

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

CHANGE NOTICE NO. 5
 to
CONTRACT NO. 071B1300199
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Dewpoint, Inc. 1921 E Miller Rd - Suite B Lansing, MI 4911	Michelle Massey	Michelle.Massey@dewpoint.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(517) 316-2869	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	Celeste Sickles	517-636-6330	sickelsc@michigan.gov
BUYER	DTMB	Whitnie Zuker	517-284-7030	zukerw@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: Oracle Application Support Services - Statewide			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
February 1, 2011	January 31, 2014	5, 1 Year Options	January 31, 2015
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>		
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$0.00		\$4,500,000.00		

Effective July 1, 2014, this contract is hereby amended to include one (1) Application Database Administrator, Rick Golden, for an estimated time period of 7/1/14 – 3/31/15 (1485 hours) at an not to excess hourly rate of \$135.00. Total cost of \$200,477.55. This resource will provide Michigan Gaming Control Board (MGCB) support for the MGCB Oracle Databases. See Attached Statement of Work for additional details.

All other terms, conditions, pricing and specifications remain the same. Per vendor and agency agreement and DTMB Procurement approval.

MGCB Oracle
Contract

State of Michigan

Oracle Services Contract #071B1300199

Department of Technology,

Management & Budget

June 19, 2014



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Executive Summary

The Michigan Gaming Control Board (MGCB) is seeking a company to provide an application database administrator to provide support for the MGCB Oracle databases.

Solution Overview

Dewpoint will provide a Senior Database Administrator with the required technical skills to assist MGCB in completing the necessary tasks as related to this request.

Tasks

The application database administrator is required to assist with the following tasks:

- Provide onsite technical and functional assistance for MGCB applications, Oracle databases and key projects including the Case Management System, Disaster Recovery and Server Refresh projects; work with DTMB and MGCB team members on issue and change resolution; provide assistance with application and database upgrades; as well as ongoing production support and maintenance (Oracle version 11.2 environment with 3 servers (Development, UAT and Production)).
- Provide technical assistance to state database administrators on all relational database related issues.

Acceptance Criteria

Acceptance criteria for this project may include, but are not limited to:

- All deliverables included in the State's System Engineering Methodology (SEM).
- All deliverables included in the State's Project Management Methodology (PMM).
- All deliverables will not be considered complete until MGCB and DTMB has formally accepted them.
- All documentation must be complete and meet State standards.

Project Control and Reports

A weekly progress report must be submitted to DTMB Project Managers throughout the life of this project detailing the current and upcoming status of the project as well as issues and risks identified, including but not limited to:

- **Accomplishments:** Indicate what was worked on and what was completed during the current reporting period.
- **Planned Tasking:** Describe activities to be accomplished during the next reporting period.
- **Issues:** Indicate major issues/risks/changes, real or perceived, and recommend resolutions

Invoicing

- Dewpoint submits a monthly timesheet to DTMB management for review and signature approval. Once approved and returned back to Dewpoint, an official invoice is submitted to DTMB Financial Services for a monthly payment request.

Time and Attendance

- Oracle DBA will follow DTMB time and attendance processes and policies.

Specific Agency Standards

MGCB standards require the following:

- MGCB conducts a personal background screening and criminal background check, including fingerprints, on all contractors before work can begin.
- Assigned resources are prohibited from participating in any casino gaming in the State of Michigan while under contract. Assigned resources are also not allowed on the property of any casino in Michigan or any out-of-state affiliate casinos without prior approval from the Executive Director while under contract.
- Additionally, assigned resources are prohibited from wagering on the results of live and simulcast horse races at licensed racing events and are prohibited from wagering at charitable gaming millionaire party events in the State of Michigan while under contract.

Assumptions

- Work will not start until a purchase order is issued.
- Project assumed start and end date are: 07.01.14 – 03.31.15.
- Work will not start until MGCB background checks are completed successfully.
- Any extensions or change of service that affect the project in terms of resources, scope, or time will be handled through a change request form. These changes may impact the cost of the project.

Pricing

The following pricing for this project is on a time and materials basis.

Changes will not be effective without written agreement and approval by Dewpoint and the State of Michigan.

Dewpoint Resource	Hourly Rate	Total Hours	Subtotal
Rick Golden	\$135.00	1485	\$200,477.55
			\$200,477.55

Accepted by:

For Dewpoint, Inc.:

For State of Michigan:

Printed Name: _____ Printed Name: _____

Date: _____ Date: _____

STATE OF MICHIGAN
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
 PROCUREMENT
 P.O. BOX 30026, LANSING, MI 48909
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May 1, 2014

CHANGE NOTICE NO. 4
 to
CONTRACT NO. 071B1300199
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Dewpoint, Inc. 1921 E Miller Rd - Suite B Lansing, MI 4911	Michelle Massey	Michelle.Massey@dewpoint.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(517) 316-2869	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	Celeste Sickles	517-636-6330	sickelsc@michigan.gov
BUYER	DTMB	Whitnie Zuker	517-284-7030	zukerw@michigan.gov

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PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>		
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
		\$4,500,000.00		
<p>Effective June 3, 2014, this contract is hereby amended to include one (1) Principal Consultant, Bala Nair, for an estimated time period of 6/3/14 – 1/31/15 (1120 hours) at an not to excess hourly rate of \$172.00. Total cost of \$192,640.00.00. This resource will provide middleware support between DHS SACWIS Application and Oracle Relational Database. See Attached Statement of Work for additional details.</p> <p>All other terms, conditions, pricing and specifications remain the same. Per vendor and agency agreement and DTMB Procurement approval.</p>				

DHS Oracle Database Support Contract

State of Michigan
Department of Human Services

April 29, 2014



Dewpoint
Making technology work
Consulting • Technology • Support

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Executive Summary

DHS is seeking a company to provide an application database administrator to provide support for the DHS Oracle databases.

Solution Overview

Dewpoint will provide Bala Nair as the application database administrator to assist DHS in completing the necessary tasks as related to this request.

BACKGROUND:

DTMB Database Support team's main responsibilities include creating, operating, and maintaining Oracle databases. These are online transactional databases supporting DHS application. The applications are accessed by DHS, other State agencies and the public. Some of the databases are operational during regular business hours, and others are operational 24/7 supporting DHS' critical applications. DTMB/AS/DHS Database Support team does not have sufficient staff with the expertise needed to adequately provide database support for all the applications used by DHS. This SOW is for additional contractual services to provide Oracle database support.

PROJECT OBJECTIVE:

To provide Oracle relational database consulting services for DHS' Oracle databases. This SOW stipulates requested services for one application database administrator/senior principal consultant.

SCOPE OF WORK:

Application database administrator/senior principal consultant to provide Oracle e-Business Financials support services. The consultant must have a minimum of 5 year's experience in their area of expertise to include working with users to determine requirements. Knowledge of the DTMB/AS/DHS environment is preferred; recognition of the ability to share data between projects is essential.

Tasks

The application database administrator/senior principal consultant is required to assist with the following tasks:

- Provide technical and functional assistance for the Local Accounting System Replacement (LASR) project: analyzing requirements for customization of Oracle's e-Business Financials application including Oracle Forms and Reports development; assisting other staff with same; working with LASR and State Disbursement Unit (SDU) program staff on issue and change resolution; providing assistance with application upgrades; and ongoing production support.
- Provide technical assistance to state database administrators on all relational database related issues.
- Provide on-the-job database administration training for State staff an average of ten hours a week.

DELIVERABLES:

Deliverables will not be considered complete until the DHS and DTMB Project Managers have formally accepted them. Deliverables for this project include:

- Satisfactory completion of tasks assigned by the DHS and DTMB Project Managers/Database Supervisor.
- The Technical Architect/ principal consultant must provide a minimum of ten hours per week of mentoring and training of State staff to assure continuity of support services

PROJECT CONTROL AND REPORTS:

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

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

SPECIFIC DEPARTMENT STANDARDS:

Agency standards, if any, in addition to DTMB standards

PROJECT CONTACTS:

The designated DTMB Project Manager is:

Foster Joseph
DTMB/AS/DHS Database Support
Michigan Department of Technology Management and Budget
235 S. Grand Avenue
Lansing, MI 48909
Phone: 517.335.7719
Fax: 517.241.7812
Email: Josephf@michigan.gov

The designated Agency Project Manager is:

Greg Wekwert
Department of Human Services
Accounting Division
Grand Tower Building-Suite 1102
235 South Grand Avenue
Lansing, Michigan 48909
517-241-8807
517-335-6457
wekwertg@michigan.gov

LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

Consultants will work at 235 S. Grand Avenue, Grand Tower Building in Lansing, Michigan.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

Normal work hours are eight (8) hours a day, forty (40) hours a week. Additional hours may be necessary based on business needs. These hours may vary and will be paid at the same base hourly rate. The State will not pay overtime.

Assumptions

- Work will not start until a purchase order is issued.

Pricing

The following pricing for this project is on a time and materials basis. Any extensions or change of service that affect the project in terms of resources, scope, or time will be handled through a change request form. These changes may impact the cost of the project. This will cover 6/3/2014-1/31/2015.

Changes will not be effective without written agreement and approval by Dewpoint and the State of Michigan.

Dewpoint Resource	Hourly Rate	Total Hours	Subtotal
<i>Bala Nair- Sr. principal consultant</i>	\$172.00	1120	\$192,640.00
			\$192,640.00

Accepted by:

For Dewpoint, Inc.:

For State of Michigan:

Printed Name: _____

Printed Name: _____

Date: _____

Date: _____

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

May 1, 2014

CHANGE NOTICE NO. 3
 to
CONTRACT NO. 071B1300199
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Dewpoint, Inc. 1921 E Miller Rd - Suite B Lansing, MI 4911	Michelle Massey	Michelle.Massey@dewpoint.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(517) 316-2869	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	Celeste Sickles	517-636-6330	sickelsc@michigan.gov
BUYER	DTMB	Whitnie Zuker	517-284-7030	zukerw@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: Oracle Application Support Services - Statewide			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
February 1, 2011	January 31, 2014	5, 1 Year Options	January 31, 2015
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>		
VALUE/COST OF CHANGE NOTICE:			ESTIMATED REVISED AGGREGATE CONTRACT VALUE:	
			\$4,500,000.00	
Effective May 1, 2014, this contract is hereby amended to include one (1) Principal Consultant, Patrick Angle, for an estimated time period of 5/1/14 – 9/1/14 (480 hours) at an not to excess hourly rate of \$154.00. Total cost of \$73,920.00. This resource will provide middleware support between D HS SACWIS Application and Oracle Relational Database. All other terms, conditions, pricing and specifications remain the same. Per vendor and agency agreement and DTMB Procurement approval.				

DHS SACWIS Application Oracle Database Sup

State of Michigan
Department of Human Services

April 29, 2014



Dewpoint
Making technology work
Consulting • Technology • Support

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Executive Summary

DHS is seeking a company to provide a Technical Architect/ principal 480. The duration of this proposal is from 5/1/2014 to 9/1/2014.

Solution Overview

Dewpoint will provide Patrick Angle as the Technical Architect to assist DHS in completing the necessary tasks as related to this request.

BACKGROUND:

DTMB currently has only one senior analyst (Chris Tropp) providing middleware support for both Bridges and SACWIS applications. These applications are high profile entities for DHS and DTMB. SACWIS is scheduled to be deployed in two weeks. The consultant will provide assistance to Chris Tropp on the SACWIS application. The Technical Architect/principal consultant will trouble shoot and fine tune the middleware while improving performance between the application and the Oracle database. This SOW is for contractual services to provide middleware support between Oracle database and the SACWIS application for about three months.

PROJECT OBJECTIVE:

To provide Middleware support between the DHS SACWIS application and Oracle relational database for about three months or until the production application has been stabilized. This SOW stipulates requested services for one Technical Architect/ principal consultant.

SCOPE OF WORK:

Technical Architect/ principal consultant to provide middleware support services between the SACWIS application and the Oracle database. The consultant must have a minimum of 5 years experience in their area of expertise to include working with users to determine requirements. Knowledge of the DTMB/AS/DHS environment is preferred; proficiency in sharing data between projects is essential.

Tasks

The Technical Architect/ principal consultant is required to assist with the following tasks:

- Provide technical and functional assistance for the SACWIS project: Analyze the current configuration of the middleware; make recommendations for improvement; assist state staff (Chris Tropp) with on-going middleware related tasks. Changes to the system will not be made until discussed with the state middleware expert and/or project supervisor.
- Provide technical assistance to state middleware administrators on IBM WebSphere related issues.
- Provide on-the-job training for State staff to assure smooth transition of support once the contract for services is fulfilled.

DELIVERABLES:

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

Deliverables for this project include:

- Satisfactory completion of tasks assigned by the DTMB Project Manager/Database Supervisor.
- The Technical Architect/ principal consultant must provide a minimum of ten hours per week of mentoring and training of State staff to assure continuity of support services

PROJECT CONTROL AND REPORTS:

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

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

SPECIFIC DEPARTMENT STANDARDS:

Agency standards, if any, in addition to DTMB standards

PROJECT CONTACTS:

The designated DTMB Project Manager is:

Foster Joseph
DTMB/AS/DHS Database Support
Michigan Department of Technology Management and Budget
235 S. Grand Avenue
Lansing, MI 48909
Phone: 517.335.7719
Fax: 517.241.7812
Email: Josephf@michigan.gov

LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

Consultants will work at 235 S. Grand Avenue, Grand Tower Building in Lansing, Michigan.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

Normal work hours are eight (8) hours a day, forty (40) hours a week. Additional hours may be necessary based on business needs. These hours may vary and will be paid at the same base hourly rate. The State will not pay overtime.

Assumptions

- Work will not start until a purchase order is issued.

Pricing

The following pricing for this project is on a time and materials basis. Any extensions or change of service that affect the project in terms of resources, scope, or time will be handled through a change request form. These changes may impact the cost of the project.

Changes will not be effective without written agreement and approval by Dewpoint and the State of Michigan.

Dewpoint Resource	Hourly Rate	Total Hours	Subtotal
Patrick Angle - Principle Consultant	\$154.00	480	\$73,920.00
			\$73,920.00

Accepted by:

For Dewpoint, Inc.:

For State of Michigan:

Printed Name: _____

Printed Name: _____

Date: _____

Date: _____

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

May 21, 2013

CHANGE NOTICE NO. 2
 to
CONTRACT NO. 071B1300199
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Dewpoint, Inc. 1921 E Miller Rd Ste. B Lansing, MI 4911	Michelle Massey	Michelle.Massey@dewpoint.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(517) 316-2869	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	Celeste Sickles	517-636-6330	sickelsc@michigan.gov
BUYER	DTMB	Whitnie Zuker	517-284-7030	zuckerw@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: Oracle Application Support Services - Statewide			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
February 1, 2011	January 31, 2014	5, 1 Year Options	January 31, 2015
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1 Year	January 31, 2015
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
		\$4,500,000.00		

Effective immediately, this contract is hereby Amended to include the following Statement of Work to support the Department of State Qualified Voter File (QVF) refresh project. Please note the buyer has been changed to Whitnie Zuker. All other terms, conditions, pricing, and specifications remain the same. Per vendor and agency agreement and DTMB Procurement approval

DTMB/QVF Technical Support

DTMB/Dewpoint Oracle
Services
Contract #071B1300199
Michigan Department of



Presented by:
Mike Coyne
March 31th, 2014
517.331.0715

Table of Contents

- [Executive Summary of opportunity \(as stated by State of Michigan\)](#) 4
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- [Acceptance](#) 6

Executive Summary

The State of Michigan (SOM), through the Department of Technology, Management & Budget (DTMB) has requested a proposal for a solution architect and a developer to assist with the Qualified Voter File (QVF) Modernization Project.

This Statement of Work is intended to secure one part-time on-site solution technical architect and a PL/SQL developer for DTMB that will provide the following services:

Technical Architect:

- Assist with the design of a highly available fault tolerant database infrastructure
- Assist with technical design activities, including optimizing data access for a web portal application, leveraging Oracle features such as materialized views to reduce latency, and providing insights that could improve application performance
- Assist with infrastructure optimization and design, including identifying bottlenecks, improving responsiveness, and reducing single points of failure
- Provide oversight for development services, including assisting with coding standards, directing coding methods to improve performance, performing code reviews, and providing direct coding assistance when necessary
- The Technical architect will bring 10+ years' experience in application design and application development
- The Technical Architect will have senior level Oracle, PL SQL, and .NET architectural skill sets
- The Technical Architect will have all of the skill sets required for the development staff, but will have 10 years' experience in those skills

Developer Services:

- The Dewpoint will provide two .NET developers one with 5+ years' experience in the skills listed below:
 - Programming in C# .NET, and Visual Studio through 2013 with the ability to build objects and screens for an application with an Oracle back end
 - Analyzing system requirements, and assisting with technical clarifications
 - The ability to write SQL code and PL/SQL to support a web application.
 - Identify and resolve performance problems related to database access as requested
 - Provide design assistance for building queries and adding to the database to improve performance, such as views and derived data elements

Solution

Dewpoint will provide a solution architect, on a part-time hourly basis, to perform as a Technical Consultant in support of the QVF Modernization Project. Dewpoint will also provide two full time onsite .NET on Oracle developers.

Specific tasks may include but are not limited to:

- Design and review tasks related to the QVF web portal with respect to database and back end query access as well as web forms and user interface components.
- Design and analysis for infrastructure components of QVF, including networking, physical and virtual hardware and implementation of Oracle technologies.
- High availability and disaster recovery planning and design.
- Development of PL/SQL based code artifacts and .NET objects.

In Scope

Status Reporting

Dewpoint will create Weekly Progress reports containing:

- a. Hours: Dewpoint will indicate the number of hours expended during the week, and the cumulative total to date for the project. We will also state whether the remaining hours are sufficient to complete the project.
- b. Accomplishments: Dewpoint will indicate what was worked on and what was completed during the current reporting period.
- c. Planned Tasking: Describe activities to be accomplished during the next reporting period.
- d. Funds: Indicate the amount of funds expended during the current reporting period, and the cumulative total to date for the project.
- e. Issues: Indicate major issues/risks/changes, real or perceived, and recommend resolutions.

SPECIFIC STANDARDS:

- Agency standards, if any, in addition to DTMB standards.
- State of Michigan Systems Engineering Methodology (SEM)

Client Responsibilities

- The State of Michigan will provide adequate conference room workspace, as well as access to telephones, copiers, and printing facilities as reasonably necessary.

- The State of Michigan will appoint a project representative as well as any other relevant personnel to work with Dewpoint.

Payment Schedule:

- Payment will be made on a time and materials basis. DTMB will pay Dewpoint upon receipt of properly completed invoices.

Pricing

The following pricing for this project is based on actual professional service hours. Any extensions or change of service that affect the project in terms of resources, scope, or time will be handled through a change request form. These changes may impact the cost of the project.

Changes will not be effective without written agreement and approval by Dewpoint and DTMB.

Dewpoint Resource	Hourly Rate	Total Hours	Subtotal
Sr Consultant/Technical Architect	\$150.00	600	\$90,000.00
Associate Consultant/Developer	\$90.00	1984	\$178,560.00
Associate Consultant/Developer	\$90.00	1984	\$178,560.00
Grand Total			\$447,120.00

Acceptance

Accepted by:

For Dewpoint, Inc.:

For DTMB:

Printed Name: _____

Printed Name: _____

Date: _____

Date: _____

STATE OF MICHIGAN
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
 PROCUREMENT
 P.O. BOX 30026, LANSING, MI 48909
 OR
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May 21, 2013

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NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Dewpoint, Inc. 1921 E Miller Rd Ste. B Lansing, MI 4911	Michelle Massey	Michelle.Massey@dewpoint.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(517) 316-2869	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	Celeste Sickles	517-636-6330	sickelsc@michigan.gov
BUYER	DTMB	Reid Sisson	517-241-1638	sissonr@michigan.gov

CONTRACT SUMMARY:			
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N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1 Year	January 31, 2015
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$2,500,000.00		\$4,500,000.00		

Effective immediately, The Contractor will be required to submit an Administrative Fee (see Section 2.038) on all payments remitted under the Contract, except for payments for the following Contractor resources:

- Bala Nair
- John Estill
- Chris Weiss
- Jose Jimlin
- Rick Golden
- Sriharsha Oaddiraju

2.038 ADMINISTRATIVE FEE AND REPORTING

The Contractor must remit an administrative fee of one percent (1%) on all payments remitted to Contractor under the Contract including transactions with the State (including its departments, divisions, agencies, offices, and commissions), MiDEAL members, and other states (including governmental subdivisions and authorized entities). Contractor must submit an itemized purchasing activity report, which includes at a minimum, the name of the purchasing entity and the total dollar volume in sales.

Itemized purchasing activity reports should be mailed to DTMB-Procurement and the administrative fee payments shall be made by check payable to the State of Michigan and mailed to:

Department of Technology, Management and Budget
Financial Services – Cashier Unit
Lewis Cass Building
320 South Walnut St.
P.O. Box 30681
Lansing, MI 48909

The administrative fee and purchasing activity report are due within 30 calendar days from the last day of each quarter.

This contract is also utilizing the first option year and is INCREASED by \$2,500,000.00. The new end date is January 31, 2015.

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

Per vendor agreement, DTMB Procurement approval, and the approval of the State Administrative Board dated May 21, 2013.

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET February 15, 2011
PURCHASING OPERATIONS
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

NOTICE
OF
CONTRACT NO. 071B1300199
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR		TELEPHONE Michelle Massey
		(517) 316-2869
Dewpoint, Inc		CONTRACTOR NUMBER/MAIL CODE
1921 E Miller Rd Ste B		
Lansing, MI 4911		BUYER/CA (517) 241-1638
Email: Michelle.Massey@dewpoint.com		Reid Sisson
Contract Compliance Inspector: Mark Lawrence		
Oracle Application Support Services - Statewide		
CONTRACT PERIOD: 3 yrs. + 5 one-year options	From: February 1, 2011	To: January 31, 2014
TERMS	SHIPMENT	
N/A	N/A	
F.O.B.	SHIPPED FROM	
N/A	N/A	
ALTERNATE PAYMENT OPTIONS:		
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other		
MINIMUM DELIVERY REQUIREMENTS		
N/A		

TOTAL ESTIMATED CONTRACT VALUE: \$2,000,000.00

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

CONTRACT NO. 071B1300199
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR Dewpoint, Inc 1921 E Miller Rd Ste B Lansing, MI 4911 Email: Michelle.Massey@dewpoint.com	TELEPHONE Michelle Massey (517) 316-2869 CONTRACTOR NUMBER/MAIL CODE BUYER/CA (517) 241-1638 Reid Sisson
Contract Compliance Inspector: Mark Lawrence Oracle Application Support Services - Statewide	
CONTRACT PERIOD: 3 yrs. + 5 one-year options From: February 1, 2011 To: January 31, 2014	
TERMS <p style="text-align: center;">N/A</p>	SHIPMENT <p style="text-align: center;">N/A</p>
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
ALTERNATE PAYMENT OPTIONS: <input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other	
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	

THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the REQ No. #084R0200108. Orders for delivery will be issued directly by State Departments through the issuance of a Purchase Order Form.

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

TOTAL ESTIMATED CONTRACT VALUE: \$2,000,000.00

FOR THE CONTRACTOR:

FOR THE STATE:

Dewpoint, Inc

 Firm Name

 Authorized Agent Signature

 Authorized Agent (Print or Type)

 Date

 Signature
 Greg Faremouth, Director

 Name/Title
 IT Division

 Division

 Date



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ARTICLE 1 STATEMENT OF WORK (SOW)

1.000 Project Identification

1.001 PROJECT REQUEST

The purpose of this proposal is to procure select Oracle limited support services on behalf of the Michigan Department of Technology, Management, & Budget.

1.02 BACKGROUND

The Department of Technology, Management, & Budget (DTMB) is charged with the mission of achieving a unified and cost-effective approach for managing information technology among all Executive Branch agencies. Oracle is a State platform standard for both Database and Customer Relationship Management Software (Siebel). The current contract is due to expire in January 2011. The purpose of this RFP is to provide a cost-competitive contractual solution for Oracle to support current & future systems.

Oracle Database is one of the State's standard Relational Database Management Systems (RDBMS), supporting over twenty-five State software application systems and the core business functions of a dozen agencies. These systems span the full spectrum of State business functions, from internal to Citizen & Customer support, and over all levels of criticality, including real-time 24x7 availability. Major applications currently using Oracle Database are:

- Medicaid (Community Health)
- Tax (Treasury)
- Disability Claims (Human Services)
- Child Support Enforcement (Human Services)
- Voter Registration Records (Secretary of State)
- Unemployment Claims (Energy, Labor, & Economic Growth)
- Intelligent Transportation System (Transportation)
- State Accounting, Contracting, Human Resources, & Procurement (DTMB)
- Law Enforcement Information Network (State Police)

Oracle Siebel CRM is the State's standard for Customer Relationship Management (CRM). Siebel CRM solutions are currently implemented for the following agencies:

- Community Health
- Civil Service Commission
- Office of Retirement Services
- Secretary of State
- Treasury

For the State's Fiscal Year 2010, the value of annual software support for all Oracle software came to \$5.1 million, representing an estimated \$23 million software investment in Oracle. Over the past three years the State has purchased an estimated \$2.3 million in Oracle software product. Please note that past software purchasing volume represents no guarantee of future commitments to purchase.

Information regarding the State's current contract for Oracle software products and services is available at: <http://www.michigan.gov/buymichiganfirst/>

1.100 Scope of Work and Deliverables

1.101 IN SCOPE

This is an optional-use contract. The State reserves the right to purchase commodities and services outside of the contract(s) when it determines that an item's pricing is not competitive. The contract shall provide the following:



- Oracle-certified Software Advanced Support for purchased products, including:
 - Software installation
 - Software integration
 - Software implementation, including data conversion, data migration, testing, and onsite technical support
 - Software configuration
 - Onsite Application Support Services and Knowledge transfer

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

Wherever Oracle policies exist that are not incorporated in this RFP, the policy version shall remain in effect at the time of contract signature, unless the change is specifically agreed by both Contractor and the State.

1.102 OUT OF SCOPE

Oracle training is out of scope as is all products and services not listed within a category cited in section 1.101 above shall be considered out of scope. In the event of future Oracle software product releases, they shall be considered in scope if the product (s) a) is branded by Oracle as belonging to one of the in-scope categories, and b) is determined to exhibit functionality that supports the in-scope product suite's core function.

1.103 ENVIRONMENT

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

Contractors are advised that the State has methods, policies, standards and procedures that have been developed over the years. Contractors are expected to provide proposals that conform to State IT policies and standards. All services and products provided as a result of this RFP must comply with all applicable State IT policies and standards. The Contractor awarded the contract must request any exception to State IT policies and standards in accordance with MDIT 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 MDIT Standard Information Technology Environment. Additionally, the State must be able to maintain software and other items produced as the result of the Contract. Therefore, non-standard development tools may not be used unless approved by MDIT. The Contractor must request, in writing, approval to use non-standard software development tools, providing justification for the requested change and all costs associated with any change. The State's Project Manager and MDIT 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 MDIT, before work may proceed based on the changed environment.

Enterprise IT Security Policy and Procedures:

<http://www.michigan.gov/dit/0,1607,7-139-34305-108216--,00.html>

The State's security environment includes:

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

**IT Strategic Plan:**

<http://www.michigan.gov/dit/0,1607,7-139-30637-135173--,00.html>

IT eMichigan Web Development Standard Tools:

http://www.michigan.gov/documents/Look_and_Feel_Standards_2006_v3_166408_7.pdf

The State Unified Information Technology Environment (SUITE):

Includes standards for project management, systems engineering, and associated forms and templates – must be followed: <http://www.michigan.gov/suite>

1.104 Work And Deliverable**Software Support Services**

DTMB reserves the right to procure Software Support Services through this contract as an option. The scope of these services shall be limited to those as defined in 1.101. The State shall define all requests for services through individual Statements of Work. The Contractor shall respond with a proposal, including cost, to all Statements of work within ten business days.

Support services consists of, but is not limited to:

- Software installation
- Software integration
- Software implementation, including data conversion, data migration, testing, and onsite technical support
- Software configuration
- Knowledge Transfer
- Onsite application support services

Dewpoint is a highly technical, highly skilled organization that understands State of Michigan systems, processes and procedures. As such our goal in managing this contract for the State of Michigan is to provide:

- Thought leadership on how best to organize, consolidate and deploy your Oracle technology to maximize value while minimizing cost
- A structured process for managing all Oracle projects that is consistent with State standard processes
- A local talent pool to provide highly technical resources to the State of Michigan at competitive prices
- A structure for managing your Oracle licenses thereby ensuring visibility into current licensing scenarios while ensuring compliance with Oracle's licensing requirements

In addition to all services purchased, Dewpoint will provide to the State an additional eight (8) hours of consulting services per quarter for each year of the contract. This will provide the State an ability to utilize Dewpoint expertise to enhance the contract in a manner that best fits and current and future direction of the State.

The following paragraphs expand on the first three of these bullet points. The fourth bullet point is addressed under the Oracle Software Update License and Technical Support section of this response.

Thought Leadership

The State of Michigan has the opportunity to reduce the overall cost and complexity of maintaining multiple Oracle Databases through the judicious use of database consolidation. Database consolidation is the migration of independent implementations of Oracle databases, which are currently utilizing dedicated servers, onto fewer servers supporting multiple database instances. This compacting of the Oracle footprint, while expanding functionality, will result in a significant reduction in the cost and effort required to maintain the State of Michigan Oracle Database Infrastructure.



Consolidating Oracle database instances onto fewer servers lowers costs by reducing the number of physical servers and the resources necessary to maintain them. Capacity planning and resource allocation will allow the State to make optimum use of the resources in place by eliminating excess capacity on underutilized database servers. This will allow for the future allocation of resources, such as memory and processing power, to be shared across multiple databases to the benefit of multiple agencies. Database Administrators will spend less time performing redundant maintenance tasks on multiple servers and will be able to spend more time on performance tuning and optimization.

The Dewpoint Team, working in collaboration with the State's Technical and Business Stakeholders, can develop consolidation plans ranging in scope from consolidation of specific, selected database servers to development of a complete Enterprise Consolidation Plan. An Enterprise Consolidation Plan would analyze the State's current Oracle Database install base and recommend a statewide consolidation approach with a prioritized and actionable plan. All planning would be done to maximize current resources and to create an extensible environment in tune with the State's future capacity plan. Whether co-locating existing databases and sharing Oracle home directories or migrating once distinct databases into a merged data source, Dewpoint has the expertise to reduce the resource demands of the State's Oracle systems, while maintaining fine-grained access control to Oracle schemas, objects and roles.

Dewpoint is familiar with the State of Michigan's database environment and understands the importance of scalability and data availability to government business. Dewpoint has the experience necessary to implement a secure solution using Oracle Database technologies such as Oracle Database Vault, the ability to reduce storage needs using data compression, and the knowledge and expertise necessary to provide highly available Oracle database systems while reducing the amount of support necessary for those systems.

Structured Project Process

Dewpoint has extensive experience working with State of Michigan's Agencies and DTMB in a collaborative manner to accomplish project goals. Our experience working through the SOW process on the MVP contract, the MSP MIOC contract and the MiHIN contract provides us the foundation for our approach to performing services work using this contract vehicle.

Project Planning

In order to properly plan and staff the projects that will be identified throughout this contract term it is important that the State and Dewpoint form a collaborative team that monitors in scope project requests (as defined in Section 1.101 of this RFP) coming into the DTMB EPO and creates a comprehensive project and staffing plan. Dewpoint proposes that this Oracle Project Team meet bi-weekly and consist of the DTMB/EPO Contract Administrator/Project Coordinator, DTMB/Agency Services Program Manager and Dewpoint's Single Point of Contact. During these meetings it is expected that the requests that the DTMB/EPO Contract Administrator/Project Coordinator receives through the State's normal Project Planning process will be discussed and documented using a form similar to below.



Project Information		Potential Staffing Needs								
Description	Expected/Actual	Anticipated/Act	Practice/Tech Director	Practice/Tech Director	Practice/Tech Director	Principle Consultant	5 – Principle Consultant	4 – Sr. consultant	3 – Staff Consultant	2 – Associate Consultant
	Software Installation									
Project 1										
Project 2										
Software Integration										
Project 1										
Project 2										
Software Implementation										
Project 1										
Project 2										
Software Configuration										
Project 1										
Project 2										
Knowledge Transfer										
Project 1										
Project 2										
Onsite Application Support Services										
Project 1										
Project 2										

These meetings will strictly be used for planning purposes as Dewpoint understands that the State will release a SOW for each project that will be staffed through this contract. Dewpoint also understands that we will need to provide a proposal that includes scope, tasks, deliverables and costs within 10 business days of the SOW request.

The goal of these meetings is to allow Dewpoint to properly plan for the State’s staffing needs.

Managing Talent Pool

The staff management process for providing the staff support the tasks identified in section 1.104 consists five elements: Staff Planning, Staff Acquisition, Staff Tracking, and Staff Transition.

Staff Planning

As discussed above Dewpoint’s Single Point-of-meet with the DTMB/EPO Contract Administrator/Project Coordinator and the Services Program Manager on a bi-weekly basis to upcoming projects and potential staffing needs. It is as potential projects are identified the business owners of these projects will attend these meetings scope of the efforts. Based on these discussions an staffing plan will be created and maintained by this



required to of the following Training, Staff

Contact will DTMB/Agency discuss anticipated that and/or technical to discuss the anticipated group.

**Staff Acquisition**

The Dewpoint Single Point of Contact will identify, interview and evaluate the appropriate Dewpoint or Michigan-based subcontractor staff with the skills to fill the role.

Staff Training**Project Orientation**

When new staff joins the project, they will be oriented to the project using the Project Staff Orientation Checklist. Each new employee will be briefed on confidentiality and conflict of interest as well as the State's Network Access Policy.

When new staff joins the project, the Single Point of Contact or Project Manager provides an orientation to the project. The orientation covers the following topics:

- Background of the Project
 - Current Status of the Project
 - Specific Job Duties and Expectations
 - Introduction to the Staff and Consultants
 - Overview of the Facility and Infrastructure
- Overview of the Project Processes, including time reporting, attendance, and status meetings
 - Review of Confidentiality and Conflict of Interest
 - Policies on sexual harassment
 - Policies on non-discrimination
 - Policies on safety and security
 - Code and Conduct policies

The Single Point of Contact and appropriate State manager (if necessary) then review with staff their current job skills and discuss mandatory or desired training with the staff. Typical types of training which may be required or of use to staff include:

- Introduction to Project Management Principles
- Introduction to the Client's website or tools
- Introduction to Project Tools

On-Going Training for Staff

At the start of each project the Single Point of Contact or Project Manager (if assigned) will review their staff skill sets against any new roles or responsibilities needed for the project. Each manager and their staff should discuss where additional training might be needed to ensure staff has the necessary skills to execute the activities for each project phase.

Training will be provided in a way that minimally impacts the day to day operation of the project. The client is not responsible for staff training unless additional training is required due to added project scope. If this is the case, any additional expenses will be covered under the change control for the project scope change (if required). Training can be conducted through job shadowing, on line courses, or through live courses. The emphasis will be on ensuring staff have the appropriate skills to perform their job duties. If additional training is needed it will be documented and tracked via the individual's performance/development plan.

Staff Tracking and Management

Day-to-day management of the project staff is the responsibility of the Project Manager or functional managers (team leads, core team members). Performance evaluations, performance issues and recognition, promotions, and disciplinary actions are the responsibility of the respective organizational chain of command.

**Staff Transition****Transition to Other Projects/Organizations**

As a project comes to completion, the Staff Planning Team discussed above will determine if the role can be absorbed into a subsequent project team or if a new resource needs to be obtained. The Single Point of Contact or Project Manager is responsible for coordinating the completion and transfer of records to the new project/organization and is responsible for making sure all badges, access to systems and keys are returned prior to the resource's departure.

Replacement of Staff

If a member of the project has to be immediately replaced, the Single Point of Contact is to notify the DTMB/EPO Contract Administrator/Project Coordinator and DTMB/Agency Services Program Manager as soon as possible. In addition the Single Point of Contact will notify the Dewpoint Government Sector Management Team and any subcontractor contacts (as needed). Based on the circumstances and the impact to the project any of the following may occur: the staff member may be replaced by redirecting resources from within or outside of the project, or their workload may be absorbed by other staff.

Consultant staff will be replaced in accordance to guidelines established in the project contract. Resumes for proposed replacements will be submitted for State approval. Replacement staff must meet the original minimum qualifications for the position and generally are subject to an interview in addition to a review of their resume and qualifications. Prior work references will be checked. Where possible, the replacement staff will begin work prior to the original staff departure to ensure appropriate transition of responsibilities and knowledge.

INVENTORY & CONTRACT MANAGEMENT SERVICES**MyDewpoint Portal and Customer Service Help Desk Overview**

Dewpoint's support service team utilize a web-based portal and service management system which includes MyDewpoint inventory and contract portal and MyHelpDesk web-based service call tool. Both are available to all Dewpoint contract customers as part of our on-going commitment to excellent customer service and datacenter asset management.

MyDewpoint Portal

Dewpoint's service team will provide full setup, access and user training for the MyDewpoint portal for all contract customers. In addition, on-going basic administrative services will be performed by Dewpoint to maintain contract changes during the term of the agreement. MyDewpoint portal is maintained by qualified contract specialists, familiar with IT vendor service plans, SLA's, contract terms and escalation processes. Dewpoint's portal is designed and utilized to house and track a variety of vendor hardware and software products and contract information, including service data related to Sun Microsystems.

MyDewpoint portal is that single point of contact to track inventory and contract information to the line item, including license keys, hardware serial numbers and contract information as well as to house any supporting documentation. This repository of information is maintained daily, providing as close to real-time information as possible. Dewpoint's strength lies in the management of heterogeneous environments. While a mix of technologies can provide a custom, fitted solution, many times challenges arise in managing multiple assets and technical support between vendors. Dewpoint brings identified contractor's support processes, service levels, and escalation methodologies into one unified picture via MyDewpoint.

MyDewpoint portal is a web-based professional tool designed to track your IT Datacenter hardware and software products from the time they are purchased until the time they leave the datacenter. This lifecycle includes such data points as site location, host name, department reference, lease information, contract information, item change information, service level updates, cancelation, and much more. In addition, MyDewpoint may be configured to include up to three customizable fields to ensure the data being tracked is relevant and pertinent to CUSTOMER's needs specific to any given project or department.



Person(s) designated by CUSTOMER will access MyDewpoint by secure log in via the worldwide web. Specific permissions will be assigned according to the level(s) of access CUSTOMER wishes to grant persons on an individual basis. MyDewpoint will note and track each person’s contact information and their access level. Access to the portal allows users to generate, view, status, query and report on inventory and/or contract information associated with this agreement.

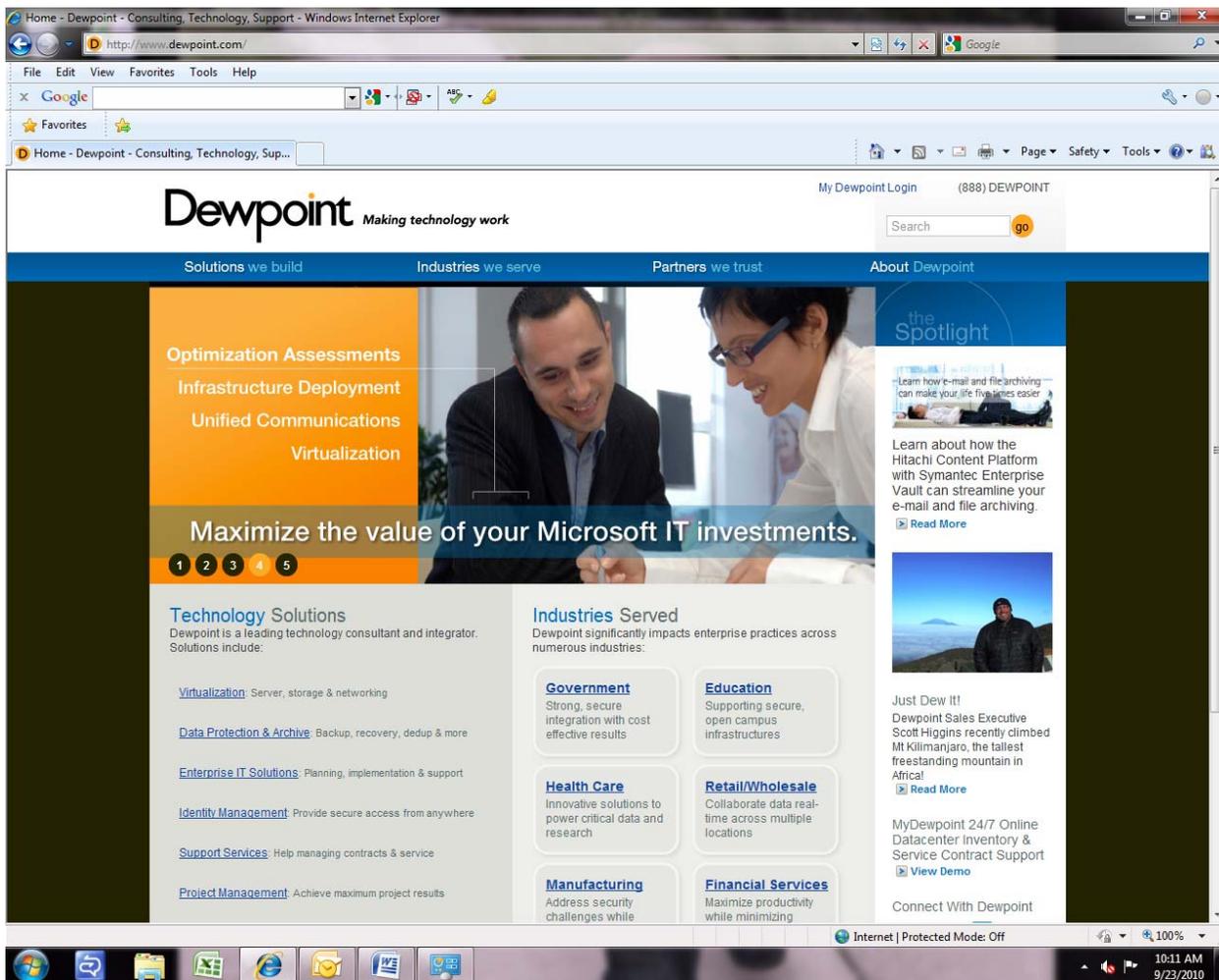
MyDewpoint portal pre-defined permission levels include:

Customer Tech, able to View Inventory - this will show item description, manufacturer, part #, serial #, site, host id and warranty date; View Contract Items- This will show item description, part #, serial #, site, host id, and service type; View numbers to call for technical support; View items pending add to contract, pending remove from contract, and active on contract (these are all color coded); Download to a CSV file, items in inventory or on contract, sorted by active items, pending add or pending remove.

Customer Admin, has all permissions of Customer Tech as described above, plus the ability to See pricing for items on contract; request Additions to contract; request Removal of items from contract; request Service level changes, or request any General service change.

Super Admin, has all permission of Customer Admin as described above, plus the ability to Add to Inventory, Create or Delete Users, Create or Modify Site locations; Set User Permission levels, Login ID’s and Passwords.

Screen shots from our test site show the MyDewpoint portal’s presentation of a site’s inventory and contract data:





www.Dewpoint.com

<https://my.dewpoint.com/>



MyDewpoint - Windows Internet Explorer
 https://my.dewpoint.com/customer/inventory.php

File Edit View Favorites Tools Help

Google

MyDewpoint

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My Contracts **Inventory** MyHelpDesk MyHub KnowledgeBase

Home > Inventory >

Inventory for DEMO Test Inc.

Active No Contract
 Pending Add Pending Remove

Show All items w/ optional keywords Go Updated: 06/24/10 at 01:40 PM
 Actions: Download CSV

Item	Mfg	Part No	Serial No	Site	Host/ID	Warranty
9570V	HDS	043990067	65014151	Indianapolis	Test-2	01/01/07
9570V	HDS	9570	65014235	Lansing	Test-3	11/15/08
Crossroads 4400	Sun	4400	MSN-A00KK0	Lansing	Test-2	06/05/07
E220R System	Sun	A28	026H4BEE	Lansing	Test-9	07/31/06
Ent 450 System	Sun	A25	010H2AD7	Lansing	Test-8	04/30/03
Ent 5500 Server	Sun	E5500	009H2D77	Lansing	Test-7	02/15/01
Ent license, 1-100 CPU	Oracle	OR123	SW-76543	Lansing	Test-5	12/31/99
FC Switch	Brocade	BRO2400	DP000021608	Lansing	Test-3	04/09/06
L7000/E Library	Sun	L700000	35500006588	Lansing	Test-7	06/30/08
LC3	HDS	LC3	MSN-US41056	Indianapolis	Test-4	09/30/08
MDL-Net Server	HDS	MDL-NET	MSN-USB03127	Lansing	Test-5	08/31/08
Net Server LC2000R	HDS	LC2000R	US0050023	Lansing	Test-6	07/31/07
NetBackup Client,WIN	Symantec	A159878	SW-98765	Lansing	Test-8	12/31/99
NetBackup Opt,Vault v6.0	Symantec	A16002C	SW-87654	Lansing	Test-5	12/31/99
Stk DLT7000 Drive	Sun	9777000	32500115230	Lansing	Test-7	06/15/07
SunONE IDM 1000u	Sun	IDMS9-CFP99	SW-123457	Lansing	Test-1	12/31/99
SunONE IDM Full Use Base	Sun	IDM99-CFB99	SW-123456	Lansing	Test-1	12/31/99

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Inventory View



MyDewpoint - Windows Internet Explorer
 https://my.dewpoint.com/index.php

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MyDewpoint

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My Contracts Inventory MyHelpDesk MyHub KnowledgeBase

My Contracts >

Welcome, Administrator Administrator!
Contracts for DEMO Test Inc.

Contract #	Vendor	Site(s)	Billing	Expires	Status
NK2011234	SUN	Lansing	07/01/11	07/01/11	Active
BR-1234	Brocade	Lansing	06/30/11	06/30/11	Active
US12345	Sun	Lansing	06/30/15	06/30/15	Active
9904568	Hitachi	Indianapolis, Lansing	06/30/12	06/30/12	Active
NK56789	SUN1	Lansing	12/30/13	12/30/13	Active
OR333	Oracle	Lansing	01/31/12	01/31/12	Active
V1234	Symantec	Lansing	02/28/14	02/28/14	Active
ABC123456	Hitachi	Indianapolis, Lansing	05/30/13	05/30/13	Active

Your Inventory
 Active: 14
 Pending Add: 3
 Pending Remove: 0
 No Contract: 5
Total Items: 22
[View](#) [Download](#)

MyHelpDesk
 You have 1 open support ticket.
[View MyHelpDesk >](#)

MyHub
 You have 0 open quote requests.
[View MyHub >](#)

KnowledgeBase
 Browse important documents & updates.
[KnowledgeBase >](#)

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https://my.dewpoint.com/customer/contract.php?id=33

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10:13 AM
9/23/2010

Contract View
 Viewing Hitachi contract 9904568



MyDewpoint - Windows Internet Explorer

https://my.dewpoint.com/customer/contract.php?id=33

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Google

MyDewpoint

Dewpoint Making technology work

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My Contracts Inventory MyHelpDesk MyHub KnowledgeBase

My Contracts > Contract 9904568 >

Contract 9904568 (Hitachi) Active Pending Add Pending Remove

Status: Active Uplifts/Discounts: Dewpoint: 1/888-DEWPOINT
 End Date: 06/30/12 Support: 1/800-446-0744 Actions: Request an Addition
 Billing Date: 06/30/12 Download CSV
 Billing Cycle: Full in Adv Show/Hide Contacts [or Sites.](#)
 End User PO#: A111

Name	Title	Role	Phone	Mobile	Fax	E-mail
Administrator, Administrator	IT Manager	Admin	1-555-555-1234	1-555-555-1111	1-555-555-2222	admin@testcustomer.com
Super Admin, Super Admin	IT Manager	Super Admin	1-517-555-1212	1-517-555-1234	1-517-555-8889	superadmin@test.com
Technician, Technician	Systems Administrator	Tech	1-555-555-1234	1-555-555-1111	1-555-555-2222	tech@testcustomer.com

Site Code	Address
Indianapolis	123 Executive Dr Carmel IN 45678
Lansing	1234 Lansing Rd. Lansing MI 12345

Filter this list

Check these boxes and then

<input type="checkbox"/>	Item	Part No	Serial No	Site	Host	Start	Svc	CostY1	CostY2	CostY3
<input type="checkbox"/>	LC3	LC3	MSN-US41056	Indianapolis	Test-4	07/01/10	PREM	\$456.33		
<input type="checkbox"/>	MDL-Net Server	MDL-NET	MSN-USB03127	Lansing	Test-5	07/01/10	PREM	\$555.66		
<input type="checkbox"/>	Net Server LC2000R	LC2000R	US0050023	Lansing	Test-6	07/01/10	PREM	\$555.66		

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Internet | Protected Mode: Off 100% 10:13 AM 9/23/2010

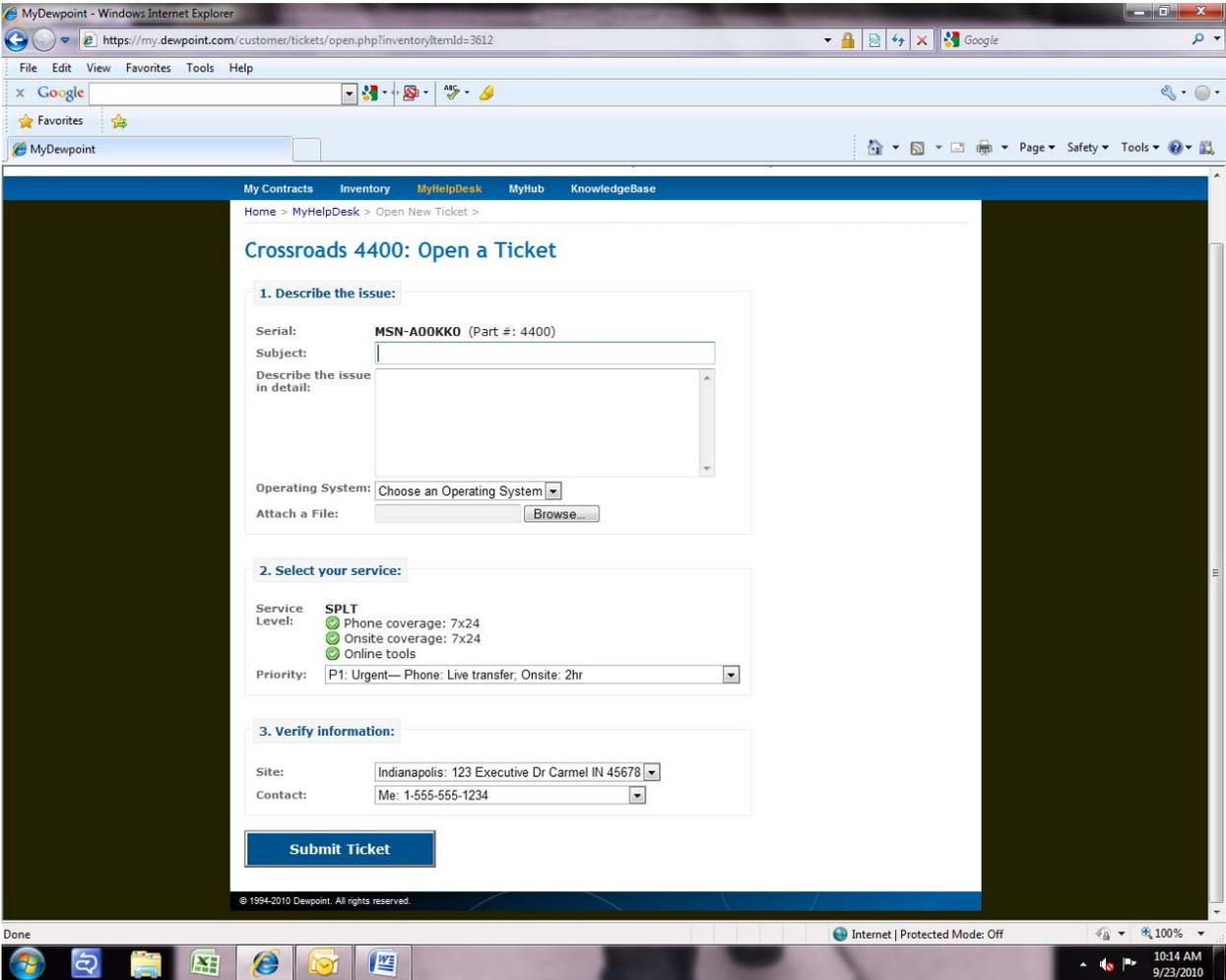
Contract 9904568 with show/hide contacts and sites showing



The screenshot shows a web browser window displaying the MyDewpoint customer portal. The page title is "Closed Tickets" and it features a navigation bar with links for "My Contracts", "Inventory", "MyHelpDesk", "MyHub", and "KnowledgeBase". A blue button labeled "Open a Ticket" is visible. Below the button is a table of closed tickets.

Ticket #	Opened	Subject	Part	Serial	Status
D10-1795	03/25/10 12:17 PM	LifeAlert	E5500	009H2D77	Closed
D09-1661	09/23/09 09:46 AM	Need disk drive replaced	L700000	35500006588	Closed

MyHelpdesk view of customers closed tickets



MyHelpdesk view to Open a Ticket



Knowledgebase



The screenshot shows a Windows Internet Explorer browser window displaying the Dewpoint KnowledgeBase. The address bar shows the URL: https://my.dewpoint.com/customer/kb/index.php?companyId=13&nodeId=251. The Dewpoint logo and tagline "Making technology work" are at the top. A navigation bar includes links for My Contracts, Inventory, MyHelpDesk, MyHub, and KnowledgeBase. The main content area is titled "KnowledgeBase for DEMO Test Inc." and features a search box. The article being viewed is "License Keys 9.23.10". The article content includes a header "License Keys 9.23.10", a "From" field (Joe Smith [Joe.Smith@oracle.com]), a "Sent" field (Tuesday, September 21, 2010 5:05 PM), a "To" field (xxxxx.xxxxx@xxxxxx.org), a "Subject" field (XXXXXX Public Schools SO XXXXXX Veritas NBU Server 6.5 Sol Tier 3: VNSSS-650-E999; lost license key request), and an "Attachments" field (Please complete all fields marked with an.docx). The body of the email starts with "Dear Wxxxx Sxxx," followed by "Please refer below for the replacement license keycode." and "LICENSE INFORMATION". Under "Product/Installation Details:", it lists "VNSSS-650-E999" and "VRTS NETBACKUP SERVER 6.5 SOL X64 TIER 3 STD LIC". Under "LICENSE KEY INFORMATION", it shows a long alphanumeric string: "XXX-1x1x1x-2x12x2x-2x2x2x-3PCU-PPRU-PUPX-8D8d-YYYY-6". The email ends with "Sincerely, licensecodes_ww@oracle.com". At the bottom of the article, there are "OPTIONS: Edit Article Delete Article". The browser's status bar at the bottom shows "Done, but with errors on page." and the system tray displays the time as 10:24 AM on 9/23/2010.

Knowledge base used by many customers as storage for license keys



MyDewpoint - Windows Internet Explorer
 https://my.dewpoint.com/

File Edit View Favorites Tools Help

Google

Favorites: MyDewpoint, MSN.com by Dell

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My Contracts Inventory MyHelpDesk MyHub KnowledgeBase

My Contracts >

Welcome, Administrator Administrator!
Contracts for DEMO Test Inc.

Contract #	Vendor	Site(s)	Billing	Expires	Status
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NK56789	SUN1	Lansing	12/30/13	12/30/13	Active
OR333	Oracle	Lansing	01/31/12	01/31/12	Active
V1234	Symantec	Lansing	02/28/14	02/28/14	Active
ABC123456	Hitachi	Indianapolis, Lansing	05/30/13	05/30/13	Active

Your Inventory

Active: 14
 Pending Add: 3
 Pending Remove: 0
 No Contract: 5
Total Items: 22

View Download

MyHelpDesk
 You have 1 open support ticket.
[View MyHelpDesk >>](#)

MyHub
 You have 0 open quote requests.
[View MyHub >>](#)

KnowledgeBase
 Browse important documents & updates.
[KnowledgeBase >>](#)

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Back to MyDewpoint dashboard.

1.200 Roles and Responsibilities

1.201 CONTRACTOR STAFF, ROLES, AND RESPONSIBILITIES

Single Point of Contact

The Contractor will 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. 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.

The Contractor will provide resumes in the attached Personnel Resume templates (Attachment XX) for the SPOC. The competence of the personnel the Contractor proposes for this project will be measured by the candidate’s education and experience with particular reference to experience on similar projects as described in this Statement of Work. The Contractor will commit that staff identified in its proposal will actually perform the assigned work.

Contractor must provide a list of all subcontractors, including firm name, address, contact person, and a complete description of the work to be contracted. Include descriptive information concerning subcontractor’s organization and abilities.

The Contractor will 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.



Brian Dumont will be the single point of contact for this engagement. As a Vice President of Dewpoint and the SPOC for the MIHIN project, Brian brings the knowledge necessary to guide the project through the processes and terms at the State of Michigan as well as the authority from a Dewpoint perspective to make binding decisions on behalf of the company and our technology partners. Brian will be the ultimate point of escalation and takes a hands on approach in every Dewpoint engagement. This allows him to resolve situations before they become issues of escalation. Brian will take on the primary client care responsibilities and will be a part of all vital decisions. Brian also has a close relationship with the management and staff from each of the subcontracting organizations. It is his responsibility to ensure that total buy in is obtained for any contract changes or needed adjustments.

Brian is also technically astute and has technical background in addition to his business and management skills. He is well suited for the role of Single Point of Contact. With a career that has spanned over 30 years, Brian has encountered a variety of technical and business situations. He has worked as a Project Manager overseeing projects for the Department of Defense that were valued at \$18M. He has worked with and overseen the purchase and delivery of offerings from Sun, Microsoft, Brocade, Symantec, VMWare, and NetApp among many others. As the Single Point of Contact and the ultimate point of accountability for the Oracle software and support contract, Brian will bring his experience, all of the resources of Dewpoint and the skills of our subcontractors to successfully deliver the needed products and services to the State of Michigan.

Subcontractors

Overview

Dewpoint has selected a team of experienced information technology partners. We have picked partners that are good at their business and have a proven track record. So although they may come from different technology areas, the end results are the same: quality people, quality solutions and a dedication to getting the job done. As a Michigan headquartered company, we sought out partners who were committed to Michigan or brought a specific skill set to the team. Along with Dewpoint, our partners include state of Michigan headquartered Red Cedar Solutions Group, TEKsystems, Analysts International and Oracle.



Company Name	Red Cedar Solutions Group LLC
Company Address	2310 Science Parkway Suite 1 Okemos, Michigan 48864
Contact Information	Andrew Henry (517) 455-7368 EXT: 100 Andrew.Henry@redcedarsolutionsgroup.com

Description of Work to be completed:

Red Cedar will be providing the resources to respond to Oracle services requests for maintenance or emergency support when needed.

Company Description (Include descriptive information concerning organization and abilities):

RSCG consists of developers, project managers, business analysts, database administrators and architects with no less than 15 years of experience each. Our staff members have worked on a variety of projects in both the private and public sector, including child support, Bridges, the MICR, and wide range of education related projects. Outside of the state of Michigan our employees have worked on projects in corrections, manufacturing, satellite imaging, healthcare and human resources management. Our depth and breadth of experience allows us to think out of the box when it comes to working on information technology problems, while the maturity of our staff allows you to stay focus on meeting schedules and delivering business value.



Company Name TEKsystems
 Company Address 3940 Peninsular Drive Suite 100
 Grand Rapids, Michigan 49546
 Contact Information Scott Wiseman
 (616) 974.1928
 swiseman@teksystems.com

Description of Work to be completed:

TEKsystems will be responsible for providing IT Staff Augmentation support of this contract on an as needed basis.

Company Description (Include descriptive information concerning organization and abilities):

As the leading provider of IT Staff Augmentation Services in the United States TEKsystems is uniquely qualified to repeatedly deliver the volume, quality and sustainability of resources that the State requires. TEKsystems has been in the IT staff augmentation business for over 15 years. Our Michigan locations are supported by a network of over 80 non-franchised U.S. based staffing offices providing the power of the greatest recruiting network in the United States. Headquartered in the Baltimore, Maryland-metropolitan area, TEKsystems is a wholly-owned subsidiary of Allegis Group, one of the largest privately-held staffing services companies in the United States. Because we are privately held, we have the ability to do what is right to meet our customers' needs.

The secret to our success is exceptional people, processes and technology all dedicated to getting the job done right. We understand that for technology to work it has to serve real business needs and that every IS service has to be implemented by people. We focus first on understanding your organization and its industry needs then on meeting those needs with extraordinary people who have both the industry-specific technical skills and the work ethic and communication skills to help ensure success.



Company Name Analysts International
 Company Address 3800 Heritage Drive, Suite A4
 Okemos, MI 48864
 Contact Information Darrell Swartz
 (517) 347-7611
 Dswartz@analysts.com

Description of Work to be completed:

Analysts International will be responsible for providing IT Staff Augmentation support of this contract on an as needed basis.



Company Description (Include descriptive information concerning organization and abilities):

AIC HAS BEEN A LONG TIME PARTNER WITH THE STATE OF MICHIGAN SUPPLYING RESOURCES ON A PROJECT AND INDIVIDUAL BASIS. AIC IS A NATIONAL INFORMATION TECHNOLOGY (IT) CONSULTING FIRM THAT IS FOCUSED ON DELIVERING QUALITY IT PROFESSIONALS ON DEMAND. WE VALUE OUR PEOPLE, OUR PARTNERSHIPS, AND OUR CLIENTS WITH BALANCED PERSPECTIVE. WE PLAY A VITAL ROLE IN THE BROAD TECHNOLOGY ECOSYSTEM THAT EXISTS TO SERVE THE MARKET, AND WE PROVIDE JOBS FOR TALENTED PEOPLE.

We work to hire only the most qualified employees, train our resources on the latest technology, and stress the importance of forging long-lasting, personal connections with our consultants and clients.

Customer Satisfaction with AIC:
Team focus on highest quality service and highest possible customer satisfaction.

AIC has been providing technology staffing services since 1966. For more than four decades, AIC has been providing staffing services across a full range of IT skills. Today, our 1,000+ IT professionals serve a broad portfolio of clients throughout the United States with technology staffing, collaboration solutions, platform solutions, project and application solutions, and managed services offerings.

More than 50 percent of our clients have worked with AIC for ten years or more

Business Value with AIC:
Capabilities and strengths to complement driving high-quality, on-demand talent.

We provide services to more than 500 companies and government agencies across North America each year from AIC office locations across the country. Our clients include over half of the Fortune 500 companies, and public and private sector firms in 48 U.S. states, Canada, and Puerto Rico. Our primary industry verticals are High Technology, Financial, Government, Energy, Health Care, Retail, and Manufacturing. More than 50 percent of our clients have been with us for ten years or longer.

AIC has the ability to quickly staff positions, even positions that are hard to find. AIC assigns dedicated recruiters who develop a strong understanding of the needs of their clients. Local recruiters are supported by a network of recruiters regionally and nationally from AIC's 16 offices across the United States. Our sales and recruiting teams work together to create profiles for use in evaluating available talent pools.

AIC's primary source for recruiting is our internal database of more than 500,000 candidates. Our recruiters employ industry standard sourcing methods, including cold calling, database mining, user and professional association memberships and postings, traditional advertising methods, the Internet, job boards, technology fairs, and word-of-mouth referrals. We source skill sets for clients across a wide range of industries and technologies, including those needed by the State of Michigan. When situations arise in which a skill is unique or otherwise hard to find, or when a large number of candidates are required in a short amount of time, AIC works to understand the specific requirements and then determines an expanded course of action for recruiting that may include:

- Augmenting our local recruiting presence with AIC recruiting resources nationwide.
- Leveraging partners with related subject matter expertise.
- Reaching out for referrals from consultants with whom AIC has worked in the past.
- Focusing cold calls on organizations having staff with similar skills.

We take the time to effectively screen candidates to provide only strong matches to the roles needed.

**ORACLE**

Company Name	Oracle
Company Address	424 S. Woodsmill Road, Suite 200 St. Louis, MO 63017
Contact Information	Joseph Mudroch, Technology Sales Manager (314) 682.0524

Description of Work to be completed:

Oracle will be providing the resources to respond to Oracle services requests for maintenance or emergency support when needed.

Company Description (Include descriptive information concerning organization and abilities):

Oracle America, Inc. is a wholly owned subsidiary of Oracle Corporation (—Oracle□). Founded in June 1977, Oracle develops, manufactures, markets, distributes, and supports database, middleware, and application software as well as hardware designed to help customers manage and grow their business operations.

Oracle's business is information—how to manage it, use it, share it, and protect it. For more than three decades, Oracle has provided the software and services that let organizations get the most up-to-date and accurate information from their business systems. Today, Oracle provides the world's most complete, open, and integrated business software and hardware systems, with more than 370,000 customers—including 100 of the Fortune 100—representing a variety of sizes and industries in more than 145 countries around the globe.

Oracle has over 106,000 employees worldwide, all of whom are dedicated to providing a complete business offering that includes integrated, award-winning support services combined with industry-leading products.

After more than 30 years, Oracle remains the gold standard for database technology and applications in enterprises throughout the world: The company is the world's leading supplier of software for information management, and the world's second largest independent software company. And now, with its acquisition of Sun, Oracle is taking a leadership role in the hardware arena. Oracle has developed a complete system for customers based on hardware from Sun and software from Oracle.

Now more than ever before, Oracle technology can be found in nearly every industry, and in the data centers of 100 of the Fortune Global 100 companies. Oracle is the first software company to develop and deploy 100 percent internet-enabled enterprise software across its entire product line: database, business applications, and application development and decision support tools.

It is innovation that drives Oracle's success. Oracle was one of the first companies to make its business applications available through the internet—an idea that is now pervasive. With the latest release of Oracle Fusion Middleware, Oracle has introduced new products and functionality that reflect the company's goal: connecting all levels of enterprise technology to help customers access the knowledge they need to respond to market conditions with speed and agility. Even before the acquisition with Sun was finalized, Oracle and Sun introduced the Sun Oracle Database Machine, the world's fastest machine for any type of database workload. Today, Sun servers and storage, Oracle Real Application Clusters, Oracle Applications, Oracle Grid Computing, support for enterprise Linux, and Oracle Fusion all fuel a commitment to innovation and results that has defined Oracle for thirty years.

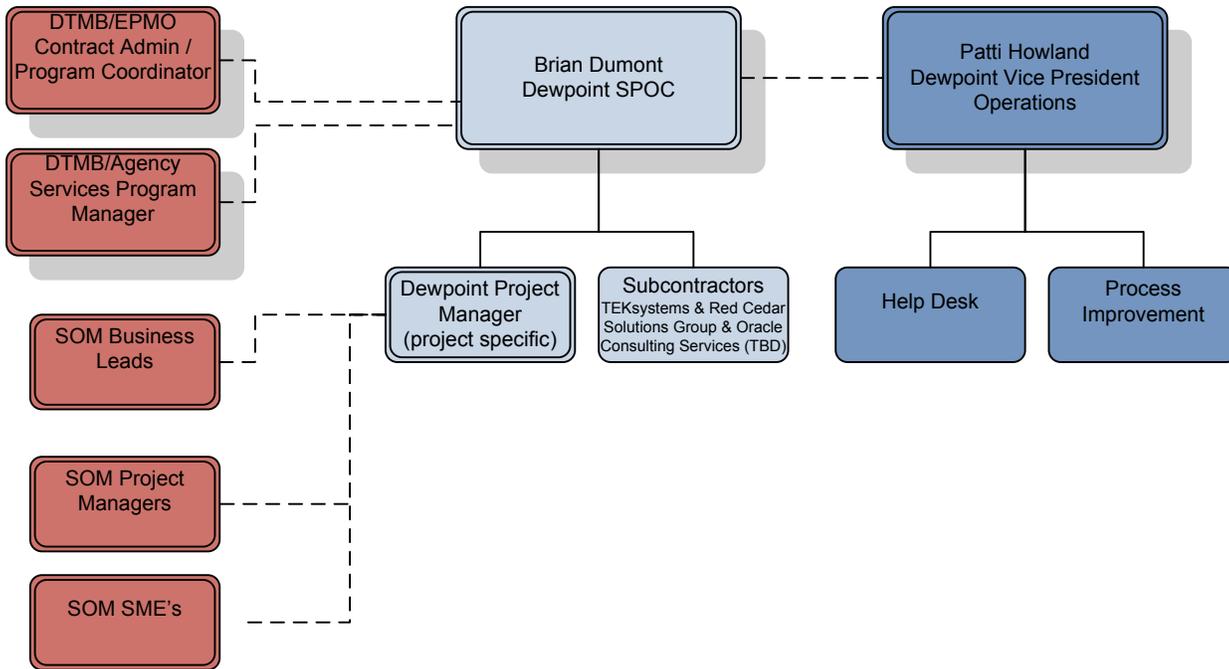
ORACLE CONSULTING SERVICES—ORACLE SOLUTION IMPLEMENTED BY ORACLE CONSULTING



Oracle Consulting Services is the premier services provider focusing exclusively on the success of customers deploying Oracle applications and technology. Oracle Consulting is one of the world's largest consulting organizations with more than 16,000 consulting professionals supporting Oracle customers and partners in more than 145 countries. Oracle Consultants have direct access to Oracle Global Product Development and Oracle's award-winning support services. Oracle Consulting can assemble, optimize, and manage the software that puts business data to work, so customers get the maximum value from their Oracle investment.

Organizational Chart

The organizational chart below incorporates the State of Michigan’s resources utilized to support the management of the contract as well as those resources identified as part of the project and escalation processes. Brian Dumont, as the Single Point of Contact, will have overall responsibility for State of Michigan relationships and management of the contract. The Dewpoint Project Manager and any subcontracted resources will report to the SPOC. The Dewpoint Project Manager will monitor all contracted business and project services. The Project Manager will use the contacts indicated as part of project definition or as resources for the escalation process if needed. Patti Howland is Dewpoint’s Vice President of Operations and will provide oversight and leadership for the Help Desk. This includes the quoting of hardware/software requests and providing the oversight of all ticket requests.



1.202 STATE STAFF, ROLES, AND RESPONSIBILITIES

State Project Manager- (MDIT and Agency)

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

Name	Agency/Division	Title
Reid Sisson	DTMB/EPMO	Contract Administrator/ Program Coordinator
Mike Sceiszka	DTMB/Agency Svcs	Program Manager

1.300 Project Plan NA - Reserved

1.400 Project Management

1.401 ISSUE MANAGEMENT



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

The Contractor shall maintain an issue log for issues relating to the provision of services under this Contract. The issue management log must be communicated to the State's 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)

1.401 Issue Management

An issue is an event that requires an action plan to fix a problem that has occurred, or an uncertainty, stated as a question, which needs to be answered so necessary actions can be taken. Any issue has the potential to affect progress if it goes unresolved, and it may jeopardize the achievement of deliverables.

Issue Management identifies issues, ensures an owner is assigned, and sets a due date for resolution. Issue Management provides a mechanism by which team members can surface, escalate, and resolve issues that jeopardize the attainment of a milestone or causes significant risk. A successful Issue Management process ensures that issues are documented and managed consistently, and that timely and effective resolution and communication occur.

The early detection and resolution of issues is a key project management role, and provides for open communication channels. Issues are documented in the status reports, reviewed at each status meeting and continually documented, tracked and communicated in the Issues Tracking Log.

In some instances, it may become necessary to invoke escalation procedures, even if the issues can be resolved by the team. The Dewpoint Project Manager may escalate those issues when visibility to the Business Leads, Project Managers or Executive Subject Matter Experts as required. The Business Leads are the first level of escalation. The Dewpoint Project Manager will work with the Business Leads to establish an expected resolution and date of resolution. If the Business Leads cannot resolve the issue or resolve the issue by the intended date, the appropriate State Project Manager will be engaged. The Dewpoint Project Manager working in collaboration with the State Project Manager will work to appropriate issues in a timely manner. Issues which will impact the project scope or cost will be escalated to the Executive Subject Matter Experts.

If it is determined that in order for the issue to be resolved a change must be made to either scope, or schedule, the Change Management process will be invoked.

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.

1.402 Risk Management

The Dewpoint Team will apply a proactive risk management approach which is established and implemented at the beginning of any services. In order to identify and mitigate risk, the Dewpoint Team will conduct activities to identify potential risks, estimate their probability of occurring and define what impact they would have on the project.

The approach the Dewpoint Team will implement for risk management is a process which includes four subdivisions: Risk Planning, Risk Assessment, Risk Analysis and Risk Handling.



Risk Management Process

During the **Risk Planning** component, risk factors will be assessed by identifying and documenting them. The team members and other stakeholders will identify initial risks and assumptions. Risks will be captured and documented for further analysis in the State of Michigan PMM Document PMM06. The project team will continue to identify and document risks as they are identified.

Risk Assessment will entail the team assessing the identified and documented risks in order to create a ranking. A risk value will be calculated using the probability and impact ratings. The Dewpoint Project Manager will facilitate a review of the risks with the State Business Leads and determine if the risk should be accepted, mitigated, or avoided. A risk management plan will be developed as appropriate.

The high-level risks are identified, assessed and documented in the PMM06. The Risk Identification List provides a general evaluation of the broad degree of risk that the project faces, based on the overall project characteristics. The high-level assessment will identify risk items, quantify the risk, and determine how to respond.

Although all risks are part of the risk management plan, those risks that have a high- or medium-level of risk exposure require documented risk action and contingency plans. During **Risk Analysis**, a risk action plan is created to describe the actions to be taken to eliminate or minimize the impact. The contingency plan outlines the plan of action to be taken if the risk cannot be prevented or minimized.

After the High Level Assessment is completed using the Risk Identification List, a determination of how to respond to the risk must be made. There are four alternatives to handling a risk:

MITIGATE – Mitigate the risk by potentially revising the scope, budget and timing

ACCEPT – Accepting the risk by doing nothing (typically for low risk items)



AVOIDANCE – Eliminate the cause of the risk event through alternative methods.

TRANSFER – Realigning the responsibility of the risk.

Risk Handling entails the creation of a risk mitigation plan for each of the identified risks. Risk Handling includes determining what steps the Dewpoint Team can take to avoid or mitigate the risk, determining which steps should be included in the project schedule, assigning an owner and target dates, and monitoring of the risk status and mitigation steps. If the risk event occurs, and changes to cost, schedule, or scope are required, the Change Management Process will be invoked.

1.403 CHANGE MANAGEMENT

Change management is defined as the process to communicate, assess, monitor, and control all changes to system resources and processes. The State also employs change management in its administration of the Contract.

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

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

The Contractor will employ the change control methodologies to justify changes in the processing environment, and to ensure those changes will not adversely affect performance or availability.

1.403 Change Management

A structured Change Management process will be adhered to. When implemented properly and executed consistently, the process can aid in setting, managing, and meeting stakeholder expectation.

The rigorous adherence to a Change Management process is an essential component in controlling scope, and it is the ultimate responsibility of the Dewpoint Project Manager to insure that change is properly managed.

Managing changes to the baseline project schedule is accomplished by incorporating only changes, which are documented and approved through the change control process. This is an iterative process which is triggered through the submission of change requests.

Change Requests

The purpose of a Change Request is to document, track, and control any changes to the contract or adjustments to the agreed-upon scope of work. A change may or may not impact the cost or schedule of the project. The Change Request process provides a documented trail of changes, and provides information for the assessment of time, resource availability, and cost impact of the change (if any). Change Requests may also be used to document a reduction of cost or the removal of functionality.

The Dewpoint Project Manager will submit a Change Request to the DTMB and CEPI project managers for approval when the following impacts have been documented:

- Project schedule
- Cost variance
- Missed project schedule milestones
- Project scope
- Significant technology deviation
- Project contract



The DTMB Project Manager will submit the proposed contract change to the Contract Administer. Upon decisions from the DTMB Buyer the Dewpoint Project Manager will issue a Notice of Decision.





Notice of Decision Request

The NOD Request form is a formal mechanism to highlight critical decisions that need to be made so that the project can proceed. Accepted Change Control Orders from the DTMB Buyer will be acknowledged with and affirmative NOD. The Dewpoint Project Manager will update the Project Plan to reflect the change including resourcing, time and dependencies. The project requirements will be updated to reflect the introduced functionality and the project scope statement will be updated as needed. Declined Change Control Orders will result in a Notice of Decision as well. This NOD will communicate to the team the project scope plan and deliverables are not to change. All work to be completed will be reflected as requirements. Each requirement will be tracked throughout the project lifecycle. No work products or deliverables will be executed which are outside of the scope of the requirements.

1.500 Acceptance – N/A - Reserved

1.600 Compensation and Payment

1.601 COMPENSATION AND PAYMENT

The State will only pay for goods and services ordered on a State Purchase Order. Contractor shall only bill for goods and services that have been delivered.

Travel

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

If 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. Contractor shall send notice to the State's MDIT Contract Administrator with the reduced prices within fifteen (15) Business Days [or other appropriate time period] of the reduction taking effect. – OR – Contractor shall send updated prices to the State [*quarterly/semi-annually*].

Statements of Work and Issuance of Purchase Orders

- Unless otherwise agreed by the parties, each Statement of Work will include:
 1. Background
 2. Project Objective
 3. Scope of Work
 4. Deliverables
 5. Acceptance Criteria
 6. Project Control and Reports
 7. Specific Department Standards
 8. Payment Schedule
 9. Project Contacts
 10. Agency Responsibilities and Assumptions
 11. Location of Where the Work is to be performed
 12. Expected Contractor Work Hours and Conditions
- The parties agree that the Services/Deliverables to be rendered by Contractor pursuant to this Contract (and any future amendments of it) will be defined and described in detail in Statements of Work or Purchase Orders (PO) executed under this Contract. Contractor shall not be obliged or authorized to commence any work to implement a Statement of Work until authorized via a PO issued against this Contract. Contractor shall perform in accordance with this Contract, including the Statements of Work/Purchase Orders executed under it.

Invoicing

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

- State 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;
- Total invoice price; and
- Payment terms, including any available prompt payment discount.

The standard billing cycle for Software Update and Technical Support shall be quarterly in arrears. The State may pay maintenance and support charges on a monthly basis, in arrears. Payment of maintenance service/support of less than one (1) month's duration shall be prorated at 1/30th of the basic monthly maintenance charges for each calendar day.

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



Article 2 - Terms and Conditions

2.000 Contract Structure and Term

2.001 CONTRACT TERM

This Contract is for a period of three (3) years beginning February 1, 2011 through January 31, 2014. All outstanding Purchase Orders must also expire upon the termination 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, shall 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 thirty (30) days before its expiration. The Contract may be renewed for up to five (5) additional one (1) year periods.

2.003 LEGAL EFFECT

Contractor accepts this Contract by signing two copies of the Contract and returning them to the Purchasing Operations. 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 shall not be liable 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), 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 must issue an approved written Purchase Order, Blanket Purchase Order, Direct Voucher or Procurement Card Order 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 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 shall 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. The Contract may be modified or amended only by a formal Contract amendment.



2.007 HEADINGS

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

2.008 FORM, FUNCTION & UTILITY

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

2.009 REFORMATION AND SEVERABILITY

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

2.010 Consents and Approvals

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

2.011 NO WAIVER OF DEFAULT

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

2.012 SURVIVAL

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

2.020 Contract Administration

2.021 ISSUING OFFICE

This Contract is issued by the Department of Technology, Management and Budget, Purchasing Operations, 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 Technology, Management and Budget
Mason Bldg, 2nd Floor
PO Box 30026
Lansing, MI 48909
reifd@michigan.gov
(517) 373-3993

2.022 CONTRACT COMPLIANCE INSPECTOR

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



[CCI name & title]
 Department
 (Address)
 Email
 Phone
 Fax

2.023 PROJECT MANAGER

The following individual will oversee the project:

[Project Manager name & title]
 Department
 (Address)
 Email
 Phone
 Fax

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, Contractor shall provide a detailed outline of all work to be done, including tasks necessary to accomplish the Additional 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 before commencing performance of the requested activities it believes 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 and 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 requires 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 Contractor believe the proposed Change 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 shall 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 shall 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 shall be performed until the proposed Change has been specified in a duly executed Contract Change Notice issued by the Department of Technology, Management and Budget, Purchasing Operations.
- (6) If the State requests or directs the Contractor to perform any activities that Contractor believes constitute a Change, the Contractor must notify the State that it believes the requested activities are a Change before beginning to work on the requested activities. If the Contractor fails to notify the State before beginning to work on the requested activities, then the Contractor waives any right to assert any claim for additional compensation or time for performing the requested activities. If the Contractor commences performing work outside the scope of this Contract and then ceases performing that work, the Contractor must, at the request of the State, retract any out-of-scope work that would adversely affect the Contract.

2.025 NOTICES

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

State:

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

Contractor:

Name:
 Address:

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

2.026 BINDING COMMITMENTS

Representatives of Contractor must have the authority to make binding commitments on Contractor’s behalf within the bounds set forth in the Contract. Contractor may change the representatives from time to time upon giving 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 shall be deemed to be an employee, agent or



servant of the State for any reason. Contractor shall be solely and entirely responsible for its acts and the acts of its agents, employees, servants and Subcontractors during the performance of the Contract.

2.028 COVENANT OF GOOD FAITH

Each party shall act reasonably and in good faith. Unless stated otherwise in the Contract, the parties shall 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 shall pay for all costs and expenses incurred in obtaining and maintaining any necessary easements or right of way.

2.034 WEBSITE INCORPORATION

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



2.035 FUTURE BIDDING PRECLUSION

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

2.036 FREEDOM OF INFORMATION

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

2.037 DISASTER RECOVERY

Contractor and the State recognize that the State provides essential services in times of natural or man-made disasters. Therefore, except as so mandated by Federal disaster response requirements, Contractor personnel dedicated to providing Services/Deliverables under this Contract shall 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 shall 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

The State shall not be obligated to pay any amounts in addition to the charges specified in this Contract for all Services/Deliverables to be provided by Contractor and its Subcontractors, if any, under 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 shall 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 shall 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 1.600**.
- (c) Correct invoices shall 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 shall 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 shall 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) shall 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 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 shall 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 shall be made by electronic fund transfer (EFT).

2.050 Taxes

2.051 EMPLOYMENT TAXES

Contractor shall collect and pay all applicable federal, state, and local employment taxes, including the taxes.

2.052 SALES AND USE TAXES

Contractor shall register and 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 shall have the right to recommend and approve in writing the initial assignment, as well as any proposed reassignment or replacement, of any Key Personnel. Before assigning an individual to any Key Personnel position, Contractor shall notify the State of the proposed assignment, shall introduce the individual to the appropriate State representatives, and shall 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 shall 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 shall 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 shall perform their duties either primarily at Contractor's offices and facilities or at State facilities. Without limiting the generality of the foregoing, Key Personnel shall, at a minimum, spend at least the amount of time on-site at State facilities as indicated in the applicable Statement of Work. Subject to availability, selected Contractor personnel may be assigned office space to be shared with State personnel.

2.065 CONTRACTOR IDENTIFICATION

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

2.066 COOPERATION WITH THIRD PARTIES

Contractor agrees to cause its personnel and the personnel of any Subcontractors to cooperate with the State and its agents and other contractors including the State's Quality Assurance personnel. As reasonably requested by the State in writing, the Contractor shall provide to the State's agents and other contractors reasonable access to Contractor's Project personnel, systems and facilities to the extent the access relates to activities specifically associated with this Contract and shall 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 shall include monitoring and reporting the State's performance of its participation and support responsibilities (as well as Contractor's own responsibilities) and providing timely notice to the State in Contractor's reasonable opinion if the State's failure to perform its responsibilities in accordance with the Project Plan is likely to delay the timely achievement of any Contract tasks.

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

2.068 CONTRACTOR RETURN OF STATE EQUIPMENT/RESOURCES

The Contractor shall 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 shall 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 Technology, 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 shall 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 shall 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 shall 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 shall 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 shall provide only the equipment and resources identified in the Statement 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 shall 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 shall 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 shall be used to determine Contractor personnel eligibility for working within State facilities and systems. The investigations shall 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 shall be initiated by the State and shall be reasonably related to the type of work requested.

All Contractor personnel shall 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 shall be expected to agree to the State's security and acceptable use policies before the Contractor personnel shall be accepted as a resource to perform work for the State. It is expected the Contractor shall present these documents to the prospective employee before the Contractor presents the individual to the State as a proposed resource. Contractor staff shall 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 shall cooperate to mitigate, to the extent practicable, the effects of any breach, intrusion, or unauthorized use or disclosure. Contractor must report to the State in writing any use or disclosure of Confidential Information, whether suspected or actual, other than as provided for by the Contract within 10 days of becoming aware of the use or disclosure or the shorter time period as is reasonable under the circumstances.

2.093 PCI DATA SECURITY REQUIREMENTS

Contractors with access to credit/debit card cardholder data must adhere to the Payment Card Industry (PCI) Data Security requirements. Contractor agrees that they are responsible for security of cardholder data in their possession. Contractor agrees that data can ONLY be used for assisting the State in completing a transaction, supporting a loyalty program, supporting the State, providing fraud control services, or for other uses specifically required by law.

Contractor agrees to provide business continuity in the event of a major disruption, disaster or failure.

The Contractor shall contact the Department of Technology, Management and Budget, Financial Services immediately to advise them of any breaches in security where card data has been compromised. In the event of a security intrusion, the Contractor agrees the Payment Card Industry representative, or a Payment Card Industry approved third party, shall be provided with full cooperation and access to conduct a thorough security review. The review will validate compliance with the Payment Card Industry Data Security Standard for protecting cardholder data.

Contractor agrees to properly dispose sensitive cardholder data when no longer needed. The Contractor shall continue to treat cardholder data as confidential upon contract termination.

The Contractor shall provide the Department of Technology, Management and Budget, Financial Services documentation showing PCI Data Security certification has been achieved. The Contractor shall advise the Department of Technology, Management and Budget, Financial Services of all failures to comply with the PCI Data Security Requirements. Failures include, but are not limited to system scans and self-assessment questionnaires. The Contractor shall provide a time line for corrective action.

2.100 Confidentiality



2.101 CONFIDENTIALITY

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

2.102 PROTECTION AND DESTRUCTION OF CONFIDENTIAL INFORMATION

The State and Contractor shall each use at least the same degree of care to prevent disclosing to third parties the Confidential Information of the other as it employs to avoid unauthorized disclosure, publication or dissemination of its own confidential information of like character, but in no event less than reasonable care. Neither Contractor nor the State shall (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 shall 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 shall 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 shall 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 shall 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 shall 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 shall 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 shall 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 shall 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 shall 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 shall 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 shall 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 shall meet to review each audit report promptly after issuance. The Contractor shall respond to each audit report in writing within 30 days from receipt of the report, unless a shorter response time is specified in the report. The Contractor and the State shall 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 shall 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 shall 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 shall 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 shall 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 Technology, Management and Budget, Purchasing Operations.

2.122 WARRANTY OF MERCHANTABILITY

Goods provided by Contractor under this agreement shall be merchantable. All goods provided under this Contract shall be of good quality within the description given by the State, shall be fit for their ordinary purpose, shall be adequately contained and packaged within the description given by the State, shall conform to the agreed upon specifications, and shall conform to the affirmations of fact made by the Contractor or on the container or label.

2.123 WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE

When the Contractor has reason to know or knows any particular purpose for which the goods are required, and the State is relying on the Contractor's skill or judgment to select or furnish suitable goods, there is a warranty that the goods are fit for such purpose.

2.124 WARRANTY OF TITLE

Contractor shall, in providing goods to the State, convey good title in those goods, whose transfer is right and lawful. All goods provided by Contractor shall be delivered free from any security interest, lien, or encumbrance of which the State, at the time of contracting, has no knowledge. Goods provided by Contractor, under this Contract, shall be delivered free of any rightful claim of any third person by 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 shall maintain the equipment/system(s) in good operating condition and shall 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 thirty (30) business days 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 shall 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 INSURED on the vehicle liability certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

- 3. Workers’ compensation coverage must be provided according to applicable laws governing the employees and employers work activities in the state of the Contractor’s domicile. If a self-insurer provides the applicable coverage, proof must be provided of approved self-insured authority by the jurisdiction of domicile. For employees working outside of the state of qualification, Contractor must provide appropriate certificates of insurance proving mandated coverage levels for the jurisdictions where the employees’ activities occur.

Any certificates of insurance received must also provide a list of states where the coverage is applicable.

The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company. This provision must not be applicable where prohibited or limited by the laws of the jurisdiction in which the work is to be performed.

- 4. Employers liability insurance with the following minimum limits:
 \$100,000 each accident
 \$100,000 each employee by disease
 \$500,000 aggregate disease

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

- 6. Umbrella or Excess Liability Insurance in a minimum amount of ten million dollars (\$10,000,000.00), which must apply, at a minimum, to the insurance required in Subsection 1 (Commercial General Liability) above.

- 7. Professional Liability (Errors and Omissions) Insurance with the following minimum coverage: three million dollars (\$3,000,000.00) each occurrence and three million dollars (\$3,000,000.00) annual aggregate.

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

2.132 SUBCONTRACTOR INSURANCE COVERAGE

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



2.133 CERTIFICATES OF INSURANCE AND OTHER REQUIREMENTS

Contractor must furnish to MDTMB Purchasing Operations, certificate(s) of insurance verifying insurance coverage or providing satisfactory evidence of self-insurance as required in this Section (the "Certificates"). The Certificate must be on the standard "accord" form or equivalent. **The Contract Number or the Purchase Order Number must be shown on the Certificate Of Insurance To Assure Correct Filing.** All Certificate(s) are to be prepared and submitted by the Insurance Provider. All Certificate(s) must contain a provision indicating that coverage afforded under the policies SHALL 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 Technology, 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 shall 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 shall 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 shall 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 convenience 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 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 shall 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 shall 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 shall 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 shall 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 thirty (3) days. These efforts must include, but are not limited to, those listed in **Section 2.150**.

2.172 CONTRACTOR PERSONNEL TRANSITION

The Contractor shall 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 shall 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 shall 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**. Upon receipt of the stop work order, Contractor must immediately comply with its terms and take all reasonable steps to minimize incurring costs allocable to the work covered by the Stop Work Order during the period of work stoppage. Within the period of the stop work order, the State must either: (a) cancel the stop work order; or (b) terminate the work covered by the Stop Work Order as provided in **Section 2.182**.

2.182 CANCELLATION OR EXPIRATION OF STOP WORK ORDER

The Contractor shall resume work if the State cancels a Stop Work Order or if it expires. The parties shall agree upon an equitable adjustment in the delivery schedule, the Contract price, or both, and the Contract shall 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 shall be deemed to be a termination for convenience under **Section 2.153**, and the State shall pay reasonable costs resulting from the Stop Work Order in arriving at the termination settlement. For the avoidance of doubt, the State shall not be 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 shall be resolved under the Contract Management procedures in this Contract. If the parties are unable to resolve any dispute after compliance with the processes, the parties must meet with the Director of Purchasing Operations, DMB, or designee, 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 at issue which the parties believe to be appropriate and germane in connection with its resolution. The representatives shall 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 shall 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 shall 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, shall 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 shall 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 shall not mediate disputes between the Contractor and any other entity, except state agencies, concerning responsibility for performance of work under the Contract.

2.193 INJUNCTIVE RELIEF

The only circumstance in which disputes between the State and Contractor shall not be subject to the provisions of **Section 2.192** is where a party makes a good faith determination that a breach of the terms of the Contract by the other party is that the damages to the party resulting from the breach shall 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 shall not award a Contract or subcontract to an employer whose name appears in the current register of employers failing to correct an unfair labor practice compiled 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, shall 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 shall 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 shall 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

Wages rates 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. Contractor shall also post, in a conspicuous place, the address and telephone number of the Michigan Department of Labor and Economic Development, the agency responsible for enforcement of the wage rates and fringe benefits. Contractor 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 shall 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 shall 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 shall be 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 shall 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) shall 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 shall 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 shall 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 shall make the following notifications in writing:
 - (1) Within 30 days of Contractor becoming aware that a change in its ownership or officers has occurred, or is certain to occur, or a change that could result in changes in the valuation of its capitalized assets in the accounting records, Contractor must notify MDTMB Purchasing Operations.
 - (2) Contractor shall also notify MDTMB Purchasing Operations within 30 days whenever changes to asset valuations or any other cost changes have occurred or are certain to occur as a result of a change in ownership or officers.
 - (3) Contractor shall also notify MDTMB 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 shall 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 shall be stored separately from other stock and marked conspicuously with labels indicating ownership by the State.

2.240 Performance

2.241 TIME OF PERFORMANCE

- (a) Contractor shall use 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 shall notify the State in a timely manner upon becoming aware of any circumstances that may reasonably be expected to jeopardize the timely and successful completion of any Deliverables/Services on the scheduled due dates in the latest State-approved delivery schedule and must inform the State of the projected actual delivery date.
- (c) If the Contractor believes that a delay in performance by the State has caused or will cause the Contractor to be unable to perform its obligations according to specified Contract time periods, the Contractor must notify the State in a timely manner and must use commercially reasonable efforts to perform its obligations according to the Contract time periods notwithstanding the State’s failure. Contractor will not be in default for a delay in performance to the extent the delay is caused by the State.

2.242 SERVICE LEVEL AGREEMENT (SLA)

- (a) SLAs will be completed with the following operational considerations:
 - (1) SLAs will not be calculated for individual Incidents where any event of Excusable Failure has been determined; Incident means any interruption in Services.
 - (2) SLAs will not be calculated for individual Incidents where loss of service is planned and where the State has received prior notification or coordination.



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

2.243 LIQUIDATED DAMAGES

The parties acknowledge that late or improper completion of the Work will cause loss and damage to the State, and that it would be impracticable and extremely difficult to fix the actual damage sustained by the State as a result. Therefore, Contractor and the State agree that if there is late or improper completion of the Work and the State does not elect to exercise its rights under **Section 2.152**, the State is entitled to collect liquidated damages in the amount of \$5,000.00 and an additional \$100.00 per day for each day Contractor fails to remedy the late or improper completion of the Work.

Unauthorized Removal of any Key Personnel

It is acknowledged that an Unauthorized Removal will interfere with the timely and proper completion of the Contract, to the loss and damage of the State, and that it would be impracticable and extremely difficult to fix the actual damage sustained by the State as a result of any Unauthorized Removal. Therefore, Contractor and the State agree that in the case of any Unauthorized Removal in respect of which the State does not elect to exercise its rights under **Section 2.152**, 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 shall 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

Act Number 431 of the Public Acts of 1984 permits the State of Michigan, Department of Technology, Management and Budget, to provide purchasing services to any city, village, county, township, school district, intermediate school district, non-profit hospital, institution of higher education, community, or junior college. As a result of the enactment of this legislation, the MIDEAL Program has been developed. This program extends the use of state contracts to program members. The governmental agency must enter into an agreement with the State of Michigan to become authorized to participate, thus ensuring that local units of government secure a greater return for the expenditure of public funds.



In those cases, contract vendors supply merchandise at the established State of Michigan contract prices and terms. The Bidder must submit invoices and pay the authorized MIDEAL member on a direct and individual basis according to contract terms.

IT IS MANDATORY THAT ALL CONTRACTS RESULTING FROM THIS RFP WILL BE MADE AVAILABLE TO ALL STATE OF MICHIGAN AGENCIES AND AUTHORIZED MIDEAL PURCHASING PROGRAM MEMBERS.

Please Visit Mi DEAL at www.michigan.gov/buymichiganfirst under MiDeal.

Estimated requirements for authorized local units of government are not included in the quantities shown in this RFP.

2.282 STATE EMPLOYEE PURCHASES

The State allows State employees to purchase from this Contract. Unless otherwise stated, it is the responsibility of the Contractor to ensure that the State employee is an authorized purchaser before extending the Contract pricing.

The Contractor will supply Contract Services and Deliverables at the established State of Michigan contract prices and terms to the extent applicable and where available. The Contractor shall send its invoices to and pay the State employee on a direct and individual basis.

To the extent that authorized State employees purchase quantities of Services or Deliverables under this Contract, the quantities of Services and/or Deliverables purchased will be included in determining the appropriate rate wherever tiered pricing based on quantity is provided.

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 shall 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 shall provide a safe and suitable environment for performance of Contractor's Work. Before the commencement of Work, the State shall 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 shall 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 shall order a suspension of Work in writing. The State shall proceed to have the Hazardous Material removed or rendered harmless. In the alternative, the State shall 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 shall 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 shall 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

A list of the items of software the State is required to purchase for executing the Contract is attached. The list includes all software required to complete the Contract and make the Deliverables operable; if any additional software is required in order for the Deliverables to meet the requirements of this Contract, such software shall be provided to the State by Contractor at no additional charge (except where agreed upon and specified in a Statement of Work or Contract Change Notice). The attachment also identifies certain items of software to be provided by the State.



2.302 HARDWARE

A list of the items of hardware the State is required to purchase for executing the Contract is attached. The list includes all hardware required to complete the Contract and make the Deliverables operable; if any additional hardware is required in order for the Deliverables to meet the requirements of this Contract, such hardware shall be provided to the State by Contractor at no additional charge (except where agreed upon and specified in a Contract Change Notice). The attachment also identifies certain items of hardware to be provided by the State.

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

Unless otherwise specifically agreed to by the State, before initiating the preparation of any Deliverable that is a Derivative of a preexisting work, the Contractor shall cause the State to have and obtain the irrevocable, nonexclusive, worldwide, royalty-free right and license to (1) use, execute, reproduce, display, perform, distribute internally or externally, sell copies of, and prepare Derivative Works based upon all preexisting works and Derivative Works thereof, and (2) authorize or sublicense others from time to time to do any or all of the foregoing.

2.324 LICENSE RETAINED BY CONTRACTOR

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

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

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



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

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

2.325 PRE-EXISTING MATERIALS FOR CUSTOM SOFTWARE DELIVERABLES

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

2.330 Source Code Escrow

2.331 DEFINITION

“Source Code Escrow Package” shall mean:

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

2.332 DELIVERY OF SOURCE CODE INTO ESCROW

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

2.333 DELIVERY OF NEW SOURCE CODE INTO ESCROW

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

2.334 VERIFICATION

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

2.335 ESCROW FEES

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

2.336 RELEASE EVENTS

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

- (a) The Contractor becomes insolvent, makes a general assignment for the benefit of creditors, files a voluntary petition of bankruptcy, suffers or permits the appointment of a receiver for its business or



assets, becomes subject to any proceeding under bankruptcy or insolvency law, whether domestic or foreign;

- (b) The Contractor has wound up or liquidated its business voluntarily or otherwise and the State has reason to believe that such events will cause the Contractor to fail to meet its warranties and maintenance obligations in the foreseeable future;
- (c) The Contractor voluntarily or otherwise discontinues support of the provided products or fails to support the products in accordance with its maintenance obligations and warranties.

2.337 RELEASE EVENT PROCEDURES

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

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

2.338 LICENSE

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

2.339 DERIVATIVE WORKS

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



Section 5 - Hourly Support Services

NOTE: Dewpoint will provide 8 hours of consulting services per quarter for each year of the contract. No fee will be charged for these services.

Directions: Please fill in bid pricing in Columns A & B.

Oracle Support Services Consultant Level & Title	Column A	Column B
	Not to Exceed Hourly Rate for Individual Orders Under \$500,000	Not to Exceed Hourly Rate for Individual Orders Over \$500,000
9 - Sr. Practice/Tech Director	* TBD	* TBD
8 - Practice/Tech Director	\$ 250.00	\$ 250.00
7 - Practice/Tech Director	* TBD	* TBD
6 - Senior Principal Consultant	\$ 225.00	\$ 225.00
5 - Principal Consultant	\$ 200.00	\$ 200.00
4 - Sr. Consultant	\$ 150.00	\$ 150.00
3 - Staff Consultant	\$ 125.00	\$ 125.00
2 - Associate Consultant	\$ 90.00	\$ 90.00
	Summary Cost	Summary Cost
Totals	\$ 1,040.00	\$ 1,040.00

Oracle Support Services Consultant Level & Title	Support Discount Structure			
	4-6 months (5% discount)	7-9 months (8% discount)	10-12 months (10% discount)	> than 12 months (15% discount)
9 - Sr. Practice/Tech Director	* TBD	* TBD	* TBD	* TBD
8 - Practice/Tech Director	\$ 237.50	\$ 230.00	\$ 225.00	\$ 212.50
7 - Practice/Tech Director	* TBD	* TBD	* TBD	* TBD
6 - Senior Principal Consultant	\$ 213.75	\$ 207.00	\$ 202.50	\$ 191.25
5 - Principal Consultant	\$ 190.00	\$ 184.00	\$ 180.00	\$ 170.00
4 - Sr. Consultant	\$ 142.50	\$ 138.00	\$ 135.00	\$ 127.50
3 - Staff Consultant	\$ 118.75	\$ 115.00	\$ 112.50	\$ 106.25
2 - Associate Consultant	\$ 85.50	\$ 82.80	\$ 81.00	\$ 76.50
	Summary Cost	Summary Cost	Summary Cost	Summary Cost
Totals	\$ 988.00	\$ 956.80	\$ 936.00	\$ 884.00



The rates above are not to exceed rates. Hourly rates will be determined based upon the scope of work in each individual SOW

*Rates for these areas will require the utilization of Oracle OCS professionals to complete the work. Oracle is a subcontractor to Dewpoint under this contract. Rates will be determined on a case by case basis.