Form No. DMB 234 (Rev. 1/96)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract will not be executed unless form is filed

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET November 17, 2011
PROCUREMENT
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO.3
TO
CONTRACT NO. 071B1300109
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR **Integris Inc.** **12125 Technology Drive** **Eden Prairie, MN 55344** **Email: David.Wieber@Optum.com**	TELEPHONE (517) 993-0929 David Wieber CONTRACTOR NUMBER/MAIL CODE BUYER/CA (517) 241-1640 **Mark Lawrence**
Contract Compliance Inspector: Mark Lawrence **DATA WAREHOUSE IMPLEMENTATION AND SERVICES**	
CONTRACT PERIOD: **5 yrs. + 2 one-year options** From: **November 16, 2010** To: **November 15, 2015**	
TERMS **N/A**	SHIPMENT **N/A**
F.O.B. **N/A**	SHIPPED FROM **N/A**
MINIMUM DELIVERY REQUIREMENTS **N/A**	
MISCELLANEOUS INFORMATION:	

NATURE OF CHANGE(S):

Per attachment, funding has been added for BIQUERY Software in the amount of $455,008.85. All other terms, conditions, pricing and specifications remains the same.

AUTHORITY/REASON(S)

Per contractor request, agency concurrence, and Ad Board approval on 11/15/2011

INCREASE: $455,008.85

TOTAL REVISED ESTIMATED CONTRACT VALUE: $19,073,579.85

unit license price in Section II below for any new BI Query Software Licenses ordered after December 21, 2011 are subject to modification by OptumInsight if the amounts quoted by Open Text to OptumInsight for new BI Query Software Licenses as of the date of this Change Request Proposal 003 for FY2013, FY2014 and/or FY2015 increases by more than ten percent (10%) year over year. In such event, OptumInsight shall issue a revised quote to the State reflecting the revised unit rates and such revised rates shall be deemed to have amended this Change Request Proposal 003.

1.2 BI Query Software Support

During the BI Query Software Support Term defined in Section 1.3 below, OptumInsight, acting through its subcontractor, Open Text, shall provide "Standard Support" for the BI Query Software. The scope of what constitutes "Standard Support" is set forth in Exhibit B attached hereto and incorporated by reference herein ("Exhibit B").

1.3 BI Query Software Support Term

The term during which OptumInsight shall provide BI Query Software Support (the "BI Query Software Support Term") shall commence October 1, 2011 and continues for an initial term ending twelve (12) months thereafter (the "Initial BI Query Support Term"), provided that OptumInsight receives a purchase order for the charge set forth in Section II below corresponding to the Initial BI Query Support Term on or before December 21, 2011. The BI Query Support Term shall renew for successive twelve (12) month renewal terms (the "Renewal BI Query Support Term(s)"), provided that on or before October 15 of SFY 2013, 2014 and 2015, OptumInsight has received a purchase order from the State for the charge set forth in Section II below corresponding to the applicable Renewal BI Query Support Term. Notwithstanding the foregoing:

(a) The State shall have the right to issue one or more purchase order(s) that cover more than the Initial BI Query Support Term or more than one (1) Renewal BI Query Support Term, provided that the charge set forth in any purchase order issued by the State includes the total fee(s) set forth in Section II below corresponding to the duration of the purchase order;

(b) OptumInsight, with support from its subcontractor Open Text, will issue a revised quote on a yearly basis, prior to the Renewal BI Query Support Term, reflecting revised unit rates and total charges for Standard Support of the BI Query Software, consistent with the actual rate of increase from the subcontractor, Open Text, where such revised rates shall be deemed to have amended this Change Request Proposal 3. The charges in Section II below have been presented based on a maximum increase in rates of 10% per year; and

(c) OptumInsight shall have the right to terminate the BI Query Software Support either (i) at the end of the Initial BI Query Support Term or a Renewal BI Query Support Term or (ii) at any point in time during the BI Query Support Term effective upon written notice to the State if (x) OptumInsight's subcontractor, Open Text, no longer provides such BI Query Software Support or (y) Open Text changes the applicable support charge discount offered to OptumInsight for the BI Query Software for a Renewal BI Query Support Term from that quoted to OptumInsight as of the date of this Change Request Proposal 003 and the State elects not to accept the corresponding change in support charge from OptumInsight by October 15 of the applicable State Fiscal Year covered by OptumInsight's quotation.

In the event that the BI Query Software Support is terminated prior to the end of the BI Query Support Term and if the State has paid OptumInsight a fee that covers a portion of time following the effective date of termination, then OptumInsight shall refund to the State a prorated amount of any prepaid charges or grant the State a credit, at OptumInsight's sole discretion, but only if and to the extent OptumInsight is entitled to a prorated refund of the fee it has paid to Open Text.

II. Charges

The charges for the new BI Query Software License and BI Query Software Support described in this Change Request Proposal 003 is set forth below, where such charges are subject to adjustment as defined in Section I above:

Fiscal Year	Agency	Product Description	Unit Price	Quantity	Total Amount
FY2012	DCH	BI Query Admin Existing Support	$292.22	1	$292.22
		BI Query User Existing Support	$101.60	545	$55,372.00
		BI Query User New License	$630.00	120	$75,600.00
		BI Query User New Support	$126.00	120	$15,120.00
				FY 2012 DCH Total	$146,384.22
	Treasury	BI Query Admin Existing Support	$292.22	2	$584.44
		BI Query User Existing Support	$101.60	77	$7,823.20
		BI Query User New License	$630.00	9	$5,670.00
		BI Query User New Support	$126.00	9	$1,134.00
				FY 2012 Treasury Total	$15,211.64
	DTMB	BI Query User Existing Support	$101.60	2	$203.20
				FY 2012 DTMB Total	$203.20
				FY 2012 Total	$161,799.06
FY2013	DCH	BI Query Admin Existing Support	$321.44	1	$321.44
		BI Query User Existing Support	$111.76	545	$60,909.20
		BI Query User New Support	$138.60	120	$16,632.00
				FY 2013 DCH Total	$77,862.64
	Treasury	BI Query Admin Existing Support	$321.44	2	$642.88
		BI Query User Existing Support	$111.76	77	$8,605.52
		BI Query User New Support	$138.60	9	$1,247.40
				FY 2013 Treasury Total	$10,495.80
	DTMB	BI Query User Existing Support	$111.76	2	$223.52
				FY 2013 DTMB Total	$223.52
				FY 2013 Total	$88,581.96
FY2014	DCH	BI Query Admin Existing Support	$353.58	1	$353.58
		BI Query User Existing Support	$122.94	545	$67,002.30
		BI Query User New Support	$152.46	120	$18,295.20
				FY 2014 DCH Total	$85,651.08
	Treasury	BI Query Admin Existing Support	$353.58	2	$707.16
		BI Query User Existing Support	$122.94	77	$9,466.38
		BI Query User New Support	$152.46	9	$1,372.14
				FY 2014 Treasury Total	$11,545.68
	DTMB	BI Query User Existing Support	$123.00	2	$246.00
				FY 2014 DTMB Total	$246.00
				FY 2014 Total	$97,442.76
FY2015	DCH	BI Query Admin Existing Support	$388.94	1	$388.94
		BI Query User Existing Support	$135.23	545	$73,700.35
		BI Query User New Support	$167.71	120	$20,125.20
				FY 2015 DCH Total	$94,214.49
	Treasury	BI Query Admin Existing Support	$388.94	2	$777.88
		BI Query User Existing Support	$135.23	77	$10,412.71
		BI Query User New Support	$167.71	9	$1,509.39
				FY 2015 Treasury Total	$12,699.98
	DTMB	BI Query User Existing Support	$135.30	2	$270.60
				FY 2015 DTMB Total	$270.60
				FY 2015 Total	$107,185.07

Four Year Total - $455,008.85

Maximum Pricing for new license and maintenance purchases (subject to adjustment as described in Section I above):

Fiscal Year	Product Description	Unit License Price	Unit Annual Support Price
2012	BI Query Admin	$1,800.00	$360.00
	BI Query User	$630.00	$126.00
2013	BI Query Admin	$1,980.00	$396.00
	BI Query User	$693.00	$138.60
2014	BI Query Admin	$2,178.00	$435.60
	BI Query User	$762.30	$152.46
2015	BI Query Admin	$2,395.80	$479.16
	BI Query User	$838.53	$167.71

III. Terms by Which the State May Accept This Change Request Proposal 003 for BI Query Software License and Support

In order to accept this Change Request Proposal 003 for new BI Query Licenses and Support consistent with the terms applicable to Change Requests set forth in Sections 2.024 and 1.403 of the '109 Contract, OptumInsight must receive the following by the dates indicated below:

1. A Signed Contract Change Notice to the '109 Contract that references this Change Request 003 Proposal and increases the Contract Value of the '109 Contract by $455,008.85, that must be received by OptumInsight no later than December 21, 2011; and

2. A purchase order, with line items totaling $161,799.06 to cover the new BI Query Software Licenses in the quantity described above for the State's 2012 Fiscal Year and BI Query Software Support for at least the Initial BI Query Support Term, which must be received by OptumInsight no later than December 21, 2011.

By approving this proposal, the State shall be deemed to have approved Open Text as an OptumInsight subcontractor.

All other terms and conditions of the '109 Contract remain in full force and effect.

Should you have any questions, please do not hesitate to contact me. Thank you again for the opportunity to work with you and your project team.

Sincerely,

David Wieber

Point of Contact:
David Wieber
Michigan Director of Operations
OptumInsight Government Solutions

Authorized Signer:
Mike Kelliher
Vice President, Client Services
OptumInsight Government Solutions

Exhibit A

LIVELINK END USER LICENSE AGREEMENT

This Livelink End User License Agreement ("**EULA**") is between Open Text Corporation, 275 Frank Tompa Drive, Waterloo, Ontario, Canada, N2L OA1 ("**OTC**") and the State of Michigan ("the State"), 515 Westshire Dr, Lansing, MI 48917 ("**Licensee**"'). Livelink and its related developer and modules is an OTC collaborative management software program used in web based intranets, extranets, and e-business applications. Licensee desires to obtain from OTC, and OTC desires to grant to Licensee, certain non exclusive licenses to use the specific Livelink software, documentation, and other OTC intellectual property described in this EULA. Accordingly, in consideration of the mutual promises contained herein and of other good and valuable consideration, OTC and the Licensee agree as follows:

1.0 DEFINITIONS

"**Applicable Taxes**" shall have the meaning set out in Section 13 hereof;

"**Client Module(s)**" means each software client module licensed by OTC to Licensee hereunder, together with all Support Software related thereto licensed by OTC to Licensee hereunder;

"Client Named User(s)" means an individual employee of the Licensee which: a) uses a unique login name/password combination assigned to such individual by the Licensee to access and/or use Client Module(s), and b) is authorized by a Client Named User License to access and/or use a Client Module;

"Client Named User License" means an OTC license purchased by Licensee hereunder authorizing: (a) Licensee to install a specific Client Module on one Desktop; and (b) one Client Named User to access and use all available functions within such Client Module on such Desktop;

"Derivative Work" means: (a) any modification, change, translation, addition, enhancement, extension, upgrade, update or improvement of the Software, (b) any work resulting from the porting of the Software to a different operating environment or platform, (c) any new software program based on (i) the Software or any identifiable portion of the Software or (ii) the Software or any identifiable portion of the Software as combined with any other new or pre-existing works, and/or (d) any other work constituting a derivative of the Software under applicable copyright laws;

"**Desktop(s)**" means a standalone computer operated by Licensee;

"Developer Software" means each software development program licensed by OTC to Licensee hereunder, together with all Support Software related thereto licensed by OTC to Licensee hereunder;

"Developer User(s)" means an individual authorized by a Developer User License to access and/or use Developer Software;

"Developer User License(s)" means an OTC license purchased by Licensee hereunder authorizing: (a) Licensee to install Developer Software on one Desktop; and (b) one Developer User to access and use all available functions within such Developer Software on such Desktop;

"Documentation" means all documentation licensed by OTC to Licensee hereunder, including such documentation as is: (a) authorized by OTC for general release to OTC licensees of the Software; and/or (b) provided to Licensee under an OTC maintenance and/or support program related to the Software; whether in printed, electronic, on-line, and/or other format;

"Extranet" means a private external network operated by Licensee on a Server which is used to share information contained on Licensee's intranet with external third parties over the Internet;

"Livelink" means: (a) all Livelink server application software licensed by OTC to Licensee hereunder; (b) each Server Module licensed by OTC to Licensee hereunder; and (c) all Support Software related thereto licensed by OTC to Licensee hereunder. Specifically excluded from the definition of "**Livelink**" are any and all Client Module(s);

"**Object(s)**" means each work created and/or stored within Livelink, including without limitation, a document, folder, project, and discussion;

"Personal Workspace" means a separate working area created within Livelink and assigned to a specific Standard Named User;

"Server(s)" mean a network server operated by Licensee;

"Server Module(s)" means each software server module licensed by OTC to Licensee hereunder, together with all Support Software related thereto licensed by OTC to Licensee hereunder;

"**Software**" means any and all Developer Software, Livelink, Client Module(s), Documentation, Support Software, and other intellectual property licensed by OTC hereunder, including each update, upgrade, and/or new version of same licensed hereunder, all source code and object code licensed hereunder, and all copies thereof made by Licensee; **"Standard Named User(s)"** means an individual employee of the Licensee which: a) uses a unique login name/password combination assigned to such individual by the Licensee to access and/or use Livelink, and b) is authorized by a Standard Named User License to access and/or use Livelink;

"Standard Named User License" means an OTC license purchased by Licensee hereunder authorizing one Standard Named User to: (a) access and/or use Livelink; (b) have a Personal Workspace; (c) create, modify, and/or delete Object(s); and (d) participate in any Workflow;

"**Support Software**" means all maintenance and/or support software related to the Software provided to Licensee pursuant to an OTC maintenance and/or support program, together with all related Documentation provided to Licensee pursuant to such OTC program;

"**Workflow**" means using Livelink to attempt to automate a business process or processes;

"Term" means the term of this EULA as described in Section 19 hereof.

2.0 OWNERSHIP OF THE SOFTWARE

2.1 Ownership. The Software is protected by Canadian, U.S., and international copyright laws and treaties, as well as other laws and treaties. None of the Software is being sold. Except for those non exclusive licenses granted by OTC to Licensee in this EULA, all ownership, license, intellectual property, and other rights and interests in, and to, the Software shall remain solely with OTC and/or OTC's licensors.

3.0 NON EXCLUSIVE DEVELOPER SOFTWARE LICENSE

3.1 Developer Software. For each Developer User License purchased by Licensee hereunder, OTC grants to Licensee a non-exclusive, non assignable, and non-transferable worldwide license during the Term to install and execute the object code version of the Developer Software licensed hereunder on one Desktop, and to authorize one Developer User to access and/or use same on such Desktop and to use related Documentation, for the sole purpose of Licensee preparing modifications: (a) to Livelink if Livelink SDK, Livelink Activator For CORBA Development Toolkit, or Livelink Activator For SAP R/3 are licensed hereunder; (b) to myLivelink if myLivelink Widget Development Toolkit is licensed hereunder; (c) to Livelink Desktop if Livelink Desktop Development Toolkit is licensed hereunder; and/or (d) to such other portions of the Software and on such terms as OTC may specify in writing.

3.2 User Restrictions. Only Developer User(s) may access and/or use Developer Software and/or related Documentation licensed hereunder. No other party shall access and/or use any of same.

3.3 Ownership. As between Licensee and OTC, Licensee shall, subject to Section 3.5 below, own all software prepared by Licensee using Developer Software ("**Licensee Software**") except such portions of same which consist of Software which portions shall be excluded from the definition of "Licensee Software, shall remain solely owned by OTC and/or OTC's licensors, and shall be used by Licensee in accordance with the terms of this EULA for the sole purpose of Licensee conducting Licensee's internal business operations and not for any other purpose (including redistribution). In the event that the Licensee distributes or markets the Licensee Software, the Licensee may, in certain cases, be required to purchase additional runtime licenses from OTC to install and execute certain modified versions of the Software prepared by Licensee.

3.4 Indemnification. Intentionally Omitted.

3.5 No Restriction and License-Back. Open Text and Open Text's licensors shall have the right, at all times, to independently conceive, prepare, own, promote, market, use, license, sublicense, modify, enhance, maintain, support, assign, and/or sell their own respective modifications, enhancements, and/or improvements to the Software, new software products which are based upon the Software in whole or in part, and/or entirely new software products (individually and collectively "**Open Text Software**") regardless of whether such Open Text Software is identical, substantially similar, or

similar, to Licensee Software. Licensee grants to Open Text and to Open Text's licensors a non exclusive, perpetual, worldwide, irrevocable, royalty free, assignable, sub-licensable license in relation to the Licensee Software sufficient to and for the purpose of ensuring that OTC and/or OTC's licensors do not infringe any of Licensee's ownership, intellectual property, and/or other rights in the Licensee Software through the exercise by Open Text and/or by Open Text's licensors of any of their respective rights described in this Section 3.5 above. Notwithstanding the preceding sentence, the Licensee is under no obligation to disclose the Licensee Software to OTC.

4.0 NON EXCLUSIVE LIVELINK LICENSE

4.1 **Livelink.** If Livelink is licensed by OTC to Licensee hereunder, OTC grants to Licensee, subject to Licensee purchasing each Standard User License required under the provisions of this EULA, a non-exclusive, non assignable, and non-transferable worldwide license during the Term to: (a) copy, install, and execute as many copies of the object code version of Livelink on as many Server(s) as Licensee desires; and (b) use related Documentation; for the sole purpose of Licensee conducting Licensee's internal business operations and not for any other purpose (including redistribution).

4.2 **User Restrictions.** Prior to any individual accessing and/or using Livelink and/or related Documentation licensed to Licensee under this EULA, Licensee shall first purchase the appropriate Standard User License for such individual. Only Standard Named User(s) shall access and/or use Livelink and/or related Documentation licensed to Licensee hereunder, including, if Licensee so authorizes, through an Extranet operated by, or for, Licensee. No other party or parties shall access and/or use Livelink and/or related Documentation licensed hereunder.

4.3 **Second User License.** Prior to: (a) each additional user login name/password combination being concurrently issued to a Standard Named User; and/or (b) a Standard Named User concurrently logging into a different Livelink login screen to access a database resident on a different Livelink installation; Licensee must purchase an additional Standard User License for such Standard Named User and allocate such additional Standard User License to such Standard Named User.

5.0 NON EXCLUSIVE CLIENT MODULE LICENSE

5.1 **Client Module(s).** For each Client Named User License purchased by Licensee hereunder, OTC grants to Licensee a non-exclusive, non assignable, and non-transferable worldwide license during the Term to: (a) install and execute the object code version of the Client Module licensed to Licensee hereunder on one Desktop; and (b) authorize one Client Named User to access and/or use the Client Module on such Desktop and use related Documentation; for the sole purpose of Licensee conducting Licensee's internal business operations and not for any other purpose (including redistribution).

5.2 **User Restrictions.** Only Client Named User(s) shall access and/or use Client Module(s) and/or related Documentation licensed hereunder. No other party or parties shall access and/or use Client Module(s) and/or related Documentation licensed hereunder.

6.0 USER LICENSE PROVISIONS

6.1 **User License Requirement.** Prior to any individual accessing and/or using any of the Software licensed by OTC hereunder, Licensee shall first purchase the appropriate Developer User License, Standard Named User License, and/or Client Named User License for such individual from OTC and allocate such user license to such individual by means of a record system maintained by Licensee. Each Developer User, Standard Named User, and/or Client Named User shall comply with all of the terms of the particular OTC user license allocated to such party by Licensee pursuant to this EULA. Inactive or disabled user licenses are deemed to be valid user licenses and shall be considered formally allocated until such time as such user licenses are reallocated pursuant to the provisions of section 6.2 below, or are terminated in accordance with the provisions of this EULA. Such inactive or disabled user licenses shall be deemed to be equivalent to the Licensee's other user licenses and shall be counted as such in any audit or accounting of the Licensee's user licenses. For greater certainty, the fact that the Licensee considers that a user license is inactive or disabled, does not permit the Licensee to allow another individual to use the Software.

6.2 **Reallocation.** No individual user license purchased hereunder may be allocated, or shared, among more than one individual. If any Developer User, Standard Named User, and/or Client Named User no longer requires access to, nor any use of, the Software on a permanent basis, Licensee may reallocate such individual's OTC user license(s) to another individual by means of a record system maintained by Licensee. Upon such reallocation, the Licensee must fully and permanently delete the

user account associated with the original user.

7.0 AUTOMATED VERIFICATION

7.1 Automated Verification. LICENSEE ACKNOWLEDGES THAT THE SOFTWARE CONTAINS A SOFTWARE KEY TO PREVENT UNAUTHORIZED INSTALLATION AND MAY CONTAIN DEVICES TO MONITOR COMPLIANCE WITH LICENSEE'S USER LICENSE OBLIGATIONS UNDER THIS EULA.

8.0 US GOVERNMENT END USERS RESTRICTED RIGHTS LEGEND

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9.0 AUTHORIZED COPIES

9.1 Documentation. Licensee shall not modify the Documentation in any manner. Licensee may make copies of the Documentation provided: (a) the number of copies made does not exceed the number of individual user licenses purchased by Licensee hereunder; (b) each copy is only disclosed to, and used by, a Developer User, Standard Named User, and/or Client Named User for the purpose of using Software pursuant to this EULA (and not for redistribution); and (c) no such copy is distributed and/or used to conduct training for which Licensee, or any other party, receives a fee. Licensee shall not copy OTC's Livelink SDK System Schema Reference document if it is provided to Licensee.

9.2 Software. Licensee may make one complete copy of the Software for backup purposes only. Subject to Section 4.1 above, no other copies of the Software shall be made by or for Licensee. Licensee shall: (a) assign an identifier number to each copy of the Software made by Licensee; and (b) maintain a system sufficient to track the: (i) Server; (ii) Desktop; and/or (iii) location; of each such copy. Each copy of the Software (and/or Documentation) made by Licensee hereunder must contain the same copyright and other proprietary notices that appear on the original copy of same provided to Licensee hereunder.

10.0 RESTRICTIONS

10.1 General Restrictions. Licensee shall not: (a) assign, transfer, and/or redistribute the Software to any party in whole or in part; (b) rent, time share, or operate a service bureau with respect to the Software; (c) charge a fee to any party for access to and/or use of the Software; and/or (d) install, use, and/or make available the Software for any online application service provider business, internet service provider business, or other online software rental business. Licensee shall not publish or disclose results of any benchmark or other test run on the Software without OTC's prior written consent. Except as authorized herein, Licensee shall not grant any sublicense to any party or parties to access and/or use the Software. Licensee shall not use the Software for the on-line control of aircraft, air traffic, aircraft navigation, or aircraft communications, or in the design, construction, operation or maintenance of any nuclear facility, or for medical or surgical applications, or any other application in which failure could create a situation where personal injury or death could occur. Licensee shall not modify any of the Software except as authorized herein, nor adapt, translate, reverse engineer, decompile, disassemble, and/or otherwise attempt to discover the source code of the Software, nor take any other steps to discover the confidential information and/or trade secrets contained in the Software.

10.2 Derivative Works. Licensee is prohibited from creating any Derivative Works except those Derivative Work which are created exclusively through development tools which are included with the Developer Software licensed pursuant to Section 3.1 of this EULA.

10.3 Interfacing and Interactive Software. Except for Licensee Software which interfaces with or interacts with the Software exclusively through application program interfaces licensed to Licensee pursuant to Section 3.1 of this EULA, the Licensee is prohibited from creating any software products that interface with, or are interactive with, the Software.

11.0 ORDERING SOFTWARE AND USER LICENSES FROM OTC

11.1 OTC Pricing. OTC charges different license fees to license Developer Software, Livelink server software, each Server Module, and/or each Client Module pursuant hereto. OTC reserves the right to change its license and/or other fees at any time or times. No such change shall apply to any license purchased by Licensee prior to change.

11.2 Risk of Loss. Title to the physical media containing the Software and all risk of loss for such media and Software shall pass to Licensee upon delivery by OTC of same to the shipping dock of the OTC facility shipping same ("Delivery Point"), at which Delivery Point the Software shall be deemed to have been delivered to the Licensee and Licensee shall be deemed to have accepted same. In the event that such physical media is lost or damaged prior to the Licensee obtaining actual physical possession of same, OTC shall immediately provide a replacement copy of said physical media free of charge. None of the Software is being sold by OTC, either in whole or in part.

12.0 OTC SUPPORT

12.1 OTC Support Program(s). Licensee may purchase such standard maintenance and/or support program(s) related to the Software as OTC generally makes available. Unless otherwise specified by OTC in writing, all Support Software and related Documentation provided to Licensee pursuant to an OTC maintenance and/or support program shall be licensed to Licensee under this EULA. If Licensee fails to pay any fees to OTC when due, OTC may suspend all maintenance and support.

13.0 LICENSEE FEES AND PAYMENT TO OTC

13.1 Timely Payment To OTC. The licenses granted in this EULA are conditional upon Licensee making timely and complete payment to OTC of all license fees and other amounts due to OTC hereunder, as well as Licensee making payment of all Applicable Taxes. Licensee shall make timely and complete payment to: (a) OTC of all license fees and other amounts due to OTC hereunder; and (b) the appropriate government authority of all country, federal, provincial, state, municipal, and other government excise, import, customs, sales, use, consumption, goods and services, property, value-added, internet, online, e-commerce, and other duties, levies and taxes of every kind arising out of this EULA, whether imposed on the Software or otherwise and regardless of whether any or all of same exist as at the date of execution of this EULA by OTC and Licensee ("**Effective Date**") or are imposed thereafter, except such taxes as may be imposed on OTC's income ("**Applicable Taxes**"). If OTC is obligated to pay any Applicable Taxes on behalf of Licensee, Licensee shall reimburse OTC in full for same promptly following receipt of OTC's invoice for same.

13.2 Over Usage. OTC may, at any time or times, estimate and invoice Licensee for any and all license fees and other amounts payable by Licensee to OTC as a result of any access and/or use of the Software by, or through, Licensee in excess of the number and/or type of OTC individual user and/or other licenses purchased by Licensee from OTC under this EULA. Licensee shall make timely and complete payment to OTC of all such license fees and other amounts invoiced by OTC. Each invoicing and/or receipt by OTC of such license fees and/or other amounts shall be without prejudice to any rights and/or remedies which OTC may possess under this EULA, at law, in equity, and/or otherwise.

13.3 Amounts Not Included. All Applicable Taxes, freight, insurance, and brokerage fees pertaining to Software licensed hereunder shall be in addition to each of the license fees and other amounts due to OTC under this EULA and shall be paid by Licensee to OTC in full. All license fees and other amounts due to OTC under this EULA are payable to OTC in US dollars.

13.4 Invoicing And Payment. OTC will invoice Licensee: (a) for Software licensed under this EULA upon shipment of same to the Delivery Point; and (b) from time for time for all license fees and other amounts due to OTC under this EULA. All license fees and other amounts due to OTC hereunder shall become payable by Licensee to OTC upon Licensee's receipt of OTC's invoice for same. Each license fee and/or other amount due to OTC under this EULA which is not paid in full to OTC within 30 days following its due date shall bear interest at a rate of 1.5% per month (18% per annum) or the maximum amount allowed by law, if less, on such unpaid portion until fully paid.

14.0 BOOKS, RECORDS, AND AUDITS

14.1 Audit. Throughout the Term and for 12 months thereafter: (a) Licensee shall maintain electronic records sufficient for OTC to confirm that Licensee has complied with its user license obligations under Section 3 through Section 8 inclusive of this EULA; (b) Licensee shall make available to OTC from time to time, but not more than once per year, upon OTC's request, copies of Licensee's

Livelink and Client Module login accounts; (c) OTC may, from time to time, but not more than once per year, audit Licensee's records and computer systems to ensure Licensee has complied with its obligations to OTC hereunder, and (d) Licensee shall promptly and accurately complete and return any OTC supplied self-audit questionnaire along with a certification by an officer of Licensee confirming that Licensee's responses to the questionnaire accurately and fully reflect Licensee's usage of the Software.. If necessary to comply with applicable privacy legislation, Licensee shall obtain written consent from each Standard Named User, Client Named User and Developer User authorizing release to OTC of all such information for the purposes stated above.

14.2 **Conduct.** Each audit shall be conducted during regular business hours at Licensee's facilities and shall not interfere unreasonably with Licensee's business. OTC shall provide Licensee with prior notice of each audit. Licensee shall co-operate with OTC's audit team, provide access to Licensee records, and allow OTC to make and remove copies of Licensee records for the above purposes.

14.3 **Noncompliance.** If any audit reveals that Licensee has failed to comply with any provision in this EULA, Licensee shall promptly: (a) remedy such noncompliance; and (b) make payment to OTC of all audit and other costs incurred by OTC in performing such audit.

15.0 INTENTIONALLY DELETED

16.0 LIMITED WARRANTIES

16.1 **Limited Media Warranty.** OTC warrants to Licensee that the media on which the Software is delivered to Licensee will be free from defects in materials and workmanship under normal use for sixty (60) days from the date of first delivery of same to Licensee under this EULA. OTC's entire liability to Licensee, and Licensee's sole remedy against OTC, for each breach of the warranty contained in this Section 16.1 is limited to requiring OTC to replace the defective media without charge.

16.2 **Limited Software Warranty.** OTC warrants to Licensee that the Software delivered to Licensee under this EULA: (a) will be free of viruses at the time of first delivery of same to Licensee under this EULA; and (b) will perform substantially in accordance with its accompanying user Documentation for sixty (60) days from the date of first delivery of same to Licensee under this EULA. OTC's entire liability, and Licensee's sole remedy against OTC, for each breach by OTC of the warranty contained in: (i) Section 16.2 (a) above shall be limited to requiring OTC to deliver a replacement copy of the relevant Software to Licensee free of viruses; and/or (ii) Section 16.2 (b) above shall be limited to requiring OTC, at OTC's option, to either: (1) correct the error giving rise to such breach ("**Error**"); or (2) help the Licensee work around the Error, the type and extent of such help to be in OTC's sole discretion; or (3) subject to Section 18 hereof, refund all license fees paid to OTC by Licensee hereunder for the defective portion of the Software.

16.3 **Warranty Exclusions.** The OTC warranty in Section 16.2 shall not apply to any breach and/or Error caused by: (a) any change to the Software made by any party other than OTC; (b) accident, neglect, or misuse by any party other than OTC; (c) Licensee's failure to provide a suitable installation and/or operating environment for the Software; (d) use of the Software on a software and/or hardware platform not approved by OTC in writing; (e) software, hardware, firmware, data, and/or technology not licensed or approved by OTC in writing; (f) any telecommunications medium used by Licensee; (g) Licensee's own computer system; and/or (h) failure of Licensee and/or user to comply with the Documentation.

16.4 OTC DOES NOT WARRANT THAT THE MEDIA AND/OR SOFTWARE LICENSED UNDER THIS EULA WILL BE ERROR FREE, THAT EACH ERROR IN SAME WILL BE CORRECTED BY OTC AND/OR OTC'S LICENSORS, THAT THE SOFTWARE WILL OPERATE ON ANY AND ALL HARDWARE AND/OR SOFTWARE PLATFORMS, OR THAT THE SOFTWARE WILL IDENTIFY ALL KNOWN VIRUSES.

16.5 EXCEPT FOR THE EXPRESS LIMITED WARRANTIES PROVIDED BY OTC IN SECTIONS 16.1 AND 16.2 ABOVE, ALL MEDIA AND SOFTWARE PROVIDED TO LICENSEE UNDER THIS EULA SHALL BE PROVIDED BY OTC ON AN "AS IS BASIS".

16.6 EXCEPT FOR THE EXPRESS LIMITED WARRANTIES PROVIDED BY OTC IN SECTIONS 16.1 AND 16.2 ABOVE, OTC AND OTC'S LICENSORS DISCLAIM ANY AND ALL EXPRESS AND/OR IMPLIED WARRANTIES AND CONDITIONS OF EVERY KIND PERTAINING IN ANY WAY TO THE MEDIA AND/OR SOFTWARE LICENSED BY OTC UNDER THIS EULA, INCLUDING WITHOUT LIMITATION, EACH WARRANTY AND/OR CONDITION OF QUALITY,

MERCHANTABILITY, DESCRIPTION, OPERATION, ADEQUACY, SUITABILITY, FITNESS FOR PARTICULAR PURPOSE, TITLE, INTERFERENCE WITH USE OR ENJOYMENT, AND/OR NON INFRINGEMENT, WHETHER EXPRESS OR IMPLIED BY STATUTE, COMMON LAW, USAGE OF TRADE, COURSE OF DEALING, CUSTOM, OR OTHERWISE. NEITHER OTC, OR OTC'S LICENSORS, MAKE ANY REPRESENTATION, NOR PROVIDE ANY WARRANTY AND/OR CONDITION, REGARDING THE ADEQUACY OF THE MEDIA AND/OR SOFTWARE FOR ANY PARTICULAR PURPOSE, OR THE ADEQUACY OF THE MEDIA AND/OR SOFTWARE TO PRODUCE ANY PARTICULAR RESULT.

16.7 SOME JURISDICTIONS DO NOT ALLOW THE EXCLUSION OF CERTAIN IMPLIED WARRANTIES, LIMITATIONS ON HOW LONG AN IMPLIED WARRANTY MAY LAST, OR THE EXCLUSION OR LIMITATION OF INCIDENTAL, CONSEQUENTIAL, OR SPECIAL DAMAGES. IF ANY JURISDICTION HAVING APPLICABILITY TO THIS EULA DOES NOT PERMIT ANY SUCH EXCLUSION AND/OR LIMITATION: (A) EACH WARRANTY WHICH CANNOT BE EXCLUDED SHALL BE LIMITED IN TIME TO THE SIXTY (60) DAY PERIOD SET OUT IN SECTION 16.2 ABOVE; AND (B) OTC'S TOTAL LIABILITY TO LICENSEE FOR BREACH OF ANY AND/OR ALL SUCH WARRANTIES SHALL BE LIMITED TO THE AMOUNT STATED IN SECTION 18.3 OF THIS EULA.

17.0 OTC INFRINGEMENT INDEMNITY

17.1 **Indemnity Against Claims.** Subject to the terms of this Section 17, OTC shall defend and indemnify Licensee from any claims, suits, actions or proceedings brought against Licensee in a court of competent jurisdiction which allege that an infringement of any third party patent, copyright, and/or trade secret rights existing under the laws of Canada and/or United States (individually and collectively referred to as a "**Claim**") and any judgment finally awarded in respect of such Claim, for which all avenues of appeal have been exhausted, or any final settlement of such Claim, to the extent that such Claim arises solely as a result of Licensee's use of the Software within Canada and/or the United States in accordance with the provisions of this EULA and applicable Documentation and provided: (a) the alleged and/or actual infringement has not been caused by the use of a superceded version of the Software if the infringement would have been avoided by the use of a then current unaltered release of the Software, or by the modification of the Software by any party other than Open Text, or by the combination and/or use of the Software with software, hardware, firmware, data, and/or technology not licensed to Licensee by OTC or approved by OTC in writing; and (b) Licensee promptly notifies OTC in writing within ten (10) days of Licensee first becoming aware of each such Claim; and (c) Licensee does not make any admission against OTC's interests and Licensee does not agree to any settlement of any such Claim without the prior written consent of OTC; and (d) Licensee, at the request of OTC, provides all reasonable assistance to OTC in connection with the defence, litigation, and/or settlement by OTC of each such Claim; and (e) OTC has sole control over the selection and retainer of legal counsel, as well as over the litigation and/or the settlement of each Claim.

17.2 **Licensee's Continued Use.** If the Software or its intended use become, or in OTC's opinion be likely to become, the subject of a Claim covered by the indemnity in Section 17.1 above, OTC shall obtain for Licensee a nonexclusive license to continue using the infringing portion of the Software pursuant hereto or shall replace or modify the infringing portion of the Software without reasonable degradation in functionality in order to make it non-infringing. If neither of these solutions is reasonably available as determined by OTC in OTC's absolute discretion, OTC shall refund the unamortized portion of the license fees received by OTC from Licensee under this EULA for the infringing portion of the Software, based on a three (3) year straight line amortization commencing on the date of first delivery of the Software to the Licensee under this EULA.

17.3 **OTC Liability.** OTC's total liability to Licensee for any and all infringement claims related to the Software shall be strictly limited to the obligations set out in this Section 17 and shall be subject to all of the limitation of liability provisions set out in Section 18 of this EULA.

18.0 LIMITATION OF OVERALL OTC LIABILITY

18.1 NOTWITHSTANDING ANY PROVISION IN THIS EULA, ANY AND ALL BREACHES BY OTC OF THIS EULA (INCLUDING FUNDAMENTAL BREACH), THE TERMINATION BY OTC OF THIS EULA, AND/OR ANY OBLIGATION THAT OTC MAY HAVE IN CONTRACT, TORT, EQUITY, AT LAW, AND/OR OTHERWISE, IN NO EVENT SHALL OTC BE LIABLE TO LICENSEE, TO ANY USER OF THE SOFTWARE, AND/OR TO ANY OTHER PARTY OR PARTIES FOR: (A) ANY

INDIRECT, INCIDENTAL, SPECIAL, CONSEQUENTIAL, AGGRAVATED, EXEMPLARY, AND/OR PUNITIVE DAMAGES; NOR (B) ANY LOST SALES, LOST REVENUE, LOST PROFITS, LOST DATA, OR REPROCUREMENT AMOUNT; HOWSOEVER ARISING, EVEN IF OTC HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND/OR LOSSES ARISING AND NOTWITHSTANDING THE FAILURE OF ESSENTIAL PURPOSE OF ANY REMEDY CONTAINED HEREIN.

18.2 EXCEPT FOR DIRECT DAMAGE CLAIMS ASSERTED BY LICENSEE AGAINST OTC FOR BREACH OF ANY OF OTC'S OBLIGATIONS UNDER SECTION 16 AND/OR 17 ABOVE, OTC SHALL NOT BE LIABLE TO LICENSEE, TO ANY USER OF THE SOFTWARE, AND/OR TO ANY OTHER PARTY OR PARTIES, FOR ANY DIRECT DAMAGES, COMPENSATORY DAMAGES, AND/OR OTHER DAMAGES OF ANY KIND, NOR FOR ANY LOSSES, EXPENSES, LIABILITIES, AND/OR OTHER AMOUNTS, ARISING OUT OF AND/OR RELATED IN ANY WAY TO THIS EULA, INCLUDING WITHOUT LIMITATION, THOSE ARISING OUT OF: (A) THE DELIVERY, INSTALLATION, USE, AND/OR PERFORMANCE OF THE MEDIA AND/OR SOFTWARE; (B) ANY ERROR, DEFECT, INADEQUACY, OMISSION, NON PERFORMANCE, AND/OR MALFUNCTION IN ANY AND/OR ALL OF THE MEDIA AND/OR SOFTWARE; AND/OR (C) ANY AND ALL BREACHES BY OTC (INCLUDING FUNDAMENTAL BREACH) OF THIS EULA, WHETHER SUCH LIABILITY IS BASED IN CONTRACT, TORT, EQUITY, AT LAW, AND/OR ON ANY OTHER THEORY OF LIABILITY, HOWSOEVER ARISING, AND NOTWITHSTANDING THE FAILURE OF ESSENTIAL PURPOSE OF ANY REMEDY CONTAINED HEREIN.

18.3 NOTWITHSTANDING SECTION 18.2 ABOVE AND/OR ANY OTHER PROVISION OF THIS EULA, OTC'S TOTAL, CUMULATIVE, AND AGGREGATE LIABILITY TO LICENSEE: (A) ARISING UNDER THE PROVISIONS OF THIS EULA; (B) FOR ANY AND ALL BREACHES BY OTC OF THIS EULA (INCLUDING FUNDAMENTAL BREACH) AND/OR THE FAILURE OF ESSENTIAL PURPOSE OF ANY REMEDY CONTAINED HEREIN; (C) FOR ANY TERMINATION BY OTC OF THIS EULA; AND/OR (D) FOR ANY OTHER ACT, OMISSION, OR EVENT RELATED IN ANY WAY TO THIS EULA; SHALL NOT EXCEED THE TOTAL AMOUNT OF LICENSE FEES RECEIVED BY OTC FROM LICENSEE UNDER THIS EULA, WHETHER OTC'S LIABILITY IS BASED IN CONTRACT, TORT, EQUITY, AT LAW, AND/OR UPON ANY OTHER THEORY OF LIABILITY, HOWSOEVER ARISING. LICENSEE AGREES THAT OTC WOULD NOT HAVE ENTERED INTO THIS EULA WITHOUT THIS SECTION 18 BEING INCLUDED HEREIN.

19.0 TERM AND TERMINATION

19.1 **Term.** The term of this EULA ("**Term**") shall begin on the Effective Date and shall continue in full force until terminated pursuant to this Section 19.

19.2 **Termination For Default.** OTC may terminate this EULA for default if Licensee: (a) becomes insolvent; (b) files any proceeding in bankruptcy or acquires the status of a bankrupt; (c) has a receiver or receiver manager appointed with respect to it or any of its assets; (d) seeks the benefit of any statute providing protection from creditors. OTC may also terminate this EULA for default if Licensee breaches any provision of this EULA provided: (i) OTC provides Licensee with written notice of breach and a ten (10) day period within which to cure such breach ("**Cure Period**"); and (ii) Licensee fails to cure each such breach by the expiry of the Cure Period. Any termination of this EULA shall be without prejudice to each right and/or remedy which OTC may possess against Licensee under this EULA, at law, in equity, and/or otherwise.

19.3 **Effect Of Termination.** Upon any termination of this EULA: (a) all licenses granted by OTC herein shall immediately terminate; and (b) Licensee shall immediately cease all use of the Software and return all of the Software (including all copies thereof made by, or for, Licensee) to OTC. Sections 1, 2.1 3.3, 3.4, 3.5, 10, and 11, together with Sections 13 through 21 inclusive, of this EULA shall survive any expiry or termination of this EULA and shall continue in full force.

20.0 MISCELLANEOUS PROVISIONS

20.1 **Confidentiality.** Licensee shall: (a) receive and maintain the Software in confidence; (b) use the same degree of care with respect to the Software as Licensee employs to protect Licensee's own confidential and/or trade secret information from unauthorized use, duplication and/or disclosure, being, in any event, a high degree of care; and (c) use, duplicate, and disclose the Software solely in accordance with the provisions of this EULA.

20.2 **Independent Contractors.** OTC and Licensee shall remain independent contractors at all times. Neither OTC, or Licensee, shall have any authority to bind the other in any manner.

20.3 **Waiver, Amendment, Assignment.** No waiver of any provision herein shall be binding upon OTC or Licensee unless set out in a written waiver signed by both parties. This EULA shall only be amended by a written document signed by OTC and Licensee stating such document is an amendment or an addendum hereto. This EULA shall not be assigned by Licensee, in whole or in part, without OTC's prior written consent. Each reference herein to "days" means calendar days.

20.4 **Licensee Terms.** All preprinted terms contained in any document used by Licensee to order software and/or user licenses from OTC are hereby fully rejected by OTC and shall have no legal effect.

20.5 **New EULA.** This EULA shall apply to all Software accompanying this EULA, or authorized by OTC in writing for use by Licensee pursuant hereto. OTC reserves the right to require Licensee to enter into a new license agreement and/or a substantially amended version of this EULA if Licensee wishes to license any further or other software and/or documentation from OTC at any time or times.

20.6 **Vienna Convention.** All provisions of the United Nations Convention On Contracts For The International Sale of Goods are hereby rejected by the parties and excluded from this EULA in their entirety.

20.7 **Governing Law.** This EULA shall be governed by the laws of the State of Michigan. Except for injunctive relief required by OTC to protect its intellectual property, all litigation related hereto shall occur in the courts located in such jurisdiction. If Licensee or OTC commence any litigation and/or proceeding against the other related to this EULA, the prevailing party shall be entitled to an award of its reasonable attorneys fees and court costs from the other party.

20.8 **Force Majeure.** Except for payment obligations pursuant to this EULA (including license fees, professional services fees, maintenance and support fees, and applicable taxes) or any obligations relating to the protection of or restrictions applicable to the other party's confidential information or intellectual property, neither party shall be liable to the other or in breach of this EULA by reason of any failure or delay in performance of its obligations to the extent such failure or delay arises (and only for the duration that the affected party is precluded from performing) as a result of acts of God, fire, disaster, explosion, vandalism, storm, adverse weather conditions, strikes, labor disputes or disruptions, epidemics, wars, national emergencies, riots, civil disturbances, shortages of materials, actions or inactions of government authorities, terrorist acts, lockout, work stoppages or other labor difficulties, border delays, failures or interruptions of utilities or telecommunications equipment or services, system failures or any other cause or event that is beyond the reasonable control of that party.

20.9 **Severability.** Should any provision of this EULA be deemed contrary to applicable law and/or unenforceable by any court of competent jurisdiction, such provision shall be considered severed from this EULA but all remaining provisions shall continue in full force.

20.10 **Export Laws.** The Software cannot be exported or re-exported into (or to a national or resident of): (a) Taliban controlled Afghanistan, Cuba, Iran, Iraq, Libya, North Korea, Sudan, Syria, or any other country to which Canada and/or the U.S. has embargoed goods; and/or (b) to anyone on the U.S. Treasury Department's list of Specially Designated Nationals, the U.S. Commerce Department's Entity List, or the U.S. Commerce Department's Denied Parties list. Licensee warrants to OTC that Licensee is not located in, under the control of, or a national or resident of any country described above, nor a party named on any list described above. Additional Canadian and/or U.S. export restrictions may apply to portions of the Software. Licensee shall comply with all applicable Canadian and/or U.S. laws and/or regulations pertaining to the Software, including all export laws, regulations, and/or directives, and comply with all laws and regulations in Licensee's jurisdiction and any other location related to the import, export, transfer, shipping, and/or use of the Software.

20.11 **Third Party Software.** The Software includes software and/or documentation licensed by OTC from third parties, including without limitation, Adobe PDF Library software and related documentation. Adobe® is a trademark of Adobe Systems Incorporated. All trademarks relating to the Software shall remain the property of OTC, OTC's licensors, and/or their respective owners. If any such third party software is to be licensed by OTC to Licensee pursuant to this EULA on license terms different than that contained in this EULA, Licensee and OTC shall enter into a written amendment to this EULA setting forth such different license terms. Licensee acknowledges that each breach by Licensee of any provision of this EULA may result in any and/or all of OTC's licensors suffering loss or damage.

20.12 **Press Release.** Licensee agrees OTC may use and disclose Licensee's name and the nature of this EULA in an OTC public press release (see http://www.opentext.com/download/userinfo.html?)

20.13 **No Enterprise License.** This EULA is not an enterprise license agreement. The Software shall not be installed, stored or executed on any server, desktop, or other computer operated by any of Licensee's parent, subsidiary, and/or affiliated companies or by any other party.

20.14 **UCITA Not Applicable.** Licensee and OTC agree that the Uniform Computer Information Transactions Act, or any version thereof, adopted by any state located in the United States, in any form ("UCITA") shall not apply to this Agreement. To the extent that UCITA is applicable, the parties agree to opt out of the applicability of UCITA pursuant to the opt-out provisions contained therein.

20.15 **Attribution Notices.** Within the object code, source code, and the graphical user interfaces of the Software, OTC has inserted various ownership, attribution and/or branding notices including, but not limited to: a) notices attributing copyright and trademark ownership to OTC, and b) instances of branding which reference "Livelink", "Powered by Livelink", "Open Text", "Livelink MeetingZone", "MeetingZone" and other OTC trademarks (all such notices and instances collectively referred to as "Notices"). Without prior written consent of OTC, the Licensee shall not: a) remove, modify, obscure, re-size or re-locate Notices, or b) cause any Notices to become not visible to any users of the Software.

21.0 ENTIRE EULA

21.1 **Entire License Agreement.** This EULA, together with each written schedule, written amendment, and/or written addendum to this EULA signed by OTC and Licensee, sets forth the entire agreement between OTC and Licensee with respect to the subject matter hereof, and supersedes all prior oral and written agreements and understandings between the parties relating thereto. Neither party shall be bound by or be liable for any alleged representation, promise, or inducement not expressly stated herein.

Exhibit B

Standard Support for the BI Query Software

The BI Query Software Standard Support Program consists of:

- **Software Updates / Upgrades** – Product upgrades, maintenance releases, patches and documentation will be made available to you at no additional charge. Subscribers are notified about new Software Versions in regular information bulletins. By installing the latest versions and patches, you enhance the stability of your system and ensure that your Open Text software environment always uses the newest technology.
- **Product Enhancement Input** – As a subscriber to the Software Maintenance Program, you have the ability to submit suggestions for product enhancements.
- **Support Services** – Subscribers may contact the regional Support Center during standard working hours by phone, e-mail, and fax or via our Web-based Customer Support site.
- **Open Text Resources** – All support queries are responded to by a team of more then 450 dedicated Open Text Customer Support employees.
- **Online Self Service** – Our comprehensive Customer Support Website gives you access to an extensive knowledge base along with the ability to register and track your issues online. For example, it provides access to:
    - Documentation for all product versions
    - A knowledge of articles describing proven solutions to known issues
    - Technical tips and instructions for installing, administrating and troubleshooting
    - Newsletters
    - Important news regarding all products, plus the latest upgrades and patches
    - Ability to open your own support calls, update the status of these calls, and check all planned and completed activities. This gives you an overview of all current activities related to your support requests and cases, at all times.

Form No. DMB 234 (Rev. 1/96)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract will not be executed unless form is filed

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET November 17, 2011
PROCUREMENT
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO.2
TO
CONTRACT NO. 071B1300109
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR **Integris Inc.** **12125 Technology Drive** **Eden Prairie, MN 55344** **Email: David.Wieber@Optum.com**	TELEPHONE (517) 993-0929 David Wieber CONTRACTOR NUMBER/MAIL CODE BUYER/CA (517) 241-1640 **Mark Lawrence**
Contract Compliance Inspector: Mark Lawrence **DATA WAREHOUSE IMPLEMENTATION AND SERVICES**	
CONTRACT PERIOD: **5 yrs. + 2 one-year options** From: **November 16, 2010** To: **November 15, 2015**	
TERMS **N/A**	SHIPMENT **N/A**
F.O.B. **N/A**	SHIPPED FROM **N/A**
MINIMUM DELIVERY REQUIREMENTS **N/A**	
MISCELLANEOUS INFORMATION:	

NATURE OF CHANGE(S):

Per attachment, funding has been added for Licensing and Support for J-SURS Software and Business Objects Software in the amount of $1,351,521.00. Please also note that the vendor contact information changes to the following:

David Wieber
(517) 993-0929
David.Wieber@Optum.com
822 Centennial Way, Suite 100
Lansing, MI 48917

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

AUTHORITY/REASON(S)

Per contractor request, agency concurrence, and Ad Board approval on 11/15/2011

INCREASE: $1,351,521.00

TOTAL REVISED ESTIMATED CONTRACT VALUE: $18,618,571.00

OPTUMInsight™

822 Centennial Way, Suite 100 | Lansing, MI 48917 | phone: (517) 327-6700 | www.optuminsight.com

September 29, 2011

Ms. Carol Steele Sherman
Director, Data Center Operations
Michigan Department of Technology, Management and Budget
515 Westshire Drive
Lansing, MI 48917

RE: **CHANGE REQUEST PROPOSAL 004 FOR JSURS SOFTWARE LICENSING AND SUPPORT AS WELL AS BUSINESS OBJECTS SOFTWARE SUPPORT AND UNDER CONTRACT NO. 071B1300109**

Dear Carol:

As you know, the State of Michigan (the "State") has made a request for Integris Inc., an OptumInsight company ("OptumInsight")[1] to provide a proposal for a continued license and support of certain JSURS software defined in Exhibit B (the "JSURS Software") and for continued support of already installed licenses of Business Objects software defined in Exhibit C (collectively, the "Business Objects Software") to support continued usage of the JSUSR Software and Business Objects Software tool by various State agencies over multiple State fiscal years. The continued licenses and support for the JSURS Software as defined in Exhibit B ("JSURS Software Support") and continued support for the Business Objects Software ("Business Objects Software Support") constitute "New Work", as that term is defined in our Contract 071B1300109 effective November 16, 2010, as amended (the '109 Contract").

In response to this request for New Work, OptumInsight is pleased to provide the State with this Change Request Proposal (the "Change Request Proposal 004") covering the following New Work under the '109 Contract:

(1) JSURS Software licensing and JSURS Software Support for the JSURS Software Term defined in Section 1.2; and

(2) Business Objects Software Support for the Business Objects Software already licensed to the State of Michigan Department of Community for the Business Objects Software Support Term defined in Section 1.4.

This Change Request Proposal 004 supersedes and replaces an earlier Change Request Proposal 004 dated July 28, 2011.

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[1] The legal name of the Contractor under Contract No. 071B300109 is and remains "Integris Inc.". Integris Inc. has adopted the brand, "OptumInsight" and while no change has been made to the legal entity or its legal name, Integris Inc.'s go to market brand is OptumInsight, part of a larger Optum brand for a leading health services business.

I. Description of the Scope Covered by this Change Request Proposal 004

In so far as the continued licensing and support of the JSURS Software and continued Business Objects Software Support are outside the scope of OptumInsight's current responsibilities under the '109 Contract, consistent with the provisions of Section 2.024 of the '109 Contract, the following describes the new Scope covered by this Change Request Proposal 004:

1.1 JSURS Software Licensing and Support

During the JSURS Software Term defined in Section 1.2 below, OptumInsight, acting through its supplier, Thomson Reuters (Healthcare) Inc., ("Thomson"), shall provide "JSURS Software Licensing and Support" for the JSURS Software. The scope of what constitutes "JSURS Software Licensing and Support" is set forth in Exhibit B attached hereto and incorporated by reference herein ("Exhibit B").

1.2 JSURS Software Term

The term during which OptumInsight shall provide JSURS Software Licensing and Support (the "JSURS Software Term") shall commence October 1, 2011 and continues for an initial term ending twelve (12) months thereafter (the "Initial JSURS Software Term"), provided that OptumInsight receives a signed Contract Change Notice, as described in Section III on or before December 21, 2011, followed by a purchase order for the charge set forth in Section II below corresponding to the Initial JSURS Software Term on or before December 21, 2011 and payment of the applicable annual charge set forth in Section III by the end of the month in which the purchase order is received. The JSURS Software Term shall renew for successive twelve (12) month renewal terms (the "Renewal JSURS Software Term(s)"), provided that on or before October 15 of the applicable State Fiscal Year corresponding to the Renewal JSURS Software Term, OptumInsight has received a purchase order from the State for the charge set forth in Section II below corresponding to the applicable Renewal JSURS Software Term and on or before October 30, the State shall have paid the applicable annual charge set forth in Section III. The Initial JSURS Software Term and any Renewal JSURS Software Term(s) are hereinafter referred to as the "JSURS Software Term").

Notwithstanding the foregoing:

(a) The State shall have the right to issue one or more purchase order(s) that cover more than the Initial JSURS Software Term or more than one (1) Renewal JSURS Software Term, provided that the charge set forth in any purchase order issued by the State includes the total fee(s) set forth in Section II below corresponding to the duration of the purchase order; and

(b) OptumInsight shall have the right to terminate the JSURS Software Licensing and Support either (i) at the end of the Initial JSURS Software Term or a Renewal JSURS Software Term or (ii) at any point in time during the JSURS Software Term effective upon written notice to the State if OptumInsight's supplier, Thomson, no longer provides such JSURS Software Licensing and Support.

In the event that the JSURS Software Licensing and Support is terminated prior to the end of the JSURS Support Term and if the State has paid OptumInsight a fee that covers a portion of time following the effective date of termination, then OptumInsight shall refund to the State a prorated amount of any prepaid charges or grant the State a credit, at OptumInsight's sole discretion, but only if and to the extent OptumInsight is entitled to a prorated refund of the fee it has paid to Thomson.

1.3 Business Objects Software Support

During the Business Objects Software Support Term defined in Section 1.4 below, OptumInsight, acting through its supplier, SAP America, Inc. ("SAP"), shall provide "Business Object Software Support" for the Business Objects Software. The scope of what constitutes "Business Objects Software Support" is set forth in Exhibit C attached hereto and incorporated by reference herein ("Exhibit C").

1.4 Business Objects Software Support Term

The term during which OptumInsight shall provide Business Objects Software Support (the "Business Objects Software Support Term") shall commence October 1, 2011 and continues for an initial term ending twelve (12) months thereafter (the "Initial Business Objects Support Term"), provided that OptumInsight receives a signed Contract Change Notice, as described in Section III on or before December 21, 2011, followed by a purchase order for the charge set forth in Section II below corresponding to the Initial Business Objects Support Term on or before December 21, 2011 and payment of the applicable annual charge set forth in Section III by the end of the month in which the purchase order is received. The Business Objects Support Term shall renew for successive twelve (12) month renewal terms (the "Renewal Business Objects Support Term(s)"), provided that on or before October 15 of the applicable State Fiscal Year corresponding to the Renewal Business Objects Support Term, OptumInsight has received a purchase order from the State for the charge set forth in Section II below corresponding to the applicable Renewal Business Objects Support Term and on or before October 30, the State shall have paid the applicable annual charge set forth in Section III. The Initial Business Objects Software Support Term and any Renewal Business Objects Software Support Term(s) are hereinafter referred to as the "Business Objects Software Support Term").

Notwithstanding the foregoing:

(a) The State shall have the right to issue one or more purchase order(s) that cover more than the Initial Business Objects Software Support Term or more than one (1) Renewal Business Objects Software Support Term, provided that the charge set forth in any purchase order issued by the State includes the total fee(s) set forth in Section II below corresponding to the duration of the purchase order.

(b) While acceptance of this Change Request Proposal 004, including receipt of a purchase order for Business Objects Software Support during the Initial Business Objects Support Term may occur on or before December 21, 2011, OptumInsight's supplier, SAP, reserves the right to impose upon OptumInsight, a reinstatement fee if such purchase order is received too many days following October 1, 2011. If, and to the extent OptumInsight is assessed such a reinstatement fee, then a ten percent (10%) increase to the annual Business Objects Software Support charge in Section III shall apply.

(c) OptumInsight, with support from its supplier SAP, will issue a revised quote on a yearly basis, prior to the Renewal Business Objects Software Support Term, reflecting revised unit rates and total charges for Business Objects Software Support of the Business Objects Software, consistent with the actual rate of increase from the supplier, SAP, where such revised rates shall be deemed to have amended this Change Request Proposal 004. The charges in Section II below have been presented based on a maximum increase in rates of 10% per year; and

(d) OptumInsight shall have the right to terminate the Business Objects Software Support either (i) at the end of the Initial Business Objects Software Support Term or a Renewal Business Objects Software Support Term or (ii) at any point in time during the Business Objects Software Support Term effective upon written notice to the State if (x) OptumInsight's

supplier, SAP, no longer provides such Business Objects Software Support or (y) SAP changes the applicable support charge discount offered to OptumInsight for the Business Objects Software for a Renewal Business Objects Software Support Term from that quoted to OptumInsight as of the date of this Change Request Proposal 004 and the State elects not to accept the corresponding change in support charge from OptumInsight within thirty (30) days of OptumInsight's quotation thereof.

In the event that the Business Objects Software Support is terminated prior to the end of the Business Objects Software Support Term and if the State has paid OptumInsight a fee that covers a portion of time following the effective date of termination, then OptumInsight shall refund to the State a prorated amount of any prepaid charges or grant the State a credit, at OptumInsight's sole discretion, but only if and to the extent OptumInsight is entitled to a prorated refund of the fee it has paid to SAP.

II. Charges

The charges for the JSURS Software Licensing and Support and for the Business Objects Software Support described in this Change Request Proposal 004 is set forth below, where such charges are subject to adjustment as defined in Section I above:

Description of Product and/or Service	Covered Period	Applicable Charge
JSURS Software Licensing and Support	10/1/11-9/30/12	$ 272,908
JSURS Software Licensing and Support	10/1/12-9/30/13	$ 286,552
JSURS Software Licensing and Support	10/1/13-9/30/14	$ 300,880
JSURS Software Licensing and Support	10/1/14-9/30/15	$ 315,923
	Subtotal for JSURS Software Licensing and Support:	**$1,176,263**
Business Objects Software Support	10/1/11-9/30/12	$ 37,751*
Business Objects Software Support	10/1/12-9/30/13	$ 41,543*
Business Objects Software Support	10/1/13-9/30/14	$ 45,697*
Business Objects Software Support	10/1/14-9/30/15	$ 50,267*
	Subtotal for Business Objects Software Support	**$ 175,258**
	Total for JSURS Software Licensing and Support and Business Objects Software Support	**$1,351,521**

*Annual charge shall be increased by 10% if OptumInsight's supplier, SAP, assesses a reinstatement fee based on the number of days for which there is not continuous purchase order coverage, as determined by SAP.,

III. Terms by Which the State May Accept This Change Request Proposal 004 for JSURS Software Licensing and Support and Business Objects Software Support

In order to accept this Change Request Proposal 004 for JSURS Software Licensing and Support and Business Objects Software Support consistent with the terms applicable to Change Requests set forth in Sections 2.024 and 1.403 of the '109 Contract, OptumInsight must receive the following by the dates indicated below:

1. A Signed Contract Change Notice to the '109 Contract that references this Change Request Proposal and increases the Contract Value of the '109 Contract by $1,351,579 (the amount covered in this Change Request Proposal 004) that must be received by OptumInsight no later than December 21, 2011; and

2. A purchase order(s) for JSURS Software Licensing and Support covering at least the Initial JSURS Software Term and for Business Objects Software Support covering at least the Initial Business Objects Software Support Term by December 21, 2011 in the amounts of $272,908 and $37,751, respectively, or $310,659 in the aggregate), subject to a possible reinstatement surcharge applicable to the Business Objects Software Support charge of $37,751, as described above. The State may, however, issue purchase orders covering more than a twelve (12) month period as long as OptumInsight receives one or more purchase orders for the applicable twelve (12) month period included within the JSURS Software Term and Business Objects Software Support Term no later than October 15 of the applicable State's fiscal year.

All other terms and conditions of the '109 Contract remain in full force and effect.

Should you have any questions, please do not hesitate to contact me. Thank you again for the opportunity to work with you and your project team.

Sincerely,

David Wieber

Point of Contact:

David Wieber
Michigan Director of Operations
OptumInsight Government Solutions

Signer:

Charlene A. Bonvissuto
Chief Operating Officer
OptumInsight Government Solutions

Exhibit B

JSURS Software Licensing and Support

1. Definitions

1.1 "JSURS Software" means the most current version of the J-SURS software, in object code form, currently installed at Designated Site Two and consisting of the J-SURS™ Network, including any updated and upgrades thereto provided as part of support for such J-SURS software.

1.2 "J-SURS Network" means the two (2) User Workstations, the dedicated Data Server, three (3) Application Servers, one (1) Report/OLAP Server and one (1) JRDB Database Server installed at Designated Site Two.

1.3 "User Workstation" means the Parameter Data Base workstations located at the Designated Site Two.

1.4 "Data Server" means the dedicated server located at the Designated Site Two that stores up to thirty-six (36) months of on line JSURS reports so that State users have the ability to access such reports through the Desktop PC computers located at Designated Site One and the use of IP addresses supplied by Contractor or Contractor's supplier, Thomson Reuters (Healthcare), Inc. ("Thomson").

1.5 "Application Servers" means the three (3) servers located at the Designated Site Two, used to process the JSURS data using the client-server part of the JSURS Software with the capability of having three (3) runs processed at the same time.

1.6 "Report/OLAP Server" means the server located at the Designated Site Two and through the use of the JSURS Software, State licensed users may view/print JSURS reports.

1.7 "JRDB Database Server" means the one (1) server located at the Designated Site Two, used to house the JSURS Database.

1.8 "Designated Site One" means MDCH's facility in Lansing, Michigan.

1.9 "Designated Site Two" means the Thomson facility at 610 Opperman Drive, Eagan, Minnesota or such other Thomson facility as may be approved in writing by the State from time to time.

1.10 "Desktop PCs" mean the twenty-five (25) Windows based desktop personal computers having a minimum of 36GB of space, 128 MB of memory and at least 1 GHz, located at Designated Site One and that access the Network using Terminal Services Software via a VPN circuit while using IP addresses supplied by Thomson.

1.11 "Derivative Technology" means any of the following as it relates to the JSURS Software:

1.11.1 For copyrightable or copyrighted material, any translation (including translation into other computer languages), portation, modification, correction, additional extension, upgrade, improvement, compilation, abridgement or other form in which the JSURS Software may be recast, transformed or adapted;

1.11.2 For patentable or patented material, any improvement thereon; and,

1.11.3 For material which is protected by trade secret, any new material derived from such existing trade secret material, including new material which may be protected by copyright, patent and/or trade secret.

2. JSURS Software Licensing Terms and Conditions

2.1 License Grant

During the JSURS Software Term, OptumInsight grants to the State the nonexclusive, non-transferable right and license to:

2.1.1 use the JSURS Software on the Network to process JSURS reports with the two (: Workstations located at the Designated Site Two;

2.1.2 process State JSURS data on the Network; and

2.1.3 have up to twenty five (25) users from their Desktop PCs make use of the Network to view/print reports.

2.2 Ownership

The State acknowledges and agrees that OptumInsight or its supplier is and shall remain th sole owner of the JSURS Software, including the Derivative Technology for all purposes, including ownership of: (i) the copyright for copyrightable material; (ii) the patent for patental material; or (iii) for material protected by trade secret. The State acknowledges and agrees that its only rights in and to the JSURS Software are set forth in this Exhibit B, Section 2. Th State waives all right, title and interest in and to the JSURS Software, including the Derivati Technology and shall have no right to an accounting with respect to the JSURS Software or any distribution of profits therefrom.

2.3 State Representations

The State represents that:

2.3.1 Except as otherwise provided in Section 2.5 below, the State shall operate the JSURS Software at the Designated Site One only;

2.3.2 The State shall only process State JSURS data using the client server JSURS Software at the Designated Site One; and

2.3.3 The State shall not remove or destroy any proprietary markings or legends placed upon or contained within the JSURS Software.

2.4 Restrictions on the Use of the JSURS Software The State agrees to use the JSURS Softwa in the following manner:

2.4.1 To use the JSURS Software as the Network is configured during the JSURS Software Term or as it may be subsequently modified by OptumInsight or its supplier with prior written notice and consent from the State, through the Desktop PCs at Designated Site One; and

2.4.2 Not to act as a service bureau for processing any non-State data on the JSURS Software and not permit any third party to do so.

2.5 Relocation to an Alternate Site

In the event that the Designated Site One shall become inoperative due to a relocation, forc majeure or disaster recovery, the State shall have the right to use the JSURS Software at a single alternative site; provided, however, that the State shall notify OptumInsight, in writing at least 24 hours prior to any planned relocation or as soon as practicable for an unplanned force majeure or disaster recovery purpose.

2.6 Access to the Network

Upon acceptance of this Change Request Proposal 004, the State shall provide to OptumInsight a list of valid users of the JSURS Software, including State employees. Contractors or contract employees of the State will require approval by OptumInsight prior to being given access to the JSURS Software.

2.7 Product Integrity

The State, its employees, contractors or agents shall not reverse engineer, disassemble, decompile, or otherwise recreate the JSURS Software, including its object code, in whole or in part.

2.8 Backup Copies

The JSURS Software may be copied in printed or machine readable format for routine archival and backup purposes only. The State shall not be permitted to maintain more than two back-up copies without written permission of OptumInsight. Back-up and archival copies shall be maintained in a storage environment of the same level, quality and security as the State uses for its own intellectual property. The copies may not be maintained on Work-Stations, or any computer/server that makes the JSURS Software accessible via on-line screens.

2.9 State Obligations

The State shall have the following obligations in connection with the license to use the JSURS Software:

2.9.1 The State will support and maintain any firewall(s) necessary at the State location;

2.9.2 The State will provide all history file backup; and

2.9.3 The State will continue to extract, format and create the required history and reference files each quarter and send them to Thomson via the VPN connection.

2.10 OptumInsight Obligations

OptumInsight shall have the following obligations in connection with the license granted to the State to use the JSURS Software, where fulfillment of such obligations may be by OptumInsight or by its supplier, Thomson:

2.10.1 OptumInsight will supply access for reporting the most current full history that is extracted each quarter (i.e., thirty-six (36) months of data) and for loading the history supplied by the State to the Data Server on a quarterly basis;

2.10.2 OptumInsight will maintain the hardware and software defined as part of the JSURS Network;

2.10.3 OptumInsight will backup reports on a periodic basis to DVD and send to the State for storage; and

2.10.4 OptumInsight, for the State, will maintain a dedicated, VPN circuit to support multiple user access to reports for viewing, drill down and printing from the Report/OLAP server.

3. JSURS Software Support

In addition to OptumInsight's obligations set forth in Exhibit B, Section 2.10 above, during the JSURS Software Term, OptumInsight, acting through its supplier, shall provide the following support for the JSURS Software ("JSURS Software Support"):

3.1 Training:

During the JSURS Software Support Term, Contractor shall provide annually:

3.1.1 Forty (40) hours of on-site user training at the MDCH facility in connection with the JSURS Software, including travel and living expenses; and

3.1.2 Up to four (4), one-hour Webex training sessions provided as requested.

Pricing for additional onsite training can be supplied upon request.

3.2 Updates and Upgrades:

OptumInsight shall provide periodic updates and upgrades to the JSURS Software (the "JSURS Updates"), where the JSURS Updates shall be licensed to the State under the same license terms as apply to the JSURS Software and described in Exhibit B, Section 2 above and where the timing of the delivery of such JSURS Updates shall be consistent with the timing following by Contractor's supplier, Thomson.

3.3 Bug Fixes/Error Corrections/Usage Questions

OptumInsight shall provide:

3.3.1 Remotely delivered software support for the JSURS Software to the State from Monday through Friday, 8:00 a.m. to 5:00 p.m., State local time. Such remotely delivered software support consists of the provision of fixes, workarounds and/or corrections to the JSURS Software that fails to conform to its published specifications and responding to questions regarding usage of the JSURS Software, where the correction cycle to be followed by OptumInsight shall be based upon the error priority level assigned by Thomson according to the chart noted below.

3.3.2 Up to eighty (80) hours annually of technical assistance to make changes to the Parameter Database (PDB), e.g., add data elements, or for analysis associated with issues not related to Thomson or the JSURS Software, e.g., input file issues

Error Priority Level	**Definition**	**Correction Cycle**
Priority 1- Critical Functions*	These are errors directly related to JSURS Software functionality for which there is no alternative approach, e.g., user cannot use a control file parameter to accomplish the function. Note: Not included are errors in this category that are outside OptumInsight's responsibility, e.g., the result of hardware/software problems or data enhancement and transfer problems.	Upon discovery or on the first business day.
Priority 2 *	Error that affects JSURS Software functionality but for which there is an alternative approach that will generate desired results, e.g., user can use a different parameter.	Correction cycle begins after training and installation, unless otherwise agreed upon by OptumInsight.
Priority 3*	Error related to installation of non-contractual improvements provided to the State as part of the Quality Improvement of the product(s).	Correction cycles determined for each problem identified.

*Note: Analysis man-hours in excess of eight (8) hours for Errors determined to be unrelated to the JSURS Software are outside of the scope of this Change Request Proposal 004 and require a separate Change Request.

Exhibit C

Business Objects Software Support

1. Definition of Business Objects Software

"Business Objects Software" means the following items of Business Objects Software for which MDCH has previously purchased a fully paid up license:

Business Objects Software Description	Type of License	Quantity	Platform
Business Objects Enterprise Professional (For Crystal Reports)	CPU based	2	Windows XI, R2
Business Objects Data Integrators Basic Data Integrator	Server	1	Windows XI, R2
Crystal Reports Developer	Named User	11	Windows v11

2. Business Objects Support

During the Business Objects Software Support Term, OptumInsight shall provide the following support for the Business Objects Software ("Business Objects Software Support"):

2.1 OptumInsight shall provide "Interactive Assistance", defined as the ability for the State to report failures of the Business Objects Software to conform to its published specifications or other issues encountered with the use of the Business Objects Software, initially through the SAP on line customer support web site and subsequently through telephone support during the SAP local support center office hours. Such remotely delivered support may include the provision of workarounds for resolving known problems.

2.2 OptumInsight shall provide "Maintenance" consisting of the replacement of Business Objects Software where needed to correct programming errors if required in the judgment of Contractor's supplier, SAP, to enable the Business Objects Software to perform substantially in conformity to published specifications that accompany the Business Objects Software.

2.3 OptumInsight shall provide "Updates" if and when they are generally available to licensees of the Business Objects Software. An "Update" means

(i) a "Major Release" that includes architectural changes and may be identified by a change of the first digit of the release numbering;

(ii) a "Minor Release" that includes improvements and bug corrections and may be identified by a change of the second digit of the release numbering; or

(iii) a "Maintenance Release" indicating a bug correction release and may be identified by a change of the third digit of the release numbering, in each case, when generally provided on an upgrade basis without additional charge to licensees of the Business Objects Software who are current subscribers of Business Objects Software Support. "Updates shall not include any new products, features, or enhancements for which SAP generally charges an additional fee (including to subscribers of Business Objects Software Support. Once OptumInsight provides the State with the latest Update, the State may continue to use the licenses for the previous version of the Business Objects Software or may replace some or all of the copies of the previous versions of the Business Objects Software with the latest Update. In any event, at any moment in time, the cumulative total number of licenses (previous version and latest Update, combined) installed and in use may not exceed the cumulative number of licenses purchased by the State.

3. State Obligations Related to Business Objects Software Support

The State's obligations shall be:

(a) designation and training of individuals who shall ordinarily be the primary contact with OptumInsight,

(b) installation of the Business Objects Software Updates;

(c) notification to OptumInsight or SAP of any malfunction, programming error or other problem in accordance with procedures furnished by the State, including providing sufficient information, as reasonably requested by OptumInsight or SAP, to identify, reproduce and analyze the reported problem.

4. Exclusions from Business Objects Support

OptumInsight is under no obligation to provide Business Objects Software Support to the State with respect to any of the following:

4.1 any Business Objects Software altered or modified by the State or third parties;

4.2 restoration of lost data;

4.3 third party software or applications being used in conjunction with the Business Objects Software not under a support contract with OptumInsight;

4.4 Business Objects Software operated in a manner inconsistent with its documentation or license terms;

4.5 Computer hacking, security breaches or illegal or unauthorized access to the Business Objects Software, servers or computer systems;

4.6 modification, integration, installation or configuration of the Business Objects Software to run with new versions of the operating system, database, middleware or models of hardware installed by the State and not with the assistance of OptumInsight; or

4.7 responding to the State's support calls if the State fails to provide sufficient information, as reasonably requested by OptumInsight or SAP, to enable OptumInsight or SAP to identify, reproduce and analyze the reported problem.

Form No. DMB 234 (Rev. 1/96)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract will not be executed unless form is filed

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET **May 26, 2011**
PURCHASING OPERATIONS
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO.1
TO
CONTRACT NO. 071B1300109
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR	TELEPHONE (517) 327-2280 Renee Owings
Integris Inc. **12125 Technology Drive** **Eden Prairie, MN 55344** **Email: Renee.Owings@ingenix.com**	CONTRACTOR NUMBER/MAIL CODE BUYER/CA (517) 241-1640 **Mark Lawrence**
Contract Compliance Inspector: Mark Lawrence **DATA WAREHOUSE IMPLEMENTATION AND SERVICES**	
CONTRACT PERIOD: **5 yrs. + 2 one-year options** From: **November 16, 2010** To: **November 15, 2015**	
TERMS **N/A**	SHIPMENT **N/A**
F.O.B. **N/A**	SHIPPED FROM **N/A**
MINIMUM DELIVERY REQUIREMENTS **N/A**	
MISCELLANEOUS INFORMATION:	

NATURE OF CHANGE(S):

Effective immediately, this contract is hereby INCREASED by $2,533,466.00. (See attachments, to include additional spending authority required to provide additional functionality not provided in the original contract. The specific items are 1) $302,543.00 AIX system hardware maintenance and software support as well as Data Direct ODBC driver licenses and support, and 2) $2,230,923.00 for additional Data Warehouse services). Please also note that the buyer for this contract has been CHANGED to Mark Lawrence.

AUTHORITY/REASON(S)

Per contractor request, agency concurrence, and Ad Board approval on 5/3/2011

INCREASE: $2,533,466.00

TOTAL REVISED ESTIMATED CONTRACT VALUE: $17,267,050.00

INGENIX
822 Centennial Way, Suite 100 | Lansing, MI 48917 | phone: (517) 327-6700 | Ingenix.com

May 25, 2011

Ms. Carol Steele Sherman
Michigan Department of Technology, Management and Budget
515 Westshire Drive
Lansing, MI 48917

RE: **CHANGE REQUEST PROPOSAL 001 FOR ADDITIONAL DATE WAREHOUSE SERVICES UNDER CONTRACT NO. 071B1300109**

Dear Carol:

As you know, the State of Michigan (the "State") has made a change request ("Change Request 001") asking Integris Inc., an Ingenix company ("Ingenix") to provide a proposal for (a) Additional Services, as that term is defined in our Contract 071B1300109 effective November 16, 2010 (the '109 Contract") and (b) other changes to the '109 Contract to permit the State to assign the payable owed to Ingenix for Products (i.e. Hardware and Software) to the Key Government Finance Inc., with revisions to the applicable Pricing Schedule for Products and Services and associated revisions for the Payment Milestones for such Products and Services.

In response to this Change Request 001, Ingenix is pleased to provide the State with this Change Request Proposal for Additional Data Warehouse Services (the "Change Request Proposal 001"). This Change Request Proposal 001 supersedes and replaces a prior Change Request Proposal 001 dated April 20, 2011.

I. Description of the Additional Data Warehouse Services and Services Term Covered by this Change Request Proposal 001

The specific request from the State was for Ingenix to provide the following Data Warehouse related services for some or all of Contract Years 2 through 5 (and the associated pricing for such services), where for each such service, the description of such services for the first year of the '109 Contract would apply equally well to these subsequent Contract Years (the "Additional Data Warehouse Services"):

Description of Additional Data Warehouse Service	Contract Year For Which Pricing is Requested
Business Critical Maintenance for 3 Node, 5650H Prod. System	Contract Year 5
Business Critical Maintenance for 2 Node, 5650H Test/DR System	Contract Year 5
Production System Recurring Hardening	Contract Years 2-5
Ten+ Membership and Teradata Partner Conference Fees	Contract Years 4 & 5
Eight (8) days of On Site Training	Contract Year 5
Teradata Warehouse Miner Software Maintenance	Contract Years 4 & 5
Dual Active Node Maintenance	Contract Years 4 & 5
Dual Active Implementation Services	Contract Years 4 & 5
AWS Rack Maintenance	Contract Year 5

In so far as the Additional Data Warehouse Services are not only similar, but in fact identical, to the Services for which pricing is already set forth in the '109 Contract, albeit for different Contract Years, and therefore fits within the definition of an "Additional Service" under the '109 Contract, by this Change Request Proposal 001, Ingenix proposes to provide such Additional Services on the same terms as are set forth in the '109 Contract but simply for the Contract Year(s) identified above for the pricing described in Section II below. Ingenix's obligation to provide such Additional Services for such Contract Year(s) is subject to the State's issuance of a Contract Change Notice to this Contract and the issuance of a revised purchase order 084N1300913 covering such Additional Services, as described in Section III below.

II. Changes to the '109 Contract Based on the State's Decision to Finance the Product Portion of the '109 Contract to Key Government Finance Inc.

The specific request from the State was to make those adjustments to the '109 Contract that are necessary in order for the State to assign the payable owed to Ingenix for the Hardware and Software under the '109 Contract through this Change Request Proposal 001(the "Original Products") to Key Government Finance Inc. ("Key"). In response to that portion of the State's request, the parties agree as follows:

(1) The pricing for the Original Products over the Term of the '109 Contract is set forth in Attachment 1A attached to this Change Request Proposal 001, which shall supersede and replace page 69 of the '109 Contract and where the total amount for such Original Products is Nine Million Five Hundred and Ninety Seven Thousand Nine Hundred and Seventy Nine Dollars ($9,597,979);

(2) The pricing for the Services over the Term of the '109 Contract is also set forth in Attachment 1A, including, without limitation, the pricing for the Additional Data Warehouse Implementation Services which are highlighted in yellow/shaded in Attachment 1A;

(3) The payment milestones associated with the Original Products and all Services are set forth in Attachment 1B attached to this Change Request Proposal 001, which shall supersede and replace page 75 of the '109 Contract; and

(4) Ingenix consents to the assignment to Key of the payable owed by the State to Ingenix for the Original Products and acknowledges receipt of such payment from Key on March 15, 2011, where said date constitutes the payment milestone for the Original Products over the Term of the '109 Contract.

III. Terms by Which the State May Accept This Change Request Proposal 001 for Additional Data Warehouse Services

In order to accept this Change Request Proposal 001 for Additional Data Warehouse Services consistent with the terms applicable to Change Requests set forth in Sections 2.024 and 1.403 of the '109 Contract, Ingenix must receive the following by the dates indicated below:

1. A Signed Contract Change Notice to the '109 Contract that references this Change Request Proposal and increases the Contract Value of the '109 Contract by $2,230,923 that must be received by Ingenix no later than May 31, 2011; and

2. A revised purchase order 084N1300913, with the $2,230,923 added to line item #2 to cover the Additional Data Warehouse Services, which must be received by Ingenix no later than May 31, 2011. Line Item #2 should be amended to read as follows in the revised purchase order:

"Item	Commodity ID	Quantity	Unit	Unit Price	Total Price
2	918-29	1.0	EA	$7,366,527	$7,366,527

COMPUTER – SOFTWARE CONSULTANT

SERVICES, IMPLEMENTATION AND MAINTENANCE

The products and services, as summarized above, as further detailed in Contract 071B1300109, Vendor's Quote dated November 15, 2010 and as amended by Vendor's Change Request Proposal 001 dated May 25, 2011."

All other terms and conditions of the '109 Contract remain in full force and effect.

Should you have any questions, please do not hesitate to contact me. Thank you again for the opportunity to work with you and your project team.

Sincerely,

David Wieber

Point of Contact:
David Wieber
Michigan Director of Operations
Ingenix Government Solutions

Signer:
Jerry Knutson
Chief Financial Officer, Ingenix Government Solutions

cc: Greg Faremouth
Purchasing Operations, Department of Management and Budget
Mason Bldg, 2nd Floor
Lansing, MI 48909

Attachment 1A

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Hardware						
Production 3 Node 5650H+2HSN	1,225,176					1,225,176
Test 2 Node 5650H+1HSN	802,362					802,362
Dual Active Node Hardware	75,220					75,220
BAR and Managed Servers Hardware	73,157					73,157
AWS Racks	12,647					12,647
Hardware Subtotal	**2,188,562**	**0**	**0**	**0**	**0**	**2,188,562**
Software						
Production 3 Node 5650H+2HSN	1,347,793					1,347,793
Production 3 Node 5650H +2HSN Software Subscription	302,810	302,810	302,810	355,150	408,680	1,672,260
Production 3 Node 5650H +2HSN COD License Increment				531,037	543,107	1,074,144
Test 2 Node 5650H+1HSN	942,800					942,800
Test 2 Node 5650H+1HSN Software Subscription	230,365	230,365	230,365	230,365	300,548	1,222,008
Test 2 Node 5650H+1HSN COD License Increment					712,071	712,071
Teradata Warehouse Miner Software	62,068					62,068
Dual Active Node software	65,983					65,983
BAR and Managed Servers Software	8,260					8,260
Production Teradata Data Mover/Query Director Software	126,819					126,819
Test Teradata Data Mover/Query Director Software	107,367					107,367
Dual Active COD				20,170	47,674	67,844
Software Subtotal	**3,194,265**	**533,175**	**533,175**	**1,136,722**	**2,012,080**	**7,409,417**
Services including Maintenance						
Production 3 Node 5650H+2HSN Warranty & Mnt	457,887	457,887	459,380	572,096	642,925	2,590,175
Test 2 Node 5650H+1HSN Warranty & Mnt	339,218	339,218	340,440	387,489	468,408	1,874,773
Production System BAR	30,000					30,000
Production System Protegrity Implementation	39,220					39,220
Production System Initial Hardening	108,065					108,065
Production System Recurring Hardening		116,022	120,663	125,489	130,509	492,683
Production System TASM Implementation	45,910					45,910
Production System Mentoring/Implementation Service for TMSM	102,915					102,915
Production System Installation	42,500					42,500
Production System Viewpoint SW Administration & Configuration Service	1,000					1,000
Deinstallation of the Production System (5450)	20,000					20,000
Production System Crating and Packing (5450)	2,000					2,000
Production System Disk Scrubbing (5450)	15,000					15,000
Production System NPARC - (2 times)	80,000					80,000
Production System Project Mgmt	25,000					25,000
Production System BAR Expansion	12,000					12,000
Test/Development/DR System BAR	20,000					20,000
Test/Development/DR System Installation	25,500					25,500
Configuration Service	1,000					1,000
Deinstallation of the Test/Development/DR System (5380)	20,000					20,000
Test/Development/DR System Crating and Packing (5380)	2,500					2,500
Test/Development/DR System Disk Scrubbing (5380)	15,000					15,000
Test/Development/DR System NPARC - (2 times)	50,000					50,000
Test/Development/DR System Project Mgmt	17,244					17,244
Test/Development/DR System BAR Expansion	11,500					11,500
Discount on one time services	(87,243)					(87,243)
Teradata 13 Differences Class for 100 Users	26,180					26,180
users and three (3) Teradata Partner Conf. fees	29,060	29,060	29,060	29,060	29,060	145,300
Eight (8) days of on-site training	47,504	47,504	47,504	47,504	47,504	237,520
Teradata Warehouse Miner Software Warranty & Mnt	15,516	15,516	15,516	15,516	15,516	77,580
Teradata Warehouse Miner Training	37,069					37,069
Dual Active Node Warranty & Mnt	94,833	94,833	95,369	110,219	121,796	517,050
Dual Active Implementation Services	262,219	116,171	120,818	125,651	130,677	755,536
AWS Rack Installation	4,998					4,998
AWS Rack Maintenance	1,602	1,602	1,605	1,835	1,908	8,552
Services Subtotal	**1,915,198**	**1,217,813**	**1,230,355**	**1,414,859**	**1,588,303**	**7,366,528**
SubTotal - New Items		116,022	120,663	405,935	1,588,303	2,230,923
Total - All Items	**7,298,025**	**1,750,988**	**1,763,530**	**2,551,581**	**3,600,383**	**16,964,507**

Attachment 1B

Payment Milestones - 5 Year growth

Milestone	State of Michigan Fiscal Year						
	FY11	FY12	FY13	FY14	FY15	FY16	Total
Initial Training Subscription Plus Teradata Partners Conference	29,060.00						29,060.00
Contract Hardware and Software	9,597,979.00						9,597,979.00
Production System Production Migration Completion	243,311.00						243,311.00
5450 Deinstallation	34,255.00						34,255.00
Test System Production Migration Completion	84,452.00						84,452.00
5380 Deinstallation	34,755.00						34,755.00
TASM Services	45,910.00						45,910.00
MSM Services	110,622.00						110,622.00
Protegrity Services	50,805.00						50,805.00
Ongoing TEN+ Membership plus Teradata Partner Conference		29,060.00	29,060.00	29,060.00	29,060.00		116,240.00
Production System Recurring Hardening		116,022.00	120,663.00	125,489.00	130,509.00		492,683.00
Dual Active Implementation Services	262,219.00	116,171.00	120,818.00	125,651.00	130,677.00		755,536.00
Teradata Warehouse Miner Training Complete	37,069.00						37,069.00
On-Going Training	73,684.00	47,504.00	47,504.00	47,504.00	47,504.00		263,700.00
	3/1/11 - 9/30/11	**10/1/11 - 9/30/12**	**10/1/12 - 9/30/13**	**10/1/13 - 9/30/14**	**10/1/14 - 9/30/15**	**10/1/15 - 2/29/16**	
Warranty - Production System w/AWS Rack	267,568.00	191,120.00	-	-	-	-	458,688.00
Warranty - Test System w/AWS Rack	198,344.00	141,675.00	-	-	-	-	340,019.00
Warranty - Teradata Warehouse Miner	9,051.00	6,465.00	-	-	-	-	15,516.00
Warranty - Dual Active	55,319.00	39,514.00	-	-	-	-	94,833.00
On-Going Annual Maintenance - Prod System w/AWS Rack		267,568.00	459,560.00	526,001.00	614,352.00	268,282.00	2,135,763.00
On-Going Annual Maintenance - Test System w/AWS Rack		198,344.00	340,733.00	368,755.00	435,631.00	195,567.00	1,539,030.00
On-Going Annual Maintenance - Teradata Warehouse Miner		9,051.00	15,516.00	15,516.00	15,516.00	6,465.00	62,064.00
On-Going Annual Maintenance - Dual Active		55,319.00	95,146.00	104,032.00	116,972.00	50,748.00	422,217.00
Total	**$ 11,134,403**	**$ 1,217,813**	**$ 1,229,000**	**$ 1,342,008**	**$ 1,520,221**	**$ 521,062**	**$ 16,964,507**

INGENIX

822 Centennial Way, Suite 100 | Lansing, MI 48917 | phone: (517) 327-6700 | Ingenix.com

May 25, 2011

Ms. Carol Steele Sherman
Michigan Department of Technology, Management and Budget
515 Westshire Drive
Lansing, MI 48917

RE: **CHANGE REQUEST PROPOSAL 002 FOR AIX SYSTEMS HARDWARE MAINTENANCE AND SOFTWARE SUPPORT AS WELL AS DATA DIRECT ODBC DRIVER LICENSES AND SUPPORT UNDER CONTRACT No. 071B1300109**

Dear Carol:

As you know, the State of Michigan (the "State") has made a change request ("Change Request 002") asking Integris Inc., an Ingenix company ("Ingenix") to provide a proposal for the following:

(1) Equipment Maintenance and Software Support for three (3) AIX based systems (the "AIX Based Systems") that serve as the front end to the State's Data Warehouse system through September 30, 2016 (the "AIX Systems Maintenance and Support"); and
(2) Licenses for certain Data Direct ODBC Drivers (the "ODBC Software") for use on the three AIX Based Systems; and
(3) Software Support for the ODBC Software through September 30, 2016 (the "ODBC Software Support");

where the AIX Systems Maintenance and Support, the ODBC Software licenses and the ODBC Software Support (collectively, the "AIX Based Additional Products and Services") constitute "New Work", as that term is defined in our Contract 071B1300109 effective November 16, 2010 (the '109 Contract").

In response to this Change Request 002, Ingenix is pleased to provide the State with this Change Request Proposal for the AIX Based Additional Products and Services (the "Change Request Proposal 002"). This Change Request Proposal 002 supersedes and replaces a prior version dated May 10, 2011.

I. Description of the AIX Based Additional Products and Services and Services Term Covered by this Change Request Proposal 002

In so far as the AIX Based Additional Products and Services are outside the scope of Ingenix's current responsibilities under the '109 Contract, consistent with the provisions of Section 2.024 of the '109 Contract, the following terms and conditions shall apply to each of the components comprising the AIX Based Additional Products and Services:

1.1 AIX Systems Maintenance and Support

During the AIX Systems Maintenance and Support Term defined in Section 1.2 below, Ingenix, acting through its authorized subcontractor, CompuCom Systems, Inc. ("CompuCom") shall provide "Extended Equipment Maintenance Services", for the hardware components comprising the AIX Based Systems described in Exhibit A (the "Equipment") attached to this Change Request Proposal 002 and incorporated by reference herein ("Exhibit A") and "Comprehensive Software Support", for

the software components comprising the AIX Based Systems described in Exhibit A (the "AIX Software"). The scope of Extended Maintenance Services and Comprehensive Software Support is set forth in Exhibit B attached to this Change Request Proposal 002 and incorporated by reference herein ("Exhibit B").

Additional Data Warehouse Services are not only similar, but in fact identical, to the Services for which pricing is already set forth in the '109 Contract, albeit for different Contract Years, and therefore fits within the definition of an "Additional Service" under the '109 Contract, by this Change Request Proposal 002, Ingenix proposes to provide such Additional Services on the same terms as are set forth in the '109 Contract but simply for the Contract Year(s) identified above for the pricing described in Section II below. Ingenix's obligation to provide such Additional Services for such Contract Year(s) is subject to the State's issuance of a Contract Change Notice to this Contract and the issuance of a revised purchase order 084N1300913 covering such Additional Services, as described in Section III below.

1.2 AIX Systems Maintenance and Support Term

The term during which Ingenix shall provide AIX Systems Maintenance and Support (the "AIX Systems Maintenance and Support Term") shall commence as of April 1, 2011 and continue for an initial term ending on September 30, 2011 (the "Initial AIX Services Term"), provided that Ingenix receives a purchase order for the charge set forth in Section III of this Change Request Proposal 002 corresponding to the Initial AIX Services Term on or before May 31, 2011. The AIX Systems Maintenance and Support Term shall renew for successive twelve (12) month renewal terms (the "Renewal(s) AIX Services Term"), provided that on or before October 1, 2011, and each twelve (12) month anniversary thereafter, Ingenix has received a purchase order from the State for the charge set forth in Section II of this Change Request Proposal 002 corresponding to the applicable Renewal AIX Services Term. Notwithstanding the foregoing:

(a) The State shall have the right to issue one or more purchase order(s) that cover more than the Initial AIX Services Term or one (1) Renewal AIX Services Term, provided that the charge set forth in any purchase order issued by the State includes the total fee(s) set forth in Section 2 corresponding to the duration of the purchase order;

(b) Ingenix shall have the right to terminate the AIX Systems Maintenance and Support Services at any point in time during the AIX Systems Maintenance and Support Term if (i) Ingenix's subcontractor, CompuCom, no longer has access to available spare parts, (ii) the call center support component of the AIX Systems Maintenance and Support Services from Bull HN Information Systems Inc. is no longer available and/or (iii) if software support for the applicable item of AIX Software is no longer available from Ingenix's supplier, where such termination shall be effective sixty (60) days following the date of Ingenix's written notice to the State.

In the event that the AIX Systems Maintenance and Support Services are terminated prior to the end of the AIX Systems Maintenance and Support Term and if the State has paid Ingenix a fee that covers a portion of time following the effective date of termination, then Ingenix shall refund to the State a prorate amount of any prepaid charges or grant the State a credit, at Ingenix's sole discretion.

II. Description of the ODBC Software and ODBC Software Support and Services Term Covered by this Change Request Proposal 002

In so far as the ODBC Software and ODBC Software Support are outside the scope of Ingenix's current responsibilities under the '109 Contract, consistent with the provisions of Section 2.024 of the '109 Contract, the following terms and conditions shall apply to each of the components comprising the ODBC Software and ODBC Software Support:

2.1 ODBC Software

In exchange for the State's order and payment for the license fee set forth in Section III below corresponding to the ODBC Software, Ingenix shall distribute the ODBC software described in Exhibit C (the "ODBC Software") attached hereto and incorporated by reference herein ("Exhibit C") in object code form, for use on the applicable AIX Based Systems described in Exhibit A, under the manufacturer's commercial end user license terms attached as Exhibit D attached hereto and incorporated by reference herein ("Exhibit D").

2.2 Delivery and Installation of the ODBC Software

Upon receipt of the State's order for the license of the ODBC Software referenced in Section 2.1 above, Ingenix shall have the manufacturer delivery the ODBC Software to the State by directly issuing to the State designated personnel the applicable license keys that can be downloaded from a secure FTP site. The State designated personnel shall be responsible for installing the license keys for the ODBC Software on the applicable AIX Based System referenced in Exhibit A.

2.3 ODBC Software Support

During the ODBC Software Support Term defined in Section 2.4 below, Ingenix, acting through its authorized subcontractor, DataDirect Technologies, an operating company of Progress Software Corporation ("DataDirect") shall provide "Standard Support" for the ODBC Software. The scope of what constitutes "Standard Support" is set forth in Exhibit E attached hereto and incorporated by reference herein ("Exhibit E").

2.4 ODBC Software Support Term

The term during which Ingenix shall provide ODBC Software Support (the "ODBC Software Support Term") shall commence upon delivery by the manufacturer of the applicable license keys for the State to download the ODBC Software on the three (3) AIX Based Systems described in Exhibit A and continues for an initial term ending twelve (12) months thereafter (the "Initial ODBC Support Term"), provided that Ingenix receives a purchase order for the charge set forth in Section III of this Change Request Proposal 002 corresponding to the Initial ODBC Support Term on or before the issuance of such license keys. The ODBC Support Term shall renew for successive twelve (12) month renewal terms (the "Renewal(s) ODBC Support Term"), provided that on or before the beginning of such twelve (12) month support renewal term, and each twelve (12) month anniversary thereafter, Ingenix has received a purchase order from the State for the charge set forth in Section II of this Change Request Proposal 002 corresponding to the applicable Renewal ODBC Support Term. Notwithstanding the foregoing:

(a) The State shall have the right to issue one or more purchase order(s) that cover more than the Initial ODBC Software Support Term or one (1) Renewal ODBC Support Term, provided that the charge set forth in any purchase order issued by the State includes the total fee(s) set forth in Section 2 corresponding to the duration of the purchase order; and

(b) Ingenix shall have the right to terminate the ODBC Software Support either (i) at the end of the Initial ODBC Support Term or a Renewal ODBC Support Term or (ii) at any point in time during the ODBC Support Term effective upon written notice to the State if (x) Ingenix's subcontractor, DataDirect, or its supplier, no longer provides such ODBC Software Support or (y) Ingenix's supplier changes the applicable support charge for the ODBC Software for a Renewal ODBC Support Term from that quoted to Ingenix as of the date of this Change Request Proposal and the State elects not to accept the corresponding change in support charge from Ingenix within thirty (30) days of Ingenix's quotation thereof.

In the event that the ODBC Software Support is terminated prior to the end of the ODBC Support Term and if the State has paid Ingenix a fee that covers a portion of time following the effective date of termination, then Ingenix shall refund to the State a prorated amount of any prepaid charges or

grant the State a credit, at Ingenix's sole discretion, but only if and to the extent Ingenix is entitled to a prorated refund of the fee it has paid to its supplier.

III. Pricing and Payment Milestones for the AIX Based Additional Products and Services Described in this Change Request Proposal 002

The pricing for the AIX Based Additional Products and Services described in this Change Request Proposal 002 are set forth below:

Description	Period Covered	Price to State	Payment Milestone
AIX Systems Maintenance and Support	4/1/11-9/30/11	$15,827.00	5/31/11
AIX Systems Maintenance and Support	10/1/11-9/30/12	$34,821.00	10/31/11
AIX Systems Maintenance and Support	10/1/12-9/30/13	$38,303.00	10/31/12
AIX Systems Maintenance and Support	10/1/13-9/30/14	$42,134.00	10/31/13
AIX Systems Maintenance and Support	10/1/14-9/30/15	$46,347.00	10/31/14
AIX Systems Maintenance and Support	10/1/15-9/30/16	$50,981.00	10/31/15
ODBC Software Licenses (Perpetual)	N/A	$32,000.00	30 days*
ODBC Software Support	Initial Support Term	$ 6,600.00	30 days**
ODBC Software Support	1st Renewal Term	$ 7,660.00	30 days**
ODBC Software Support	2nd Renewal Term	$ 8,420.00	30 days**
ODBC Software Support	3rd Renewal Term	$ 9,260.00	30 days**
ODBC Software Support	4th Renewal Term	$10,190.00	30 days**
	Total:	**$302,543.00**	

*Connotes 30 days after delivery of the license keys

**Connotes 30 days after the beginning of the applicable support term

IV. Terms by Which the State May Accept This Change Request Proposal 002 for AIX Based Additional Products and Services

In order to accept this Change Request Proposal 002 for AIX Based Additional Products and Services consistent with the terms applicable to Change Requests set forth in Sections 2.024 and 1.403 of the '109 Contract, Ingenix must receive the following by the dates indicated below:

1. A Signed Contract Change Notice to the '109 Contract that references this Change Request Proposal and increases the Contract Value of the '109 Contract by $2,533,466, where $2,533,466 represents the sum of $2,230,923 (the amount covered in Change Request Proposal 001) and $302,543 (the amount covered in this Change Request Proposal 002) that must be received by Ingenix no later than May 31, 2011; and

2. A revised purchase order 084N1300913, with the $2,230,923 added to line items #2, 3, 4 and 5 to cover the Additional Data Warehouse Services referenced in Change Request Proposal 002 and at least the Initial AIX Services Term, the ODBC Software License and at least the Initial ODBC Support Term, which must be received by Ingenix no later than May 31, 2011. Line Items #2, #3 and #4 should be amended to read as follows in the revised purchase order:

"Item	Commodity ID	Quantity	Unit	Unit Price	Total Price
2	918-29	1.0	EA	$7,366,527	$7,366,527

COMPUTER – SOFTWARE CONSULTANT
SERVICES, IMPLEMENTATION AND MAINTENANCE

The products and services, as summarized above, as further detailed in Contract 071B1300109, Vendor's Quote dated November 15, 2010 and as amended by Vendor's Change Request Proposal 001 dated May 25, 2011.

Item	Commodity ID	Quantity	Unit	Unit Price	Total Price
3	918-29	1.0	EA	$15,827.00	$15,827.00

COMPUTER – SOFTWARE CONSULTANT
AIX SYSTEMS MAINTENANCE AND SUPPORT – INITIAL AIX SERVICES TERM

4	920-45-11	1.0	EA	$32,000.00	$32,000.00

COMPUTER – SOFTWARE
ODBC Software License

5	918-29	1.0	EA	$6,600.00	$6,600.00

COMPUTER – SOFTWARE CONSULTANT
ODBC SOFTWARE SUPPORT (STANDARD) – INITIAL ODBC SUPPORT TERM

The products and services in items 3-5 above, as further detailed in Contract 071B1300109, Vendor's Quote dated May 25, 2011 and as amended by Vendor's Change Request Proposal 002 dated May 25, 2011."

All other terms and conditions of the '109 Contract remain in full force and effect.

Should you have any questions, please do not hesitate to contact me. Thank you again for the opportunity to work with you and your project team.

Sincerely,

David Wieber

Point of Contact:
David Wieber
Michigan Director of Operations
Ingenix Government Solutions

Signer:
Mike Kelliher
Vice President, Client Services
Ingenix Government Solutions

Exhibit A

AIX Based Systems

System#	Model Number	Description	Qty
SYSTEM UP0913			
UP0913	NSQ2006-008A	HP 9.1 GB SCSI2 DRIVE	1
UP0913	CDRG017-0000	IDE INTERNAL CD-ROM DRIVE	1
UP0913	CMMG175-0000	512MB (2X256MB DIMMS)	1
UP0913	COBG083-RABA	S.EXPRS V2.2&32B DEV. KIT 1 USR	1
UP0913	COBG088-RABJ	S.EXPRV2.2&32B APPLI SRV 10STD	1
UP0913	CPUG073-0000	CPU BD W/1 PWR3-2(375MHZ)4MB L2	1
UP0913	CPXG259-0000	ESCALA PL220T SYSTEM	1
UP0913	DMUG013-0000	17"COLOR DISPLAY W/CABLES	1
UP0913	EXSG220-P000	AIX 4.3 LICENSE SUPPORT CLASS D	1
UP0913	EXSG278-VD3A	UPGRADE LIC CLASS D TO AIX 5.1	1
UP0913	GTFG050-0000	PWR GXT135P GRAPHICS ACCELERATR	1
UP0913	HACG030-VD00	HACMP ES V4.5 CLASS D-LIC	1
UP0913	MSUG174-0000	18.2GB ULTRA SCSI DISK/NO HOT S	1
UP0913	MSUG184-0000	18.2GB ULTRA3 SCSI DISK	1
UP0913	MTUG039-0P00	20/40GB INT 4MM DAT TAPE DRIVE	1
UP0913	PSKG004-0001	US POWER SUPPLY	1
UP0913	PSSG044-0000	REDUNDANT PWR SUPPLY AC,HOT SWP	1
UP0913	UTSG041-RK00	HYPERTEXT INFORMATION BASE	1
UP0913	UTSG080-VK00	HYPERTEXT FULL LIBRARY F/AIX5.1	1
UP0913	EXSG312-VA00	AIX 5.3 EXPANSION PACK	1
UP0913	EXSG316-VD3A	UPGRADE LICENSE CLASS D TO AIX 5.3 (PER CPU)	1
UP0913	EXSG347-SV0E	AIX V5.3 MEDIA UPGRADE (CD)	1
UP0913	MANG019-000E	BASIC HW & SW DOC SET	1
UP0913	HACG047-VS10	UPGRADE TO HA V5.4 PER SMALL PROCESSOR	1
UP0913	HACG048-SV0E	HACMP V5.4 MEDIA UPGRADE	1
UP0913	MANG019-000E	BASIC HW & SW DOC SET	1
SYSTEM UP0926			
UP0926	CDRG020-0000	IDE INTERNAL CD-ROM DRIVE	1
UP0926	COBG083-RABA	S.EXPRS V2.2&32B DEV. KIT 1 USR	1
UP0926	COBG088-RABJ	S.EXPRV2.2&32B APPLI SRV 10STD	1
UP0926	DCCG163-0000	GIGABIT ETHERNET-SX PCI-X ADAPT	3
UP0926	DMUG013-0000	17"COLOR DISPLAY W/CABLES	1
UP0926	EXSG252-P000	AIX 5.1 LICENSE SUPPORT-CLASS E	1
UP0926	EXSG271-0P00	SOFTWARE AID CLASS E PER CPU	2
UP0926	HACG030-VE00	HACMP ES V4.5 CLASS E-LIC	1
UP0926	HWKG102-1000	ESCALA PL420T PACK 240 (AIX5.1)	1
UP0926	MSUG203-0000	36.4GB ULTRA3 SCSI DISK DRV(1"/	2
UP0926	MTUG039-0P00	20/40GB INT 4MM DAT TAPE DRIVE	1
UP0926	PSSG047-0000	AC POWER SUPPLY, 645W	1
UP0926	UTSG080-VK00	HYPERTEXT FULL LIBRARY F/AIX5.1	1
UP0926	UTSG181-VA00	PERF.TOOLBOX V3.1 LIC+MED & DOC	1
UP0926	UTSG183-VA00	PERFORMANCE AIDE V3.1 - QTY 1	1
UP0926	EXSG312-VA00	AIX 5.3 EXPANSION PACK	1
UP0926	EXSG316-VE3A	UPGRADE LICENSE CLASS E TO AIX 5.3 (PER CPU)	2
UP0926	EXSG347-SV0E	AIX V5.3 MEDIA UPGRADE (CD)	1
UP0926	MANG019-000E	BASIC HW & SW DOC SET	1

UP0926	HACG047-VS10	UPGRADE TO HA V5.4 PER SMALL PROCESSOR	2
UP0926	HACG048-SV0E	HACMP V5.4 MEDIA UPGRADE	1
UP0926	MANG019-000E	BASIC HW & SW DOC SET	1

ESCALA PL450T+ Server UP1053

UP1053	CBLG179-1900	10M CABLE RJ45/RJ45 CAT 5	1
UP1053	CDRG022-5000	8X/24X (MAX) IDE SLIMLINE DVD-ROM DRIVE	1
UP1053	CKTG224-0000	SCSI CABLES PCI RISER TO LVD S	1
UP1053	CKTG294-0000	OEM DESKSIDE COVER SET	1
UP1053	CMMG245-0000	1024MB (2X512MB) DIMMS DDR-2 SDRAM	4
UP1053	CPFG053-0000	NUMBER OF AIX PARTITIONS	1
UP1053	CPFG061-0000	CONFIGURATION ORDERED WITHOUT SUBSCRIPTI	1
UP1053	CPKG361-0000	ONE ZERO-PRICED PROC.ACTIVAT. FOR 2-WAY&	1
UP1053	CPKG363-0000	ONE PROC.ACTIVATION FOR 2-WAY&1.9 (P5+)	1
UP1053	CPUG121-0000	2-WAY1.9GHZ POWER5+ 0-WAY ACTIVE/36MB CA	1
UP1053	CPXG275-0000	ESCALA PL450T+SYSTEM	1
UP1053	DCCG163-5000	GIGABIT ETHERNET-SX PCI-X ADAPTER	1
UP1053	DCCG178-5000	2 GIGABIT FIBRE CHANNEL PCI-X ADAPTER	1
UP1053	DCCG184-0000	2-PORT ASYNCHRONOUS EIA-232 PCI ADAPT	1
UP1053	DCCG195-5000	4GB/S FIBRE CHANNEL PCI-X ADAPTER 1-PORT	1
UP1053	DCUG002-11FE	V34 US MODEM	1
UP1053	DMUG024-1000	17" FLAT PANEL MONITOR	1
UP1053	FOCF005-M005	OPTICAL FIBR MM (SW) LC-LC CBL	1
UP1053	GTFG051-5000	POWER GX135P GRAPHICS ACCELERATOR WITH D	1
UP1053	KBUG009-000E	FULL WIDTH QUIET TOUCH KEYBOARD - USB, U	1
UP1053	MSUG235-5000	73 4 GB ULTRA320 SCSI DISK DRIVE (1"/15K	2
UP1053	MTUG051-5000	36/72GB INTERNAL 4MM DAT TAPE DRIVE	1
UP1053	PSKG004-0001	US POWER SUPPLY	1
UP1053	PSSG052-0000	AC POWER SUPPLY, 1475W, HOT SW	1
UP1053	REFG006-0000	PROC POWER REGULATOR	1
UP1053	EXSG312-VA00	AIX 5.3 EXPANSION PACK	1
UP1053	EXSG321-VE00	AIX 5.3 CLASS E - LICENCE PACK OFFER	2
UP1053	HACG046-SVCE	HACMP V5.4 MEDIA	1
UP1053	HACG046-VS00	HACMP V5.4 LICENSE PER SMALL PROCESSOR	2
UP1053	HACG050-SVCE	HACMP SA V5.4 MEDIA	1
UP1053	HACG050-VS00	HACMP SA V5.4 LICENSE PER SMALL PROCESSO	2
UP1053	MANG001-000E	BASIC SOFTWR LANGUAGE: ENGLISH	1
UP1053	MANG019-000E	BASIC HW & SW DOC SET	1
UP1053	MANG119-SP0Z	BASIC HARDWARE DOCUMENTATION FOR PL450T+	1
UP1053	MSDG002-0000	SOFTWARE DELIVERY ON DVDROM	1
UP1053	UTSG191-VK00	AIX 5.3 MEDIA KIT	1
UP1053	COBG169-SVCE	SERVER EXPRESS V5 MEDIA FOR AIX	1
UP1053	COBG170-SVCE	SERVER EXPRESS V5 DOCUMENTATION CD	1
UP1053	COBG171-VA0A	S.EXPRESS V5&32B LICENCE DEV.KIT PER USE	1
UP1053	COBG173-VA0J	MF SERVER COBOLV5&32B LICENCE PER 10 CON	1
UP1053	MANG019-000E	BASIC HW & SW DOC SET	1
UP1053	UTSG183-VA00	PERFORMANCE AIDE V3.1 - QTY 1	2
UP1053	UTSG196-SVCE	PERFORMANCE AIDE V3.1 MEDIA	1
UP1053	UTSG207-VA00	PERFORMANCE TOOLBOX V3.1 LICENCE	1
UP1053	UTSG209-SVCE	PERFORMANCE TOOLBOX V3.1 MEDIA	1

Exhibit B

Extended Maintenance Services and Comprehensive Support for AIX Based Systems

The following terms define the scope and exclusions associated with Extended Maintenance Services for the Equipment portion of the AIX Based Systems and Comprehensive Support for the AIX Software component of the AIX Based Systems:

1. Extended Maintenance Service Terms and Conditions for the Equipment Portion of the AIX Based Systems

1.1 Extended Maintenance Service Scope

During the applicable AIX Systems Maintenance and Support Term, for the equipment described in Exhibit A (collectively, the "AIX Equipment"), Contractor shall provide "Extended Maintenance Service" defined as consisting of (a) remedial maintenance service, (b) replacement parts and labor at the State's site, if necessary, and (c) preventative maintenance service determined by Contractor during the principal period of maintenance of seven (7) days a week, twenty four (24) hours a day, subject to the other terms and exclusions set forth in this Section 1.6.4 below.

1.2 Diagnostic Materials

Contractor may provide to the State maintenance, support and other diagnostic routines, computer program media and related documentation ("Diagnostic Materials") for use in installing, testing, diagnosing or verifying the AIX Equipment maintained hereunder.

A. License: Contractor grants to the State a nonexclusive, nontransferable license to use the Diagnostic Materials solely for the State's own use on the designated Central System in accordance with Contractor's instructions.

B. Term: Unless the Extended Maintenance Services are terminated in whole or in part with respect to the AIX Equipment earlier, the license term for the Diagnostic Materials shall be from April 1, 2011 through September 30, 2016. Within 5 days after the license termination of the Diagnostic Materials, the State is to destroy the original and all copies in any form and upon request certify the destruction in writing.

C. The State agrees:

(1) that Diagnostic Materials are and remain the property of Contractor or its licensors. The State (i) has no right, title or interest in the Diagnostic Materials, except as stated in this Section 1.2,(ii) shall not sell, transfer or otherwise make available the Diagnostic Materials to others, (iii) shall secure and protect Diagnostic Materials, including erasure thereof prior to disposing of media, consistent with the maintenance of the rights therein, and (iv) shall take any action necessary with its employees who are permitted access to the Diagnostic Materials to satisfy its obligations;

(2) to keep confidential Diagnostic Materials containing trade secrets and that this obligation survives termination of the Extended Maintenance Services;

(3) not to reverse assemble or decompile the Diagnostic Materials in whole or part, and

(4) to install updates and revisions to the Contractor specified release of the Diagnostic Materials within 30 days from shipment by Contractor.

1.3 Remote Services

In order that Contractor may provide remote equipment maintenance services for selected systems designated by Contractor, the State shall provide at its expense a dedicated telephone line for such systems. Contractor shall provide in accordance with its then current policies and instructions the modem to be used by State for these remote services.

1.4 Access to Equipment and Facilities

The State agrees to provide to Contractor at no charge access to the equipment and facilities, such as working space, electricity and a local telephone line.

1.5 Engineering Changes

Engineering changes, as determined by Contractor, are installed at no additional charge during the PPM, Monday through Friday, excluding local Contractor holidays.

1.6 General Maintenance Service Conditions

1.6.1 General: The State is to:

A. perform that preventive maintenance service specified in any applicable documentation, and

B. prior to requesting remedial maintenance service, (i) perform test, verification analyses and diagnostic procedures in accordance with any applicable documentation and Contractor's instructions, (ii) inform Contractor of the test results, and (iii) perform the corrective actions Contractor requests.

1.6.2 AIX Equipment Relocation: The State may move the AIX Equipment. In order to update Contractor's records, the State shall notify Contractor prior to moving AIX Equipment. The availability of maintenance service for relocated equipment is subject to Contractor's then current terms, conditions, charges and policies.

1.6.3 Proprietary Information, Maintenance Tools and Equipment: Contractor's maintenance materials include all maintenance equipment, test, diagnostic and verification information and routines, tools and documentation (whether on Contractor's or State owned media and whether on the State's site, or accessible by remote inquiry or incorporated in the equipment). All Contractor's maintenance materials are and remain the property of Contractor and Contractor may remove or discontinue usage thereof, as applicable, at any time or the State is to destroy same upon written request from Contractor. The State shall secure and protect all confidential and proprietary items consistent with the maintenance of the rights therein.

1.6.4 Maintenance Service Exclusions:

A. Any service not specified herein including overhaul or refurbishment of the equipment due to age or prolonged usage is outside the scope of Extended Maintenance Services.

B. Contractor is not liable to State for any loss or damage arising from:

(1) The State's failure to comply with any State responsibilities or the State's abuse, misuse or shipment of the AIX Equipment.

(2) The attachment of devices not maintained hereunder by Contractor, relocation of the AIX Equipment or, the alteration, adjustment, repair, or deinstallation/installation of any AIX Equipment by other than Contractor's authorized representatives. Any AIX Equipment involved in such activity is subject to inspection at Contractor's then current terms, conditions and charges prior to the continuation of maintenance service and Contractor reserves the right of immediate termination of maintenance service for the affected equipment.

C. The State is to pay Contractor's then current charges for services due to any of the above exclusions.

2. Comprehensive Software Support Terms and Conditions for the AIX Software

2.1 Comprehensive Software Support Scope

During the applicable AIX Systems Maintenance and Support Term, for the software described in Exhibit A (the "AIX Software"), Contractor shall provide "Comprehensive Software Support" defined as consisting of:

A. Telephone access provided 24 hours per day, 7 days per week for the purpose of receipt and relay of State calls to Customer Support Center (CSC) personnel during CSC's hours of availability.

B. Telephone/on-line support from the CSC is provided during the hours established in the CSC's then current policies and instructions and, as applicable, consists of:

(1) Identification and reasonable efforts to resolve AIX Software problems, defined as the failure of the AIX Software to conform to its applicable specifications;
(2) Consultation assistance during the State's installation of any updates;
(3) CSC's review of required State AIX Software parameters during the installation of any updates;
(4) Clarification of AIX Software documentation, such as customer manuals, technical notes and release bulletins;
(5) Responding to questions on AIX Software usage;
(6) Search of the known problem file and upon request, providing the State with a copy of the applicable information in that file;
(7) On line or direct use by the State, if applicable of the AIX Software support tools and service;
(8) Development and application of a temporary fix or attempt an emergency bypass and assessment of the corrective service;
(9) CSC assistance in the preparation of System Technical Action Requests (STARs) and processing and responding to STARs; and
(10) Assistance in resolving problems related to the installation of updates and corrective information.

2.2 State Responsibilities

The State is to:

A. Designate to Contractor a primary contact(s) with Contractor for AIX Software problems. Such individual is to have the knowledge to define the technical aspects of AIX Software problems to Contractor and apply remedial instructions received from Contractor; and
B. Install updates and revisions to the then current release within 90 days from the date of shipment thereof or upon instruction from Contractor.

2.3 Limitations

A. Installation: The installation or systems generation of AIX Software and revisions/updates and releases are the State's responsibility and not included in the definition of Comprehensive Support.

B. Support of Latest Update: Unless otherwise specified, Contractor supports AIX Software that operates under the (i) latest 2 updates of the then current operating system general release or (ii) based on the product line, the latest 1 or 2 updates of a Contractor specified prior release operating system.

C. Unmodified AIX Software: Support is for the unmodified portion of the AIX Software.

Exhibit C

ODBC Software

Part Number	Product Description	QTY
PDCO6XAXORA2C-PRD-STMI Platform: AIX Database: Oracle Server is a one (1) Dual Core machine	Progress DataDirect Connect for ODBC Production Server License	2
PDCO6XAXSQL2C-PRD-STMI Platform: AIX Database: SQL Server Server is a one (1) Dual Core machine	Progress DataDirect Connect for ODBC Production Server License	2
PDCO6XAXORA1V-DEV-STMI Platform: AIX Database: Oracle Server is a Single (1) CPU Machine	Progress DataDirect Connect for ODBC Development Server License	1
PDCO6XAXSQL1V-DEV-STMI Platform: AIX Database: Oracle Server is a Single (1) CPU Machine	Progress DataDirect Connect for ODBC Development Server License	1

Exhibit D

ODBC SOFTWARE END USER PRODUCT LICENSE AGREEMENT ("AGREEMENT")

IMPORTANT: CAREFULLY READ THE FOLLOWING TERMS AND CONDITIONS BEFORE DOWNLOADING (IF APPLICABLE), INSTALLING OR USING THE PRODUCT(S) AND DOCUMENTATION ACCOMPANYING THIS AGREEMENT. BY CLICKING ON THE 'ACCEPT' OR 'YES' BUTTON, YOU ARE CONSENTING TO BE BOUND BY THE TERMS AND CONDITIONS OF THIS AGREEMENT AND ACKNOWLEDGING YOUR AUTHORITY TO DO SO ON BEHALF OF YOUR COMPANY (IF APPLICABLE). DATADIRECT TECHNOLOGIES, AN OPERATING COMPANY OF PROGRESS SOFTWARE CORPORATION (HEREINAFTER "DATADIRECT") IS ONLY WILLING TO PROVIDE THE PRODUCT(S) AND DOCUMENTATION TO YOU UNDER THESE TERMS AND CONDITIONS. YOUR ACT OF CLICKING ON THE 'ACCEPT' OR 'YES' BUTTON AND/OR ANY USE BY YOU OF THE PRODUCT(S) AND/OR DOCUMENTATION WILL SIGNIFY YOUR AGREEMENT TO BE BOUND BY THESE TERMS AND CONDITIONS. IF YOU DO NOT AGREE WITH THE TERMS AND CONDITIONS OF THIS AGREEMENT, CLICK THE 'DO NOT ACCEPT' OR 'NO' BUTTON, DO NOT PROCEED WITH THE DOWNLOAD (IF APPLICABLE) OR INSTALLATION OF THE PRODUCT(S), AND, IF THE PRODUCT(S) AND DOCUMENTATION HAVE BEEN DELIVERED TO YOU, PROMPTLY RETURN THEM TO DATADIRECT OR THE DISTRIBUTOR OR SUPPLIER FROM WHICH IT WAS ACQUIRED (IF APPLICABLE) FOR A FULL REFUND. THE TERM "PROMPTLY" AS USED HEREIN SHALL MEAN NO LATER THAN SIXTY (60) DAYS FOLLOWING THE DELIVERY OF THE PRODUCT(S) AND DOCUMENTATION TO YOU.

1. Grant and Scope of License.

1.1 Subject to the terms and conditions contained herein, DataDirect grants to you ("User") a non-exclusive, non-transferable, limited license to use the computer program(s) (individually referred to herein as "Product" or collectively as "Products") for which valid license keys have been issued by DataDirect or its authorized reseller or expressly identified in an order letter, license certificate or other document in written or electronic form provided by DataDirect or its authorized reseller (an "Order Letter") and related manuals in written or electronic form ("Documentation"). User's use of the Products shall be limited to internal use and all such use shall be in accordance with the provisions and limitations set forth in Appendix 1 to this Exhibit. The Products may include code to verify that User has not exceeded the license keys issued by DataDirect (the "Runtime License Checker") and in the event that the Runtime License Checker determines that User has exceeded its license the Products may cease to operate. DataDirect reserves all rights not expressly granted to User in this Agreement.

1.2 User may not transfer, sell, assign or otherwise convey this Agreement or the Products, by operation of law or otherwise, to any other party. User may not sell, rent, license, or grant sublicenses, leases, or other rights in the Products to others or otherwise allow the Products to be accessed by another party. User shall have no right to use the Products to provide time sharing services or act as or operate a service bureau or provide subscription or hosting services for others, nor to use the Products in or with any software application that is made available on a time sharing, service bureau, subscription or hosting basis. User may not use the Products to develop, test, support or market products that are competitive with and/or provide similar functionality to the Products. This Agreement automatically terminates if User novates, assigns, sells, rents, licenses, grants, sublicenses, leases or otherwise transfers possession of any copy of the Products or Product Updates to another party or purports to do the same.

1.3 For purposes of this Agreement a "Product Update" shall mean any update, patch, version and/or new release of or to the Product that DataDirect furnishes generally to its customers who are on support in accordance with DataDirect's then current support policies and fee requirements. A Product Update replaces part or all of a Product or Product Update previously licensed to User and shall terminate such previously licensed Product or Product Update to the extent replaced by the Product Update. Product Updates shall be subject to the terms and conditions of the license agreement accompanying the Product Update.

1.4 User agrees to pay the applicable end user license fees, as well as any applicable transportation charges and any value-added taxes or other applicable taxes, tariffs or withholding taxes which the relevant authorities require to pay, within forty-five (45) days of date of invoice.

1.5 The term of this Agreement and User's license hereunder shall be perpetual (unless otherwise specified), subject to termination in accordance with the provisions of Section 2.2 below. The License Model (as defined in Appendix 1) shall be in accordance with the terms of the license key issued for the product.

2. DataDirect's Rights.

2.1 The Products are proprietary products of DataDirect or its licensors (if any), and are protected by intellectual property law. By virtue of this Agreement, User acquires only the non-exclusive right to use the Products and does not acquire any rights of ownership or other right in the Products, Documentation or the media upon which they are embodied. DataDirect or its licensors (if any) shall at all times retain all right, title, and interest in the Products, Documentation and media. Except as otherwise expressly provided for in this Agreement, User acquires no rights of any kind in or to any trade name, logo, or trademark of DataDirect or DataDirect's affiliated companies or licensors, or any product designation under which the Products were or are marketed and shall not make use of the same for any reason except as expressly authorized by this Agreement or otherwise authorized in writing by DataDirect.

2.2 DataDirect may terminate this Agreement by written notice if User materially defaults in the performance of any provision of this Agreement and fails to cure such default to the satisfaction of DataDirect within thirty (30) calendar days after receipt of notice of the default from DataDirect. This remedy shall not be exclusive and shall be in addition to any other remedies which DataDirect may have under this Agreement or otherwise. Within five (5) days after termination of this Agreement for any reason or expiration of the term of this Agreement (if applicable), User will return to DataDirect or destroy all copies of the Products and certify in writing to such return or destruction of all copies of the Products.

3. Non-Disclosure; Copies; Alterations. User acknowledges that the Products are the valuable proprietary and trade secret information of DataDirect or its licensors (if any). User shall (i) limit use and disclosure of the Products to its employees and to its consultants who agree to be bound by the terms of this Agreement; (ii) not provide or disclose any of the Products to any other party without the prior written consent of DataDirect; and (iii) take all reasonable precautions to maintain the confidentiality of the Products. User agrees, under penalty of license termination but not exclusive of any other remedies, not to cause or permit the reverse engineering, modification, decryption, extraction, disassembly, copying, or decompilation of the Product(s) (except as permitted by applicable law). User may copy the Product(s) only for archival purposes. User may copy the Documentation (in electronic format) solely for the purpose of facilitating User's use of the Product(s) in accordance with, and subject to, the terms and conditions of this Agreement. User may not copy nor allow others to copy the Products or any Product Update, or any portion thereof, for any purpose other than expressly set forth herein. User agrees not to remove any product identification, copyright notices, or other notices or proprietary restrictions from the Products and may not disclose any information regarding any benchmark or similar tests of the Product to any third party.

4. Limited Warranty and Disclaimers. DataDirect warrants that for a period of thirty (30) days from User's purchase of the license to use the Products ("Warranty Period"), that the Product media will not be defective and that the copy of the Product delivered to you conforms in all material respects to the Documentation. As the sole and exclusive remedy for defective media, DataDirect will repair or replace free of charge such defective media during the Warranty Period provided such defective media is returned to DataDirect or its supplier within the Warranty Period. As the sole and exclusive remedy for any failure of the Product to materially conform to the Documentation, DataDirect shall repair, replace, or correct the Product if such failure is reported during the Warranty Period or, if DataDirect, at its discretion, reasonably determines that such remedy is not economically or technically feasible, this Agreement, and User's license hereunder, will terminate and DataDirect or its supplier (as applicable) shall provide a full refund of the license fee paid with respect to the particular Product. This warranty does not cover defects due to accident, abuse, service or modification by User or any third party, or any other cause occurring after initial delivery of the Product to User. This warranty is made solely by DataDirect and not its third-party suppliers, as applicable. DataDirect warrants that it has the right to license the Products. DataDirect will defend User against any claim based on an allegation that a Product infringes a U.S. patent or copyright, but only if DataDirect is notified promptly in writing of such claim and is given sole control of the defense thereof and all settlement negotiations relating thereto. Notwithstanding the foregoing, DataDirect shall not be liable to User for any claim arising from or based upon the alteration or modification of any of the Products. THE LIMITED WARRANTY SPECIFIED IN THIS SECTION 4

SETS FORTH THE ENTIRE WARRANTIES AND REPRESENTATIONS PROVIDED BY DATADIRECT TO USER WITH RESPECT TO THE PRODUCTS. SUCH LIMITED WARRANTY IS PROVIDED SOLELY BY DATADIRECT AND NOT DATADIRECT'S LICENSORS. EXCEPT FOR THE LIMITED WARRANTY PROVIDED SOLELY BY DATADIRECT TO USER PURSUANT TO THIS SECTION 4, NEITHER DATADIRECT NOR ITS LICENSORS, NOR ANY OF THEIR RESPECTIVE SUPPLIERS, MAKE ANY EXPRESS WARRANTIES OR REPRESENTATIONS RELATING TO THE PRODUCTS OR ANY SERVICES RELATED THERETO, AND FURTHER, TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, DISCLAIM ALL IMPLIED WARRANTIES AND REPRESENTATIONS INCLUDING, BUT NOT LIMITED TO, ALL IMPLIED WARRANTIES AND REPRESENTATIONS OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND NON-INFRINGEMENT, WITH RESPECT TO THE PRODUCTS AND ANY SERVICES RELATED THERETO. Without limiting the scope of the disclaimers set forth herein, DataDirect, for example, does not warrant that errors cannot arise during the use of the Product(s). Further, the Product(s) are not fault tolerant and are not designed, manufactured or intended for use in hazardous environments requiring fail-safe performance (including, without limitation, the design, construction, operation or maintenance of any nuclear facility; direct life support machines; weapon systems; or control of aircraft, air traffic, aircraft navigation or aircraft communications), in which the failure of the Product(s) could lead directly or indirectly to death, personal injury or severe physical or environmental damage. Without limiting the scope of the disclaimers set forth herein, DataDirect for itself and on behalf of its licensors and their respective suppliers, disclaims any express or implied warranty of fitness for any such high risk uses. THE LIMITED WARRANTY SPECIFIED IN THIS SECTION 4 GIVES THE USER SPECIFIC LEGAL RIGHTS, AND MAY ALSO IMPLY OTHER RIGHTS WHICH VARY FROM STATE TO STATE. SOME STATES DO NOT ALLOW THE EXCLUSION OR LIMITATION ON HOW LONG ANY IMPLIED WARRANTY LASTS, SO THE ABOVE LIMITATIONS MAY NOT APPLY.

5. **Limitation of Liability.** TO THE MAXIMUM EXTENT PERMITTED BY APPLICABLE LAW, THE LIABILITY OF DATADIRECT, IF ANY, FOR DAMAGES RELATING TO ANY PRODUCTS AND/OR SERVICES SHALL BE LIMITED TO THE ACTUAL AMOUNTS PAID BY USER FOR SUCH PRODUCTS AND/OR SERVICES. DATADIRECT'S LICENSORS AND THEIR SUPPLIERS SHALL HAVE NO LIABILITY TO USER FOR ANY DAMAGES SUFFERED BY USER OR ANY THIRD PARTY AS A RESULT OF USING THE PRODUCTS, OR ANY PORTION THEREOF, OR AS A RESULT OF ANY SERVICES RELATING THERETO. NOTWITHSTANDING THE FOREGOING, IN NO EVENT SHALL DATADIRECT, ITS LICENSORS, OR ANY OF THEIR RESPECTIVE SUPPLIERS BE LIABLE FOR ANY LOST REVENUE, PROFIT OR DATA, OR FOR INDIRECT, PUNITIVE, SPECIAL, INCIDENTAL OR CONSEQUENTIAL DAMAGES OF ANY CHARACTER, INCLUDING, WITHOUT LIMITATION, ANY COMMERCIAL DAMAGES OR LOSSES, HOWEVER CAUSED AND REGARDLESS OF THE THEORY OF LIABILITY, ARISING OUT OF THE USE OR INABILITY TO USE THE PRODUCTS, OR ANY PORTION THEREOF, OR ANY SERVICES, EVEN IF DATADIRECT, ITS LICENSORS AND/OR ANY OF THEIR RESPECTIVE SUPPLIERS HAVE BEEN INFORMED OF THE POSSIBILITY OF SUCH DAMAGES. SOME STATES DO NOT ALLOW THE EXCLUSION OF INCIDENTAL OR CONSEQUENTIAL DAMAGES, SO THE ABOVE LIMITATIONS MAY NOT APPLY. EACH EXCLUSION OF LIMITATION IS INTENDED TO BE SEPARATE AND THEREFORE SEVERABLE EXCLUSION.

6. **Export Regulations.** The Products, including technical data, are subject to U.S. export control laws, including, without limitation, the U.S. Export Administration Act and its associated regulations, and may be subject to export or import regulations in other countries. User shall not directly or indirectly export or re-export the Products, or the direct product thereof, without first obtaining DataDirect's written approval. User agrees to comply strictly with all regulations and acknowledges that it has the responsibility to obtain licenses to export, re-export or import the Products. The Products may not be downloaded, or otherwise exported or re-exported (i) into, or to a national or resident of, Cuba, Iraq, Iran, North Korea, Libya, Sudan, Syria, Taliban and areas of Afghanistan controlled by the Taliban, or any country to which the U.S. has embargoed goods; or (ii) to anyone on the U.S. Treasury Department's list of Specially Designated Nations or the U.S. Commerce Department's Table of Denial Orders as amended from time to time.

7. **U.S. Government Restricted Rights.** If the Products are being acquired by or on behalf of the U.S. Government or by a U.S. Government prime contractor or subcontractor (at any tier), then the U.S. Government's rights in the Products will be only as set forth herein. Each such Product is a "commercial component," as this term is defined in 48 C.F.R. §2.101, consisting of "commercial computer software" and "computer software documentation," as such terms are defined in 48 C.F.R.

§252.227-7014(a)(1) and 48 C.F.R. §252.227-7014(a)(5), respectively, and used in 48 C.F.R. §12.212 and 48 C.F.R. §227.7202, as applicable, and all as amended from time to time. Consistent with 48 C.F.R. §12.212 and 48 C.F.R. §227.7202, and other relevant sections of the Code of Federal Regulations, as applicable, and all as amended from time to time, all U.S. Government entities acquire this Product only with those rights set forth in the license agreement accompanying the Product. Contractor/manufacturer is DataDirect Technologies, an operating company of Progress Software Corporation, 14 Oak Park, Bedford, MA 01730. Unpublished – all rights reserved under the copyright laws of the United States.

8. **Records Inspection and Auditing of Usage.** User shall maintain books and records in connection with User's actions under this Agreement. Such records shall include at a minimum the number of licenses purchased and being used by User. Upon the request of DataDirect, User agrees to provide a declaration signed by an authorized representative certifying as to the actual number of units (for example users, servers, CPUs per server, connections, or operating systems, as applicable and as defined in Appendix 1) of the Product(s) currently in use by User. DataDirect may, at its expense: (a) have DataDirect or a third party audit the records of User to ensure compliance with the terms of this Agreement, (b) bundle, install, enable and utilize automated license tracking, management, and/or enforcement solutions with the Products, which User may not disrupt nor alter, (c) require User to demonstrate the accuracy of the records referenced herein, (d) visit the premises of User and inspect User's use of the Product(s) and (e) evaluate User's network monitoring software or monitoring capabilities to confirm that it adequately protects against User's breach of the provisions of this Agreement and the license granted hereunder. All audits shall be conducted during regular business hours at User's offices and shall not interfere unreasonably with User's activities. If any audit reveals that User has underpaid license and/or support fees to DataDirect, User shall be invoiced for such underpaid license and/or support fees based on DataDirect's list price in effect at the time the audit is conducted. If the underpaid license and/or support fees are in excess of five percent (5%) of the license fees previously paid by User, then User shall pay DataDirect's reasonable costs of conducting the audit and enforcement of this Agreement.

9. **Support.** If DataDirect offers support and User orders and pays for such support, it shall be provided in accordance with DataDirect's then current technical support policies.

10. **Miscellaneous.** THIS AGREEMENT, INCLUDING ANY EXHIBITS, AND/OR SCHEDULES, EXPRESSLY REFERENCED HEREIN, CONSTITUTES THE COMPLETE AGREEMENT BETWEEN THE PARTIES WITH RESPECT TO THE PRODUCTS AND, EXCEPT AS OTHERWISE EXPRESSLY STATED IN THIS SECTION 10, SUPERCEDES ANY OTHER AGREEMENT, COMMUNICATION OR ADVERTISING, ORAL OR WRITTEN, WITH RESPECT TO THE PRODUCTS. To the extent there are any terms and conditions contained in User's purchase order or other documentation supplied by User ("User Documents"), the terms and conditions contained in the User Documents shall be deemed to be stricken and the terms and conditions of this Agreement shall govern. This Agreement has been drawn up in English at the express wish of the parties. Le présent contrat a été rédigé en anglais à la demande expresse des parties. Except as otherwise expressly set forth herein, this Agreement is governed by the laws of the State of Michigan, without regard to its choice of law principles, and without regard to the provisions of any state Uniform Computer Information Transactions Act or similar federal, national or state laws or regulations. The parties expressly disclaim the application of the United Nations Convention on Contracts for the International Sale of Goods. If the Products are acquired outside the United States and local law is required, such local law shall apply. If any provision of this Agreement is held to be unenforceable, such provision shall be limited, modified or severed as necessary to eliminate its unenforceability, and all other provisions shall remain unaffected. DataDirect's failure to enforce any provision of this Agreement shall not be deemed a waiver of such provision.

Appendix 1 to Exhibit D

License Model

The license grant listed in Section 1 for the ODBC Software described in Exhibit C is subject to the following descriptions and use restrictions:

(a) Authorized User Basis. Not Applicable.

(b) Workstation Basis. Not Applicable.

(c) Server Basis. If the Product is licensed on a Server basis, then a license fee must be paid for the maximum number of processors ("CPUs") utilized by the Server whether or not such access is simultaneous or consecutive. Servers utilizing dual core processing (or multiple core processing) or other multi-processor technology shall have each core processor count as one (1) CPU. The Product may only be used by server-based applications running on that server accessed by other computers and may not be installed via file sharing on a local area network file system. A "Server" shall be defined as a logical computer with one or more CPUs on which the Product resides, along with the applications utilizing the Product, and which can be accessed by other computers. The term "Server" includes, but is not limited to, web servers, batch servers and application servers.

(c) Evaluation Basis. Not Applicable.

(e) Developer Basis. If the Product is licensed on a Developer basis, then it is licensed on an Authorized User basis or on a Server basis, as indicated in Exhibit C, subject to the additional restriction that it be used only by developers on development machines for the purpose of developing new applications. Use of the Developer Product to run applications in a production environment or to embed the Developer Product in a User product is expressly prohibited. A separate license must be obtained from DataDirect to run the Product in a production environment or to embed the Product in a User product. Notwithstanding anything to the contrary in DataDirect's SupportLink Terms and Conditions, support for Developer Product is limited to telephone and web-based support solely with problems associated with the initial development of the application. Support shall not be provided with respect to questions and/or problems regarding production environments, run-time issues or troubleshooting for applications that have been previously developed.

(f) Test Basis. Not Applicable.

(g) Connection Basis (for DataDirect Connect *for* ODBC only). If the Product is licensed on a Connection basis, then a license fee must be paid for both the maximum number of simultaneous Connections utilized by the Server and the maximum number of processors ("CPUs") utilized by the Server whether or not such access is simultaneous or consecutive. A "Connection" shall be defined as the driver state after a successful call to SQLConnect, SQLDriverConnect, or SQLBrowseConnect and before termination of this state, normally through a successful call to SQLDisconnect. Servers utilizing dual core processing (or multiple core processing) or other multi-processor technology shall have each core processor count as one (1) CPU. The Product may only be used by Server-based applications running on that Server accessed by other computers and may not be installed via file sharing on a local area network file system. A "Server" shall be defined as specified in Section (c) above.

(h) Connection Basis (for DataDirect Connect *for* JDBC only). Not Applicable.

(i) Connection Basis (for DataDirect Connect *for* ADO.NET only). Not Applicable.

(j) Bulk Loading Features. Not Applicable.

(k) MVS or OS/390 Operating System Image Basis. Not Applicable.

(l) Additional Use Parameters.

(1) *Application Specific*. If the Order Letter lists a specific application authorized for use with the Product, or if User obtained a Product in conjunction with a software application provided by a third party, the Product is licensed for use only with such application. Use with any other application/product is strictly prohibited.

(2) *Term*. Not Applicable.

(3) *Operating Systems or Platforms*. If Exhibit C specifies that User's license to the Products is limited to a specific Operating System ("OS") or Platform, then the Product is licensed with the additional restriction that it be used solely in conjunction with the specified OS or Platform. Use with any other OS or Platform is strictly prohibited.

(4) *Disaster Recovery*. Not Applicable.

(5) *DataDirect Connect for* ODBC, *DataDirect SequeLink for* ODBC, DataDirect OpenAccess *for* ODBC for Salesforce Data Source, DataDirect OpenAccess *for* ODBC for Wonderware Data Source, and DataDirect OpenAccess *for* ODBC for Intellution FIX and Dynamics Data Sources. If the Product licensed to User is DataDirect Connect *for* ODBC, DataDirect SequeLink *for* ODBC, DataDirect OpenAccess *for* ODBC for Salesforce Data Source, DataDirect OpenAccess *for* ODBC for Wonderware Data Source, or DataDirect OpenAccess *for* ODBC for Intellution FIX and Dynamics Data Sources (each the "Licensed Product"), the following additional requirements shall apply: DataDirect has licensed, and has rights to sub-license certain third party software that is part of the ODBC SDK components and which is usable for certain non-Windows platforms – Mac OS, OS/2, HP-UX, AIX, Linux, Solaris, and other non-Windows operating systems. This section sets forth the conditions that govern User's permitted use of the various non-windows SDK components: User is not licensed to use the ODBC Core Components (hereinafter defined) other than with the Licensed Product. Use of the ODBC Core Components with any ODBC drivers other than the Licensed Product is expressly prohibited. User may not embed in any products, or otherwise sub-license the ODBC Core Components, without a separate license agreement. For the purposes hereof, the term "ODBC Core Components" shall mean the ODBC Driver Manager and support files for non-Windows operating systems. A separate license must be obtained from DataDirect if User wants to embed and sub-license the ODBC Header Files (hereinafter defined) with any software product. For the purposes hereof, the term "ODBC Header Files" shall mean the text files for compilation and development of software.

(6) *DataDirect Connect for* JDBC *or DataDirect SequeLink for* JDBC. Not Applicable.

(7) Products licensed for the Microsoft SQL Server database. If the Product licensed to User is licensed for the Microsoft SQL Server database the following shall apply: The Product contains a licensed implementation of the Microsoft TDS Protocol. User may only use the Product to communicate data to and from Microsoft SQL Servers. Additionally, User must separately obtain a license from Microsoft or its channel partners for any Microsoft software products used by User.

(8) DataDirect XQuery. Not Applicable.

(9) Stylus Studio Products. Not Applicable.

DataDirect EULA Revised 09/10/09

Exhibit E

Standard Support for the ODBC Software

The following sets forth what is included in "Standard Support" for the ODBC Software:*

Feature	Standard Support
Direct Contact for Severity 1 Issues with a live technical support person or a call back within:	1 hour
Access to Telephone Support	24 hours

Technical and Online Support Services

- Remote Diagnostics
- Online access to log, update, track and escalate requests
- Knowledge Base
- White papers
- Progress Communities support forums
- Access to critical problem alerts
- Web access to the electronic download center
- Access to new releases
- Access to service packs
- Access to bug fixes
- Access to new ports and certifications
- Notice of new product releases

*For the ODBC Software licensed for use only on a Development System, as set forth in Exhibit C, "standard support" consists only of telephone and web based support for problems associated with the initial development of the State's applications.

Form No. DMB 234 (Rev. 1/96)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract will not be executed unless form is filed

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET November 19, 2010
PURCHASING OPERATIONS
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

NOTICE
OF
CONTRACT NO. 071B1300109
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR **Integris Inc.** **12125 Technology Drive** **Eden Prairie, MN 55344** **Email: Renee.Owings@ingenix.com**	TELEPHONE (517) 327-2280 Renee Owings CONTRACTOR NUMBER/MAIL CODE BUYER/CA (517) 373-3993 **Dale N. Reif**
Contract Compliance Inspector: Mark Lawrence **DATA WAREHOUSE IMPLEMENTATION AND SERVICES**	
CONTRACT PERIOD: **5 yrs. + 2 one-year options** From: **November 16, 2010** To: **November 15, 2015**	
TERMS **N/A**	SHIPMENT **N/A**
F.O.B. **N/A**	SHIPPED FROM **N/A**
MINIMUM DELIVERY REQUIREMENTS **N/A**	
MISCELLANEOUS INFORMATION:	

TOTAL ESTIMATED CONTRACT VALUE: $14,733,584.00

Form No. DMB 234 (Rev. 1/96)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract will not be executed unless form is filed

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. 071B1300109
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR **Integris Inc.** **12125 Technology Drive** **Eden Prairie, MN 55344** **Email: Renee.Owings@ingenix.com**	TELEPHONE (517) 327-2280 Renee Owings CONTRACTOR NUMBER/MAIL CODE BUYER/CA (517) 373-3993 **Dale N. Reif**
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MINIMUM DELIVERY REQUIREMENTS **N/A**	
MISCELLANEOUS INFORMATION: **The terms and conditions of this Contract are those of RFP-DR-071I0200068, 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: $14,733,584.00**	

THIS IS NOT AN ORDER: Orders for delivery will be issued directly by the Department of Treasury 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:	**FOR THE STATE:**
Integris Inc. Firm Name	Signature
Authorized Agent Signature	Name/Title IT Division
Authorized Agent (Print or Type)	Division
Date	Date

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

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

Contract Number: 071B1300109

Article 1 – Statement of Work (SOW)

1.000 Project Identification

1.001 PROJECT REQUEST

The purpose of this Contract is:

1. To purchase a replacement for the current data warehouse (to include the hardware platform, system operating software, system maintenance, and migration services) to migrate from the existing system to the new system (see section 1.104-A).
2. To obtain information about optional data analysis tools to enable the use of advanced/predictive analytics along with the training to use them (see section 1.104-A.3).

1.100 Scope of Work and Deliverables

1.101 IN SCOPE

Hardware Acquisition: the Contactor must acquire, deliver and assist with the installation of the new platform. The State must approve the installation plan.

Hardware Installation including integration into the State"s Enterprise Backup and Recovery service: The State will provide any hardware racking infrastructure, including server racks, Keyboard, Video, Mouse (KVM), network switches, routers, etc. These items are not to be included in any cost model.

Installation and migration: Working with MDTMB Data Center Operations (DCO), Technical Services, Telecommunications and the Office of Enterprise Security (OES), the Contractor must configure and harden the new systems to meet the operational and security requirements of the State. Once the system is installed, configured and is operational, the Contractor must work with MDTMB DCO and each user agency to migrate the data from the existing platform.

Software Acquisition: the Contactor must acquire, deliver and assist with the installation of the new platform. The State must approve the installation plan.

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

1.102 OUT OF SCOPE DELETED NA

1.103 ENVIRONMENT

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

All services and products provided in this Contract must comply with all applicable State IT policies and standards. The Contractor must request any exception to State IT policies and standards in accordance with MDTMB processes. The State may deny the exception request or seek a policy or standards exception.

Enterprise IT Policies, Standards and Procedures:
http://www.michigan.gov/dit/0,1607,7-139-34305---,00.html

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

It is recognized that technology changes rapidly. The Contractor may request, in writing, a change in the standard environment, providing justification for the requested change and all costs associated with any

change. The State's Project Manager must approve any changes, in writing, and MDTMB, before work may proceed based on the changed environment.

Enterprise IT Security Policy and Procedures:
All computer information systems and applications operate in a secure manner and comply with State Enterprise IT Security Policy and Procedures as found on the website:
http://www.michigan.gov/dit/0,1607,7-139-34305-108216--,00.html

The State's security environment includes:

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

IT Strategic Plan:
http://www.michigan.gov/dit/0,1607,7-139-30637-135173--,00.html

IT eMichigan Web Development Standard Tools:
http://www.michigan.gov/documents/Look_and_Feel_Standards_2006_v3_166408_7.pdf

The State Unified Information Technology Environment (SUITE):
Includes standards for project management, systems engineering, and associated forms and templates – must be followed: http://www.michigan.gov/suite

Agency Specific Technical Environment
The agencies that use the Teradata use a range of databases and operating systems including Oracle on HP/UX, Solaris and Windows, SQL/Server on Windows and My SQL on Linux. All of these environments must be able to directly access data on the new platform and must be able to feed data to the data warehouse.

The State supports a common Business Objects reporting/query system that is used by several agencies to access the data warehouse. It runs on HP/UX with an Oracle 10g repository.

The Department of Community Health the Department of Treasurt and the State Court Administrative Office use BI/Query to access the data warehouse.

1.104 Work and Deliverables

A. General Platform Requirements

1. The data warehouse platform must be installed and in operation by February 18, 2011. The hardware must be installed and fully operational by January 15, 2010

2. The data warehouse platform (hardware and associated software) delivered must support the current widely mixed workload along with the anticipated 25% year over year growth in data and processing power. In addition the Contractor must provide necessary supporting services including data migration from the existing platform training for administrators, developers and end users to most effectively use the capabilities of the new platform, and installation and configuration services.

3. The State must be able to perform all of its testing and development on a separate platform. Because of this, the Contractor must provide a combination test/development/Disaster Recovery (DR) platform with at least 2/3 of the capacity of the production system. Both the production and combination test/development/ DR systems must run the same operating system be technically the same architecture.

4. The data warehouse hardware and software must have at least five (5) years of support available from the manufacturer.

B. Hardware Requirements

1 Contractor will provide a production solution and a separate test/development/disaster recovery (DR) solution. The test/development/DR solution must be technically the same architecture as the production solution but sized to be 2/3 the capacity of the production solution.

2 The hardware platform must perform tasks, using a widely mixed workload of tactical and strategic queries and load, for, at a minimum, the next five years to provide equal or better performance than the current platform and must accommodate the projected growth of 25% year over year in both data and processing demand. (See Attachments A & B and Sections 1.104-A.4f&g).)

3 The system must be highly available with redundant internal components for automatic and seamless failover. The system must maintain 99.75 percent availability, to be measured via metrics on an monthly basis, with the exception of scheduled maintenance windows. The system's hard disk drives, if proprietary must be configured so the State has an option to purchase (Redundant Array of Independent Disks) RAID 1+0 or RAID 5 (3+1) configurations. If the system hard drives are not proprietary, then they must utilize Level 1 Raid 1+0 SAN disk or Level 2 Raid 5 (3+1) disk from the State's enterprise EMC Storage environment. The production system must also be configured to utilize the State's enterprise Netbackup backup solution or if that is not technically possible, it must be configured to have its own backup solution.

4 The system must be linearly scalable to meet the State's projected growth of 25% per year.

5 The system must be configured to connect to the State's network with redundant Network interface connectors. *The State strongly prefers 10/100/1000 Copper LAN adapters for its Hosting Center.*

6 If necessary, the Contractor must provide all necessary hosting center hardware to support Console operations for the purposes on on-site software administration and/or the monitoring of system hardware. The State utilizes CA-unicenter agents for monitoring all server based platforms on a regular basis.

7 The hardware must include climate saving features, and must be configured for redundancy and resiliency and standardized in the State's hosting and remote environments. The hardware must be architected in an energy efficient manner, and not take up more than 10, 24 inch x 24 inch floor tile squares of space in the State's hosting center.

8 The solution must also take advantage of the State's hosting center Uninterruptable Power Systems (UPS) environment and not be configured with any standalone UPS's.

9 Contractor will provide a production system consisting of 7 servers (five Teradata 5650-H nodes) (three nodes and two HSN) (one Viewpoint Managed Server and one TMSM Managed Server).

10 Contractor will provide a test/development/DR system consisting of 5 servers (i.e., three 5650-H nodes (two nodes and one HSN), one Viewpoint Managed Server and one TMSM Managed Server.

11 Specifications for both systems will consist of the following:

Quick Reference		
	Production	**Test/Dev/DR**
TPerf *	357	238
Max Perm (in GB)	74225	49483
CDS (in Terabytes)	41.291	27.527
Disk Size (in GB)	300	300
Number of Disk Drives	564	376
RAID Configuration	1	1
# Nodes	3	2
# Hot Standby Nodes	2	1
Memory/Node (GB)	96	96
Amps/Node	47	47
Parsing Engines/Node	2	2
Processor	2.93GHz Xeon Six Core	2.93GHz Xeon Six Core

12. Contractor will provide a detailed list of all hardware components required for both production and test/development/DR systems, including the Viewpoint and Teradata MultiSystem Manager servers.

13. Contractor will provide price estimates for Service Workstation (SWS) tower to rack conversion kit and rack mounted server. The State wishes to consider this option as it was not included in Contractor's original proposal.

14. Contractor will provide an optional price proposal for purchase, installation and implementation of the Teradata Dual Active solution, including two additional servers to be added to the configuration (i.e., one Query Director Managed Server and one Data Mover Managed Server) for a total of 9 servers in the system cabinet for the production system and two additional servers to be added to the configuration (i.e., one Query Director Managed Server and one Data Mover Managed Server) for a total of 9 servers in the test/development/DR system cabinet

C. Software Requirements

1 The Contractor must provide:

- Operating system software
  - Data warehouse optimized database software (DBMS)
  - Administrative software
  - Query software
  - Backup and Restore software
  - (Optionally) analytics software.

2 The data warehouse optimized Database Management System (DBMS) software must be specialized to enable fast and flexible data warehouse designs with both dimensional and normalized models. The proposed software must be the most current, stable, release. The software must support ANSI 98 with analytic extensions. The system software must support callable functions that handle common database processing faculties which can be created or modified by developers. The DBMS must support role-based security. It must support the State's internal chargeback methodology by providing a mechanism that assigns databases and users to their respective agencies and provides for the tracking of disk storage usage and processor utilization. The logging of all queries on the system with their performance metrics and origination information must be supported. The DBMS must be capable of Workload Management functions, including the ability to define distinct operating time frames, query prioritization based on user groups and workloads and system performance standards. The DBMS must support the encryption of data at rest.

3 The State has a substantial investment in Geographic Information Systems (particularly with ESRI software) and has implemented them in multiple agencies. In the past it has required some complex workarounds to integrate the data warehouse with these systems. As such the DBMS must provide support for Geographical objects and services including points, regions, and geo-coding.

4 The administrative software must support monitoring and management to allow the State database administrators (DBAs) to manage the performance of the data warehouse and ensure that high priority queries are completed in acceptable times, while allowing lower priority queries and loads to complete as required. The software must provide the ability to define operating time frames, workloads and assign priority levels. The system monitoring software must provide a near real-time picture of database operations with the ability to manually attend to poorly performing processes. The system monitoring software must also provide the ability to set up alerts based on system conditions.

5 Query software must direct access to the warehouse for executing SQL queries.

6 All data warehouse basic query, GIS, and monitoring tools must be provided with an enterprise site license so that any state user (DBA in the case of the monitoring tools) can have access to them.

7 The Contractor must provide Load and Unload Utilities, including a natively supported utility capable of network traffic encryption that can be leveraged by IBM Data Stage.

8 The Contractor must provide a software subscription to all current and future supported versions of their Database System Software and the OS it resides on, their Load and Unload Utilities, their backup and restore software and any extensions/plug-ins and other support choice of licensing options for this software for all State servers and clients.

9 The Contractor must include a Backup and Restore solution that must include the Netbackup extensions to tie in with the State's existing Enterprise Backup and Restore resources OR the Contractor must provide an entirely different Backup and Restore solution. Optionally, the Contractor may propose to implement a system that includes replication services and the ability to leverage the test/development/DR system's computing and storage resource for query processing.

10 The Solution must be compatible with existing State tools (any adapters required for interoperability with this software must be included in the price) including:
- Extraction/Transformation and Load (ETL): IBM Data Stage
- Reporting: SAP Business Objects and Open Text BI Query
- Existing State COTS products such as Treasury's ESKORT, (see Attachment B for details)

11 The platform must be able to communicate via a natively supported protocol, JDBC, ODBC, and OLE-DB.

12 The platform must contain a full suite of utilities for loading data to the data warehouse including a mechanism to add new data in small amounts throughout the day (similar to the Teradata TPump).

13 The Contractor's solution must include all software and operating system installation and configuration for both the primary production and test/development/DR platforms.

14 The Contractor will include Analytic Software (Teradata Warehouse Miner).

15 Contractor will provide all operating system software, Teradata Database software, Teradata Tools and Utilities including Teradata Parallel Transporter software, Viewpoint and Teradata Multi-System Manager software.. Teradata Warehouse Miner software will also be included.. The State prefers Teradata Database Release 13.10.

16 Software for Capacity on Demand will be provided.

17 The State also requests that Contractor provide site licensing and a software subscription. All reference manuals 2will be provided either in hard copy form or by CD.

18 Contractor will also provide access to Teradata's customer web site, Teradata @ Your Service, through a specified contract number.

19 Contractor will provide Netbackup extensions to utilize the State's Enterprise BackUp and Recovery solution. Current Netvault licenses have been proposed to be converted to Netbackup licenses and Contractor will provide any necessary additional licenses to fully utilize the State's EBUR and SAN disk storage for recovery and Disaster Recovery requirements.

D. Implementation and Migration Requirements

1 The Contractor must implement the new production platform. Implementation consists of installing (at the State's site) and configuring the new Production platform and migrating the databases from the current data warehouse to the new production platform for formal acceptance testing. If this test is successful then the Contractor must install and configure the test/development/DR platform at the DR site (this may involve repurposing the current production platform), migrate data to the test/development/DR system as requested by the State and decommission the current 5380 system (the current test/development/DR system) per the **State – Secure Disposal of Installed and Removable Digital Media policy.** If the new platform is not a Teradata system the Contractor must decommission the State's 5450 (the current production system) system after all conversion and testing have been successfully completed.

2 If the Contractor is capable of using the State's Backup and Restore system, the Contractor must work with the State to configure the connection to the network interface to the backup solution. If the Contractor provides a proprietary Backup and Restore system they will be required to price, install and configure it as part of the implementation. The Contractor's backup and restore solution must have the ability to provide point-in-time recovery of data to the last completed transaction. This solution must have the ability to allow for continued use of the system during backup with no more than 25% total degradation to other functions. The solution must have the ability to provide a complete backup and restore process for all database tables and system files. The solution must have the ability to create on request backups. The back up and archival features of the system proposed must be initiated automatically or by manual request

3 The Contractor must provide staff to manage the implementation process including a Project Manager with at least three (3) years of system implementation/migration experience and a support crew of experienced professionals.

4 Testing will be in two phases.

- The first phase is a benchmark/proof of concept test to ensure that the system can successfully manage the expected mix of queries, loads and applications that will be seen in production. To do this the State will provide the Contractor with a script of processes to run that will simulate a heavy day's activity on the current data warehouse. Data from the production warehouse will be provided to the Contractor and must be loaded (without change to the current schemas) on the platform for the test. Performance on the new platform must match or exceed the performance on the existing system, without exceeding 30% of processor capacity more than 10% of the time.
- The second phase of testing will be part of the systems conversion process in which each converted system must pass system tests, parallel tests and load tests to ensure that they will provide the State with correct results with the same or improved functionality and performance. The Contractor will work with the State to develop and run the tests. If the results are not correct or if the performance of the processes does not meet requirements of the Contract, the Contractor will be required to correct the problems.

5. Contractor will provide installation, and implementation services of Netbackup software and extensions. Also, conversion of any existing tape files that Agencies may require a long retention to carry forward must be included in the Migration Project Plan.

6. Contractor will develop a project plan to order, stage and receive the 5650 hardware for both production and test/development/DR systems.

7. The State will assume site preparations including hardware placement, any racking not included in this contract, network connections and patch panels, floor reinforcing and dual electrical connections.

8. The State will receive all hardware components for the production system and the test/development/DR system at their respective hosting center sites.

9. Contractor, through its subcontractor, Teradata will uncrate and unpack all hardware components, inventory all hardware and software components and determine if all required components have been shipped. Contractor will position the hardware in the areas determined and prepared by the State. Teradata Customer Service Representatives will install and configure the hardware, perform all required system preparations and testing, install the operating system and database management system, including the most current patch releases. These tasks will be performed for both the production and test/DR systems. Capacity On Demand software will also installed and configured at a minimum of 50% of CPU and storage for both production and test/development/DR.

10. Once the new production system is up and available for testing by the State, a benchmark will be performed by State representatives prior to the first data and object migration.

11. Following the Proof-Of_Concept, the first data and object migration from the current 5450 production system to tne production 5650 system will be performed by Teradata representives. Testing by State representatives will follow for a period to be determined by the State and Contractor.

12. Teradata representatives will either harden the operating systems of the two 5650 platforms either prior to shipment or shortly following the first migration. This hardening will be to PCI standards. Following this step, State personnel will complete the hardening process to State and Federal Audit standards. Vulnerability scans will be executed against all nodes and servers until they pass. This process applies to both the test and production environments.

13. Following an acceptable period of testing, a second migration of data and objects will be performed by Teradata representatives. A go-no go decision to determine if the new production platform is operational will be made after the second migration and a short period of testing.

14. By mutual agreement between the State and Contractor, the installation and migration of data and objects from the 5380 platform to the new 5650 test/development/DR platform may commence either following first the migration period on the new production system or following the final migration.

15. A period of testing by the State will follow the migration of data and objects from the 5380 to the 5650 test/development/DR system. By determination of State representatives, results of testing will be certified.

E. Training Requirements

1 The Contractor must provide training to allow the State to fully maintain, and expand the data warehouse, databases on the warehouse, security and queries that access the warehouse.

2 The State will supply any required facilities, but classes may also be held in the Contractor's Lansing, MI area facility, if available. The State will not pay for the trainer's travel.

3 In addition to the initial training the Contractor must provide sufficient credits to allow up to 10 staff members a year to train in administrative, development, or designer topics.

4 The Contractor must provide train the trainer classes to enable the State to train end user, analysts and developers in the future

5 Upgrades and new versions to the system that affect end-user functionality must include training at no additional cost (e.g. classroom or online training, training flier, release features, etc.)

6 The Contractor must develop and provide all training manuals, training plans and other documentation for training classes. All training materials provided become the property of the State.

7 Contractor will utilize Teradata Customer Education organization to provide the required Teradata training. They provide a combination of web technology through the Teradata Education Network, along with hands-on classroom training, which provides each user level with a wide range of opportunities to

gain knowledge. Our flexible education options build upon and complement one another to give you a cost effective, robust education offering.

Teradata has developed a series of customized training plans specific to each support role and has subsequently mapped training offerings to these roles. Following are Teradata's description of the various project roles (functions) for a Teradata project:

- Data Warehouse Modeler
  Responsible for transforming business information requirements into data models, which are then used to define the requirements for designing and building the data warehouse. Also may be responsible for building and maintaining metadata for the data warehouse.
  - Data Warehouse Analytical Modeler
    Responsible for defining and creating analytical models for advanced data mining. The DW Analytical Modeler may be proficient in one or more data mining tools, such as Teradata Warehouse Miner.
  - Data Warehouse Technical Specialist
    Responsible for transforming a logical data model into a high performance Teradata Database, including the creation/testing of table structures, indexes, views etc. The Data Warehouse Technical Specialist is also responsible for the design and construction of data transformation and data load from external systems.
  - Data Warehouse Administrator
    Responsible for monitoring and maintaining a production Teradata data warehouse environment. Duties may include runtime operation, capacity management and planning, system tuning, security, user definitions, configuration, and scheduling/execution of maintenance.
  - Data Warehouse Architect/Designer
    Responsible for identifying the hardware and software components of a data warehouse solution - interfaces, protocols, services, standards, and product technical requirements.
  - Data Warehouse Application Specialist
    Responsible for data warehouse Extract, Transform and Load (ETL), application development, and maintenance.
  - Data Warehouse Business User
    The business user is the "consumer" of the data warehouse and typically is aligned with a business organization. The business user may access the Teradata system through SQL, a BI tool, Teradata Warehouse Miner, or a specialized application.
  - Data Warehouse Project/Program Management
    Responsible for ongoing program/project management of Teradata system implementations.

Teradata will provide student guides to each student attending a classroom course. As an example of some of the materials available for each class include a class description from the Education Catalogue, a Table of Contents from the training manual and example pages from the training manual.

The Contractor will provide the following training:

- Teradata Warehouse 13 Differences – Audience may be anyone from an end user to a Systems Administrator, based on job function. We would anticipate that your System Administrator, Designers, and Developers would attend this training. This will be Web based.
- System Administration – Audience is the ten (10) System Administrators as defined in the RFP. This will be addressed through the memberships in the Teradata Education Network described below and the annual on-site training allotment described below.
- Analytic Training – Teradata Warehouse Miner - One (1) five (5) day on-site Teradata Warehouse Miner training course for up twelve (12) State staff. This course will be instructed by the Teradata Education Network Organization at a date as may be mutually agreed upon by the State, Contractor and Teradata. This hands-on workshop will provide an introduction to the Teradata Warehouse Miner software. Participants will first learn about basic data mining terms and techniques and then work through a series of hands-on exercises intended to highlight the analytical techniques and other data manipulation functions that Teradata Warehouse Miner contains. This workshop covers the topics included in the Profiler, ADS Generator, and Analytic Algorithms courses.

On-going Training.

- The Contractor will provide conference passes for up to three (3) State staff to attend the Teradata Partners Conference each year during the five (5) year term of the Contract. The State will be responsible for travel and lodging costs associated with the conference.
- The Contractor will provide Teradata Education Network Plus (TEN+) Membership – annual membership for each year of the Term of the contract for up to ten (10) named system administrators per year. The proposed TEN+ Membership will be provided as a State group Membership and one member of the State team will be provided with Membership authorization and tracking capabilities. Each individual Membership (i.e., one (1) member of the total allotted ten (10) members) will be assigned to a named staff member, assigned at the option of the State. Should there be a change is job assignments that requires a subsequent reassignment of the TEN+ named user access during the first six (6) months of each annual term of the TEN+ Membership, such changes may be made by the State at no additional cost. Changes in the named user access cannot be made during the last six (6) months of any annual term of the TEN+ Membership.
- The Contractor will provide On-site customized training – up to eight (8) days of on-site Teradata classes at a State site for up to twelve (12) students per class for each year of the term of the Contract. The curriculum for these classes can be in any subject area that Teradata has in their curriculum and the Contractor will work with the State to select and create a customized curriculum that best meets its needs, when it need the training. The on-site training will be delivered at a State or an Contractor facility in the Lansing, Michigan area as may be mutually agreed with the State. The Contractor understands that the State will not pay for the trainer's travel expenses.

Teradata Professional Network Plus (TPN+) provides each named user with unlimited access for each year of the term of the Contract to:

- All structured, self-paced, web-based Teradata training courses covering the latest in Teradata, including software changes and updates as they become available.
- Live, online interactive courses featuring current Teradata technical instruction, overviews, tips, and more.
- White papers, analyst reports, Orange Books, and articles from top subject matter experts.
- Group Membership Manager provides the capability to manage and report on the training progress of your membership group.

The proposed approach with the Teradata Professional Network Plus (TPN+) Membership provides the State with the following benefits:

- Just-in-time learning - whenever your staff are ready, or need to learn – access from anywhere, at any time.
- Capability to create an individual learning plan by job role and certification levels, resulting in a self-managed education plan.
- Ability to interact with experts and other Teradata users.

F. Documentation Requirements

The Contractor must supply documentation for each area of its products including the data warehouse hardware and software, containing sufficient information for MDTMB Data Center Operations (DCO) staff to manage and maintain the data warehouse platform. In addition documentation must be provided for developers and end users to design databases, queries, updates and applications that can run most efficiently on the data warehouse platform.

1. A minimum of two (2) copies of the following documentation in an electronic format, online and in hard copy must be provided:
    a. Platform User and Technical Manuals - On-line and hard copy
    b. Platform Operations Manual
    c. All updates of documentation during the term of the Contract, software license and maintenance agreement
    d. SQL specifics tailored to the platform
    e. Interfacing requirements for third party tools and in-house applications

2. The following documentation must be provided for all modules and program development:
   a. System-wide documentation and specifications
   b. Baseline End-User training manuals to be used as a basis for "User Manuals" and online help
   c. Installation procedure
   d. Module configuration documents sufficient for configuration maintenance purposes
   e. Testing scripts
   f. Specification documentation
   g. Production migration

3. The documentation of components, features, and use of the hardware/software must be detailed such that resolution of most problems can be determined from the documentation, and most questions can be answered.

4. All system, operational, user, change, and issue documentation must be available in electronic format, published to an intranet website, accessible to State users, updated regularly, with unique numerical identifiers for each section and be consistent with the most current version of the application(s) and three (3) previous versions.

5. All system, operations, user, change and issue documentation is to be organized in a format, which is approved by the State and facilitates updating and allows for revisions to the documentation to be clearly identified including the three (3) previous versions.

6. The Contractor must develop and submit for State approval complete, accurate, and timely system, operations, user, changes and issue documentation. Drafts must be available within 60 days of hardware installation of the data warehouse platform and final versions must be available prior to acceptance of the platform by the State.

7. The Contractor must notify the State of any discrepancies or errors outlined in the system, operations, user, changes and issue documentation on a monthly basis.

8. Documentation for any newer software versions must be provided must be provided before installation of updated software.

G. Warranty, Maintenance and Support Services Requirements

DCO shall have the exclusive authority to request Contractor's and subcontractor Teradata's, maintenance service. Contractor or its Subcontractor, Treadata, shall NOT respond to calls for service from any other source without prior written approval of the DCO Contract Administrator.

1. Technical Support Services
   a All onsite support personnel must be certified by Contractor to support the data warehouse hardware and software. The on-site support personnel will have to pass the Michigan State Police background check process and may be fingerprinted for access to a Secure State of Michigan facility before the Contractor will be allowed on-site. Proof of certification must be provided to the DCO Contract Administrator.

   b Contractor must provide a toll free phone number, available 7 x 24 x 365 including State holidays and weekends. The Contractor and Teradata must provide unlimited technical telephone support for the State to place trouble calls for platform solution. Teradata must log all State of Michigan trouble calls, and have staff available within 1 hour of the trouble call to respond to and diagnosis issues at the State of Michigan. Teradata must also provide to the State a documented escalation process to senior technical/engineering staff or Management when repair services are not meeting the needs of the State.

2. Warranty Services:
   Contractor must provide 7 x 24 x 365 hardware warranty services if the platform is purchased through the resulting Contract. The pricing must include a 2 hour response, 2 hour repair including State Holidays for all proprietary hardware purchased through the resulting Contract from this RFP. The

warranty for hardware and software must include on-site parts, all labor and expenses and on-site assembly and installation. The warranty must be valid for one year from January 1, 2011 to December 31, 2011.

3. Maintenance and Repair Services
   a Contractor must provide preventive maintenance, including, but not limited to, repairing hardware and/or software and inspection, adjustment and testing (furnished on a scheduled basis), in accordance with the hardware and/or software manufacturer's recommended procedures.
      - All maintenance, (security and bug-fix) patches, and software upgrades shall be scheduled at a mutually agreed upon time and approved by the State of Michigan's Enterprise Change board.
      - There will be a dedicated maintenance window Sundays between 4PM and 11:59PM EST.

   b Secure remote diagnostic capabilities, monitoring tools and electronic fault notification must be provided at no additional cost to the State.

   c The software maintenance must include all future software updates and system enhancements applicable to licensed software without further charge to all licensed users for the life of the Contract. All patch upgrades must be certified. Software maintenance will commence after the end of the warranty period.

   d The hardware maintenance must include at no additional cost to the State, on-site parts replacement, all labor and expenses to install parts on-site, and restore the system and data to operational mode. All parts must be certified as defect free, and new (not refurbished). Hardware maintenance will commence after the end of the warranty period.

   e Contractor will be responsible for meeting with the State on a regular basis (at least once each month) to advise the State on matters or issues of relevance to the data warehouse platform. Its subcontractor, Teradata, may also participate by sending one or more representatives. Discussion items will include:
      - System Operational status,
      - Information on software problems encountered at other locations, along with the solution to those problems, when such information is relevant to State software.
      - Recommendations for system upgrades, enhancements etc.
      - **Error Corrections.** Upon notice by State of a problem with the Software (which problem can be verified), reasonable efforts to correct or provide a working solution for the problem.
      - **Material Defects**. The State will be notified of any material errors or defects in the deliverables known, or made known to Contractor from any source during the Contract term that could cause the production of inaccurate, or otherwise materially incorrect, results and shall initiate actions as may be commercially necessary or proper to effect corrections of any such errors or defects.
      - **Update**s. All new releases and bug fixes (collectively referred to as "Changes") for any software deliverable developed or published by Contractor and made generally available to its other customers at no additional charge will be provided to the State at no additional charge.

   f Upon receipt of a trouble ticket from the State of Michigan, Teradata must be able to dispatch a certified technician to arrive on-site within 2 hours of the initial call. On-site technical support must be available 7 x 24x 365 including State holidays and weekends. Teradata must also provide to the State a documented escalation process to senior technical/engineering staff or Management when repair services are not meeting the needs of the State.

H. Security Requirements (*Requirements (for both production and* test/development/DR platforms)*:*

1 The platform must comply with:
- State of Michigan Standards
- COBIT Audit Standards
- NIST 800 series guidelines located at http://csrc.nist.gov/publications/nistpubs/ especially 800-64, -53 (data that resides in the Data Warehouse is classified as moderate. Must implement security controls for the moderate security level).
- FIPS140-2

2. Security Needs
   a Must be able to encrypt data at rest and communications with network-attached devices
   b Must ensure that the integrity and confidentiality of data is protected by safeguards to prevent release of information without proper consent.
   c Must support role-based security
   d Access Control Criteria
      - o Must support Strong Passwords methodology.
      - o Must support automated user account removal after specified time period.
      - o Remote access is controlled, requires 2 factor authentication with secureID technology.
      - o Must be capable of session expiration according to State standard.

   e. Must enforce strong password capabilities according to State policy, 1410.17 Michigan State Government Network Security Policy (AD Guide)
      - o The platform must provide a configurable, and enforce requirements for user passwords to be automatically prompted for change after a defined period has passed, minimum of 30 days is recommended.
      - o The platform encrypts passwords in storage.
      - o The platform provides users with the capability to change their own passwords.
      - o The platform disables user ID's after a configurable number (3) of consecutive invalid login attempts.
      - o The platform enters passwords in a non-display field.
      - o The platform encrypts passwords when they are routed over the network.

   f. Must support multiple databases (schemas) with flexible access rights. Some access rights must be tightly controlled for access, others may be shared among multiple (but not all) users of the platform, some are completely available
   g. Contractor must be able to supply and or apply security patches in accordance to a mutually agreed plan that meets the State's security requirements. Receipt by the State or application by the Contractor of patches within 24 hours is mandatory.
   h. Must have column level security capabilities for data sharing
   i. The platform provides secure access control based upon unique user login, for types of record (e.g., fund, order) as well as by function performed upon the record (e.g., Display, Add, Edit, Delete.)
   j. The platform must check each user's access privileges at login, and automatically disable or enable client functions (in real time) based upon the user's profile
   k. The platform must provide varying levels of access within the application, such as administrators, updates, deletes, view only, or scheduling only.
   l. The platform logs unauthorized access attempts by date, time, user ID, device and location.
   m. The platform maintains an audit trail of all security maintenance performed by date, time, user ID, device and location, along with data added, changed or deleted, with easy access to information.
   n. The platform must be capable of providing security reports of users and access levels.
   o. The platform must be capable of providing detailed reports of backups completed and backups failed.
   p. The platform must have the ability to maintain a historical record of all changes made to any item within the platform (e.g., data element, business rule, process control, software program), the ID of the person or process that made the change, the before and after images of the affected data records, and the date and time the change was made. The audit trail must be configurable to specify different fields to include in the audit trail for individual databases.

q. The platform must ensure that all platform events for software, hardware, interfaces, operating system, network, etc. are written to a platform event log in a manner that facilitates debugging of all platform problems.
r. The platform must offer the ability to query, view, filter, and sort the system audit trail by any field. The system is able to store the queries.
s. The platform must have the ability to identify and track data back to its input source (e.g., imaged document, keyed from form, interface file, etc.).
t. The platform must have the ability to audit all override of edits and audits and identify the login ID, date, and time.
u. Database platform must be able to store queries and objects accessed for auditing purposes.
v. The platform must provide query audit capability without significantly reducing the performance of queries.
w. Capability to separate database security control from duties of the database and system administrator.
x. Must have automated report generation capabilities
y. Must meet all applicable Federal and State laws and Regulations (IRS 1075, HIPAA, etc.)
z. Must have an architectural network diagram that depicts the way data is transported on the network equipment from one device to the next. Provide documentation depicting what ports and protocols Contractor s will used to connect to the state network.
aa. Contractor staff, must attend security Awareness training required by agencies to ensure that users and managers are aware of security risks associated with their activities and are adequately trained to carry out their assigned security-related duties and responsibilities
ab Within 90 days of Contract issuance, the Contractor must provide to the Contract Administrator a security threat matrix that includes a complete security plan with disaster recovery, business continuity plan, change management, and identify all controls for confidentiality, Integrity, and Availability.

I. Knowledge Transfer/Transition Requirements

The State must be able to fully operate and administer the data warehouse platform and its business intelligence initiatives. The Contractor must provide substantial knowledge transfer services including:

1 Documentation to DCO staff with all information required to maintain, monitor, and administer the data warehouse platform. This will include:
   a Guidelines for efficient use of the platform. This will include information required by data base designers and architects in order to produce data structures and objects that are optimized for the platform. This will also include guidelines for developers to write efficient queries and other programs that will utilize the platform
   b System hardware, operating system and database software architecture.Software installation training (where applicable) • System administration and configuration of the platform. • Database administration and configuration for the entire platform. • System/Query performance analysis and tuning training• Database, database objects design and data modeling in the RDBMS (if applicable)• Training in the RDBMS • Security administration specifications/capabilities of the operating system and the database system• Backup and Restore or replication services• Instruction in the use of performance, capacity and system health monitoring tools for the operating system and the database system• Instruction in the use of client tools and utilities• SQL database extensions, if applicable

2. Documentation to State Staff
   a. Full platform documentation covering areas including, administration, maintenance, operations, database design, development of queries, stored procedures, user defined functions, etc
   b. Full documentation of each system fully or partially developed by the professional services Contractor.

1.200 Roles and Responsibilities

1.201 CONTRACTOR STAFF, ROLES, AND RESPONSIBILITIES

A. Data Warehouse Platform Staff Requirements

Contractor must provide the staff that will be involved in the installation, configuration, data migration and system conversion, staff requirements are as follows:

1. Contractor must identify a Single Point of Contact (SPOC). The duties of the SPOC shall include, but not be limited to:
   - supporting the management of the Contract,
   - facilitating dispute resolution, and
   - advising the State of performance under the terms and conditions of the Contract.

   The State reserves the right to require a change in the current SPOC if the assigned SPOC is not, in the opinion of the State, adequately serving the needs of the State.

2. The Contractor must provide, and update when changed, an organizational chart indicating lines of authority for personnel involved in performance of this Contract and relationships of this staff to other programs or functions of the firm. This chart must also show lines of authority to the next senior level of management and indicate who within the firm will have prime responsibility and final authority for the work.

3. The State has identified the following as key personnel (see section 2.062) for this project:
   a. Project Manager/Technical Lead
      - Minimum of 3 years of experience
      - Played significant role in at least 3 migrations from Teradata to the proposed production platform
      - Establishes and manages the project plan, according to SUITE standards, including the development schedule, resource requirements and integration efforts of third party products. Periodically reports progress to State management.
      - Directs migration team; sets goals, objectives and priorities; assigns and reviews work.
      - Coordinate all of the activities of the Contractor personnel assigned to the project and create all reports required by State
      - Acts as the primary liaison with the State on issues regarding the project deliverable. Makes sure customer reviews are held with the customer user community and obtains sign-off on status reports and requirements.
      - Makes sure approved methods, processes and tools are consistently used.
      - Is accountable for meeting project schedule and results as well as for the State customer satisfaction and quality of the deliverables.
      - Strong communications skills.
      - Manage all defined Contractor responsibilities in this Scope of Services.
      - Manage Contractor's subcontractors, if any
      - Coordinate and oversee the day-to-day project activities of the project team
      - Assess and report project feedback and status
      - Escalate project issues, project risks, and other concerns
      - Review all project deliverables and provide feedback
      - Proactively propose/suggest options and alternatives for consideration
      - Utilize change control procedures
      - Prepare project documents and materials
      - Manage and report on the project's budget

   b. Migration Specialist
      - Minimum of 3 years of experience as a data migration specialist
      - Minimum of 3 experiences migrating from Teradata to the proposed production platform
      - Provides expert advice and technical support

All Key Personnel are subject to the State's interview and approval process. Any key staff substitution must have the prior approval of the State. The Contractor must submit a letter of commitment for Key Personnel, signed by the identified resource, stating their commitment to work for the Contractor /subcontractor on this project contingent on award of the bid. If the identified personnel are currently assigned to a State project the Contractor must provide a letter signed by the State Project Manager releasing the individual from the project upon execution of the Contract.

4. Normal State working hours are 7:00 a.m. to 6:00p.m. ET, Monday through Friday, with work performed as necessary after those hours to meet project deadlines. No overtime will be authorized or paid.

5. 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.

6. The Contractor shall observe the same standard holidays as State employees. The State does not compensate for holiday pay.

C. On Site Work Requirements

1. Location of Work

Work is to be performed, completed, and managed at State office buildings in the immediate Lansing, MI area. Some professional services related to projects may be performed in the Contractor's office in the Lansing area on a case by case basis as mutually agreed upon.

2. Travel:

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

3. Additional Security and Background Check Requirements:

Contractor must present certifications evidencing satisfactory Michigan State Police Background checks ICHAT and drug tests for all staff identified for assignment to this project.

All proposed Contractor personnel for platform and BI services must satisfy the security requirements for the agencies in which they will be working—at the minimum signing the Agency security forms. In addition some Agencies (Treasury for example) require personnel to attend additional security training and agree to be bound by their requirements.

In addition, proposed Contractor personnel will be required to complete and submit an RI-8 Fingerprint Card for the National Crime Information Center (NCIC) Finger Prints, if required by project.

Contractor will pay for all costs associated with ensuring their staff meets all requirements.

1.202 STATE STAFF, ROLES, AND RESPONSIBILITIES

A. The State will provide the following resources for the Contractor's use:
- Work space
- Minimal clerical support
- Telephone
- PC workstation
- Printer
- Access to copiers and fax machine. This includes software licenses as appropriate.

B. The State will follow an annual purchase order process (APOP) for all service request performed under this Contract. A purchase order (PO) for one year at a time will be issued for all resources working under this Contract.

C. The State will notify Contractor (s) in writing if a senior resource is not performing at senior level. The Contractor (s) will be responsible for finding a senior level replacement, or will reduce the hourly rate for the person to that of a non-senior resource, at the discretion of the State.

The State project team for the platform project will consist of Executive Subject Matter Experts (SME's), project support, and a DTMB and Agency project managers.

DTMB Data Center Operations (DCO) will be responsible for overseeing and coordinating installation and migration activities. Each Agency and Agency DTMB Agency Services staff will test their critical applications and report any errors to DCO.

1.300 Project Plan

1.301 PROJECT PLAN MANAGEMENT (DATA WAREHOUSE PLATFORM ONLY)

A. Preliminary Project Plan
The Contractor must provide a Preliminary Project Plan with the proposal for evaluation purposes, including necessary time frames and deliverables for the various stages of the project and the responsibilities and obligations of both the Contractor and the State.

1. In particular, the Preliminary Project Plan will include a MS Project plan or equivalent (using the SUITE/PMM standard):
   a. A description of the deliverables to be provided under this Contract.
   b. Target dates and critical paths for the deliverables.
   c. Identification of roles and responsibilities, including the organization responsible. The Contractor is to provide a roles and responsibility matrix.
   d. The labor, hardware, materials and supplies required to be provided by the State in meeting the target dates established in the Preliminary Project Plan.
   e. Internal milestones
   f. Task durations
2. The Preliminary Project Plan shall include the following deliverable/milestones for which payment shall be made.
   a. Payment to the Contractor will be made upon the completion and acceptance of the deliverable or milestone, not to exceed Contractual costs of the phase. A milestone is defined as complete when all of the deliverables within the milestone have been completed.
   b. Failure to provide deliverable/milestone by the identified date may be subject to liquidated damages as identified in Article 2.

Note: A Final Project Plan will be required as stated in Article 1, Section 1.301-D Project Control.

B. Orientation Meeting
Within 7 calendar days from execution of the Contract, the Contractor will be required to attend an orientation meeting to discuss the content and procedures of the Contract. The meeting will be held in Lansing, Michigan, at a date and time mutually acceptable to the State and the Contractor. The State shall bear no cost for the time and travel of the Contractor for attendance at the meeting.

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

D. Project Control
1. The Contractor will carry out this platform project under the direction and control of DTMB, DHS, DCH, Treasury, and DELEG/MSHDA.

2. Within 30 working days of the execution of the Contract, the Contractor will submit to the State project manager(s) for final approval of the project plan. This project plan must be in agreement with Article 1, Section 1.104 Work and Deliverables, and must include the following:
   - The Contractor's project organizational structure.
   - The Contractor's staffing table with names and title of personnel assigned to the project. This must be in agreement with staffing of accepted proposal. Necessary substitutions due to change of employment status and other unforeseen circumstances may only be made with prior approval of the State.
   - The project work breakdown structure (WBS) showing sub-projects, activities and tasks, and resources required and allocated to each.
   - The time-phased plan in the form of a graphic display, showing each event, task, and decision point in the WBS.
3. The Contractor must manage the project in accordance with the State Unified Information Technology Environment (SUITE) methodology, which includes standards for project management, systems engineering, and associated forms and templates which is available at http://www.michigan.gov/suite Separate plans will be required for the platform installation and migration, and the conversion processes.
   a. The Contractor will use an automated tool for planning, monitoring, and tracking the Contract's progress and the level of effort of any Contractor personnel spent performing Services under the Contract. The tool shall have the capability to produce:
      - Staffing tables with names of personnel assigned to Contract tasks.
      - Project plans showing tasks, subtasks, deliverables, and the resources required and allocated to each (including detailed plans for all Services to be performed within the next 30 calendar days, updated semi-monthly).
      - Updates must include actual time spent on each task and a revised estimate to complete.
      - Graphs showing critical events, dependencies and decision points during the course of the Contract.
   b. Any tool(s) used by the Contractor for such purposes must produce information of a type and in a manner and format that will support reporting in compliance with the State standards.

1.302 REPORTS

Reporting formats must be submitted to the State's Project Manager for approval within 30 business days after the execution of the Contract resulting from this RFP. Once both parties have agreed to the format of the report, it shall become the standard to follow for the duration of the Contract.

A. Reports to be furnished by the Contractor:
   - Weekly Project status
   - Updated project plan
   - Summary of activity during the report period
   - Accomplishments during the report period
   - Deliverable status
   - Schedule status
   - Action Item status
   - Issues
   - Change Control
   - Repair status
   - Maintenance Activity

B. Progress reporting for this Contract will be performed both by the individual resource and by the Contractor in compliance with the annual purchase order process (APOP). The required reports are described below.

C. The monthly report of project hours shall include the following items for each project:
   - Contractor name
   - Dates covered
   - Purchase order number

- Project/system name
- Service request number
- For each day on which the resource is submitting hours against a work authorization number:
  - Date on which work was performed
  - Task(s) performed – a brief description
  - Number of hours worked
- Total number of hours on this project for the month
- Project manager and MDTMB manager's name
- Project manager and MDTMB manager's signature
- Conversion reports will require the Agency Executive Subject Matter Expert's name and signature.

D. The monthly timesheet summary report shall include:
- Dates of the month covered (daily breakdown by project)
- Contractor name
- MDTMB manager name
- Contract number
- P.O. number
- For each project on which the resource worked during the month:
- Project name
- Service Request
- Number of hours worked on the project for each business day of the month
- Total number of hours worked on the project during the month
- Total number of hours being billed for the month
- MDTMB and/or project manager signature and date
- Contractor signature and date

1.400 Project Management

1.401 ISSUE MANAGEMENT

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

The Contractor must 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 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 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

A. The State will perform a proof of concept utilizing the production platform that will demonstrate that the platform will support all of the State's data warehousing needs with equal or better performance than that provided by the existing platform while using no more than 30% of the system's CPU and storage resources for more than 10% of the time.

B. Data Center Operations will certify that the platform has been installed and configured to satisfy all relevant state standards. In addition the Office of Enterprise Security will verify that the platform meets PCI compliance and all other relevant state security requirements.

1.502 FINAL ACCEPTANCE

The State has certified that all programs and data have been migrated to the new data warehouse platform and performs according to State specifications.

1.600 Compensation and Payment

1.601 COMPENSATION AND PAYMENT

A. Method of Payment

The platform implementation and conversion project will be paid firm fixed price paid on deliverable/milestone achievement.

If the Contractor reduces its prices for any of the software or services during the term of this Contract, the State shall have the immediate benefit of such lower prices for new purchases. The Contractor shall send notice to the State's MDTMB Contract Administrator with the reduced prices within fifteen (15) Business Days of the reduction taking effect.

B. Travel

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

C. Out-of-Pocket Expenses

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

In the event travel is required, all travel reimbursement will be paid according to the State of Michigan's Standardized Travel Rates and Regulations. This information may be found at: http://www.michigan.gov/dmb/0,1607,7-150-9141_13132---,00.html

All air, car and hotel reservations must be made through the State Contract with Passageways Travel at (517) 333-5880 or (800) 915-8729. All original receipts must be included with your travel voucher and invoices, which must include the purchase order number. Failure to follow this policy will result in reduced reimbursement.

D. Purchase Orders

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

E. 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.
- Hours worked and time period for invoiced hours.
- Name of Contracted employee.

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 November 16, 2010 through November 15, 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 two (2) 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 the meet the form, function, and utility required by that State agency, that agency may, subject to State purchasing policies, procure the Deliverable/Service from another source.

2.009 REFORMATION AND SEVERABILITY

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

2.010 Consents and Approvals

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

2.011 NO WAIVER OF DEFAULT

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

2.012 SURVIVAL

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

2.020 Contract Administration

2.021 ISSUING OFFICE

This Contract is issued by the Department of Management and Budget, Purchasing Operations and the Michigan Department of Information Technology (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
517-373-3993

2.022 CONTRACT COMPLIANCE INSPECTOR

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

Rich Burgis
Michigan Department of Information Technology
235 S Grand Ave Suite 914
Lansing, MI 48933
517 373 7387
burgisr@michigan.gov

2.023 PROJECT MANAGER

The following individual will oversee the project:

Tess Layman
Michigan Department of Information Technology
235 S Grand Ave
Lansing, MI 48933
Email laymant@michigan.gov
Phone: (517)335-3779

2.024 CHANGE REQUESTS

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

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

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

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

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

(2) Contractor Recommendation for Change Requests:
Contractor shall be entitled to propose a Change to the State, on its own initiative, should it be of the opinion that this would benefit the Contract.

(3) Upon receipt of a Change Request or on its own initiative, Contractor shall examine the implications of the requested Change on the technical specifications, Contract schedule and price of the Deliverables and

Services and shall submit to the State without undue delay a written proposal for carrying out the Change. Contractor's proposal will include any associated changes in the technical specifications, Contract schedule and price and method of pricing of the Services. If the Change is to be performed on a time and materials basis, the Amendment Labor Rates shall apply to the provision of such Services. If Contractor provides a written proposal and should Contractor be of the opinion that a requested Change is not to be recommended, it shall communicate its opinion to the State but shall nevertheless carry out the Change as specified in the written proposal if the State directs it to do so.

(4) By giving Contractor written notice within a reasonable time, the State must be entitled to accept a Contractor proposal for Change, to reject it, or to reach another agreement with Contractor. Should the parties agree on carrying out a Change, a written Contract Change Notice must be prepared and issued under this Contract, describing the Change and its effects on the Services and any affected components of this Contract (a "Contract Change Notice").

(5) No proposed Change must be performed until the proposed Change has been specified in a duly executed Contract Change Notice issued by the Department of Management and Budget, Purchasing Operations.

(6) If the State requests or directs the Contractor to perform any activities that Contractor believes constitute a Change, the Contractor must notify the State that it believes the requested activities are a Change before beginning to work on the requested activities. If the Contractor fails to notify the State before beginning to work on the requested activities, then the Contractor waives any right to assert any claim for additional compensation or time for performing the requested activities. If the Contractor commences performing work outside the scope of this Contract and then ceases performing that work, the Contractor must, at the request of the State, retract any out-of-scope work that would adversely affect the Contract.

2.025 NOTICES

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

State:

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

Contractor:

Name: Integris Inc.
Address: 285 Billerica Road, Suite 200
Chelsmford, MA 01824
Attention: Mike Kelliher, Vice President and General Manager

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 Contractor 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 1.602**.

(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.

(d1) All invoices should reflect actual work done. Specific details of invoices and payments will be agreed upon between the Contract Administrator and the Contractor after the proposed Contract Agreement has been signed and accepted by both the Contractor and the Director of Purchasing Operations, Department of Management & Budget. This activity will occur only upon the specific written direction from Purchasing Operations.

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

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

2.045 PRO-RATION

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

2.046 ANTITRUST ASSIGNMENT

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

2.047 FINAL PAYMENT

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

2.048 ELECTRONIC PAYMENT REQUIREMENT

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

2.050 Taxes

2.051 EMPLOYMENT TAXES

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

2.052 SALES AND USE TAXES

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

2.060 Contract Management

2.061 CONTRACTOR PERSONNEL QUALIFICATIONS

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

2.062 CONTRACTOR KEY PERSONNEL

(a) The Contractor must provide the Contract Compliance Inspector with the names of the Key Personnel.

(b) Key Personnel must be dedicated as defined in the Statement of Work to the Project for its duration in the applicable Statement of Work with respect to other individuals designated as Key Personnel for that Statement of Work.

(c) The State will have the right to recommend and approve in writing the initial assignment, as well as any proposed reassignment or replacement, of any Key Personnel. Before assigning an individual to any Key Personnel position, Contractor will notify the State of the proposed assignment, will introduce the individual to the appropriate State representatives, and will provide the State with a resume and any other information about the individual reasonably requested by the State. The State reserves the right to interview the individual before granting written approval. In the event the State finds a proposed individual unacceptable, the State will provide a written explanation including reasonable detail outlining the reasons for the rejection.

(d) Contractor must not remove any Key Personnel from their assigned roles on the Contract without the prior written consent of the State. The Contractor's removal of Key Personnel without the prior written consent of the State is an unauthorized removal ("Unauthorized Removal"). Unauthorized Removals does not include replacing Key Personnel for reasons beyond the reasonable control of Contractor, including illness, disability, leave of absence, personal emergency circumstances, resignation or for cause termination of the Key Personnel's employment. Unauthorized Removals does not include replacing Key Personnel because of promotions or other job movements allowed by Contractor personnel policies or Collective Bargaining Agreement(s) as long as the State receives prior written notice before shadowing occurs and Contractor provides 30 days of shadowing unless parties agree to a different time period. The Contractor with the State must review any Key Personnel replacements, and appropriate transition planning will be established. Any Unauthorized Removal may be considered by the State to be a material breach of the Contract, in respect of which the State may elect to exercise its termination and cancellation rights.

(e) The Contractor must notify the Contract Compliance Inspector and the Contract Administrator at least 10 business days before redeploying non-Key Personnel, who are dedicated to primarily to the Project, to other projects. If the State does not object to the redeployment by its scheduled date, the Contractor may then redeploy the non-Key Personnel.

2.063 RE-ASSIGNMENT OF PERSONNEL AT THE STATE'S REQUEST

The State reserves the right to require the removal from the Project of Contractor personnel found, in the judgment of the State, to be unacceptable. The State's request must be written with reasonable detail outlining the reasons for the removal request. Additionally, the State's request must be based on legitimate, good faith reasons. Replacement personnel for the removed person must be fully qualified for the position. If the State exercises this right, and the Contractor cannot immediately replace the removed personnel, the State agrees to an equitable adjustment in schedule or other terms that may be affected by the State's required removal. If any incident with removed personnel results in delay not reasonably anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Service will not be counted for a time as agreed to by the parties.

2.064 CONTRACTOR PERSONNEL LOCATION

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

2.065 CONTRACTOR IDENTIFICATION

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

2.066 COOPERATION WITH THIRD PARTIES

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

2.067 CONTRACT MANAGEMENT RESPONSIBILITIES

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

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

2.068 CONTRACTOR RETURN OF STATE EQUIPMENT/RESOURCES

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

2.070 Subcontracting by Contractor

2.071 CONTRACTOR FULL RESPONSIBILITY

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

2.072 STATE CONSENT TO DELEGATION

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

2.073 SUBCONTRACTOR BOUND TO CONTRACT

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

2.074 FLOW DOWN

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

2.075 COMPETITIVE SELECTION

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

2.080 State Responsibilities

2.081 EQUIPMENT

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

2.082 FACILITIES

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

2.090 Security

2.091 BACKGROUND CHECKS

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

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

2.092 SECURITY BREACH NOTIFICATION

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

2.093 PCI DATA SECURITY REQUIREMENTS – DELETED N/A

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 – DELETED N/A

2.123 WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE – DELETED N/A

2.124 WARRANTY OF TITLE

Contractor shall, in providing goods to the State, convey good title in those goods, whose transfer is right and lawful. All goods provided by Contractor shall be delivered free from any security interest, lien, or encumbrance of which the State, at the time of Contracting, has no knowledge. Goods provided by Contractor, under this Contract, shall be delivered free of any rightful claim of any third person by of infringement or the like.

2.125 EQUIPMENT WARRANTY

To the extent Contractor is responsible under this Contract for maintaining equipment/system(s), Contractor represents and warrants that it will maintain the equipment/system(s) in good operating condition and will undertake all repairs and preventive maintenance according to the applicable manufacturer's recommendations for the period specified in this Contract.

The Contractor represents and warrants that the equipment/system(s) are in good operating condition and operates and performs to the requirements and other standards of performance contained in this Contract, when installed, at the time of Final Acceptance by the State, and for a period of (1) one year commencing upon the first day following Final Acceptance.

Within one (1) business day of notification from the State, the Contractor must adjust, repair or replace all equipment that is defective or not performing in compliance with the Contract. The Contractor must assume all costs for replacing parts or units and their installation including transportation and delivery fees, if any.

The Contractor must provide a toll-free telephone number to allow the State to report equipment failures and problems to be remedied by the Contractor.

The Contractor agrees that all warranty service it provides under this Contract must be performed by Original Equipment Manufacturer (OEM) trained, certified and authorized technicians.

The Contractor is the sole point of contact for warranty service. The Contractor warrants that it will pass through to the State any warranties obtained or available from the original equipment manufacturer, including any replacement, upgraded, or additional equipment warranties.

2.126 EQUIPMENT TO BE NEW

If applicable, all equipment provided under this Contract by Contractor shall be new where Contractor has knowledge regarding whether the equipment is new or assembled from new or serviceable used parts that are like new in performance or has the option of selecting one or the other. Equipment that is assembled from new or serviceable used parts that are like new in performance is acceptable where Contractor does not have knowledge or the ability to select one or other, unless specifically agreed otherwise in writing by the State.

2.127 PROHIBITED PRODUCTS

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

2.128 CONSEQUENCES FOR BREACH

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

☑ 5. Employee Fidelity, including Computer Crimes, insurance naming the State as a loss payee, providing coverage for direct loss to the State and any legal liability of the State arising out of or related to fraudulent or dishonest acts committed by the employees of Contractor or its Subcontractors, acting alone or in collusion with others, in a minimum amount of one million dollars ($1,000,000.00) with a maximum deductible of fifty thousand dollars ($50,000.00).

☑ 6. Umbrella or Excess Liability Insurance in a minimum amount of twenty million dollars ($20,000,000.00), which must apply, at a minimum, to the insurance required in Subsection 1 (Commercial General Liability) above.

☑ 7. Professional Liability (Errors and Omissions) Insurance with the following minimum coverage: fifteen million dollars ($15,000,000.00) each occurrence and fifteen million dollars ($15,000,000.00) annual aggregate.

☐ 8. Fire and Personal Property Insurance covering against any loss or damage to the office space used by Contractor for any reason under this Contract, and the equipment, software and other contents of the office space, including without limitation, those contents used by Contractor to provide the Services to the State, up to its replacement value, where the office space and its contents are under the care, custody and control of Contractor. The policy must cover all risks of direct physical loss or damage, including without limitation, flood and earthquake coverage and coverage for computer hardware and software. The State must be endorsed on the policy as a loss payee as its interests appear.

2.132 SUBCONTRACTOR INSURANCE COVERAGE

Except where the State has approved in writing a Contractor subcontract with other insurance provisions, Contractor must require all of its Subcontractors under this Contract to purchase and maintain the insurance coverage as described in this Section for the Contractor in connection with the performance of work by those Subcontractors. Alternatively, Contractor may include any Subcontractors under Contractor's insurance on the coverage required in this Section. Subcontractor(s) must fully comply with the insurance coverage required in this Section. Failure of Subcontractor(s) to comply with insurance requirements does not limit Contractor's liability or responsibility.

2.133 CERTIFICATES OF INSURANCE AND OTHER REQUIREMENTS

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

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

2.140 Indemnification

2.141 GENERAL INDEMNIFICATION

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

2.142 CODE INDEMNIFICATION

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

2.143 EMPLOYEE INDEMNIFICATION

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

2.144 PATENT/COPYRIGHT INFRINGEMENT INDEMNIFICATION

To the extent permitted by law, the Contractor must indemnify, defend and hold harmless the State from and against all losses, liabilities, damages (including taxes), and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties) incurred in connection with any action or proceeding threatened or brought against the State to the extent that the action or proceeding is based on a claim that any piece of equipment, software, commodity or service supplied by the Contractor or its subcontractors, or the operation of the equipment, software, commodity or service, or the use or reproduction of any documentation provided with the equipment, software, commodity or service infringes any United States patent, copyright, trademark or trade secret of any person or entity, which is enforceable under the laws of the United States.

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

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

2.145 CONTINUATION OF INDEMNIFICATION OBLIGATIONS

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

2.146 INDEMNIFICATION PROCEDURES

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

(a) After the State receives notice of the action or proceeding involving a claim for which it will seek indemnification, the State must promptly notify Contractor of the claim in writing and take or assist Contractor in taking, as the case may be, any reasonable action to avoid the imposition of a default judgment against Contractor. No failure to notify the Contractor relieves the Contractor of its indemnification obligations except to the extent that the Contractor can prove damages attributable to the failure. Within 10 days following receipt of written notice from the State relating to any claim, the Contractor must notify the State in writing whether Contractor agrees to assume control of the defense and settlement of that claim (a "Notice of Election"). After notifying Contractor of a claim and before the

State receiving Contractor's Notice of Election, the State is entitled to defend against the claim, at the Contractor's expense, and the Contractor will be responsible for any reasonable costs incurred by the State in defending against the claim during that period.

(b) If Contractor delivers a Notice of Election relating to any claim: (i) the State is entitled to participate in the defense of the claim and to employ counsel at its own expense to assist in the handling of the claim and to monitor and advise the State about the status and progress of the defense; (ii) the Contractor must, at the request of the State, demonstrate to the reasonable satisfaction of the State, the Contractor's financial ability to carry out its defense and indemnity obligations under this Contract; (iii) the Contractor must periodically advise the State about the status and progress of the defense and must obtain the prior written approval of the State before entering into any settlement of the claim or ceasing to defend against the claim and (iv) to the extent that any principles of Michigan governmental or public law may be involved or challenged, the State has the right, at its own expense, to control the defense of that portion of the claim involving the principles of Michigan governmental or public law. But the State may retain control of the defense and settlement of a claim by notifying the Contractor in writing within 10 days after the State's receipt of Contractor's information requested by the State under clause (ii) of this paragraph if the State determines that the Contractor has failed to demonstrate to the reasonable satisfaction of the State the Contractor's financial ability to carry out its defense and indemnity obligations under this Section. Any litigation activity on behalf of the State, or any of its subdivisions under this Section, must be coordinated with the Department of Attorney General. In the event the insurer's attorney represents the State under this Section, the insurer's attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.

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

2.150 Termination/Cancellation

2.151 NOTICE AND RIGHT TO CURE

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

2.152 TERMINATION FOR CAUSE

(a) The State may terminate this Contract, for cause, by notifying the Contractor in writing, if the Contractor (i) breaches any of its material duties or obligations under this Contract (including a Chronic Failure to meet any particular SLA), or (ii) fails to cure a breach within the time period specified in the written notice of breach provided by the State

(b) If this Contract is terminated for cause, the Contractor must pay all costs incurred by the State in terminating this Contract, including but not limited to, State administrative costs, reasonable attorneys' fees and court costs, and any reasonable additional costs the State may incur to procure the Services/Deliverables required by this Contract from other sources. Re-procurement costs are not consequential, indirect or incidental damages, and cannot be excluded by any other terms otherwise included in this Contract, provided the costs are not in excess of 50% more than the prices for the Service/Deliverables provided under this Contract.

(c) If the State chooses to partially terminate this Contract for cause, charges payable under this Contract will be equitably adjusted to reflect those Services/Deliverables that are terminated and the State must pay for all Services/Deliverables for which Final Acceptance has been granted provided up to the termination date. Services and related provisions of this Contract that are terminated for cause must cease on the effective date of the termination.

(d) If the State terminates this Contract for cause under this Section, and it is determined, for any reason, that Contractor was not in breach of Contract under the provisions of this section, that termination for cause must be deemed to have been a termination for convenience, effective as of the same date, and the rights and obligations of the parties must be limited to that otherwise provided in this Contract for a termination for convenience.

2.153 TERMINATION FOR CONVENIENCE

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

2.154 TERMINATION FOR NON-APPROPRIATION

(a) Contractor acknowledges that, if this Contract extends for several fiscal years, continuation of this Contract is subject to appropriation or availability of funds for this Contract. If funds to enable the State to effect continued payment under this Contract are not appropriated or otherwise made available, the State must terminate this Contract and all affected Statements of Work, in whole or in part, at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of termination to Contractor. The State must give Contractor at least 30 days advance written notice of termination for non-appropriation or unavailability (or the time as is available if the State receives notice of the final decision less than 30 days before the funding cutoff).

(b) If funding for the Contract is reduced by law, or funds to pay Contractor for the agreed-to level of the Services or production of Deliverables to be provided by Contractor are not appropriated or otherwise unavailable, the State may, upon 30 days written notice to Contractor, reduce the level of the Services or the change the production of Deliverables in the manner and for the periods of time as the State may elect. The charges payable under this Contract will be equitably adjusted to reflect any equipment, services or commodities not provided by reason of the reduction.

(c) If the State terminates this Contract, eliminates certain Deliverables, or reduces the level of Services to be provided by Contractor under this Section, the State must pay Contractor for all Work-in-Process performed through the effective date of the termination or reduction in level, as the case may be and as determined by the State, to the extent funds are available. This Section will not preclude Contractor from reducing or stopping Services/Deliverables or raising against the State in a court of competent jurisdiction, any claim for a shortfall in payment for Services performed or Deliverables finally accepted before the effective date of termination.

2.155 TERMINATION FOR CRIMINAL CONVICTION

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

2.156 TERMINATION FOR APPROVALS RESCINDED

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

2.157 RIGHTS AND OBLIGATIONS UPON TERMINATION

(a) If the State terminates this Contract for any reason, the Contractor must (a) stop all work as specified in the notice of termination, (b) take any action that may be necessary, or that the State may direct, for preservation and protection of Deliverables or other property derived or resulting from this Contract that may be in Contractor's possession, (c) return all materials and property provided directly or indirectly to Contractor by any entity, agent or employee of the State, (d) transfer title in, and deliver to, the State, unless otherwise directed, all Deliverables intended to be transferred to the State at the termination of the Contract and which are resulting from the Contract (which must be provided to the State on an "As-Is" basis except to the extent the amounts paid by the State in respect of the items included compensation to Contractor for the provision of warranty services in respect of the materials), and (e) take any action to mitigate and limit any potential damages, or requests for Contractor adjustment or termination settlement costs, to the maximum practical extent, including terminating or limiting as otherwise applicable those subcontracts and outstanding orders for material and supplies resulting from the terminated Contract.

(b) If the State terminates this Contract before its expiration for its own convenience, the State must pay Contractor for all charges due for Services provided before the date of termination and, if applicable, as a separate item of payment under this Contract, for Work In Process, on a percentage of completion basis at the level of completion determined by the State. All completed or partially completed Deliverables prepared by Contractor under this Contract, at the option of the State, becomes the State's property, and Contractor is entitled to receive equitable fair compensation for the Deliverables. Regardless of the basis for the termination, the State is not obligated to pay, or otherwise compensate, Contractor for any lost expected future profits, costs or expenses incurred with respect to Services not actually performed for the State.

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

2.158 RESERVATION OF RIGHTS

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

2.160 Termination by Contractor

2.161 TERMINATION BY CONTRACTOR

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

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

2.170 Transition Responsibilities

2.171 CONTRACTOR TRANSITION RESPONSIBILITIES

If the State terminates this Contract, for convenience or cause, or if the Contract is otherwise dissolved, voided, rescinded, nullified, expires or rendered unenforceable, the Contractor agrees to comply with direction provided by the State to assist in the orderly transition of equipment, services, software, leases, etc. to the State or a third party designated by the State. If this Contract expires or terminates, the Contractor agrees to make all reasonable efforts to effect an orderly transition of services within a reasonable period of time that in

no event will exceed 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

A. 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 as follows:

- The amount of $5,000.00 for each occurrence, and an additional $100.00 per day for each day Contractor fails, due to the Contractor's negligence, to remedy the late or improper completion of deliverables established in the approved project plan.
- The amount of $10,000.00 for each month the system up-time average is below the required up-time level in section 1.104-A.2.b, due to the negligence of the Contractor.
- The amount of $1,000.00 for each occurrence the Contractor fails to provide or apply security patches within agreed upon time frames established in section 1.104-A.8.b.8.
- The amount of $10,000 for each occurrence the Contractor fails to respond to trouble calls within time frames identified in section 1.104-A.7.a.2.

B. Unauthorized Removal of any Key Personnel
It is acknowledged that an Unauthorized Removal will interfere with the timely and proper completion of the Contract, to the loss and damage of the State, and that it would be impracticable and extremely difficult to fix the actual damage sustained by the State as a result of any Unauthorized Removal. Therefore, Contractor and the State agree that in the case of any Unauthorized Removal in respect of which the State does not elect to exercise its rights under **Section 2.141**, the State may assess liquidated damages against Contractor as specified below.

For the Unauthorized Removal of any Key Personnel designated in the applicable Statement of Work, the liquidated damages amount is $25,000.00 per individual if the Contractor identifies a replacement approved by the State under **Section 2.060** and assigns the replacement to the Project to shadow the Key Personnel who is leaving for a period of at least 30 days before the Key Personnel's removal.

If Contractor fails to assign a replacement to shadow the removed Key Personnel for at least 30 days, in addition to the $25,000.00 liquidated damages for an Unauthorized Removal, Contractor must pay the amount of $833.33 per day for each day of the 30 day shadow period that the replacement Key Personnel does not shadow the removed Key Personnel, up to $25,000.00 maximum per individual. The total liquidated damages that may be assessed per Unauthorized Removal and failure to provide 30 days of shadowing must not exceed $50,000.00 per individual.

2.244 EXCUSABLE FAILURE

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

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

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

The Contractor 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

2.281 MIDEAL (MICHIGAN DELIVERY EXTENDED AGREEMENTS LOCALLY) – DELETED/NOT APPLICABLE

2.282 STATE EMPLOYEE PURCHASES – DELETED/NOT APPLICABLE

2.290 Environmental Provision

2.291 ENVIRONMENTAL PROVISION

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

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

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

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

(b) Upon receipt of a written notice, the State will investigate the conditions. If (a) the material is a Hazardous Material that may present a substantial danger, and (b) the Hazardous Material was not brought to the site by the Contractor, or does not result in whole or in part from any violation by the Contractor of any

laws covering the use, handling, storage, disposal of, processing, transport and transfer of Hazardous Materials, the State must order a suspension of Work in writing. The State must proceed to have the Hazardous Material removed or rendered harmless. In the alternative, the State must terminate the affected Work for the State's convenience.

(c) Once the Hazardous Material has been removed or rendered harmless by the State, the Contractor must resume Work as directed in writing by the State. Any determination by the Michigan Department of Community Health or the Michigan Department of Environmental Quality that the Hazardous Material has either been removed or rendered harmless is binding upon the State and Contractor for the purposes of resuming the Work. If any incident with Hazardous Material results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Work will not be counted in a time as mutually agreed by the parties.

(d) If the Hazardous Material was brought to the site by the Contractor, or results in whole or in part from any violation by the Contractor of any laws covering the use, handling, storage, disposal of, processing, transport and transfer of Hazardous Material, or from any other act or omission within the control of the Contractor, the Contractor must bear its proportionate share of the delay and costs involved in cleaning up the site and removing and rendering harmless the Hazardous Material according to Applicable Laws to the condition approved by applicable regulatory agency(ies).

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

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

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

2.300 Deliverables

2.301 SOFTWARE – DELETED/NOT APPLICABLE

2.302 HARDWARE – DELETED/NOT APPLICABLE

2.303 EQUIPMENT TO BE NEW

If applicable, all equipment provided under this Contract by Contractor shall be new where Contractor has knowledge regarding whether the equipment is new or assembled from new or serviceable used parts that are like new in performance or has the option of selecting one or the other. Equipment that is assembled from new or serviceable used parts that are like new in performance is acceptable where Contractor does not have knowledge or the ability to select one or other, unless specifically agreed otherwise in writing by the State.

2.304 EQUIPMENT TO BE NEW AND PROHIBITED PRODUCTS

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

2.310 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

The State grants to the Contractor, the royalty-free, world-wide, non-exclusive right and license under any Deliverable now or in the future owned by the State, or with respect to which the State has a right to grant such rights or licenses, to the extent required by the Contractor to market the Deliverables and exercise its full rights in the Deliverables, including, without limitation, the right to make, use and sell products and services based on or incorporating such Deliverables.

2.322 CROSS-LICENSE, DELIVERABLES AND DERIVATIVE WORK, LICENSE TO CONTRACTOR

The State grants to the Contractor, the royalty-free, world-wide, non-exclusive right and license under any Deliverable and/or Derivative Work now or in the future owned by the State, or with respect to which the State has a right to grant such rights or licenses, to the extent required by the Contractor to market the Deliverables and/or Derivative Work and exercise its full rights in the Deliverables and/or Derivative Work, including, without limitation, the right to make, use and sell products and services based on or incorporating such Deliverables and/or Derivative Work.

2.323 LICENSE BACK TO THE STATE – DELETED N/A

2.324 LICENSE GRANTED BY CONTRACTOR TO THE STATE

For the Teradata software included in this Contract, the Teradata Software License Terms and Conditions attached as Attachment 2 to this Contract and incorporated by reference shall apply. For all other Software, including Software not owned by Teradata and any Optional Software, Contractor shall grant the State a nonexclusive, non-transferable license to use the object code version of such non-Teradata Software (including any Optional Software) based on the manufacturer's standard, commercial end user license agreement, a copy of which shall be provided to the State either with the delivery of such Software or as part of the Statement of Work that shall be provided to the State in connection with this Contract in connection with a further definition of the terms and conditions that shall accompany such software.

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 – Deleted NA

Attachment 1 – Cost Tables

Table: Summary of the Project Cost (5 years)

Attachment G—Platform Cost Tables: 5 Year Growth

The State may choose to purchase a system that will serve it needs for the next five years, or alternatively purchase a system that will serve for three years of anticipated growth with an upgrade at the end of year three to handle the next two years growth. In order to determine the best strategy for the State, two sets of cost tables are provided. This set will cover the scenario where the State purchases a system today that will be able to support five years of growth at the anticipated rate. (See Attachments A and B for details).

Table A: Total Costs-5 Year Solution

Item	Total Cost 5-years
Hardware – Production platform (net cost from Table B)	$3,815,351
Hardware –Test/Development/DR platform (net cost from Table C)	$2,677,135
Software – Production platform (net cost from Table D)	$4,094,197
Software – Test/Development/DR platform (net cost from Table E)	$2,876,879
Installation/Migration (net cost from Table F)	$598,612
Conversion (net cost from Table G)	$0
Training (net cost from Table H)	$409,000
Hosting - production platform (from Table J)	$92,700
Hosting - Test/Development/DR platform (from Table K)	$84,300
Database Administrators for Conversion Period (from Table L)	$0
State Staff Costs (net cost from Table I)	$85,410
Vendor Total (sum of costs above)	$14,733,584
Current platform during conversion (State supplied based on vendor's proposed conversion timeframe)	
Total	

Attachment G

Table B: Hardware – Production platform
Itemize all components of the hardware platform for the solution being proposed for the production data warehouse platform. Include costs for a proprietary backup and recovery system if the proposed platform cannot be used with the State's existing NetBackup system.

	Qty	Price per Item	Purchase Cost + Warranty	Year 1 Maintenance Cost	Year 2 Maintenance Cost	Year 3 Maintenance Cost	Year 4 Maintenance Cost	Total Cost
Teradata 3 Node 5650H+2HSN*	1	$ 3,239,555	$ 3,239,555	$ 801,344	$ 803,661	$ 1,002,568	$ 1,127,421	$ 6,974,549
Total Cost			$ 3,239,555	$ 801,344	$ 803,661	$ 1,002,568	$ 1,127,421	$ 6,974,549
Discount			$ 1,556,492	$ 343,457	$ 344,281	$ 430,472	$ 484,496	$ 3,159,198
Net Cost			$ 1,683,063	$ 457,887	$ 459,380	$ 572,096	$ 642,925	$ 3,815,351

Note: See the Platform Technical Proposal, Figure 1-7 starting on Page 1-42 for a line item listing of the proposed Production Platform hardware and software.

Table C: Hardware – Test/Development/DR platform
Itemize all components of the hardware platform for the solution being proposed for the Test/Development/DR data warehouse platform. Include costs for a proprietary backup and recovery system if the proposed platform cannot be used with the State's existing NetBackup system.

	Qty	Price per Item	Purchase Cost + Warranty	Year 1 Maintenance Cost	Year 2 Maintenance Cost	Year 3 Maintenance Cost	Year 4 Maintenance Cost	Total Cost
Teradata 2 Node 5650H+1HSN*	1	$ 2,188,416	$ 2,188,416	$ 591,866	$ 593,717	$ 676,560	$ 819,262	$ 4,869,821
Total Cost			$ 2,188,416	$ 591,866	$ 593,717	$ 676,560	$ 819,262	$ 4,869,821
Discount			$ 1,046,836	$ 252,648	$ 253,277	$ 289,071	$ 350,854	$ 2,192,686
Net Cost			$ 1,141,580	$ 339,218	$ 340,440	$ 387,489	$ 468,408	$ 2,677,135

Note: See the Platform Technical Proposal, Figure 1-11 starting on Page 1-52 for a line item listing of the proposed Test/Development/DR Platform hardware and software.

Table D: Software - Production platform
Itemize all components of the software for the solution being proposed for the production data warehouse platform.

	Qty	Price per Item	Purchase Cost + Warranty	Year 1 Maintenance Cost	Year 2 Maintenance Cost	Year 3 Maintenance Cost	Year 4 Maintenance Cost	Total Cost
Teradata 3 Node 5650H+2HSN*	1	$ 3,424,750	$ 3,424,750					$ 3,424,750
Teradata Software Subscription	1	$ 526,500	$ 526,500	$ 526,500	$ 526,500	$ 621,000	$ 713,400	$ 2,913,900
COD License Increment	1	$ -	$ -	$ -	$ -	$ 616,000	$ 630,000	$ 1,246,000
Total Cost			$ 3,951,250	$ 526,500	$ 526,500	$ 1,237,000	$ 1,343,400	$ 7,584,650
Discount			$ 2,300,647	$ 223,690	$ 223,690	$ 350,813	$ 391,613	$ 3,490,453
Net Cost			$ 1,650,603	$ 302,810	$ 302,810	$ 886,187	$ 951,787	$ 4,094,197

Note: See the Platform Technical Proposal, Figure 1-7 starting on Page 1-42 for a line item listing of the proposed Production Platform hardware and software.

Table E: Software – Test/Development/DR platform
Itemize all components of the software for the solution being proposed for the Test/Development/DR platform.

	Qty	Price per Item	Purchase Cost + Warranty	Year 1 Maintenance Cost	Year 2 Maintenance Cost	Year 3 Maintenance Cost	Year 4 Maintenance Cost	Total Cost
Teradata 2 Node 5650H+1HSN*	1	$ 2,648,500	$ 2,648,500	$ -	$ -	$ -	$ -	$ 2,648,500
Teradata Software Subscription	1	$ 402,938	$ 402,938	$ 402,938	$ 402,938	$ 402,938	$ 526,838	$ 2,138,590
COD License Increment	1	$ -	$ -	$ -	$ -	$ -	$ 826,000	$ 826,000
	-	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Cost			$ 3,051,438	$ 402,938	$ 402,938	$ 402,938	$ 1,352,838	$ 5,613,090
Discount			$ 1,878,273	$ 172,573	$ 172,573	$ 172,573	$ 340,219	$ 2,736,211
Net Cost			$ 1,173,165	$ 230,365	$ 230,365	$ 230,365	$ 1,012,619	$ 2,876,879

Note: See the Platform Technical Proposal, Figure 1-11 starting on Page 1-52 for a line item listing of the proposed Test/Development/DR Platform hardware and software.

Table E1: Optional Software – Production platform
Itemize all components of the optional software for the solution being proposed for the production data warehouse platform.

	Qty	Price per Item	Purchase Cost + Warranty	Year 1 Maintenance Cost	Year 2 Maintenance Cost	Year 3 Maintenance Cost	Year 4 Maintenance Cost	Total Cost
Teradata Warehouse Miner Software	4	$ 19,396	$ 77,584	$ 15,516	$ 15,516	$ 15,516	$ 15,516	$ 139,648
Teradata Warehouse Miner Training	1	$ 37,069	$ 37,069	$ -	$ -	$ -	$ -	$ 37,069
SAS Advanced Analytics	1	$ 125,000	$ 125,000	$ 36,403	$ 38,223	$ 40,134	$ 42,141	$ 281,901
SAS Data Mining Package	1	$ 343,750	$ 343,750	$ 152,719	$ 160,355	$ 168,373	$ 176,790	$ 1,001,987
SAS Predictive Analytics	1	$ 437,500	$ 437,500	$ 143,125	$ 150,188	$ 157,795	$ 165,685	$ 1,054,293
SAS Advanced Analytics Installation	1	$ 7,500	$ 7,500	$ -	$ -	$ -	$ -	$ 7,500
SAS Data Mining Package Installation	1	$ 7,500	$ 7,500	$ -	$ -	$ -	$ -	$ 7,500
SAS Predictive Analytics Installation	1	$ 16,875	$ 16,875	$ -	$ -	$ -	$ -	$ 16,875
SAS Server	1	$ 25,000	$ 25,000	$ -	$ -	$ 4,000	$ 4,000	$ 33,000
SAS Advanced Analytics Training Estimate	1	$ 27,188	$ 27,188	$ -	$ -	$ -	$ -	$ 27,188
SAS Data Mining Package Training Estimate	1	$ 51,750	$ 51,750	$ -	$ -	$ -	$ -	$ 51,750
SAS Predictive Analytics Training Estimate	1	$ 51,750	$ 51,750	$ -	$ -	$ -	$ -	$ 51,750
Galigeo 50 Consumers Users	1	$ 23,333	$ 23,333	$ -	$ -	$ -	$ -	$ 23,333
Galigeo 15 Author User	1	$ 28,000	$ 28,000	$ -	$ -	$ -	$ -	$ 28,000
Administration Console: Mandatory	1	$ 18,667	$ 18,667	$ -	$ -	$ -	$ -	$ 18,667
Galigeo Installation & Configuration	1	$ 14,933	$ 14,933	$ -	$ -	$ -	$ -	$ 14,933
Galigeo Server	1	$ 25,000	$ 25,000	$ -		$ 4,000	$ 4,000	$ 33,000
Galigeo Annual Mnt	1	$ 14,000	$ 14,000	$ 14,980	$ 16,029	$ 17,151	$ 18,351	$ 80,511
Enhanced J-SURS License & Support	1	$ 477,053	$ 477,053	$ 356,280	$ 374,094	$ 392,798	$ 412,440	$ 2,012,665
J-SURS Analytics Consultant Hourly Rate	1	$ 181	$ 181	$ 181	$ 181	$ 181	$ 181	$ 905
J-SURS Data Management Consultant Hourly Rate	1	$ 181	$ 181	$ 181	$ 181	$ 181	$ 181	$ 905
J-SURS Training Specialist Hourly Rate	1	$ 223	$ 223	$ 223	$ 223	$ 223	$ 223	$ 1,115
Symantec Critical System Protection Server Edition 5.2	22	$ 1,069	$ 23,518	$ 6,270	$ 6,270	$ 6,270	$ 6,270	$ 48,598
Symantec Security Information Manager Enterprise Starter Pack	1	$ 44,100	$ 44,100	$ 24,892	$ 24,892	$ 24,892	$ 24,892	$ 143,668
Symantec Server	1	$ 25,000	$ 25,000			$ 4,000	$ 4,000	$ 33,000
ImpactPI	1	$ 2,095,000	$ 2,095,000	$ 785,000	$ 804,625	$ 824,741	$ 845,360	$ 5,354,726
Total Cost			$ 3,997,655	$ 1,535,770	$ 1,590,777	$ 1,660,255	$ 1,720,030	$ 10,504,487
Discount			$ -	$ -	$ -	$ -	$ -	$ -
Net Cost			$ 3,997,655	$ 1,535,770	$ 1,590,777	$ 1,660,255	$ 1,720,030	$ 10,504,487

Table E2: Optional Software – Test/Development/DR platform
Itemize all components of the optional software for the solution being proposed for the Test/Development/DR data warehouse platform.

	Qty	Price per Item	Purchase Cost + Warranty	Year 1 Maintenance Cost	Year 2 Maintenance Cost	Year 3 Maintenance Cost	Year 4 Maintenance Cost	Total Cost
	-	$ -	$ -	$ -	$ -	$ -	$ -	$ -
	-	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Cost			$ -	$ -	$ -	$ -	$ -	$0
Discount			$ -	$ -	$ -	$ -	$ -	$ -
Net Cost			$ -	$ -	$ -	$ -	$ -	$0

VENDOR PROPOSED OPTIONS

	Qty	Price per Item	Purchase Cost + Warranty	Year 1 Maintenance Cost	Year 2 Maintenance Cost	Year 3 Maintenance Cost	Year 4 Maintenance Cost	Total Cost
Recurring Server Hardening after initial implementation	1	$ -	$ -	$ 116,022	$ 120,663	$ 125,489	$ 130,509	$ 492,683
Teradata Dual Active Node Hw & Sw	1	$ 141,203	$ 141,203	$ -	$ -	$ -	$ -	$ 141,203
Total BAR and Managed Servers	1	$ 81,417	$ 81,417	$ -	$ -	$ -	$ -	$ 81,417
Production Teradata Data Mover/Query Director Software	1	$ 126,819	$ 126,819	$ -	$ -	$ -	$ -	$ 126,819
Dual Active Implementation Services	1	$ 262,219	$ 262,219	$ 116,171	$ 120,818	$ 125,651	$ 130,677	$ 755,536
Dual Active Maintenance	1	$ 94,833	$ 94,833	$ 94,833	$ 95,369	$ 110,219	$ 121,796	$ 517,050
Dual Active COD	1	$ -	$ -	$ -	$ -	$ 20,170	$ 47,674	$ 67,844
Test Teradata Data Mover/Query Director Software	1	$ 107,367	$ 107,367	$ -	$ -	$ -	$ -	$ 107,367
Teradata Data Collection and Reporting Service	1	$ 64,511	$ 64,511	$ -	$ -	$ -	$ -	$ 64,511

Attachment G

Table F: Installation/ Migration

Installation costs cover all costs required to install the hardware and software in the State's hosting centers. Itemize all costs for the installation of both the production and Test/Development/DR data warehouse platforms and the costs of migrating the data from the Current Teradata data warehouse platform to the vendor's proposed platform. Migration is the process of moving the data from the existing Teradata data warehouse to the proposed platform. Address the need to migrate the data at least twice, once for testing and validation and once for the production conversion.

Activity	Cost
Production System BAR	$ 30,000
Production System Protegrity Implementation	$ 39,220
Production System Initial Hardening	$ 108,065
Production System TASM Implementation	$ 45,910
Production System Mentoring/Implementation Service for TMSM	$ 102,915
Production System Installation	$ 42,500
Production System Viewpoint SW Administration & Configuration Service	$ 1,000
Deinstallation of the Production System (5450)	$ 20,000
Production System Crating and Packing (5450)	$ 2,000
Production System Disk Scrubbing (5450)	$ 15,000
Production System NPARC - (2 times)	$ 80,000
Production System Project Mgmt	$ 25,000
Production System BAR Expansion	$ 12,000
Test/Developmet/DR System BAR	$ 20,000
Test/Developmet/DR System Installation	$ 25,500
Test/Developmet/DR System Viewpoint SW Administration & Configuration Service	$ 1,000
Deinstallation of the Test?Development/DR System (5380)	$ 20,000
Test/Development/DR System Crating and Packing (5380)	$ 2,000
Test/Development/DR System Disk Scrubbing (5380)	$ 15,000
Test/Development/DR System NPARC - (2 times)	$ 50,000
Test/Development/DR System Project Mgmt	$ 17,244
Test/Development/DR System BAR Expansion	$ 11,500
Total Cost	$ 685,854
Discount	$ 87,243
Net Cost	$ 598,612

Table G: Conversion

Conversion is the process of modifying the State's current application that utilizes the Teradata data warehouse to operate with the Vendor's proposed solution. This will include conversion of the Extract Transform and Load (ETL) processes, reporting system configuration, production system conversion, and testing. Information about each Agency's current applications that will need to be converted are included in Attachment B. Please list all activities and associated costs.

Activity	Cost
No Conversion Required	$0
Total Cost	$0
Discount	$0
Net Cost	$0

Attachment G

Table H: Training
Itemize all training required for administrators, developers, end users and staff trainers to enable them to work effectively with the vendor's proposed solution. For each topic describe how the training will be delivered and associated costs.

Topic	Delivery mechanism	Cost
Teradata 13 Differences Class for 100 Users Year 1	Web based on-line training	$ 26,180
TEN+ (Teradata Education Network Plus) Membership for ten (10) named users and three (3) Teradata Partner Conference fees Year 1	Web based on-line training	$ 29,060
Eight (8) days of on-site training Year 1	On-site instructor lead training	$ 47,504
TEN+ (Teradata Education Network Plus) Membership for ten (10) named users and three (3) Teradata Partner Conference fees Year 2	Web based on-line training	$ 29,060
Eight (8) days of on-site training Year 2	On-site instructor lead training	$ 47,504
TEN+ (Teradata Education Network Plus) Membership for ten (10) named users and three (3) Teradata Partner Conference fees Year 3	Web based on-line training	$ 29,060
Eight (8) days of on-site training Year 3	On-site instructor lead training	$ 47,504
TEN+ (Teradata Education Network Plus) Membership for ten (10) named users and three (3) Teradata Partner Conference fees Year 4	Web based on-line training	$ 29,060
Eight (8) days of on-site training Year 4	On-site instructor lead training	$ 47,504
TEN+ (Teradata Education Network Plus) Membership for ten (10) named users and three (3) Teradata Partner Conference fees Year 5	Web based on-line training	$ 29,060
Eight (8) days of on-site training Year 5	On-site instructor lead training	$ 47,504
Total Cost		$ 409,000
Discount		$ -
Net Cost		$ 409,000

Attachment G

Table I: State Staffing Costs

State Classification	FTE's	Estimated Hours*	$/hr	Total
Agency Policy Experts	0	0	$90	$ -
Subject Matter Experts	0	0	$90	$ -
Technical Staff	0.46	949	$90	$ 85,410
			Total Cost:	$85,410

*1 FTE = 2080 hours

Attachment G

Table J: Physical configuration - Production platform

The following items are required for calculating the hosting charges in the State's hosting center. While Rates will change over the 5 year period, the existing Rates will be used for comparison purposes. Rates in table reflect a rate changed made effective April 26, 2010.

Note: Enter data in Column B, C, D, E, and F only. Other Columns will calculate based on the data you enter.

Item (Row 1 & 2)	**Number Needed at Implementation Thru Year 1**	**Additional Required in Year 2**	**Additional Required in Year 3**	**Additional Required in Year 4**	**Additional Required in Year 5**	**Total Number for 5 years.**	**Rate/Unit/Month**	**Total Cost (Col B *60 + Col C *48 + Col D + 36 + Col E * 24 + Col F * 12) * Rate in Column H**
	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I
(Row 3) Network ports (Minimum of 2 are required)	28	0	0	0	0	28	$35.00	$58,800.00
(Row 4) Hosting Rate: Rack mounted equipment size in U's. 1 U = 1.75 inches, with a total of 33 U's available per rack for Servers. A typical rack configuration could hold 16 (2) U servers, or 8 (4) U Servers. Nine U's in the rack are reserved for power, Network and SAN cabling).	0	0	0	0	0	0	$15.00	$0.00
(Row 5) Monitoring Rate: No of Rack mounted Servers included in proposal.	1	0	0	0	0	0	$115.00	$6,900.00

Item (Row 1 & 2)	**Number Needed at Implementation Thru Year 1**	**Additional Required in Year 2**	**Additional Required in Year 3**	**Additional Required in Year 4**	**Additional Required in Year 5**	**Total Number for 5 years.**	**Rate/Unit/Month**	**Total Cost (Col B *60 + Col C *48 + Col D + 36 + Col E * 24 + Col F * 12) * Rate in Column H**
	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I
(Row 6) Technical Support Rate: Number of Unix based Servers included in proposal.	0	0	0	0	0		$760.00	$0.00
(Row 7) Technical Support Rate: Number of Windows based Servers included in proposal.	1	0	0	0	0		$450.00	$27,000.00
(Row 8) Level 1 Disk Space in GB's. (if using existing EMC disk). Include work space and data space.	0	0	0	0	0		$3.30	$0.00
(Row 9) Level 2 Disk Space in GB's (if using existing EMC disk) Include work space and data space	0	0	0	0	0		$3.10	$0.00
Total for 5 years								$92,700.00

Table K: Physical configuration - Test/Development/DR platform

The following items are required for calculating the hosting charges in the State's hosting center. While Rates will change over the 5 year period, the

Note: Enter data in Column B, C, D, E, and F only. Other Columns will calculate based on the data you enter.

Item (Row 1 & 2)	**Number Needed at Implementation Thru Year 1**	**Additional Required in Year 2**	**Additional Required in Year 3**	**Additional Required in Year 4**	**Additional Required in Year 5**	**Total Number for 5 years.**	**Rate/Unit/Month**	**Total Cost (Col B *60 + Col C *48 + Col D + 36 + Col E * 24 + Col F * 12) * Rate in Column H**
	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I
(Row 3) Network ports (Minimum of 2 are required)	24	0	0	0	0	24	$35.00	$50,400.00
(Row 4) Hosting Rate: Rack mounted equipment size in U's. 1 U = 1.75 inches, with a total of 33 U's available per rack for Servers. A typical rack configuration could hold 16 (2) U servers, or 8 (4) U Servers. Nine U's in the rack are reserved for power, Network and SAN cabling).	0	0	0	0	0	0	$15.00	$0.00
(Row 5) Monitoring Rate: No of Rack mounted Servers included in proposal.	1	0	0	0	0	0	$115.00	$6,900.00

Item (Row 1 & 2)	**Number Needed at Implementation Thru Year 1**	**Additional Required in Year 2**	**Additional Required in Year 3**	**Additional Required in Year 4**	**Additional Required in Year 5**	**Total Number for 5 years.**	**Rate/Unit/Month**	**Total Cost (Col B *60 + Col C *48 + Col D + 36 + Col E * 24 + Col F * 12) * Rate in Column H**
	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I
(Row 6) Technical Support Rate: Number of Unix based Servers included in proposal.	0	0	0	0	0	0	$760.00	$0.00
(Row 7) Technical Support Rate: Number of Windows based Servers included in proposal.	1	0	0	0	0	0	$450.00	$27,000.00
(Row 8) Level 1 Disk Space in GB's. (if using existing EMC disk). Include work space and data space.	0	0	0	0	0	0	$3.30	$0.00
(Row 9) Level 2 Disk Space in GB's (if using existing EMC disk) Include work space and data space	0	0	0	0	0	0	$3.10	$0.00
Total for 5 years								$84,300.00

Attachment G

Table L: State Staffing Costs: Database Administrators (DBAs)

Should a change in platform be required, the existing state DBAs will be required to maintain the existing data warehouse during the conversion. In addition there will be a need to have a transition period after the conversion to transfer knowledge and to train the existing DBAs. Based on this it is assumed that the state will need to double the number of central support DBAs during the transfer period and for a period of six (6) months after.

State Classification	FTE's	Number of Months for Conversion	Cost of state DBA/month*	Total (3 * (# months + 6) * Cost of state DBA
State DBAs	3	0	$15,570	$0

*$90/hr fully loaded rate times approximately 173 hrs/month

Note: We are proposing a Teradata solution that does not require a conversion.

Attachment G

Additional Pricing - Pricing to Double Capacity of Proposed Platform

Hardware – Production and Test/Development/DR Platform – Doubling Capacity
Itemize all components of the hardware platform for the solution being proposed for the production data warehouse platform.

	Qty	Price per Item	Purchase Cost + Warranty	Maintenance Cost (Per year)	Total Cost
Teradata Production System with 208.5 Tperf	1	$ 7,190,805	$ 7,190,805	$ 1,390,436	$ 8,581,241
Teradata Test/Development/DR System with 156.4 Tperf	1	$ 5,239,854	$ 5,239,854	$ 1,041,184	$ 6,281,038
Total Cost		$ 12,430,659	$ 12,430,659	$ 2,431,620	$ 14,862,279
Discount			$ 6,782,248	$ 1,057,223	$ 7,839,471
Net Cost			$ 5,648,411	$ 1,374,397	$ 7,022,808

The above doubling of capacity is at the "3 year mark" as defined by the State in its answer to question #14 of Question Set 4.

5 Year scenario - Production platform

The doubling of the production platform requires the addition of 208.5 TPERFs. Adding 208.5 TPERFs will double the disk space, CPU and users at the 3 year mark. The initial platform purchase at the three year mark for the production hardware and software includes: (1) the hardware Purchase Cost and Warranty found in Table B, (2) the software Purchase Cost and Warranty found in Table D, and (3) the COD License Increment found in column 'Year 2 Maintenance Cost' of Table D.

5 Year scenario - Test/Development/DR platform

The doubling of the test platform requires the addition of 156.4 TPERFs. Adding 156.4 TPERFs will double the disk space, CPU and users at the 3 year mark. The initial platform purchase for the Test/Development/DR hardware and software includes: (1) the hardware Purchase Cost and Warranty found in Table C, (2) the software Purchase Cost and Warranty found in Table E, and (3) the COD License Increment found in column 'Year 2 Maintenance Cost' of Table E

Installation– Doubling Capacity
Installation costs cover all costs required to install the hardware and software in the State's hosting centers. Itemize all costs for the installation of both the production and Test/Development/DR data warehouse platforms.

Activity	Cost
Production System Installation/BAR/Hardening	$ 223,831
Test System Installation/BAR	$ 73,750
Total Cost	$ 297,581
Discount	$ 29,758
Net Cost	$ 267,823

State Staffing Costs – Doubling Capacity

State Classification	FTE's	Estimated Hours*	$/hr	Total
Agency Policy Experts	0	0	$35	$0
Subject Matter Experts	0	0	$40	$0
Technical Staff	0.06	120	$35	$4,200
			Total Cost:	$4,200

*****1 FTE = 2080 hours

Attachment 2

Teradata Software License Terms and Conditions

1.0 BACKGROUND

1.1 The term "Teradata Licensed Program Materials" consists of the software and related documentation (but not Diagnostic Tools). Teradata Licensed Program Materials may include programs and related documentation that are owned by third parties and distributed by Contractor under license from Teradata or Teradata's licensors. Teradata Licensed Program Materials also include Upgrades thereto, if any, that Contractor may from time-to-time be authorized by Teradata in writing to provide State. Four different types of releases characterize software, including the software constituting Teradata Licensed Program Materials: major releases, minor releases, maintenance releases and fixes or patches. These releases are differentiated via the release number, XX.YY.ZZ.nn. The XX number refers to the major release, the YY number refers to the minor release, the ZZ number refers to the maintenance release and the nn number refers to fixes or patches. Major and minor releases are referred to herein as "Upgrades".

1.2 The term "State" refers to the State of Michigan.

1.3 Contractor has obtained from Teradata the right to provide Teradata Licensed Program Materials to the State. The State's license to use the Teradata Licensed Program Materials and/or Teradata Software is for use solely on certain Teradata designated equipment; i.e., the single processing unit of the class and model for which it is originally licensed) ("Designated Equipment").

1.4 In providing Products, Teradata may include computer programs, data, documentation, and other material that Teradata uses solely to diagnose the operation of Products ("Diagnostic Tools"). Diagnostic Tools are the confidential intellectual property of Teradata and are not licensed or transferred to Contractor or the State. They may not be copied or used by anyone other than Teradata without Teradata's written consent. Teradata may remove or change Diagnostic Tools without notice. DIAGNOSTIC TOOLS ARE PROVIDED "AS IS."

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2.3 The Teradata Licensed Program Materials may only be used on the Designated Equipment, unless the Designated Equipment becomes temporarily inoperative. In which case, Licensee may temporarily use Teradata Licensed Program Materials on back-up equipment while the Designated Equipment is inoperative.

2.4 The Teradata Licensed Program Materials may only be used by Licensee, and Licensee will not permit the Teradata Licensed Program Materials to be used by or for the benefit of any third party (including for service bureau activities or on a time-sharing basis), nor use the Teradata Licensed Program Materials at any time after the expiration or termination of this Agreement.

2.5 Licensee will destroy Teradata Licensed Program Materials, or immediately return the Teradata Licensed Program Materials to Teradata in the event Licensee ceases to use the Teradata Licensed Program Materials.

2.6 The Teradata Licensed Program Materials, including copies thereof, will at all times remain the sole and exclusive property of Teradata or its licensor(s).

2.7 If Licensee sells or otherwise disposes of Licensee-owned media on which the Teradata Licensed Program Materials are resident, the content of that media must be permanently erased before such sale or disposal.

2.8 Licensee may not disassemble, decompile, or reverse engineer the Teradata Licensed Program Materials for purposes of acquiring source code.

2.9 Licensee will at its expense comply with any and all governmental laws, regulations, and orders that may be applicable to this Agreement. Licensee agrees not to engage in any course of conduct that will or may cause Teradata to be in violation of any laws, regulations, or orders. Without limitation to the foregoing, Licensee warrants and represents to Teradata that Licensee is familiar with, and will take all actions and execute all documents necessary for compliance with all U.S. laws, rules, and regulations in effect from time to time applicable to the export of the Teradata Licensed Program Materials and technology from Teradata and/or Contractor to Licensee or to any other location. Licensee will furnish Teradata and/or Contractor with such documentation as Teradata and/or Contractor may reasonably request to confirm Licensee's compliance with this Section 2.9.

2.10 Licensee acknowledges that these license terms, viewed in isolation, do not obligate Teradata and/or Contractor to provide Licensee with any: (a) support or maintenance of any kind in connection with the Teradata Licensed Program Materials, or (b) source code, upgrades, updates, improvements, modifications, fixes, error corrections, or new versions of the Teradata Licensed Program Materials.

2.11 All license rights to Teradata Licensed Program Materials are limited to those expressly provided herein and no license rights will be implied.

2.12 All Performance Data Collection computer-coded Deliverables (including Documentation for them) provided by Teradata to the State, such as create database scripts, create user scripts, create table scripts, load macros, reporting macros, views, BTEQ scripts and AWK scripts left at the State's site after completion of this Project, ("PDC Deliverables"): are the Confidential Information and, in so far as they are pre-existing intellectual property of Teradata, they are the copyrighted intellectual property of Teradata; are not subject to, eligible for, or covered by Teradata ESS/Maintenance & Support coverage or Subscription coverage; and, are licensed to State only for its internal business use, only for use or in connection with the Equipment on or in connection with which the PDC Deliverables are initially to be used. The State may, however, use third-party contractors to operate, use or modify PDC Deliverables, but only on behalf of and for the benefit of the State, only for the State's internal use, and only on or in connection with the Equipment for which the PDC Deliverables were initially used, provided that the State assures that the third-party contractor is aware of and agrees to comply with the foregoing license restrictions; but, Teradata shall not be responsible for, and Teradata's warranties on PDC Deliverables do not apply to or cover, any use, operation or modification of PDC Deliverables by anyone other than Teradata or Ingenix (or its employees or subcontractors acting on Teradata's behalf). If/when the State upgrades the version/release of the Teradata database Software against which the PDC Deliverables will be run or otherwise changes or incurs changes to the Equipment/Software system against which the PDC Deliverables will be run, the State shall be solely responsible for making, or arranging to make (e.g., hiring Ingenix to make), any changes to the PDC Deliverables that may become necessary or desirable as a result of such upgrade or change, such as changing scripts which extract data from Teradata database Software dictionary tables in order to make the PDC Deliverables functional, compatible and/or optimized with the new version/release of the Teradata database Software.

3.0 LIMITED WARRANTY

3.1 The media on which the Teradata Licensed Program Materials are delivered will be free from defects in material and workmanship and the Teradata Licensed Program Materials will materially conform to Teradata product specifications. This warranty is limited to ninety (90) days from the date the Teradata Licensed Program Materials are delivered to the State. Under no circumstances will Teradata or its licensors be responsible for any warranties with respect to the Teradata Licensed Program Materials not expressly contained herein or for any agreements made by Reseller for maintenance or support of the Teradata Licensed Program Materials.

3.2 If Teradata Licensed Program Materials do not materially conform to the warranties specified above in Section 3.1 during the applicable warranty period, Teradata will without charge use commercially reasonable efforts to correct it.

3.3 To permit Teradata to meet its Teradata Licensed Program Materials warranties, upon request State agrees to assist in isolating problems, to provide modems and telephone lines for Teradata to access the Teradata Licensed Program Materials remotely (if applicable), to install and test all fixes and updates, and to perform other actions reasonably requested by Teradata.

3.4 If Teradata is unable to repair, correct, or replace Teradata Licensed Program Materials under warranty, State may return the defective Teradata Licensed Program Materials to Contractor and obtain a refund, or State may accept it on an "**AS-IS**" basis.

3.5 If Licensee has been provided with software that (i) bears the logo or copyright of another company and (ii) contains different terms, such terms apply instead of those in this Agreement. Unless specifically agreed in writing, neither Teradata nor Contractor, as applicable, provides warranty or support for any third-party software products. Neither Teradata nor Contractor have warranty obligations for third-party software products even if Teradata or Contractor assisted in evaluating or selecting them.

3.6 **EXCEPT FOR WARRANTIES SPECIFICALLY CONTAINED IN THIS SECTION 3.0 OF THESE TERADATA SOFTWARE LICENSE TERMS, TERADATA AND CONTRACTOR, INCLUDING SUBSIDIARIES, AFFILIATES AND LICENSORS, DISCLAIM ALL WARRANTIES EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE AND THOSE ARISING FROM A COURSE OF DEALING. TERADATA AND CONTRACTOR, SUBSIDIARIES, AND LICENSORS DO NOT WARRANT THAT ANY TERADATA LICENSED PROGRAM MATERIALS WILL OPERATE UNINTERRUPTED OR ERROR FREE, OR THAT ALL DEFICIENCIES, ERRORS, DEFECTS, OR NONCONFORMITIES WILL BE CORRECTED. THE FAILURE OF PRODUCTS CUSTOMER ACQUIRES FROM THIRD PARTIES OR THEIR SUPPLIERS WILL NOT AFFECT CUSTOMER'S OBLIGATIONS TO TERADATA AND CONTRACTOR.**

3.7 State's rights and remedies set forth in this Section 3.0 are exclusive and in lieu of all other rights and remedies (except to the extent that applicable law prohibits agreements to disclaim warranties or limit liabilities).

4.0 RIGHTS OF TERADATA

Teradata and Contractor will be entitled to injunctive relief, as well as such further rights and remedies as it may have at law or equity, against unauthorized disclosure or use of the Teradata Licensed Program Materials, or against other breach or threatened breach of this Agreement.

5.0 TERM AND TERMINATION

The term of the license under this Agreement will be for such period as Licensee exclusively owns and possesses the Designated Equipment. Notwithstanding such term, however, the license will automatically terminate if Licensee breaches any provision of this Agreement. In the event that this Agreement terminates or expires, Sections 2.6, 2.8, 2.9, 2.10, 2.11, 3.5, 3.6, 3.7, 4.0, 5.0, 6.0, and 7.0 will remain in

effect beyond such termination or expiration until fulfilled and will apply to either party's successors or assigns.

6.0 LIMITATIONS ON LIABILITY

6.1 For bodily injury, including death, caused by Teradata's negligence, Teradata's liability will be unlimited, to the extent Teradata's negligence caused the injury. For physical damage to tangible property, Teradata will be liable for direct damages up to US $1,000,000 per occurrence, to the extent Teradata's negligence caused the damage.

6.2 **FOR ALL CLAIMS NOT EXPRESSLY ADDRESSED IN THIS AGREEMENT (OR IF THE REMEDIES IN THOSE SECTIONS ARE HELD TO HAVE FAILED OF THEIR ESSENTIAL PURPOSE OR ARE OTHERWISE HELD TO BE INVALID OR UNENFORCEABLE), INCLUDING BUT NOT LIMITED TO CLAIMS OF FRAUD OR MISREPRESENTATION ARISING OUT OF OR RELATED IN ANY MANNER TO THIS AGREEMENT, TERADATA'S AND CONTRACTOR'S, AND THEIR SUBSIDIARIES, AS WELL AS TERADATA'S, CONTRACTOR'S AND THEIR SUBSIDIARIES' RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, SUCCESSORS, ASSIGNS, SHAREHOLDERS AND LICENSORS, CUMULATIVE LIABILITY (INCLUDING REFUNDS AND THE VALUE OF REPLACEMENT TERADATA LICENSED PROGRAM MATERIALS) WILL BE LIMITED TO YOUR PROVEN DIRECT DAMAGES NOT TO EXCEED THE AMOUNT OF LICENSE FEES RECEIVED BY CONTRACTOR FOR THE TERADATA LICENSED PROGRAM MATERIAL IN CONTROVERSY.**

7.3 **UNDER NO CIRCUMSTANCES WILL CONTRACTOR OR ITS SUBSIDIARIES, INCLUDING CONTRACTOR'S AND ITS SUBSIDIARIES' RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES, AGENTS, SUCCESSORS, ASSIGNS, SHAREHOLDERS, SUBCONTRACTORS OR LICENSORS, BE LIABLE FOR ANY INDIRECT, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES (INCLUDING LOSS OF PROFITS, REVENUE, OR DATA); WHETHER IN AN ACTION IN CONTRACT, TORT, PRODUCT LIABILITY, STATUTE OR OTHERWISE, EVEN IF ADVISED OF THE POSSIBILITY OF THOSE DAMAGES.**

6.4 This Section 6.0 will survive failure of an exclusive or limited remedy. State acknowledges that these limitations permit Contractor and Contractor's licensors to provide Teradata Licensed Program Material at lower rates than they otherwise could and that such limitations are reasonable.

7.0 GENERAL

These terms are the complete and exclusive statement of the agreement between State and Contractor about State's licensed possession and use of the Teradata Licensed Program Materials, and supersedes all prior oral and written agreements, understandings, and communications about it.

Attachment 3

Production Environment Detailed Platform Configuration
Teradata 3-Node 5650H + 2-Hot Standby Nodes[1]

Qty.	Teradata Part #	Description
Hardware		
1	1620-1001-8090	Service Workstation (Dell T610) Tower Config Westmere
1	2021-1701-8090	Monitor 17" LCD Flat Panel
1	2021-K770	Power Cord US (Qty 2)
1	2021-K841	Ext Modem 56K US
1	6701-2000-8090	Storage Cabinet - RAID
1	6701-F030	AC Box - 50A, Russellstoll, NEMA
1	6701-F201	Install Feature 6844 Array with Six Drive Trays
2	6701-F940	Front Filler Panel, 1U
4	6701-F941	Front Filler Panel, 2U
6	6701-F953	Cables, Fiber Channel, 15M LC-LC (Qty2)
1	6844-2080-8090	Quad 8Gb Fibre Channel Array - Four drive trays
92	6844-F146	300GB 15K7 RPM FC Disk Drive
2	6844-F147	300GB 15K7 RPM FC Disk Drive - GHS
1	6844-F200	4600 Drive Tray Expansion (2 trays)
1	6844-F407	1550 DAP Controller Enhancement
1	6844-F409	1550 FC Controller Dual 8Gb/s Host Interface (7091) (2 ea.)
1	6844-F414	8 GB Controller Cache Memory
1	6701-2000-8090	Storage Cabinet - RAID
1	6701-F030	AC Box - 50A, Russellstoll, NEMA
1	6701-F202	Install Feature 6844 Array with Eight Drive Trays
2	6701-F941	Front Filler Panel, 2U
6	6701-F953	Cables, Fiber Channel, 15M LC-LC (Qty2)
1	6844-2080-8090	Quad 8Gb Fibre Channel Array - Four drive trays
96	6844-F146	300GB 15K7 RPM FC Disk Drive
2	6844-F147	300GB 15K7 RPM FC Disk Drive - GHS
2	6844-F200	4600 Drive Tray Expansion (2 trays)
1	6844-F407	1550 DAP Controller Enhancement
1	6844-F409	1550 FC Controller Dual 8Gb/s Host Interface (7091) (2 ea.)
1	6844-F414	8 GB Controller Cache Memory
1	6701-2000-8090	Storage Cabinet - RAID
1	6701-F030	AC Box - 50A, Russellstoll, NEMA
1	6701-F202	Install Feature 6844 Array with Eight Drive Trays
2	6701-F941	Front Filler Panel, 2U
6	6701-F953	Cables, Fiber Channel, 15M LC-LC (Qty2)
1	6844-2080-8090	Quad 8Gb Fibre Channel Array - Four drive trays
124	6844-F146	300GB 15K7 RPM FC Disk Drive
2	6844-F147	300GB 15K7 RPM FC Disk Drive - GHS
2	6844-F200	4600 Drive Tray Expansion (2 trays)

[1] Note: The above detail configuration is accurate as of the time of execution of this Contract. At the time of actual system ordering certain parts, part numbers and quantities may change due to parts availability and manufacturing changes. The resulting configuration, while potentially different, will provide equivalent functionality.

Qty.	Teradata Part #	Description
1	6844-F407	1550 DAP Controller Enhancement
1	6844-F409	1550 FC Controller Dual 8Gb/s Host Interface (7091) (2 ea.)
1	6844-F414	8 GB Controller Cache Memory
1	6701-2000-8090	Storage Cabinet - RAID
1	6701-F030	AC Box - 50A, Russellstoll, NEMA
1	6701-F202	Install Feature 6844 Array with Eight Drive Trays
2	6701-F941	Front Filler Panel, 2U
6	6701-F953	Cables, Fiber Channel, 15M LC-LC (Qty2)
1	6844-2080-8090	Quad 8Gb Fibre Channel Array - Four drive trays
126	6844-F146	300GB 15K7 RPM FC Disk Drive
2	6844-F147	300GB 15K7 RPM FC Disk Drive - GHS
2	6844-F200	4600 Drive Tray Expansion (2 trays)
1	6844-F407	1550 DAP Controller Enhancement
1	6844-F409	1550 FC Controller Dual 8Gb/s Host Interface (7091) (2 ea.)
1	6844-F414	8 GB Controller Cache Memory
1	6701-2000-8090	Storage Cabinet - RAID
1	6701-F030	AC Box - 50A, Russellstoll, NEMA
1	6701-F202	Install Feature 6844 Array with Eight Drive Trays
1	6701-F504	3rd Generation Server Management (3GSM - 9160)
1	6701-F941	Front Filler Panel, 2U
6	6701-F953	Cables, Fiber Channel, 15M LC-LC (Qty2)
1	6844-2080-8090	Quad 8Gb Fibre Channel Array - Four drive trays
126	6844-F146	300GB 15K7 RPM FC Disk Drive
2	6844-F147	300GB 15K7 RPM FC Disk Drive - GHS
2	6844-F200	4600 Drive Tray Expansion (2 trays)
1	6844-F407	1550 DAP Controller Enhancement
1	6844-F409	1550 FC Controller Dual 8Gb/s Host Interface (7091) (2 ea.)
1	6844-F414	8 GB Controller Cache Memory
1	6701-K933	System Accessories Kit
1	9160-5810-8090	5650H 1-Node System Cabinet w/ BYNET Switches, Linux TPerf per Node = 119
1	9160-F050	AC Distribution Box, 5UPS, 50A, N. America (Russellstoll)
2	9160-F055	UPS, 220 VAC, 2U (APC)
1	9160-F061	3rd Generation Server Management (9160 with Nehalem CPU)
10	9160-F111	Processor, 2.93GHz Xeon Six Core
20	9160-F122	Memory DIMM, DDR3-1333MHz 24GB (3 x 8GB DIMM)
2	9160-F135	5650H Node, Linux
2	9160-F136	5650H Hot Standby Node, Linux
5	9160-F237	Adapter, PCIe 1Gb Ethernet, 4 Channel, Copper LP
15	9160-F240	Adapter, PCIe 8Gb Fibre Channel, 4 Channel, STD
10	9160-F356	HD Disk, 450GB 15K RPM, SAS, Hot Plug
5	9160-F357	HD Disk - 300GB 15K, SAS Hot Plug
1	9160-F432	Tape Drive, 72GB, SATA
1	9160-F603	Teradata Viewpoint Appliance
1	9160-F606	Teradata Managed Server, Multi-System Manager, Linux - Model 435
1	9160-F884	5-Node Install Feature (Reference Feature)
4	9160-F941	Front Filler Panel, 2U
3	9160-F972	Hot Standby Node (Reference Feature)
1	9160-F997	TMS, Staging & Integration, (Reference Feature)
1	9160-F999	TMS MultiSystem Manager, Staging & Integration (Reference Feature)
1	9160-K936	5600 System Kit

Qty.	Teradata Part #	Description
5	9673-0023-1000	TSD SYSTEM INSTALLATION
Software		
1	9687-2000-0044	Viewpoint SW Administration & Configuration Service
1	F444-7100-0000	Increment CPU and IO Throughput to 50% of Full Performance
12	F444-7110-0000	PM COD Increment CPU and IO throughput by 1.0% of Full Performance
1	F444-7120-0000	PM COD Increment CPU and IO throughput by 0.5% of Full Performance
8	F601-8247-0000	SuSE Linux SLES License, per node
2	F601-8270-0000	Linux SLES 10 SP1 BCD0-1228; SW Media Kit 892000328001
2	F601-9500-0000	Sun Java Windows (Embedded)
2	F785-2947-0000	Teradata DBS for Hot Standby Node - SUSE Linux
224	F787-8500-A000	Teradata Subscription for 5650H Enterprise Warehouse Edition, per TPerf per Year
1	9687-SUBS-5420	SID - (TSSB) Teradata Software Subscriptions
93	F819-6000-0000	Teradata 13.0 55xx/56xx Base to Enterprise Warehouse Edition Upgrade (perTPerf) - for upgrade during migration
93	F819-7704-0000	Teradata 13.0 Base Edition Linux SLES10 5650H (per TPerf) Migration
131	F819-8504-0000	Teradata 13.0 Enterprise Warehouse Edition Linux SLES10 5650H (per TPerf)
1	F819-9999-0000	Teradata 13.0 - Database (Bundling Reference Only)
1	F828-9019-0000	Teradata Multi-System Manager Portlets (Bundling component only)
1	F849-5551-0000	Teradata Viewpoint Portal 13.1x (Viewpoint Appliance Bundling)
2	F849-5554-0000	Teradata Management Portlets 13.1x (Bundling Component Only)
1	F849-5555-0000	Teradata Self Service Portlets 13.1x (Viewpoint Appliance Bundling Component Only)
357	F849-0002-0000	Teradata Multi-System Manager (Enterprise) Active
1	F849-0003-0000	Teradata Multi-System Manager Foundation - Media Kit
1	F860-9001-0000	TTU 13.10 - Teradata Utility Pak (Bundling Component Only)
1	F860-9005-0000	TTU 13.10 - Teradata Analyst Pack (Bundling Component Only)
1	F860-9006-0000	TTU 13.10 - Teradata C Preprocesser2 (Bundling Component Only)
1	F860-9007-0000	TTU 13.10 - Teradata COBOL Preprocessor2 (Bundling Component Only)
1	F860-9008-0000	TTU 13.10 - Teradata FastExport (Bundling Component Only)
1	F860-9009-0000	TTU 13.10 - Teradata PT Export Operator (Bundling Component Only)
1	F860-9010-0000	TTU 13.10 - Teradata FastLoad (Bundling Component Only)
1	F860-9011-0000	TTU 13.10 - Teradata PT Load Operator (Bundling Component Only)
1	F860-9012-0000	TTU 13.10 - Teradata MultiLoad (Bundling Component Only)
1	F860-9013-0000	TTU 13.10 - Teradata PT Update Operator (Bundling Component Only)
1	F860-9014-0000	TTU 13.10 - Teradata TPUMP (Bundling Component Only)
1	F860-9015-0000	TTU 13.10 - Teradata PT Stream Operator (Bundling Component Only)
1	F860-9018-0000	Teradata Management Portlets 13.1x (Bundling Component Only)
1	F860-9021-0000	TTU 13.10 - Teradata Active System Management (Bundling Component Only)
224	F860-ENTP-0000	TTU 13.10 - ENTERPRISE BUNDLE PACKAGE, per Tperf
5	G460-0350-0000	SYMplicity 10 for LINUX (SUSE)
5	G460-0351-0000	Multi-Pathing SW 9.03 for LINUX (SUSE) (SYM 10)
1	G460-1110-0000	Media for SYM 10.xx & Multipathing SW 9.03 - Linux SLES 10 SP1
Misc.		
1	NOTE-TERA-0001	United States
1	NOTE-TERA-0002	Largest Clique Size = 2 + 1
1	NOTE-TERA-0004	Number of Nodes = 5
1	NOTE-TERA-0005	This order has Platform Metering COD. Full Capacity is the throughput when switches reducing capacity are off. Capacity is represented by up to 3 items that add to percent of Full Capacity purchased and determine Tperf for software pricing.
1	NOTE-TERA-0006	For expansions, the percent of Full Capacity purchased is lower than the percent of Full Capacity delivered by an amount equal to the reduced throughput of previous nodes in the system.

Attachment 4
Test/Development/DR Environment Detailed Platform Configuration
Teradata 2-Node 5650H + 1-Hot Standby Node[2]

Qty.	Teradata Part #	Description
Hardware		
1	1620-1001-8090	Service Workstation (Dell T610) Tower Config Westmere
1	2021-1701-8090	Monitor 17" LCD Flat Panel
1	2021-K770	Power Cord US (Qty 2)
1	2021-K841	Ext Modem 56K US
1	6701-2000-8090	Storage Cabinet – RAID
1	6701-F030	AC Box - 50A, Russellstoll, NEMA
1	6701-F202	Install Feature 6844 Array with Eight Drive Trays
2	6701-F941	Front Filler Panel, 2U
6	6701-F953	Cables, Fiber Channel, 15M LC-LC (Qty2)
1	6844-2080-8090	Quad 8Gb Fibre Channel Array - Four drive trays
124	6844-F146	300GB 15K7 RPM FC Disk Drive
2	6844-F147	300GB 15K7 RPM FC Disk Drive – GHS
2	6844-F200	4600 Drive Tray Expansion (2 trays)
1	6844-F407	1550 DAP Controller Enhancement
1	6844-F409	1550 FC Controller Dual 8Gb/s Host Interface (7091) (2 ea.)
1	6844-F414	8 GB Controller Cache Memory
1	6701-2000-8090	Storage Cabinet – RAID
1	6701-F030	AC Box - 50A, Russellstoll, NEMA
1	6701-F202	Install Feature 6844 Array with Eight Drive Trays
2	6701-F941	Front Filler Panel, 2U
6	6701-F953	Cables, Fiber Channel, 15M LC-LC (Qty2)
1	6844-2080-8090	Quad 8Gb Fibre Channel Array - Four drive trays
126	6844-F146	300GB 15K7 RPM FC Disk Drive
2	6844-F147	300GB 15K7 RPM FC Disk Drive – GHS
2	6844-F200	4600 Drive Tray Expansion (2 trays)
1	6844-F407	1550 DAP Controller Enhancement
1	6844-F409	1550 FC Controller Dual 8Gb/s Host Interface (7091) (2 ea.)
1	6844-F414	8 GB Controller Cache Memory
1	6701-2000-8090	Storage Cabinet – RAID
1	6701-F030	AC Box - 50A, Russellstoll, NEMA
1	6701-F202	Install Feature 6844 Array with Eight Drive Trays
1	6701-F504	3rd Generation Server Management (3GSM - 9160)
1	6701-F941	Front Filler Panel, 2U
6	6701-F953	Cables, Fiber Channel, 15M LC-LC (Qty2)
1	6844-2080-8090	Quad 8Gb Fibre Channel Array - Four drive trays
126	6844-F146	300GB 15K7 RPM FC Disk Drive
2	6844-F147	300GB 15K7 RPM FC Disk Drive – GHS
2	6844-F200	4600 Drive Tray Expansion (2 trays)
1	6844-F407	1550 DAP Controller Enhancement

[2] Note: The above detail configuration is accurate as of the time of execution of this Contract. At the time of actual system ordering certain parts, part numbers and quantities may change due to parts availability and manufacturing changes. The resulting configuration, while potentially different, will provide equivalent functionality.

Qty.	Teradata Part #	Description
1	6844-F409	1550 FC Controller Dual 8Gb/s Host Interface (7091) (2 ea.)
1	6844-F414	8 GB Controller Cache Memory
1	6701-K933	System Accessories Kit
1	9160-5810-8090	5650H 1-Node System Cabinet w/ BYNET Switches, Linux TPerf per Node = 119
1	9160-F050	AC Distribution Box, 5UPS, 50A, N. America (Russellstoll)
2	9160-F055	UPS, 220 VAC, 2U (APC)
1	9160-F061	3rd Generation Server Management (9160 with Nehalem CPU)
6	9160-F111	Processor, 2.93GHz Xeon Six Core
12	9160-F122	Memory DIMM, DDR3-1333MHz 24GB (3 x 8GB DIMM)
1	9160-F135	5650H Node, Linux
1	9160-F136	5650H Hot Standby Node, Linux
3	9160-F237	Adapter, PCIe 1Gb Ethernet, 4 Channel, Copper LP
9	9160-F240	Adapter, PCIe 8Gb Fibre Channel, 4 Channel, STD
6	9160-F356	HD Disk, 450GB 15K RPM, SAS, Hot Plug
3	9160-F357	HD Disk - 300GB 15K, SAS Hot Plug
1	9160-F432	Tape Drive, 72GB, SATA
1	9160-F603	Teradata Viewpoint Appliance
1	9160-F606	Teradata Managed Server, Multi-System Manager, Linux - Model 435
1	9160-F882	3-Node Install Feature (Reference Feature)
6	9160-F941	Front Filler Panel, 2U
2	9160-F972	Hot Standby Node (Reference Feature)
1	9160-F997	TMS, Staging & Integration, (Reference Feature)
1	9160-F999	TMS MultiSystem Manager, Staging & Integration (Reference Feature)
1	9160-K936	5600 System Kit
3	9673-0023-1000	TSD SYSTEM INSTALLATION
Software		
1	9687-2000-0044	Viewpoint SW Administration & Configuration Service
1	F444-7100-0000	Increment CPU and IO Throughput to 50% of Full Performance
25	F444-7110-0000	PM COD Increment CPU and IO throughput by 1.0% of Full Performance
5	F601-8247-0000	SuSE Linux SLES License, per node
2	F601-8270-0000	Linux SLES 10 SP1 BCD0-1228; SW Media Kit 892000328001
2	F601-9500-0000	Sun Java Windows (Embedded)
1	F785-2947-0000	Teradata DBS for Hot Standby Node - SUSE Linux
179	F787-8500-A000	Teradata Subscription for 5650H Enterprise Warehouse Edition, per TPerf per Year
1	9687-SUBS-5420	SID - (TSSB) Teradata Software Subscriptions
93	F819-6000-0000	Teradata 13.0 55xx/56xx Base to Enterprise Warehouse Edition Upgrade (perTPerf) - for upgrade during migration
93	F819-7704-0000	Teradata 13.0 Base Edition Linux SLES10 5650H (per TPerf) Migration
86	F819-8504-0000	Teradata 13.0 Enterprise Warehouse Edition Linux SLES10 5650H (per TPerf)
1	F819-9999-0000	Teradata 13.0 - Database (Bundling Reference Only)
1	F828-9019-0000	Teradata Multi-System Manager Portlets (Bundling component only)
1	F849-5551-0000	Teradata Viewpoint Portal 13.1x. (Viewpoint Appliance Bundling)
2	F849-5554-0000	Teradata Management Portlets 13.1x (Bundling Component Only)
1	F849-5555-0000	Teradata Self Service Portlets 13.1x (Viewpoint Appliance Bundling Component Only)
238	F849-0002-0000	Teradata Multi-System Manager (Enterprise) Active
1	F849-0003-0000	Teradata Multi-System Manager Foundation - Media Kit
1	F860-9001-0000	TTU 13.10 - Teradata Utility Pak (Bundling Component Only)
1	F860-9005-0000	TTU 13.10 - Teradata Analyst Pack (Bundling Component Only)
1	F860-9006-0000	TTU 13.10 - Teradata C Preprocesser2 (Bundling Component Only)
1	F860-9007-0000	TTU 13.10 - Teradata COBOL Preprocessor2 (Bundling Component Only)
1	F860-9008-0000	TTU 13.10 - Teradata FastExport (Bundling Component Only)

Qty.	Teradata Part #	Description
1	F860-9009-0000	TTU 13.10 - Teradata PT Export Operator (Bundling Component Only)
1	F860-9010-0000	TTU 13.10 - Teradata FastLoad (Bundling Component Only)
1	F860-9011-0000	TTU 13.10 - Teradata PT Load Operator (Bundling Component Only)
1	F860-9012-0000	TTU 13.10 - Teradata MultiLoad (Bundling Component Only)
1	F860-9013-0000	TTU 13.10 - Teradata PT Update Operator (Bundling Component Only)
1	F860-9014-0000	TTU 13.10 - Teradata TPUMP (Bundling Component Only)
1	F860-9015-0000	TTU 13.10 - Teradata PT Stream Operator (Bundling Component Only)
1	F860-9018-0000	Teradata Management Portlets 13.1x (Bundling Component Only)
1	F860-9021-0000	TTU 13.10 - Teradata Active System Management (Bundling Component Only)
179	F860-ENTP-0000	TTU 13.10 - ENTERPRISE BUNDLE PACKAGE, per Tperf
3	G460-0350-0000	SYMplicity 10 for LINUX (SUSE)
3	G460-0351-0000	Multi-Pathing SW 9.03 for LINUX (SUSE) (SYM 10)
1	G460-1110-0000	Media for SYM 10.xx & Multipathing SW 9.03 - Linux SLES 10 SP1
Misc.		
1	NOTE-TERA-0001	United States
1	NOTE-TERA-0002	Largest Clique Size = 2 + 1
1	NOTE-TERA-0004	Number of Nodes = 3
1	NOTE-TERA-0005	This order has Platform Metering COD. Full Capacity is the throughput when switches reducing capacity are off. Capacity is represented by up to 3 items that add to percent of Full Capacity purchased and determine Tperf for software pricing.
1	NOTE-TERA-0006	For expansions, the percent of Full Capacity purchased is lower than the percent of Full Capacity delivered by an amount equal to the reduced throughput of previous nodes in the system.