at all reasonable times and with 10 days prior written request, have the right to enter Contractor's premises, or any other places, where the Services are being performed, and must have access, upon reasonable request, to interim drafts of Deliverables or work-in-progress. Upon 10 Days prior written notice and at all reasonable times, the State's representatives must be allowed to inspect, monitor, or otherwise evaluate the work being performed and to the extent that the access will not reasonably interfere or jeopardize the safety or operation of the systems or facilities. Contractor must provide all reasonable facilities and assistance for the State's representatives.

2.112 Examination of Records

For seven years after the Contractor provides any work under this Contract (the "Audit Period"), the State may examine and copy any of Contractor's books, records, documents and papers pertinent to establishing Contractor's compliance with the Contract and with applicable laws and rules. The State must notify the Contractor 20 days before examining the Contractor's books and records. The State does not have the right to review any information deemed confidential by the Contractor to the extent access would require the confidential information to become publicly available. This provision also applies to the books, records, accounts, documents and papers, in print or electronic form, of any parent, affiliated or subsidiary organization of Contractor, or any Subcontractor of Contractor performing services in connection with the Contract.

2.113 Retention of Records

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



2.114 Audit Resolution

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

2.115 Errors

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

In addition to other available remedies, the difference between the payment received and the correct payment amount is greater than 10%, then the Contractor must pay all of the reasonable costs of the audit.

2.120 Warranties

2.121 Warranties and Representations

The Contractor represents and warrants:

- (a) It is capable in all respects of fulfilling and must fulfill all of its obligations under this Contract. The performance of all obligations under this Contract must be provided in a timely, professional, and workman-like manner and must meet the performance and operational standards required under this Contract.
- (b) The Contract Appendices, Attachments and Exhibits identify the equipment and software and services necessary for the Deliverable(s) to perform and Services to operate in compliance with the Contract's requirements and other standards of performance.
- (c) It is the lawful owner or licensee of any Deliverable licensed or sold to the State by Contractor or developed by Contractor under this Contract, and Contractor has all of the rights necessary to convey to the State the ownership rights or licensed use, as applicable, of any and all Deliverables. None of the Deliverables provided by Contractor to the State under neither this Contract, nor their use by the State will infringe the patent, copyright, trade secret, or other proprietary rights of any third party.
- (d) If, under this Contract, Contractor procures any equipment, software or other Deliverable for the State (including equipment, software and other Deliverables manufactured, re-marketed or otherwise sold by Contractor under Contractor's name), then in addition to Contractor's other responsibilities with respect to the items in this Contract, Contractor must assign or otherwise transfer to the State or its designees, or afford the State the benefits of, any manufacturer's warranty for the Deliverable.
- (e) The contract signatory has the power and authority, including any necessary corporate authorizations, necessary to enter into this Contract, on behalf of Contractor.
- (f) It is qualified and registered to transact business in all locations where required.
- (g) Neither the Contractor nor any Affiliates, nor any employee of either, has, must have, or must acquire, any contractual, financial, business, or other interest, direct or indirect, that would conflict in any manner or degree with Contractor's performance of its duties and responsibilities to the State under this Contract or otherwise create an appearance of impropriety with respect to the award or performance of this Agreement. Contractor must notify the State about the nature of the conflict or appearance of impropriety within two days of learning about it.
- (h) Neither Contractor nor any Affiliates, nor any employee of either has accepted or must accept anything of value based on an understanding that the actions of the Contractor or Affiliates or employee on behalf of the State would be influenced. Contractor must not attempt to influence any State employee by the direct or indirect offer of anything of value.
- (i) Neither Contractor nor any Affiliates, nor any employee of either has paid or agreed to pay any person, other than bona fide employees and consultants working solely for Contractor or the Affiliate, any fee, commission, percentage, brokerage fee, gift, or any other consideration, contingent upon or resulting from the award or making of this Contract.



- (j) The prices proposed by Contractor were arrived at independently, without consultation, communication, or agreement with any other bidder for the purpose of restricting competition; the prices quoted were not knowingly disclosed by Contractor to any other bidder; and no attempt was made by Contractor to induce any other person to submit or not submit a proposal for the purpose of restricting competition.
- (k) All financial statements, reports, and other information furnished by Contractor to the State as part of its response to the RFP or otherwise in connection with the award of this Contract fairly and accurately represent the business, properties, financial condition, and results of operations of Contractor as of the respective dates, or for the respective periods, covered by the financial statements, reports, other information. Since the respective dates or periods covered by the financial statements, reports, or other information, there have been no material adverse changes in the business, properties, financial condition, or results of operations of Contractor.
- (l) All written information furnished to the State by or for the Contractor in connection with this Contract, including its bid, is true, accurate, and complete, and contains no untrue statement of material fact or omits any material fact necessary to make the information not misleading.
- (m) It is not in material default or breach of any other contract or agreement that it may have with the State or any of its departments, commissions, boards, or agencies. Contractor further represents and warrants that it has not been a party to any contract with the State or any of its departments that was terminated by the State or the department within the previous five years for the reason that Contractor failed to perform or otherwise breached an obligation of the contract.
- (n) If any of the certifications, representations, or disclosures made in the Contractor's original bid response change after contract award, the Contractor is required to report those changes immediately to the Department of Management and Budget, Purchasing Operations.

2.122 Warranty of Merchantability - Reserved

2.123 Warranty of Fitness for a Particular Purpose - Reserved

2.124 Warranty of Title - Reserved

2.125 Equipment Warranty - Reserved

2.126 Equipment to be New - Reserved

2.127 Prohibited Products - Reserved

2.128 Consequences for Breach

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

2.130 Insurance

2.131 Liability Insurance

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

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

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

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



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

See www.michigan.gov/dleg.

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

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

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

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL 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 DMB Purchasing Operations, certificate(s) of insurance verifying insurance coverage or providing satisfactory evidence of self-insurance as required in this Section (the "Certificates"). The Certificate must be on the standard "accord" form or equivalent. **The Contract Number or the Purchase Order Number must be shown on the Certificate Of Insurance To Assure Correct Filing.** All Certificate(s) are to be prepared and submitted by the Insurance Provider. All Certificate(s) must contain a provision indicating that coverage afforded under the policies WILL NOT BE CANCELLED, MATERIALLY CHANGED, OR NOT RENEWED without 30 days prior written notice, except for 10 days for non-payment of premium, having been given to the Director of Purchasing Operations, Department of Management and Budget. The notice must include the Contract or Purchase Order number affected. Before the Contract is signed, and not less than 20 days before the insurance expiration date every year thereafter, the Contractor must provide evidence that the State and its agents, officers and employees are listed as additional insured under each commercial general liability and commercial automobile liability policy. In the event the State approves the representation of the State by the insurer's attorney, the attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.

The Contractor must maintain all required insurance coverage throughout the term of the Contract and any extensions and, in the case of claims-made Commercial General Liability policies, must secure tail coverage for at least three years following the expiration or termination for any reason of this Contract. The minimum limits of coverage specified above are not intended, and must not be construed; to limit any liability or indemnity of Contractor under this Contract to any indemnified party or other persons. Contractor is responsible for all deductibles with regard to the insurance. If the Contractor fails to pay any premium for required insurance as specified in this Contract, or if any insurer cancels or significantly reduces any required insurance as specified in this Contract without the State's written consent, then the State may, after the State has given the Contractor at least 30 days written notice, pay the premium or procure similar insurance coverage from another company or companies. The State may deduct any part of the cost from any payment due the Contractor, or the Contractor must pay that cost upon demand by the State.

2.140 Indemnification

2.141 General Indemnification

To the extent permitted by law, the Contractor must indemnify, defend and hold harmless the State from liability, including all claims and losses, and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties), accruing or resulting to any person, firm or corporation that may be injured or damaged by the Contractor in the performance of this Contract and that are attributable to the negligence or tortious acts of the Contractor or any of its subcontractors, or by anyone else for whose acts any of them may be liable.

2.142 Code Indemnification

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

2.143 Employee Indemnification

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

2.144 Patent/Copyright Infringement Indemnification

To the extent permitted by law, the Contractor must indemnify, defend and hold harmless the State from and against all losses, liabilities, damages (including taxes), and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties)



incurred in connection with any action or proceeding threatened or brought against the State to the extent that the action or proceeding is based on a claim that any piece of equipment, software, commodity or service supplied by the Contractor or its subcontractors, or the operation of the equipment, software, commodity or service, or the use or reproduction of any documentation provided with the equipment, software, commodity or service infringes any United States patent, copyright, trademark or trade secret of any person or entity, which is enforceable under the laws of the United States.

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

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

2.145 Continuation of Indemnification Obligations

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

2.146 Indemnification Procedures

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

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



Section. Any litigation activity on behalf of the State, or any of its subdivisions under this Section, must be coordinated with the Department of Attorney General. In the event the insurer's attorney represents the State under this Section, the insurer's attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.

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

2.150 Termination/Cancellation

2.151 Notice and Right to Cure

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

2.152 Termination for Cause

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

2.153 Termination for Convenience

The State may terminate this Contract for its convenience, in whole or part, if the State determines that a termination is in the State's best interest. Reasons for the termination must be left to the sole discretion of the State and may include, but not necessarily be limited to (a) the State no longer needs the Services or products specified in the Contract, (b) relocation of office, program changes, changes in laws, rules, or regulations make implementation of the Services no longer practical or feasible, (c) unacceptable prices for Additional Services or New Work requested by the State, or (d) falsification or misrepresentation, by inclusion or non-inclusion, of information material to a response to any RFP issued by the State. The State may terminate this Contract for its convenience, in whole or in part, by giving Contractor written notice at least 30 days before the date of termination. If the State chooses to terminate this Contract in part, the charges payable under this Contract must be equitably adjusted to reflect those Services/Deliverables that are terminated. Services and related provisions of this Contract that are terminated for cause must cease on the effective date of the termination.

**2.154 Termination for Non-Appropriation**

- (a) Contractor acknowledges that, if this Contract extends for several fiscal years, continuation of this Contract is subject to appropriation or availability of funds for this Contract. If funds to enable the State to effect continued payment under this Contract are not appropriated or otherwise made available, the State must terminate this Contract and all affected Statements of Work, in whole or in part, at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of termination to Contractor. The State must give Contractor at least 30 days advance written notice of termination for non-appropriation or unavailability (or the time as is available if the State receives notice of the final decision less than 30 days before the funding cutoff).
- (b) If funding for the Contract is reduced by law, or funds to pay Contractor for the agreed-to level of the Services or production of Deliverables to be provided by Contractor are not appropriated or otherwise unavailable, the State may, upon 30 days written notice to Contractor, reduce the level of the Services or the change the production of Deliverables in the manner and for the periods of time as the State may elect. The charges payable under this Contract will be equitably adjusted to reflect any equipment, services or commodities not provided by reason of the reduction.
- (c) If the State terminates this Contract, eliminates certain Deliverables, or reduces the level of Services to be provided by Contractor under this Section, the State must pay Contractor for all Work-in-Process performed through the effective date of the termination or reduction in level, as the case may be and as determined by the State, to the extent funds are available. This Section will not preclude Contractor from reducing or stopping Services/Deliverables or raising against the State in a court of competent jurisdiction, any claim for a shortfall in payment for Services performed or Deliverables finally accepted before the effective date of termination.

2.155 Termination for Criminal Conviction

The State may terminate this Contract immediately and without further liability or penalty in the event Contractor, an officer of Contractor, or an owner of a 25% or greater share of Contractor is convicted of a criminal offense related to a State, public or private Contract or subcontract.

2.156 Termination for Approvals Rescinded

The State may terminate this Contract if any final administrative or judicial decision or adjudication disapproves a previously approved request for purchase of personal services under Constitution 1963, Article 11, § 5, and Civil Service Rule 7-1. In that case, the State will pay the Contractor for only the work completed to that point under the Contract. Termination may be in whole or in part and may be immediate as of the date of the written notice to Contractor or may be effective as of the date stated in the written notice.

2.157 Rights and Obligations upon Termination

- (a) If the State terminates this Contract for any reason, the Contractor must (a) stop all work as specified in the notice of termination, (b) take any action that may be necessary, or that the State may direct, for preservation and protection of Deliverables or other property derived or resulting from this Contract that may be in Contractor's possession, (c) return all materials and property provided directly or indirectly to Contractor by any entity, agent or employee of the State, (d) transfer title in, and deliver to, the State, unless otherwise directed, all Deliverables intended to be transferred to the State at the termination of the Contract and which are resulting from the Contract (which must be provided to the State on an "As-Is" basis except to the extent the amounts paid by the State in respect of the items included compensation to Contractor for the provision of warranty services in respect of the materials), and (e) take any action to mitigate and limit any potential damages, or requests for Contractor adjustment or termination settlement costs, to the maximum practical extent, including terminating or limiting as otherwise applicable those subcontracts and outstanding orders for material and supplies resulting from the terminated Contract.
- (b) If the State terminates this Contract before its expiration for its own convenience, the State must pay Contractor for all charges due for Services provided before the date of termination and, if applicable, as a separate item of payment under this Contract, for Work In Process, on a percentage of completion basis at the level of completion determined by the State. All completed or partially completed Deliverables prepared by Contractor under this Contract, at the option of the State, becomes the State's property, and Contractor is entitled to receive equitable fair compensation for the Deliverables. Regardless of the basis for the termination, the State is not obligated to pay, or otherwise compensate, Contractor for any lost



expected future profits, costs or expenses incurred with respect to Services not actually performed for the State.

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

2.158 Reservation of Rights

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

2.160 Termination by Contractor

2.161 Termination by Contractor

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

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

2.170 Transition Responsibilities

2.171 Contractor Transition Responsibilities

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

2.172 Contractor Personnel Transition

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

2.173 Contractor Information Transition

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



2.174 Contractor Software Transition

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

2.175 Transition Payments

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

2.176 State Transition Responsibilities

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

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

2.180 Stop Work

2.181 Stop Work Orders

The State may, at any time, by written stop work order to Contractor, require that Contractor stop all, or any part, of the work called for by the Contract for a period of up to 90 calendar days after the stop work order is delivered to Contractor, and for any further period to which the parties may agree. The stop work order must be identified as a stop work order and must indicate that it is issued under this **Section 2.150**. Upon receipt of the stop work order, Contractor must immediately comply with its terms and take all reasonable steps to minimize incurring costs allocable to the work covered by the stop work order during the period of work stoppage. Within the period of the stop work order, the State must either: (a) cancel the stop work order; or (b) terminate the work covered by the stop work order as provided in **Section 2.130**.

2.182 Cancellation or Expiration of Stop Work Order

The Contractor must resume work if the State cancels a Stop Work Order or if it expires. The parties will agree upon an equitable adjustment in the delivery schedule, the Contract price, or both, and the Contract must be modified, in writing, accordingly, if: (a) the stop work order results in an increase in the time required for, or in Contractor's costs properly allocable to, the performance of any part of the Contract; and (b) Contractor asserts its right to an equitable adjustment within 30 calendar days after the end of the period of work stoppage; provided that, if the State decides the facts justify the action, the State may receive and act upon a Contractor proposal submitted at any time before final payment under the Contract. Any adjustment will conform to the requirements of **Section 2.024**.

2.183 Allowance of Contractor Costs

If the stop work order is not canceled and the work covered by the stop work order is terminated for reasons other than material breach, the termination must be deemed to be a termination for convenience under **Section 2.153**, and the State will pay reasonable costs resulting from the stop work order in arriving at the termination settlement. For the avoidance of doubt, the State is not liable to Contractor for loss of profits because of a stop work order issued under this Section.



2.190 Dispute Resolution

2.191 In General

Any claim, counterclaim, or dispute between the State and Contractor arising out of or relating to the Contract or any Statement of Work must be resolved as follows. For all Contractor claims seeking an increase in the amounts payable to Contractor under the Contract, or the time for Contractor's performance, Contractor must submit a letter, together with all data supporting the claims, executed by Contractor's Contract Administrator or the Contract Administrator's designee certifying that (a) the claim is made in good faith, (b) the amount claimed accurately reflects the adjustments in the amounts payable to Contractor or the time for Contractor's performance for which Contractor believes the State is liable and covers all costs of every type to which Contractor is entitled from the occurrence of the claimed event, and (c) the claim and the supporting data are current and complete to Contractor's best knowledge and belief.

2.192 Informal Dispute Resolution

(a) All disputes between the parties must be resolved under the Contract Management procedures in this Contract. If the parties are unable to resolve any disputes after compliance with the processes, the parties must meet with the Director of Purchasing Operations, DMB, or designee, for the purpose of attempting to resolve the dispute without the need for formal legal proceedings, as follows:

(1) The representatives of Contractor and the State must meet as often as the parties reasonably deem necessary to gather and furnish to each other all information with respect to the matter in issue which the parties believe to be appropriate and germane in connection with its resolution. The representatives must discuss the problem and negotiate in good faith in an effort to resolve the dispute without the necessity of any formal proceeding.

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

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

(4) Following the completion of this process within 60 calendar days, the Director of Purchasing Operations, DMB, or designee, must issue a written opinion regarding the issue(s) in dispute within 30 calendar days. The opinion regarding the dispute must be considered the State's final action and the exhaustion of administrative remedies.

(b) This Section will not be construed to prevent either party from instituting, and a party is authorized to institute, formal proceedings earlier to avoid the expiration of any applicable limitations period, to preserve a superior position with respect to other creditors, or under Section 2.193.

(c) The State will not mediate disputes between the Contractor and any other entity, except state agencies, concerning responsibility for performance of work under the Contract.

2.193 Injunctive Relief

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

2.194 Continued Performance

Each party agrees to continue performing its obligations under the Contract while a dispute is being resolved except to the extent the issue in dispute precludes performance (dispute over payment must not be deemed to preclude performance) and without limiting either party's right to terminate the Contract as provided in **Section 2.150**, as the case may be.



2.200 Federal and State Contract Requirements

2.201 Nondiscrimination

In the performance of the Contract, Contractor agrees not to discriminate against any employee or applicant for employment, with respect to his or her hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, national origin, ancestry, age, sex, height, weight, and marital status, physical or mental disability. Contractor further agrees that every subcontract entered into for the performance of this Contract or any purchase order resulting from this Contract will contain a provision requiring non-discrimination in employment, as specified here, binding upon each Subcontractor. This covenant is required under the Elliot Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, et seq., and the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, et seq., and any breach of this provision may be regarded as a material breach of the Contract.

2.202 Unfair Labor Practices

Under 1980 PA 278, MCL 423.321, et seq., the State must not award a Contract or subcontract to an employer whose name appears in the current register of employers failing to correct an unfair labor practice compiled under section 2 of the Act. This information is compiled by the United States National Labor Relations Board. A Contractor of the State, in relation to the Contract, must not enter into a contract with a Subcontractor, manufacturer, or supplier whose name appears in this register. Under section 4 of 1980 PA 278, MCL 423.324, the State may void any Contract if, after award of the Contract, the name of Contractor as an employer or the name of the Subcontractor, manufacturer or supplier of Contractor appears in the register.

2.203 Workplace Safety and Discriminatory Harassment

In performing Services for the State, the Contractor must comply with the Department of Civil Services Rule 2-20 regarding Workplace Safety and Rule 1-8.3 regarding Discriminatory Harassment. In addition, the Contractor must comply with Civil Service regulations and any applicable agency rules provided to the Contractor. For Civil Service Rules, see <http://www.mi.gov/mdcs/0,1607,7-147-6877---,00.html>.

2.204 Prevailing Wage

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

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

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



2.210 Governing Law

2.211 Governing Law

The Contract must in all respects be governed by, and construed according to, the substantive laws of the State of Michigan without regard to any Michigan choice of law rules that would apply the substantive law of any other jurisdiction to the extent not inconsistent with, or pre-empted by federal law.

2.212 Compliance with Laws

Contractor shall comply with all applicable state, federal and local laws and ordinances in providing the Services/Deliverables.

2.213 Jurisdiction

Any dispute arising from the Contract must be resolved in the State of Michigan. With respect to any claim between the parties, Contractor consents to venue in Ingham County, Michigan, and irrevocably waives any objections it may have to the jurisdiction on the grounds of lack of personal jurisdiction of the court or the laying of venue of the court or on the basis of forum non conveniens or otherwise. Contractor agrees to appoint agents in the State of Michigan to receive service of process.

2.220 Limitation of Liability

2.221 Limitation of Liability

Neither the Contractor nor the State is liable to each other, regardless of the form of action, for consequential, incidental, indirect, or special damages. This limitation of liability does not apply to claims for infringement of United States patent, copyright, trademark or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor; to claims covered by other specific provisions of this Contract calling for liquidated damages; or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on this Contract.

The Contractor's liability for damages to the State is limited to two times the value of the Contract or \$500,000 which ever is higher. The foregoing limitation of liability does not apply to claims for infringement of United States patent, copyright, trademarks or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor; to claims covered by other specific provisions of this Contract calling for liquidated damages; or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on this Contract.

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

2.230 Disclosure Responsibilities

2.231 Disclosure of Litigation

Contractor must disclose any material criminal litigation, investigations or proceedings involving the Contractor (and each Subcontractor) or any of its officers or directors or any litigation, investigations or proceedings under the Sarbanes-Oxley Act. In addition, each Contractor (and each Subcontractor) must notify the State of any material civil litigation, arbitration or proceeding which arises during the term of the Contract and extensions, to which Contractor (or, to the extent Contractor is aware, any Subcontractor) is a party, and which involves: (i) disputes that might reasonably be expected to adversely affect the viability or financial stability of Contractor or any Subcontractor; or (ii) a claim or written allegation of fraud against Contractor or, to the extent Contractor is aware, any Subcontractor by a governmental or public entity arising out of their business dealings with governmental or public entities. The Contractor must disclose in writing to the Contract Administrator any litigation, investigation, arbitration or other proceeding (collectively, "Proceeding") within 30 days of its occurrence. Details of settlements that are prevented from disclosure by the terms of the settlement may be annotated. Information provided to the State from Contractor's publicly filed documents referencing its material litigation will be deemed to satisfy the requirements of this Section.



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

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

2.232 Call Center Disclosure

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

2.233 Bankruptcy

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

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

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

2.240 Performance

2.241 Time of Performance

- (a) Contractor must use commercially reasonable efforts to provide the resources necessary to complete all Services and Deliverables according to the time schedules contained in the Statements of Work and other Exhibits governing the work, and with professional quality.
- (b) Without limiting the generality of **Section 2.241**, Contractor must notify the State in a timely manner upon becoming aware of any circumstances that may reasonably be expected to jeopardize the timely and successful completion of any Deliverables/Services on the scheduled due dates in the latest State-approved delivery schedule and must inform the State of the projected actual delivery date.
- (c) If the Contractor believes that a delay in performance by the State has caused or will cause the Contractor to be unable to perform its obligations according to specified Contract time periods, the Contractor must notify the State in a timely manner and must use commercially reasonable efforts to perform its



obligations according to the Contract time periods notwithstanding the State's failure. Contractor will not be in default for a delay in performance to the extent the delay is caused by the State.

2.242 Service Level Agreement (SLA)

(a) SLAs will be completed with the following operational considerations:

- (1) SLAs will not be calculated for individual Incidents where any event of Excusable Failure has been determined; Incident means any interruption in Services.
 - (2) SLAs will not be calculated for individual Incidents where loss of service is planned and where the State has received prior notification or coordination.
 - (3) SLAs will not apply if the applicable Incident could have been prevented through planning proposed by Contractor and not implemented at the request of the State. To invoke this consideration, complete documentation relevant to the denied planning proposal must be presented to substantiate the proposal.
 - (4) Time period measurements will be based on the time Incidents are received by the Contractor and the time that the State receives notification of resolution based on 24x7x365 time period, except that the time period measurement will be suspended based on the following:
 - (i) Time period(s) will not apply where Contractor does not have access to a physical State Location and where access to the State Location is necessary for problem identification and resolution.
 - (ii) Time period(s) will not apply where Contractor needs to obtain timely and accurate information or appropriate feedback and is unable to obtain timely and accurate information or appropriate feedback from the State.
- (b) Chronic Failure for any Service(s) will be defined as three unscheduled outage(s) or interruption(s) on any individual Service for the same reason or cause or if the same reason or cause was reasonably discoverable in the first instance over a rolling 30 day period. Chronic Failure will result in the State's option to terminate the effected individual Service(s) and procure them from a different vendor for the chronic location(s) with Contractor to pay the difference in charges for up to three additional months. The termination of the Service will not affect any tiered pricing levels.
- (c) Root Cause Analysis will be performed on any Business Critical outage(s) or outage(s) on Services when requested by the Contract Administrator. Contractor will provide its analysis within two weeks of outage(s) and provide a recommendation for resolution.
- (d) All decimals must be rounded to two decimal places with five and greater rounding up and four and less rounding down unless otherwise specified.

2.243 Liquidated Damages

The parties acknowledge that late or improper completion of the Work will cause loss and damage to the State, and that it would be impracticable and extremely difficult to fix the actual damage sustained by the State as a result. Therefore, Contractor and the State agree that if there is late or improper completion of the Work and the State does not elect to exercise its rights under **Section 2.141**, the State is entitled to collect liquidated damages in the amount of \$5,000.00 and an additional \$100.00 per day for each day Contractor fails to remedy the late or improper completion of the Work.

Unauthorized Removal of any Key Personnel - Reserved

2.244 Excusable Failure

Neither party will be liable for any default, damage or delay in the performance of its obligations under the Contract to the extent the default, damage or delay is caused by government regulations or requirements (executive, legislative, judicial, military or otherwise), power failure, electrical surges or current fluctuations, lightning, earthquake, war, water or other forces of nature or acts of God, delays or failures of transportation, equipment shortages, suppliers' failures, or acts or omissions of common carriers, fire; riots, civil disorders; strikes or other labor disputes, embargoes; injunctions (provided the injunction was not issued as a result of any fault or negligence of the party seeking to have its default or delay excused); or any other cause beyond the reasonable control of a party; provided the non-performing party and its Subcontractors are without fault in causing the default or delay, and the default or delay could not have been prevented by reasonable precautions and cannot reasonably be circumvented by the non-performing party through the use of alternate sources, workaround plans or other means, including disaster recovery plans.



If a party does not perform its contractual obligations for any of the reasons listed above, the non-performing party will be excused from any further performance of its affected obligation(s) for as long as the circumstances prevail. But the party must use commercially reasonable efforts to recommence performance whenever and to whatever extent possible without delay. A party must promptly notify the other party in writing immediately after the excusable failure occurs, and also when it abates or ends.

If any of the above-enumerated circumstances substantially prevent, hinder, or delay the Contractor's performance of the Services/provision of Deliverables for more than 10 Business Days, and the State determines that performance is not likely to be resumed within a period of time that is satisfactory to the State in its reasonable discretion, then at the State's option: (a) the State may procure the affected Services/Deliverables from an alternate source, and the State is not be liable for payment for the unperformed Services/ Deliverables not provided under the Contract for so long as the delay in performance continues; (b) the State may terminate any portion of the Contract so affected and the charges payable will be equitably adjusted to reflect those Services/Deliverables terminated; or (c) the State may terminate the affected Statement of Work without liability to Contractor as of a date specified by the State in a written notice of termination to the Contractor, except to the extent that the State must pay for Services/Deliverables provided through the date of termination.

The Contractor will not have the right to any additional payments from the State as a result of any Excusable Failure occurrence or to payments for Services not rendered/Deliverables not provided as a result of the Excusable Failure condition. Defaults or delays in performance by Contractor which are caused by acts or omissions of its Subcontractors will not relieve Contractor of its obligations under the Contract except to the extent that a Subcontractor is itself subject to an Excusable Failure condition described above and Contractor cannot reasonably circumvent the effect of the Subcontractor's default or delay in performance through the use of alternate sources, workaround plans or other means.

2.250 Approval of Deliverables

2.251 Delivery of Deliverables

A list of the Deliverables to be prepared and delivered by Contractor including, for each Deliverable, the scheduled delivery date and a designation of whether the Deliverable is a document ("Written Deliverable") or a Custom Software Deliverable is attached, if applicable. All Deliverables shall be completed and delivered for State review and written approval and, where applicable, installed in accordance with the State-approved delivery schedule and any other applicable terms and conditions of this Contract.

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

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

2.252 Contractor System Testing

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



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

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

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

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

2.253 Approval of Deliverables, In General

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

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

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

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

If, after three (3) opportunities (the original and two repeat efforts), Contractor is unable to correct all deficiencies preventing State approval of a Deliverable, the State may: (i) demand that Contractor cure the failure and give Contractor additional time to cure the failure at the sole expense of Contractor; or (ii) keep this Contract in force and do, either itself or through other parties, whatever Contractor has failed to do, in which



event Contractor shall bear any excess expenditure incurred by the State in so doing beyond the contract price for such Deliverable and will pay the State an additional sum equal to ten percent (10%) of such excess expenditure to cover the State's general expenses without the need to furnish proof in substantiation of such general expenses; or (iii) terminate this Contract for default, either in whole or in part by notice to Contractor (and without the need to afford Contractor any further opportunity to cure). Notwithstanding the foregoing, the State shall not use, as a basis for exercising its termination rights under this Section, deficiencies discovered in a repeat State Review Period that could reasonably have been discovered during a prior State Review Period.

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

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

2.254 Process for Approval of Written Deliverables

The State Review Period for Written Deliverables will be the number of days set forth in the applicable Statement of Work following delivery of the final version of the Written Deliverable (failing which the State Review Period, by default, shall be five (5) Business Days for Written Deliverables of one hundred (100) pages or less and ten (10) Business Days for Written Deliverables of more than one hundred (100) pages). The duration of the State Review Periods will be doubled if the State has not had an opportunity to review an interim draft of the Written Deliverable prior to its submission to the State. The State agrees to notify Contractor in writing by the end of the State Review Period either stating that the Written Deliverable is approved in the form delivered by Contractor or describing any deficiencies that must be corrected prior to approval of the Written Deliverable (or at the State's election, subsequent to approval of the Written Deliverable). If the State delivers to Contractor a notice of deficiencies, Contractor will correct the described deficiencies and within five (5) Business Days resubmit the Deliverable in a form that shows all revisions made to the original version delivered to the State. Contractor's correction efforts will be made at no additional charge. Upon receipt of a corrected Written Deliverable from Contractor, the State will have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Written Deliverable to confirm that the identified deficiencies have been corrected.

2.255 Process for Approval of Custom Software Deliverables

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

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

For the Custom Software Deliverables listed in an attachment, the State Review Period for conducting UAT will be as indicated in the attachment. For any other Custom Software Deliverables not listed in an attachment, the State Review Period shall be the number of days agreed in writing by the parties (failing which it shall be forty-five (45) days by default). The State Review Period for each Custom Software Deliverable will begin when Contractor has delivered the Custom Software Deliverable to the State accompanied by the certification



required by this **Section** and the State's inspection of the Deliverable has confirmed that all components of it have been delivered.

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

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

2.256 Final Acceptance

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

2.260 Ownership

2.261 Ownership of Work Product by State

The State owns all Deliverables, as they are work made for hire by the Contractor for the State. The State owns all United States and international copyrights, trademarks, patents or other proprietary rights in the Deliverables.

2.262 Vesting of Rights

With the sole exception of any preexisting licensed works identified in the SOW, the Contractor assigns, and upon creation of each Deliverable automatically assigns, to the State, ownership of all United States and international copyrights, trademarks, patents, or other proprietary rights in each and every Deliverable, whether or not registered by the Contractor, insofar as any the Deliverable, by operation of law, may not be considered work made for hire by the Contractor for the State. From time to time upon the State's request, the Contractor must confirm the assignment by execution and delivery of the assignments, confirmations of assignment, or other written instruments as the State may request. The State may obtain and hold in its own name all copyright, trademark, and patent registrations and other evidence of rights that may be available for Deliverables.

2.263 Rights in Data

The State is the owner of all data made available by the State to the Contractor or its agents, Subcontractors or representatives under the Contract. The Contractor 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 – Deleted NA

2.290 Environmental Provision – Deleted NA

2.300 Deliverables – Deleted NA

2.310 Software Warranties

2.311 Performance Warranty

The Contractor represents and warrants that Deliverables, after Final Acceptance, will perform and operate in compliance with the requirements and other standards of performance contained in this Contract (including all descriptions, specifications and drawings made a part of the Contract) for a period of (90) ninety days. In the event of a breach of this warranty, Contractor will promptly correct the affected Deliverable(s) at no charge to the State.

2.312 No Surreptitious Code Warranty

The Contractor represents and warrants that no copy of licensed Software provided to the State contains or will contain any Self-Help Code or any Unauthorized Code as defined below. This warranty is referred to in this Contract as the "No Surreptitious Code Warranty."

As used in this Contract, "Self-Help Code" means any back door, time bomb, drop dead device, or other software routine designed to disable a computer program automatically with the passage of time or under the positive control of a person other than the licensee of the software. Self-Help Code does not include Software routines in a computer program, if any, designed to permit an owner of the computer program (or other person



acting by authority of the owner) to obtain access to a licensee's computer system(s) (e.g. remote access via modem) for purposes of maintenance or technical support.

As used in this Contract, "Unauthorized Code" means any virus, Trojan horse, spyware, worm or other Software routines or components designed to permit unauthorized access to disable, erase, or otherwise harm software, equipment, or data; or to perform any other such actions. The term Unauthorized Code does not include Self-Help Code. Unauthorized Code does not include Software routines in a computer program, if any, designed to permit an owner of the computer program (or other person acting by authority of the owner) to obtain access to a licensee's computer system(s) (e.g. remote access via modem) for purposes of maintenance or technical support.

In addition, Contractor will use up-to-date commercial virus detection software to detect and remove any viruses from any software prior to delivering it to the State.

2.313 Calendar Warranty

The Contractor represents and warrants that all software for which the Contractor either sells or licenses to the State of Michigan and used by the State prior to, during or after the calendar year 2000, includes or shall include, at no added cost to the State, design and performance so the State shall not experience software abnormality and/or the generation of incorrect results from the software, due to date oriented processing, in the operation of the business of the State of Michigan.

The software design, to insure calendar year rollover compatibility, shall include, but is not limited to: data structures (databases, data files, etc.) that provide 4-digit date century; stored data that contain date century recognition, including, but not limited to, data stored in databases and hardware device internal system dates; calculations and program logic (e.g., sort algorithms, calendar generation, event recognition, and all processing actions that use or produce date values) that accommodates same century and multi-century formulas and date values; interfaces that supply data to and receive data from other systems or organizations that prevent non-compliant dates and data from entering any State system; user interfaces (i.e., screens, reports, etc.) that accurately show 4 digit years; and assurance that the year 2000 shall be correctly treated as a leap year within all calculation and calendar logic.

2.314 Third-party Software Warranty

The Contractor represents and warrants that it will disclose the use or incorporation of any third-party software into the Deliverables. At the time of Delivery, the Contractor shall provide in writing the name and use of any Third-party Software, including information regarding the Contractor's authorization to include and utilize such software. The notice shall include a copy of any ownership agreement or license that authorizes the Contractor to use the Third-party Software.

2.315 Physical Media Warranty

Contractor represents and warrants that each licensed copy of the Software provided by the Contractor is free from physical defects in the media that tangibly embodies the copy. This warranty does not apply to defects discovered more than (30) thirty days after that date of Final Acceptance of the Software by the State. This warranty does not apply to defects arising from acts of Excusable Failure. If the Contractor breaches this warranty, then the State shall be entitled to replacement of the non-compliant copy by Contractor, at Contractor's expense (including shipping and handling).

2.320 Software Licensing

2.321 Cross-License, Deliverables Only, License to Contractor - Reserved

2.322 Cross-License, Deliverables and Derivative Work, License to Contractor - Reserved

2.323 License Back to the State - Reserved



2.324 License Retained by Contractor

Contractor grants to the State a non-exclusive, royalty-free, site-wide, irrevocable, transferable license to use the Software and related documentation according to the terms and conditions of this Contract. For the purposes of this license, "site-wide" includes any State of Michigan office regardless of its physical location.

The State may modify the Software and may combine such with other programs or materials to form a derivative work. The State will own and hold all copyright, trademarks, patent and other intellectual property rights in any derivative work, excluding any rights or interest in Software other than those granted in this Contract.

The State may copy each item of Software to multiple hard drives or networks unless otherwise agreed by the parties.

The State will make and maintain no more than one archival copy of each item of Software, and each copy will contain all legends and notices and will be subject to the same conditions and restrictions as the original. The State may also make copies of the Software in the course of routine backups of hard drive(s) for the purpose of recovery of hard drive contents.

In the event that the Contractor shall, for any reason, cease to conduct business, or cease to support the Software, the State shall have the right to convert these licenses into perpetual licenses, with rights of quiet enjoyment, but subject to payment obligations not to exceed the then current rates.

2.325 Pre-existing Materials for Custom Software Deliverables

Neither Contractor nor any of its Subcontractors shall incorporate any preexisting materials (including Standard Software) into Custom Software Deliverables or use any pre-existing materials to produce Custom Software Deliverables if such pre-existing materials will be needed by the State in order to use the Custom Software Deliverables unless (i) such pre-existing materials and their owners are identified to the State in writing and (ii) such pre-existing materials are either readily commercially available products for which Contractor or its Subcontractor, as the case may be, has obtained a license (in form and substance approved by the State) in the name of the State, or are materials that Contractor or its Subcontractor, as the case may be, has the right to license to the State and has licensed to the State on terms and conditions approved by the State prior to using such pre-existing materials to perform the Services.

2.330 Source Code Escrow

2.331 Definition

"Source Code Escrow Package" shall mean:

- (a) A complete copy in machine-readable form of the source code and executable code of the Licensed Software, including any updates or new releases of the product;
- (b) A complete copy of any existing design documentation and user documentation, including any updates or revisions; and/or
- (c) Complete instructions for compiling and linking every part of the source code into executable code for purposes of enabling verification of the completeness of the source code as provided below. Such instructions shall include precise identification of all compilers, library packages, and linkers used to generate executable code.

2.332 Delivery of Source Code into Escrow

Contractor shall deliver a Source Code Escrow Package to the Escrow Agent, pursuant to the Escrow Contract, which shall be entered into on commercially reasonable terms subject to the provisions of this Contract within (30) thirty days of the execution of this Contract.

2.333 Delivery of New Source Code into Escrow

If at anytime during the term of this Contract, the Contractor provides a maintenance release or upgrade version of the Licensed Software, Contractor shall within ten (10) days deposit with the Escrow Agent, in accordance with the Escrow Contract, a Source Code Escrow Package for the maintenance release or upgrade version, and provide the State with notice of the delivery.

**2.334 Verification**

The State reserves the right at any time, but not more than once a year, either itself or through a third party contractor, upon thirty (30) days written notice, to seek verification of the Source Code Escrow Package.

2.335 Escrow Fees

The Contractor will pay all fees and expenses charged by the Escrow Agent.

2.336 Release Events

The Source Code Escrow Package may be released from escrow to the State, temporarily or permanently, upon the occurrence of one or more of the following:

- (a) The Contractor becomes insolvent, makes a general assignment for the benefit of creditors, files a voluntary petition of bankruptcy, suffers or permits the appointment of a receiver for its business or assets, becomes subject to any proceeding under bankruptcy or insolvency law, whether domestic or foreign;
- (b) The Contractor has wound up or liquidated its business voluntarily or otherwise and the State has reason to believe that such events will cause the Contractor to fail to meet its warranties and maintenance obligations in the foreseeable future;
- (c) The Contractor voluntarily or otherwise discontinues support of the provided products or fails to support the products in accordance with its maintenance obligations and warranties.

2.337 Release Event Procedures

If the State desires to obtain the Source Code Escrow Package from the Escrow Agent upon the occurrence of an Event in this **Section**, then:

- (a) The State shall comply with all procedures in the Escrow Contract;
- (b) The State shall maintain all materials and information comprising the Source Code Escrow Package in confidence in accordance with this Contract;
- (c) If the release is a temporary one, then the State shall promptly return all released materials to Contractor when the circumstances leading to the release are no longer in effect.

2.338 License

Upon release from the Escrow Agent pursuant to an event described in this **Section**, the Contractor automatically grants the State a non-exclusive, irrevocable license to use, reproduce, modify, maintain, support, update, have made, and create Derivative Works. Further, the State shall have the right to use the Source Code Escrow Package in order to maintain and support the Licensed Software so that it can be used by the State as set forth in this Contract.

2.339 Derivative Works

Any Derivative Works to the source code released from escrow that are made by or on behalf of the State shall be the sole property of the State. The State acknowledges that its ownership rights are limited solely to the Derivative Works and do not include any ownership rights in the underlying source code.



DEFINITIONS

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



Services	Any function performed for the benefit of the State.
Source reduction	Any practice that reduces the amount of any hazardous substance, pollutant, or contaminant entering any waste stream or otherwise released into the environment prior to recycling, energy recovery, treatment, or disposal.
State Location	Any physical location where the State performs work. State Location may include state-owned, leased, or rented space.
Subcontractor	A company Contractor delegates performance of a portion of the Services to, but does not include independent contractors engaged by Contractor solely in a staff augmentation role.
Unauthorized Removal	Contractor's removal of Key Personnel without the prior written consent of the State.
Waste prevention	Source reduction and reuse, but not recycling.
Waste reduction and Pollution prevention	The practice of minimizing the generation of waste at the source and, when wastes cannot be prevented, utilizing environmentally sound on-site or off-site reuse and recycling. The term includes equipment or technology modifications, process or procedure modifications, product reformulation or redesign, and raw material substitutions. Waste treatment, control, management, and disposal are not considered pollution prevention, per the definitions under Part 143, Waste Minimization, of the Natural Resources and Environmental Protection Act (NREPA), 1994 PA 451, as amended.
Work in Progress	A Deliverable that has been partially prepared, but has not been presented to the State for Approval.
Work Product	Refers to any data compilations, reports, and other media, materials, or other objects or works of authorship created or produced by the Contractor as a result of an in furtherance of performing the services required by this Contract.



Attachment 1 – Appriss SMS Scope of Work



**Michigan Department of Community Health
Crime Victim Services Commission**

**SMS Scope of Work (SOW)
Public Safety Group (PSG)**

Project Name:	VINE SMS Text Messaging Notification Enhancement
Product Director:	Tim Bingham
Account Manager:	Brock Neal
Account Executive:	Emily Staples
Director, Sales and Account Services	Lalla O’Bryan
Date:	08-03-2010



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DOCUMENT REVISION HISTORY			
Version	Date	Changes	Updated By
1.0	08.03.2010	Original document	Emily Staples

PURPOSE OF THE DOCUMENT

In order to meet the needs and expectations of the Michigan Department of Community Health, it is imperative that the Appriss project team has a clear and defined scope of work to follow. The purpose of this document is to outline the scope of work and key tasks needed to successfully implement SMS (Short Messaging Service) Text Messaging Notifications in VINE for the State of Michigan.

SCOPE OF WORK OBJECTIVE

Identify the approach, key deliverables, and major phases required to deliver SMS Text Messaging to VINE.

PROJECT SCOPE

Expand current VINE service to include SMS Text Messaging as an additional outbound notification method. SMS notification capabilities will allow victims to register for an additional notification method and provide a new mechanism for victims and other registrants to receive notifications

PRODUCT FEATURES INCLUDED

- The states established VINE inbound toll free number will be modified to add an option to register to receive SMS outbound notifications in English only.
- Michigan’s VINERWatch registration page will be modified to include SMS registrations.
- Michigan’s VINELink registration page will be modified to include SMS registrations.
- The SMS registration option will inform registrants that they will be responsible for any fee from their phone carrier for receipt of such messages.
- SMS notification formats will allow for a total of 160 character messages. Standard SMS formats will be provided for existing outbound messages.
- Registrants may register up to 5 numbers at a time in VINELink for SMS delivery numbers for outbound notification purposes.
- SMS registrations will be captured and tracked as a new notification method in the VINERWatch reports.
- Registrants can also register for SMS notifications through the assistance of a VINE Service Representative.

Text Message (SMS) Notification

When the custody status of your offender changes, VINE will send a text message to the number you specify. You must have a device that allows receipt of a SMS (Short Message Service) message, more commonly known as text message. You will receive only one message. Standard text messaging rates will apply with the receipt of each text message notification. Any fees associated with the receipt of this message is solely the responsibility of the individual who registered for receipt of the notification.

Text Message (SMS) Number Language Four-Digit PIN

 English

Sample

VINELink Illustration

ASSUMPTIONS & RISKS

Identified assumptions include:

- Registrants understand and assumes all third party cost associated with the receipt of notification
- Outbound notification message must not exceed 160 characters
- Appriss will use standard SMS notification language in English



APPROVAL SIGNATURES

Print Name	Signature	Title	Date

By signing above, the users indicate agreement with the contents herein, and confirm that the Appriss project team has identified the scope of work necessary to deliver the needed project objectives. Additional detailed documentation and project timelines will be included in the Project Requirements Document (PRD) which will occur during the project kick off phase and upon successful contracting.

PRICING

Standard Solution Fees:	Startup	Annual
SMS Text Messaging Notification	\$25,000.00	
	\$25,832.00	

Price quote estimate is based on the date of the scope of work description and outlined assumptions and risks. Any additional information that would change the scope of the work may warrant other pricing considerations.



Attachment 2 – Appriss Spanish VINELink Scope of Work



**Michigan Department of Community Health
Crime Victim Services Commission**

**Spanish VINELink
Scope of Work (SOW)
Public Safety Group (PSG)**

Project Name:	Spanish VINELink Enhancement
Product Director:	Tim Bingham
Director, Sales & Account Services	Lalla O’Bryan
Account Manager:	Brock Neal
Account Executive:	Emily Staples
Date:	08-03-2010



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DOCUMENT REVISION HISTORY			
Version	Date	Changes	Updated By
1.0	08/03/2010	Original document	Emily Staples

PURPOSE OF THE DOCUMENT

In order to meet the needs and expectations of the Michigan Department of Community Health, it is imperative that the Appriss project team has a clear and defined scope of work to follow. The purpose of this document is to outline the scope of work and key tasks needed to successfully implement Spanish VINELink for the State of Michigan.

SCOPE OF WORK OBJECTIVE

Identify the approach and major phases required to deliver Spanish VINELink web tool.

PROJECT SCOPE

Adding Spanish VINELink to the web tool will allow victims to navigate the VINELink service absent language barriers, thereby increasing its usage and promote multicultural inclusion amongst those seeking critical victim services.

PRODUCT FEATURES INCLUDED

Upon setup and configuration of Spanish VINELink the features described below will become available to the Customer.

I. Standard Feature Set:

The Data Received from the customer will NOT be translated into Spanish.

General Items:

- There will be a button (in Spanish) on the Michigan VINE home page, that once selected would display VINELink in Spanish according to the details listed below.
- This option would apply to the entire state (site level option), including any new modules that would be added in the future (for example: VINE Courts and Probation and Parole)
- Tab names: (Home, Search and Register, State Victim Resources, Map) will be in Spanish
- Sub Tab names: (Offender, VINE Courts,) will be in Spanish

Items below would apply to all sub tabs (Offender, VINE Courts)

- Banner: VINELink logo would be in English – tag line would be in Spanish
- Appriss Disclaimer: Spanish
- The name “VINE” will always be VINE (English)
- The name “MCVNN” will always be MCVNN (English)
- Error Messages throughout VINELink will be displayed in Spanish
- Agency Over ride capability will be done in Spanish

Detailed web page Information:

Map Page

1. The Map page will remain in English

National Victim Resources Tab



1. Would remain in English until the Spanish button on the Michigan VINE home page was selected. Then the National Victim Resources tab would show up in Spanish.
2. All Text on the page would be in Spanish
3. PDF's would be in Spanish
4. Links would continue to work as they do currently (Open in separate browsers, links to English sites)

Home Tab (State Home Page)

1. A new Button would be added that would be in Spanish once selected, VINELink will switch over to Spanish (per the details listed)
2. "Search & Register for Notifications" button – will be in Spanish
3. "Update Registration button" – will be in Spanish
4. "Downloads" button and PDF – will be in Spanish
5. State Description Header* (top line: i.e. MCVNN – will remain in English; however, the bottom line: i.e. VINE Service Number: (800) 770-7657 will be in Spanish. ****This would remain the same and consistent throughout the rest of the application.***

Captcha

1. The Captcha display itself will remain showing English alpha/numeric values
2. The rest of the text will be in Spanish

Update Registration

1. All text will be in Spanish
2. Navigation and Submit buttons will be in Spanish

Local Area Resources

1. All text (where applicable) will be in Spanish; realizing that some items may be a mix of English and Spanish (for example: names of services provided)

Search Tab

1. All text will be in Spanish
2. Section for "All facilities, Choose Facilities, etc..." will be in Spanish. Drop down list of Agencies will be in English (no change)
3. Navigation Search buttons will be in Spanish
4. Date Calendar Box – unchanged (months displayed in English)

Search Results page

1. Search Results (i.e. "we found the following.....", "note:.....") will all be in Spanish
2. Column Headers will be in Spanish (register/details, last name, etc...)
3. Imported Data from Agency will not change (stays in English or as the customer data feed provided) for the following columns: last name, first name, date of birth, age, facility/reason, and reporting agency.
4. Appriss can provide the custody status results in Spanish

Offender Details page

1. Navigation and Continue buttons will be in Spanish
2. Offender record section. All data will be in English (or as the customer data feed provided).
3. The Labels (i.e. Offender ID, Offender Name, Date of Birth, etc...) will be in Spanish
4. The section of how the registrant prefers to be notified will all be in Spanish

Registration Page

1. Register for Notification and each of the sections (phone, email, TTY) will be in Spanish.
2. Drop down box for Language will be in English
3. Navigation and Register buttons will be in Spanish



Registration Successful Page

1. Successful registration message will be in Spanish
2. All error messages will be in Spanish

APPROVAL SIGNATURES

Print Name	Signature	Title	Date

By signing above, the customer indicates agreement with the contents herein, and confirms that the Appriss project team has identified the scope of work necessary to deliver the needed project objectives. Additional detailed documentation and project timelines will be included in the Project Requirements Document (PRD) which will occur during the project kick off phase and upon successful contracting. The PRD will contain information under the following headings where applicable:

1. Purpose of Document
2. Project Objective/Scope
3. Assumptions, Constraints and Risks
4. Major Project Milestones
5. Project Roles and Responsibilities
6. Document Revision History
7. Approval Signatures
8. Issues Requiring Further Discussion

PRICING

Standard Solution Fees:	<u>Startup</u>	<u>Annual</u>
	\$25,000.00	
	\$5,000.00	

Price quote estimate is based on the date of the scope of work description and outlined assumptions and risks. Any additional information that would change the scope of the work may warrant other pricing considerations.

**Attachment 3 – Appriss Change Order****Attention: Change Order Attached for Booking System Change**

10401 Linn Station Road

Louisville, KY 40223-3842

502-561-8463 800-816-0491

www.appriss.com

Date <DATE>

Beth Adcock
116 W Ottawa Street, STE 200
Lansing, MI, 48913

Dear Beth Adcock,

I would like to take this opportunity to share with you the updated format for the change order form/process now in place for 2010. Outlined below are the updates to the form and a brief explanation of each. These updates are included to facilitate more efficient and correct communication between Appriss, Statewide VINE Program Managers, and Local Agency Contacts while meeting contractual obligations.

- **Scope of Work** – Details what changes will be made in Agency Booking System and the work Appriss will complete.
- **Appriss Pricing** – Includes total hours and cost expected to complete work by Appriss technicians on the VINE interface.
- **Third Party Vendor Pricing** – Vendor fees charged for completing VINE compatible booking system interface development, deployment, and maintenance to the Agency are not covered under the VINE Service Agreement. If there are applicable fees for any of these items, we ask the VINE Program Manager to discuss these fees with the Agency and determine how these costs will be remitted to the vendor. This information will then be indicated on the change order form.

Enclosed you will find Change Order <#####> for <AGENCY> with regard to the current booking system change request. Once reviewed and communication has commenced between you and the Agency regarding vendor fees, if applicable, please sign or procure the appropriate signatures on the enclosed documents, keeping a copy for your records. My copy may be returned via postal mail or by fax @ 502-992-3443. Appriss suggests that you provide a copy of this Change Order to the local agency for their records. If you have any questions, feel free to contact me at 866-APPRISS (866-277-7477), ext. 3945.

Thank you for your prompt attention to this correspondence. We look forward to continuing to provide our services to you in the future

Thank you,

Brock Neal



Change Order Agreement

Change Order Number: <STATE>-<AGENCY>-CO#####
Appriss Service: VINE-Booking System Change

Date: <DATE>

Customer: <CUSTOMER NAME>

Customer Contact: Beth Adcock
E-mail: adcockb@michigan.gov
Telephone Number: (517) 334-9943
Address: 116 W. Ottawa Street, Suite 200
Lansing, MI 48913



10401 Linn Station Road
Louisville, KY 40223-3842
502-561-8463 800-816-0491
www.appriss.com

Account Manager: Brock Neal
E-mail: bmneal@appriss.com
Telephone Number: (502) 815-3945

Scope of Work: Agency has changed booking systems from <Previous Booking system> to <New Booking system>. Appriss will provide setup, configuration, testing and documentation.

Appriss Pricing: \$0* XX hours@ \$XXX/hr = \$XXXX *Appriss fee waived due to existing agreement covering costs associated with changes to currently supported VINE Interfaces.

Third Party Vendor Pricing: Vendor and ongoing JMS maintenance fees are not covered in this change order agreement. The local contracting agency is responsible for paying these fees via their vendor JMS contract, if applicable.

Please indicate below how payment will be handled by the agency:

- Vendor waives all fees associated with VINE interface changes/upgrades
- Vendor charges agency for VINE interface work including changes/upgrades and agency will pay vendor directly
- Appriss is given permission by the agency/"other party" to act as the pass through & bill VINE directly for the Vendor's interface change/upgrade fees. The agency will then reimburse Appriss for the vendor fees. If fee is not indicated, please complete below.
 - Vendor Development Fee = _____
 - Vendor Deployment Fee = _____
 - Maintenance Fee = _____

Authorization:
Appriss, Inc., By:

Customer By:

Lalla O'Bryan Date
Manager, Account Services
Public Safety Group
Appriss, Inc.

Signature Date



Name

Title

Please return one signed original OR FAX to: 502.992.3443 to:

Brock Neal - Account Manager

Appriss Inc.

10401 Linn Station Road, Suite 200

Louisville, KY 40223

revised 4/2009



Attachment 4 - COST TABLE

Instructions for Contractor to complete the Cost Tables template:

Contractor must complete the Project Cost summary and all associated tables identified. Identify all information related, directly or indirectly, to the Contractor's proposed charges for services and deliverables including, but not limited to, costs, fees, prices, rates, bonuses, discounts, rebates, or the identification of free services, labor or materials. Contractors must identify any assumptions they has made developing the Cost Proposal.

Table 1: Summary of Contract Costs

Project Cost(s)	Cost (\$)
Software Maintenance and Support Breakdown provided in Table 2	\$3,008,080.00
Development Costs for Enhancements Requested in RFP Breakdown provided in Table 3	\$50,000.00
Total Cost	\$3,058,080.00

**Table 2: Software Maintenance and Support
(Section 1.104.A.)**

Maintenance and Support	Cost (\$)
First Year	\$601,616.00
Second Year	\$601,616.00
Third Year	\$601,616.00
Fourth Year	\$601,616.00
Fifth Year	\$601,616.00
Total Maintenance (YEARS 1-5)	\$3,008,080.00

**Table 3: Development Costs for Enhancements Requested in RFP
(Section 1.104, B.)**

Customization or Application Development	Cost (\$)
1. Provide Spanish Public Vinelink Website	\$25,00.00
2. Implement Short Message Service (SMS) functionality – Text Messaging Notification Option)	\$25,00.00
Total Cost of Development	\$50,000.00