



P.O. BOX 30026 LANSING, MICHIGAN 48909

CONTRACT CHANGE NOTICE

Change Notice Number 002
to
Contract Number 071B1300319

CONTRACTOR	RED SKY TECHNOLOGIES INC
	925 West Chicago Ave, Suite 300
	Chicago, IL 60642
	Alicea Grau
	312-432-5963
	agrau@redskytech.com
	*****8335

STATE	Program Manager	Steve McMahon	
		517-373-6353	
		mcmahons@michigan.gov	
	Contract Administrator	Mike Breen	DTMB
		(517) 284-7002	
		breenm@michigan.gov	

CONTRACT SUMMARY				
DESCRIPTION: E-911 RFP 3 YR CONTRACT, W/ OPTIONS				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW	
June 29, 2011	June 30, 2016	5 - 1 Year	July 1, 2017	
PAYMENT TERMS		DELIVERY TIMEFRAME		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
MINIMUM DELIVERY REQUIREMENTS				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$1,861,650.00		\$ 0.00	\$1,861,650.00	

DESCRIPTION: DESCRIPTION: DTMB Network and Telecommunications Division requesting to add new volume pricing for this contract and to ensure that Telecommunications Division requesting to add new volume pricing for this contract and to ensure that the State of Michigan is in compliance with all State and federal regulations in regards to E 911 and My 911 services as per all other main Master contract and previous change notifications. Attached is an AG and Agency approved NSA agreement; all other terms and conditions remain the same.



STATEMENT of WORK

Between

RedSky Technologies, Inc.

And

STATE OF MICHIGAN

This Statement of Work (“SOW”) is between RedSky Technologies, Inc. (“RedSky”) and STATE OF MICHIGAN (“Customer”), and sets forth the business parameters and other matters regarding services that Customer has engaged RedSky to provide hereunder (the “Services”). When mutually executed, this SOW becomes contractually binding upon RedSky and Customer, and shall be subject to the terms and conditions of Network Service Agreement (the “Agreement”) between the parties hereto. Capitalized terms in this SOW, if not defined herein shall have the meaning in the Agreement.

1.0 Purchased Products

Product	Description
E911 Manager	RedSky’s on premise software solution that interfaces with Customer’s Call Servers to track location of telephones and control the ELIN used by the Call Server. E911 Manager updates the Customer’s PS-ALI account or E911 Anywhere with location data.
E911 Manager High Availability	Software for the highly available instance of E911 Manager that provides an Active/Active redundant server.
Emergency Notification On-Site	Alerts the Customer when a 9-1-1 call is made and provides pertinent E911 call information
Layer 3 Network Discovery	Allows discovery of IP phones via IP range or subnet
Layer 2 Network Discovery	Allows discovery of IP phones via network switch or switch port

2.0 Solution Design

Design Configuration				
Call Server Integration	<i>Select all that apply:</i>			
	Call Sever Type	Version(s)	Qty	
	<input checked="" type="checkbox"/> Avaya CM	3.1	6	
	<input type="checkbox"/> Avaya Session Manager			
	<input type="checkbox"/> Avaya/Nortel CS1000			
	<input checked="" type="checkbox"/> Cisco UCM	10	18	
	<input type="checkbox"/> Unify OSV			
	<input type="checkbox"/> Microsoft Lync/SFB			
RedSky Products	<i>Select all that apply:</i>			
	<input checked="" type="checkbox"/> E911 Manager	<input checked="" type="checkbox"/> EON Client		
	<input checked="" type="checkbox"/> E911 Anywhere	<input checked="" type="checkbox"/> MyE911		
	<input checked="" type="checkbox"/> EON Email/SMS	<input type="checkbox"/> Wi-Fi E911		
E911 Manager Server Configuration	Provided Hardware			
	<input checked="" type="checkbox"/> Customer	<input type="checkbox"/> RedSky		
	Server Type			
	<input type="checkbox"/> Physical	<input checked="" type="checkbox"/> Virtual		
	Server Deployment			
	<input type="checkbox"/> Standalone E911 Manager	<input checked="" type="checkbox"/> Standard Active/Active		
	<input type="checkbox"/> Other			
	Server OS			
	<input checked="" type="checkbox"/> RedSky Provided CentOS	<input type="checkbox"/> RedHat Enterprise Linux		
	Special Configuration			
	<input type="checkbox"/> Active Directory	<input type="checkbox"/> Web Proxy		
Remote Support Method				
<input type="checkbox"/> Remote Sprt	<input checked="" type="checkbox"/> VPN	<input type="checkbox"/> Web Session	<input type="checkbox"/> No Access	
Device Discovery Method(s)	<i>Select all that apply:</i>			
	<input checked="" type="checkbox"/> Layer 3 Network Discovery	<input type="checkbox"/> Layer 2 Network Discovery		
	Wi-Fi:	<input type="checkbox"/> Cisco	<input type="checkbox"/> Aruba	<input type="checkbox"/> AirWave
	<input type="checkbox"/> MAC Table	<input checked="" type="checkbox"/> TDM	<input checked="" type="checkbox"/> IP as TDM (Avaya ACM Only)	
PS-ALI Provider	<i>Select all that apply:</i>			
	<input type="checkbox"/> AT&T Midwest	<input type="checkbox"/> SFTP		
	<input type="checkbox"/> AT&T SNET	<input type="checkbox"/> NENA II File		
	<input type="checkbox"/> Verizon	<input type="checkbox"/> ALI DB Query		
	<input type="checkbox"/> PacBell	<input type="checkbox"/> Other		
Call Routing	<input checked="" type="checkbox"/> PSTN	<input type="checkbox"/> SIP		
Notes: Per Master contract 071B1300319				

2.1 Solution Design Diagram

Figure 1 provides an overview of the E9-1-1 software design provided by RedSky. This software design meets the Customer's E9-1-1 requirements for telephones within the United States. RedSky will provide and install at the Customer site the software components as set forth in Section 4 (Installation).

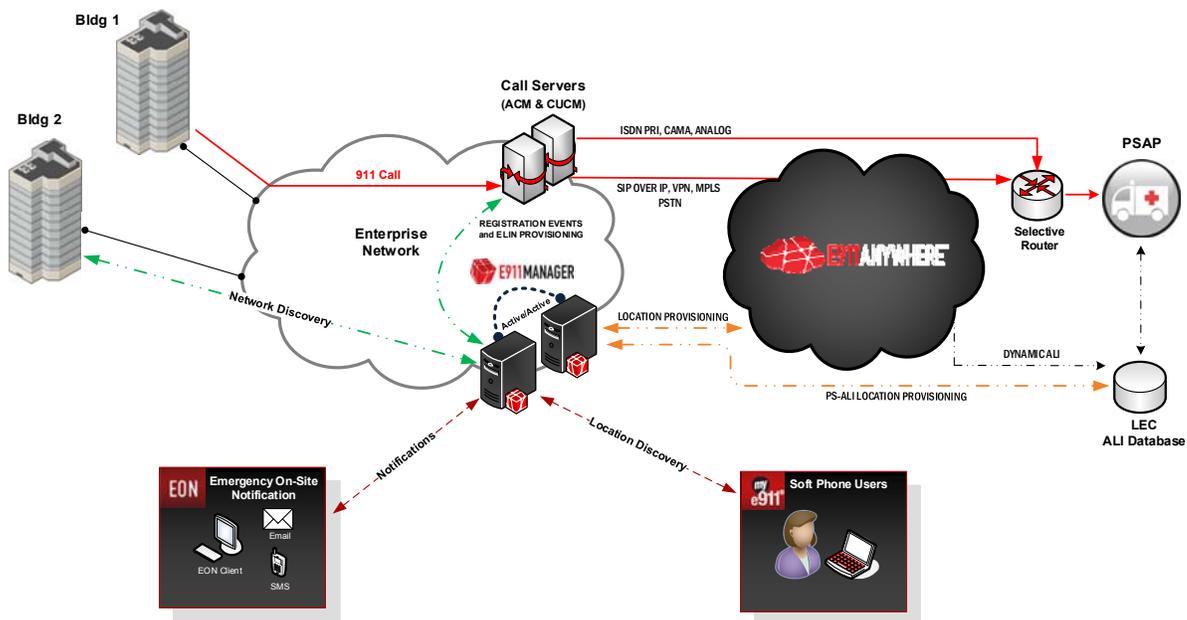


Figure 1 (Software Design)

3.0 Project Term

This SOW will begin upon execution of the SOW by both Parties ("Execution Date") and will terminate after Customer Test and Acceptance. This SOW does not allow automatic renewals and RedSky shall not continue work unless a new SOW or purchase order has been signed by both parties.

4.0 Installation

RedSky will be responsible for the delivery, installation and configuration of the E911 Manager software to the Customer. The E911 Manager software will support of the Customer's requirements for premise-based Enhanced 9-1-1 location services for Basic 9-1-1 and E9-1-1 calls. The Customer and RedSky will be required to perform specific tasks as outlined in this section.

4.1 General Guidelines

4.1.1 Customer Responsibilities

- 4.1.1.1 Customer is responsible for contacting local PSAPs to schedule and coordinate 911 test calls
- 4.1.1.2 Customer will participate in a post implementation survey with the RedSky Customer Relationship Manager
- 4.1.1.3 Customer will assign a dedicated resource as the primary contact for the duration of the project

4.1.2 RedSky Responsibilities

- 4.1.2.1 Consult with the Customer to provide best practices for ELIN (Emergency Location Information Number) and ERL (Emergency Response Location) creation
- 4.1.2.2 Assign a PM that will act as the Customer's point of contact during the scope of the project
- 4.1.2.3 Provide the Customer with a project plan defining a high-level overview of the project including all major milestones
- 4.1.2.4 Provide Customer with the E911 Manager Customer Information Worksheet, Attachment A
- 4.1.2.5 Provide Customer with Interface Control Documents (ICD)

4.2 E911Manager Server - Physical

4.2.1 Physical Server Specifications

- 4.2.1.1 Processor: Dual Core 2.4 GHz x86 64 bit
- 4.2.1.2 RAM: 8GB
- 4.2.1.3 HDD: 100 GB RAID 5
- 4.2.1.4 DVD-ROM
- 4.2.1.5 Network Adapter: 100MB Full Duplex

4.2.2 Customer will provide access to RedSky to an approved physical environment. Access may be limited to:

- 4.2.2.1 Performance reports (read-only)
- 4.2.2.2 Hardware configuration (read-only)
- 4.2.2.3 Ability to mount/unmount CD-ROMs
- 4.2.2.4 Ability to access the physical machine console

4.3 E911Manager Server - Virtual

4.3.1 Virtual Server Specifications

- 4.3.1.1 Platform: ESX 3.5 or higher
- 4.3.1.2 Processor: Dual vCPU
- 4.3.1.3 RAM: 8GB
- 4.3.1.4 HDD: 100GB

4.3.2 Customer will provide access to RedSky to an approved virtualization infrastructure client. Access may be limited to:

- 4.3.2.1 Performance reports (read-only)
- 4.3.2.2 Hardware configuration (read-only)
- 4.3.2.3 Ability to mount/unmount virtual CD-ROMs
- 4.3.2.4 Ability to access the virtual machine console

4.4 Active/Active Servers

4.4.1 Customer Responsibilities

- 4.4.1.1 Provide access to all E911 Manager servers used for HA
- 4.4.1.2 Allow IP connectivity between all E911M application and database servers

4.4.2 RedSky Responsibilities

- 4.4.2.1 Configure all database and application servers for active/active redundancy.

4.5 E911Manager Operating System – RedSky Provided CentOS

4.5.1 Customer Responsibilities

- 4.5.1.1 Customer will install OS on E911 Manager server
- 4.5.1.2 Customer will provide root access to the operating system

4.5.2 RedSky Responsibilities

- 4.5.2.1 RedSky will provide a DVD(s) or ISO to Customer which contains the operating system and software for purchased products defined in Section 1.0
- 4.5.2.2 RedSky will be responsible for all OS patching and updating of OS

4.6 E911 Manager Application

4.6.1 Customer Responsibilities

- 4.6.1.1 Complete the Customer Information Worksheet, Attachment A
- 4.6.1.2 Customer must be capable of configuring and troubleshooting all required hardware and software needed during the implementation, including but not limited to:
 - a Call servers
 - b Data switches
 - c Firewalls
 - d Session border controllers
 - e Web Proxy
- 4.6.1.3 Customer must use one of the supported browsers below to access the Web User Interface.
 - a Internet Explorer v 8 or higher
 - b Firefox v 21 or higher
 - c Chrome v 26 or higher

4.6.2 RedSky Responsibilities

- 4.6.2.1 Install and configure the E911M application
- 4.6.2.2 Configure all ALI providers as defined in the Customer Information Worksheet
- 4.6.2.3 MSAG Validate all buildings as defined in the Customer Information Worksheet
- 4.6.2.4 Configure all ELINs (Emergency Line Identification Numbers) as defined in the Customer Information Worksheet
- 4.6.2.5 Configure all ERLs (Emergency Response Locations) as defined in the Customer Information Worksheet
- 4.6.2.6 Map all ERLs to defined Network Discovery method(s)
- 4.6.2.7 Configure E911M to interface with all call servers defined in the Customer Information Worksheet
- 4.6.2.8 Configure standard reports, users, scheduled tasks, application backups and system notifications

4.7 Call Server

- 4.7.1 Customer Responsibilities
 - 4.7.1.1 Customer must configure call server integration points per the Interface Control Document
 - 4.7.1.2 Customer must provide all required IP addresses, URLs and users as defined in the Interface Control Document
 - 4.7.1.3 Allow all read and write access to the call server as defined in the Interface Control Document
 - 4.7.1.4 Notify RedSky of any changes to the call server environment that may affect integration
- 4.7.2 RedSky Responsibilities
 - 4.7.2.1 RedSky will configure all call server information in E911M as defined in the Customer Information Worksheet

4.8 Layer 3 Network Discovery

- 4.8.1 Customer Responsibilities
 - 4.8.1.1 Customer must provide all validated IP range information in the Customer Information Worksheet
- 4.8.2 RedSky Responsibilities
 - 4.8.2.1 RedSky will import IP range information from the provided Customer Information Worksheet

4.9 E911 Anywhere (E911A)

- 4.9.1 Customer Responsibilities
 - 4.9.1.1 Customer will ensure the E911M Server has access to the <https://anywhere.redskytech.com>
 - 4.9.1.2 Administrator must have network access to <https://anywhere.redskytech.com>
 - 4.9.1.3 Customer will send properly formatted emergency calls to RedSky as defined in the Interface Control Document
 - 4.9.1.4 Customer will be responsible for an unprovisioned 9-1-1 calls that results in an ECRC call.
- 4.9.2 RedSky Responsibilities
 - 4.9.2.1 RedSky will establish a E911A account on Customer's behalf
 - 4.9.2.2 RedSky will be capable of receiving properly formatted emergency calls as defined in the Interface Control Document

4.10 PS-ALI

- 4.10.1 Customer Responsibilities
 - 4.10.1.1 Customer will be capable of outpulsing ELINs on all local trunks used for 911 purposes
 - 4.10.1.2 Customer will provide ALI account information
- 4.10.2 RedSky Responsibilities
 - 4.10.2.1 RedSky will configure E911M to update all PS-ALI agreements defined in the Customer Information Worksheet

4.10.3 PSTN Trunking

- 4.10.4 Customer must outpulse a 10-digit ELIN for all calls routed to the service by PSTN

4.11 SIP Trunking

- 4.11.1 Customer Responsibilities
 - 4.11.1.1 Customer must send a 10-digit ELIN in the p-asserted-identify field in the SIP header for all calls routed to the service by SIP
 - 4.11.1.2 Customer must send either 911 or 9911 as the called party in the SIP header for all calls routed to the service by SIP
- 4.11.2 RedSky Responsibilities
 - 4.11.2.1 Provide customer with IP address of RedSky SIP gateway

4.12 Emergency On-Site Notification - Email/SMS (RedSky)

- 4.12.1 Customer Requirements
 - 4.12.1.1 Customer will add redskytech.com as a white-listed domain name if SPAM controls are in place
 - 4.12.1.2 Customer must be capable of receiving email or SMS messages
- 4.12.2 RedSky Requirements
 - 4.12.2.1 RedSky will configure E911A to send email/SMS notifications to all users defined in Customer Information Worksheet

4.12.3 Emergency On-Site Notification - Email/SMS (Customer SMTP Server)

- 4.12.4 Customer Requirements
 - 4.12.4.1 Customer must be capable of receiving email or SMS messages
 - 4.12.4.2 Customer must be provide RedSky all pertinent SMTP server details

- 4.12.5 RedSky Requirements
 - 4.12.5.1 RedSky will configure E911 Manager to send email/SMS notifications to all users defined in Customer Information Worksheet

4.13 Emergency On-Site Notification - Client

- 4.13.1 Customer Responsibilities
 - 4.13.1.1 Customer will install EON client to all workstations that will receive EON client notifications
 - 4.13.1.2 EON workstations must have SSL access to the E911M server(s)
 - 4.13.1.3 EON workstation must have Java v6 or higher installed
 - 4.13.1.4 EON workstation must be a supported Operating System (See EON data sheet for specific details)
- 4.13.2 RedSky Responsibilities
 - 4.13.2.1 RedSky will provide EON client installer
 - 4.13.2.2 RedSky will configure E911M to send EON client notifications to all users defined in Customer Information Worksheet

4.14 MyE911

- 4.14.1 Customer Responsibilities
 - 4.14.1.1 Customer will dedicate a unique ELIN for each MyE911 user
 - 4.14.1.2 Customer will install MyE911 client to all workstations that will use MyE911
 - 4.14.1.3 MyE911 workstations must have must have SSL access to the E911M server(s)
 - 4.14.1.4 MyE911 workstation must have Java v6 or higher installed
 - 4.14.1.5 MyE911 workstation must be a supported Operating System (See MyE911 data sheet for specific details)
- 4.14.2 RedSky Responsibilities
 - 4.14.2.1 RedSky will provide Customer MyE911 installer
 - 4.14.2.2 RedSky will create all MyE911 users defined in the Customer Information Worksheet
 - 4.14.2.3 RedSky will configure MyE911 users as defined in Customer Information Worksheet

4.15 Remote Support

- 4.15.1 Customer Responsibilities
 - 4.15.1.1 Provide access to <https://remotesupport.redskytech.com>
 - 4.15.1.2 Provide VPN access for RedSky to the Customer's network for installation, configuration, and support tasks
 - 4.15.1.3 Provide access for RedSky to the Customer's network for installation, configuration, and support tasks via web session

4.16 Product Training

- 4.16.1.1 RedSky will electronically provide an administration guide and training syllabus to the Customer
- 4.16.1.2 RedSky will provide training to Customer for up to eight (8) agents via web conferencing. The training curriculum will be tailored to cover all the products and services purchased from RedSky.

4.17 Assumptions

- 4.17.1 RedSky will install and configure E911 Manager to integrate with an approved Call Server as defined in the Interface Control Document
- 4.17.2 If using Layer 3 Network Discovery Customer's network does not contain overlapping IP Ranges
- 4.17.3 If using Layer 2 Network Discovery all switches will be RFC 1493 or 4188 compatible
- 4.17.4 The E911M Server will have network connectivity to access any required PS-ALI provider or E911A
- 4.17.5 IP Connectivity will be available between the E911 Manager server and the call server(s) as defined in the ICD
- 4.17.6 Hardware installation will be the responsibility of Customer
- 4.17.7 Customer owns an available DID to be used as an ELIN for every location that will be defined in the application Customer
- 4.17.8 Call Server will have the ability to outpulse a different ELIN for each location defined in the E911M Server
- 4.17.9 PRI or other voice circuit(s) will have the ability to pass CPN for emergency calls

5.0 Deliverables and Cost

5.1 Deliverables

Deliverables	Description
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E911M Software	RedSky software to be installed by RedSky in Customer premise
E911A Setup and Activation	RedSky will open an account for the Customer in E911A
Training and Documentation Administration Guide	Customer Training on the E911 Manager software and the Anywhere Network Service. Training and User documentation provided.
NENA Compliance	RedSky will generate NENA2 complaint ALI records for all defined ERLs
PS-ALI Transfers	RedSky will provide automated transfers to PS-ALI regional databases with location information as defined by E911M configuration
EON Alert Software (Email and Client)	EON client software will be installed by Customer and will provide defined notifications
MyE911 Software	MyE911 client software will be installed by Customer and allows entry of location data for remote users
WiFi	RedSky software that will allow to capture traps of access points

5.2 Pricing

E911 Anywhere one-time activation fee: \$5800.00

4067 ELINs on E911 Anywhere: cost per ELIN \$0.75/month
Extended Monthly Cost \$3,050.25

507 MyE911 users: cost per user (includes ELIN) \$2.10/month
Extended Monthly Cost \$1,064.70

Customer should be invoiced upon execution of the SOW for the one-time activation fee. Customer should be invoiced upon activation of service for the extended monthly costs associated with the ELIN and MyE911 quantities listed above with a term ending on April 1,2017. This will ensure that the E911 Anywhere Service contract will become co-terminus with the Customer's existing E911 Manager maintenance and APM contract that renews annually on April 1st 2017.

5.3 Invoicing Triggers

5.3.1 Software Licensing is invoiced upon receipt of software delivery. "Software Licensing" includes:

- a E911 Manager License
- b Additional Call Server Interface
- c Emergency On-site Notification (EON) Software License
- d Additional Call Server Interface for EON
- e WiFi Module for E911 Manager – License
- f E911 Active/Active Redundancy Software

5.3.2 Initiation Fees are invoiced upon execution of this SOW. "Initiation Fees" include:

- a E911 Anywhere Service Activation
- b E911 Manager MPC Service Initiation

5.3.3 Subscription Services are invoiced upon Customer acceptance or 90 days from Kick-off Meeting, whichever comes first. The annual service rates will be prorated the first year so that they co-terminate with the annual Maintenance fees of E911 Manager (April 1st) and then April 1st will become the Anniversary Date for the Subscription Services renewal. "Subscription Services" include:

- a E911 Anywhere Service
- b E911M-MPC Cloud-based Service
- c MyE911 Client
- d E911 Anywhere PLUS Bundle

5.3.4 Installation Services are invoiced upon Customer acceptance or 90 days from Kick-off Meeting, whichever comes first. This date becomes the Anniversary Date for Annual Software Maintenance. "Installation Services" include:

- a E911 Manager Remote Installation
- b Emergency On-site Notification (EON) Implementation
- c WiFi Module for E911 Manager Installation

6.0 Project Schedule

6.1 The Project has a series of four (4) Phases:

6.1.1 The Assessment Phase will begin upon the Kick-off Meeting. Kick-off Meeting will be scheduled within fourteen (14) days after the SOW and Network Service Agreement are executed and along with the receipt of a Purchase Order.

(Estimated 2 weeks)

Description	Responsible Party
Kick-off Meeting	RedSky
Completion of all required forms	Customer
Receipt and verification of all required forms	RedSky
Identify test cases and users	RedSky/Customer
Determine call routing method	RedSky/Customer

6.1.2 Implementation Phase involves the setup and configuration of the solution.

(Estimated 4 weeks)

Description	Responsible Party
Installation of E911M	RedSky
Configure Call Server integration	RedSky
Import all buildings, locations, ELINs and ERLs	RedSky
Configure Network Discovery	RedSky/Customer
Configure Scheduled Tasks including reports	RedSky
Configure EON	RedSky
Configure call routing method	RedSky/Customer
Schedule training session	RedSky

6.1.3 Validation Phase includes testing and validation of the solution.

(Estimated 1 week)

Description	Responsible Party
Confirm successful network discovery	RedSky
Schedule testing with PSAP	Customer
Place test emergency calls	Customer
Confirm receipt of emergency call notifications	Customer

6.1.4 Acceptance Phase provides training to the Customer and Acceptance of the solution.

(Estimated 1 week)

Description	Responsible Party
Turn-up E911M for production use	RedSky/Customer
Acceptance	RedSky and Customer

7.0 Contact Information

RedSky Primary Contact		RedSky Secondary Contact	
Name:	Alicea Grau	Name:	Susan Nacker
Title:		Title:	
Email:	agrau@redskytech.com	Email:	snacker@redskytech.com
Phone Number:	312-432-5963	Phone Number:	312.432.5962

Customer Primary Contact		Customer Secondary Contact	
Name:	Quy-Phuong Chuang	Name:	Virgil Dicus
Title:		Title:	
Email:	ChuangQ@michigan.gov	Email:	DicusV@michigan.gov
Phone Number:	517-335-3152	Phone Number:	517-284-7455

8.0 SOW Change of Scope Procedure (if applicable)

All changes to a SOW shall be coordinated with Customer and RedSky, and processed in accordance with the Change Management Process. Any change to this Statement of Work shall be provided in writing and mutually agreed to by both parties before being accepted and included as a part of this SOW Agreement. All SOW changes must be approved by both parties in writing.

9.0 Acceptance of Deliverables

RedSky will notify Customer when each Deliverable and Product is ready for Acceptance. Customer shall use reasonable efforts to accept or reject each Deliverable and Product, in writing, within thirty (30) calendar days from the receipt of the Deliverable or Product (or such other time period as specified in the Agreement ("Acceptance Period")). If rejected, Customer shall clearly state the reason(s) for rejection. Within five (5) business days of the notice of rejection (or such other time period as specified in the Agreement), RedSky shall present a corrective action plan to Customer, for Customer approval. RedSky shall then make the corrections and resubmit the Deliverable or Product to Customer, without any additional cost or expense to Customer.

10.0 Limitations

This SOW does not include any expressed or implied commitments on the part of RedSky to perform any additional work activities that are not defined in this SOW. Any additional services or assistance requested by Customer from RedSky will be billed at current professional services rate of \$145 per hour. Customer will not be responsible for any billing unless it has been notified beforehand, in writing, and has so agreed.

11.0 Purchase Order

The parties agree that this SOW describes certain Services to be performed by RedSky Technologies, Inc. for Customer. RedSky Technologies, Inc. acknowledges and agrees that the Services described herein shall not commence until Customer issues a Purchase Order incorporating this SOW and delivers the Purchase Order to RedSky Technologies, Inc.

In WITNESS WHEREOF, the parties have entered into this Statement of Work as a part of an agreement.

RedSky Technologies, Inc

(RedSky)

State of Michigan

(Customer)

(Authorized Signature)

(Authorized Signature)

(Print Name)

(Print Name)

(Date)

(Date)

Attachment A: Definitions/Acronyms

Terms used herein with initial capital letters shall have the respective meanings set forth (i) in this SOW, if defined herein, or (ii) in the Agreement. When used in this SOW, the definitions and acronyms listed below shall have the following meanings:

Acronyms	Definition
ALI	Automatic Location Information
ANI	Automatic Number Identification
API	Application Programming Interface
E911A	E911 Anywhere™
E911M	E911 Manager
ELIN	A valid North American Numbering Plan format telephone number, assigned to the MLTS Operator by the appropriate authority that is used to route the call to a PSAP and is used to retrieve the ALI for the PSAP.
EON	Emergency Onsite Notification
ERL	Emergency Response Location
L2	Layer 2 of the OSI model
L3	Layer 3 of the OSI model
LEC	Local exchange carrier
MSLA	Master Software Licensing Agreement
ND	Network discovery
OEM	Original equipment manufacturer
PBX	Private Branch Exchange
PM	Project Manager
PSAP	Public Safety Answering Point
PS-ALI	(Private Switch) automatic location information
PSTN	Public switched telephone network
SaaS	Software as a Service
SMS	Short Message Services
SNMP	Simple Network Management Protocol
SOW	Statement of Work
SSH	Secure Shell
VM	Virtual Machine
VPC	Voice Positioning Center

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

CHANGE NOTICE NO. 1
 to
CONTRACT NO. 071B1300319
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
Red Sky Technologies, Inc. 925 West Chicago Ave, Suite 300 Chicago, IL 60642	Alicea Grau	agrau@redskytech.com
	PHONE	CONTRACTOR'S TAX ID NO. (LAST FOUR DIGITS ONLY)
	312-432-5963	8335

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER / CCI				
CONTRACT ADMINISTRATOR	DTMB	Steve McMahon	517-373-6353	McmahonS@michigan.gov

CONTRACT SUMMARY			
DESCRIPTION: Enhanced 9-1-1 Multi-Line Telephone System Operator Compliance and Integration			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
June 29, 2011	June 30, 2016	5	June 30, 2016
PAYMENT TERMS		DELIVERY TIMEFRAME	
Net 45 Days		N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS			
N/A			

DESCRIPTION OF CHANGE NOTICE				
EXERCISE OPTION?	LENGTH OF OPTION	EXERCISE EXTENSION?	LENGTH OF EXTENSION	REVISED EXP. DATE
<input checked="" type="checkbox"/>	1 year	<input type="checkbox"/>		July 1, 2017
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$1,861,650.00		\$0.00	\$1,861,650.00	

DESCRIPTION: Effective upon mutual signature the following information is updated: Executive Sponsor is David Bates DTMB Infrastructure Operations, Buyer is Michael Breen DTMB Procurement, Project Manager is Steve McMahon DTMB-Telecom (NTSD). Also execution of one year option July 1, 2016 to July 1, 2017. Cost table adjustment per section 2.042. All other terms, conditions, specifications and pricing remain the same, per contractor and agency agreement, and DTMB Procurement approval.



MICHIGAN DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
NETWORK & TELECOMMUNICATIONS SERVICES
STATEMENT OF WORK
Contract #071B1300319 REVISION #1

Project Title: Red Sky E911 Manager	Period of Coverage: 6/29/11 to 6/30/16
Requesting Department: DTMB NTSD Telephony Services	Date: 10/23/2015
Agency Project Manager: Steve McMahon	Phone: 517-373-6353
DTMB NTSD Director: David Wilson (acting)	Phone: 517-241-0257

BRIEF DESCRIPTION OF SERVICES TO BE PROVIDED:

The Red Sky solution includes "E911 Manager software" which sends Automatic Location Identification (ALI) records from SOM-owned and/or managed telephone system(s) to a National 9-1-1 database. Such will enable Emergency Responders (to 9-1-1 calls) to have more details regarding the physical location of any 9-1-1 caller. Additionally, the solution provides notification to the DTMB Central Control office whenever a 9-1-1 call occurs.

BACKGROUND:

The contract with Red Sky Technologies, Inc. was awarded in June of 2011 and expires on June 30, 2016 but it also has five (5) one-year renewal options that could extend the official engagement to June of 2021. The contract was awarded in order for DTMB to comply with Sections 405 and 413(1)(d) of the Emergency 9-1-1 Service Enabling Act, which requires each service owner/operator of any multiline telephone system to install the necessary equipment and software to provide "specific location" information of a 9-1-1 call. In December of 2011, House Bill #4683 postponed the due date for compliance to December 31, 2016.

The Red Sky enhanced 9-1-1 (e911) project was in full progress the latter part of 2011 as the vendor was in the process of physically gathering specific (phone) location information via site visits/audits of SoM-owned & operated PBX phone system locations (both Cisco and Avaya) when the Legislature passed a bill extending the compliance due date to December of 2016. With this 5-year extension for compliance, SoM senior management opted to postpone the implementation of this project and Red Sky was asked to cease performing site audits. After a couple years of hibernation, in 1Q'15 the project was dusted off and the vendor was re-engaged to re-address the implementation methodology, steps and project schedule.

PROJECT OBJECTIVE:

The system must accommodate the existing State of Michigan network technology infrastructure, while closely integrating with the Avaya PBX and Cisco IPT platforms. Contractor will implement e911 Manager Software, which automatically captures all phone moves, adds and changes directly from the PBX(s), translates the location data into the proper NENA II format and updates the regional and dynamic ALI database providers based on their specific requirements.

The State of Michigan E9-1-1 system must be in place and fully operational by December 31, 2016. To ensure the State-mandated compliance date is met, the current project schedule is targeting a June, 2016 system in-service date. This will require the exercising of Option year #1 (per CCN#1).



MICHIGAN DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
NETWORK & TELECOMMUNICATIONS SERVICES
STATEMENT OF WORK
Contract #071B1300319 REVISION #1

SCOPE OF WORK:

In addition to implementing the Red Sky E911 Manager solution, the Contractor will provide a full range of e911 professional services to help plan, implement and maintain effective 9-1-1 protection. These services include: Full application maintenance and support which is included with the purchase of E911 Manager and is renewable on an annual basis; Audit Services to assist in establishing E911 location information for all users.

What has changed regarding the SOW?

- 1) Changes to SoM Executive Sponsor, SoM Buyer and SoM Project Manager.
- 2) Adjustment for Reduction In Scope of Service/Deliverables (2.042) as follows:
 - a. The SoM has decided to implement the solution via a different technical approach that involves the creation of "LAN zones". This approach eliminates the need for Red Sky to make visits to all the SOM buildings to perform a physical audit of all the phone locations. As such, the SoM will experience a savings of \$315,900 that would have been paid to Red Sky for "Data Discovery" per the original contract.
- 3) Addition of new service option "E911 Anywhere"
 - a. During recent data discovery efforts, it was determined that several Avaya PBX remote cabinet locations are located in geographically different 911 Public Service Answering Point (PSAP) regions. To accommodate a viable technical solution for these situations, the SoM plans to implement the Red Sky E911 Anywhere solution (needs to be added to the contract per CCN#1).
- 4) Exercising of Option Year #1 is required to ensure vendor support of the system leading up to the mandated compliance date of December, 2016.

TASKS:

The Red Sky software that was originally implemented (v5) is "end of life/end of support", and needs to be upgraded.

Unfortunately, the replacement Red Sky software (v6) is not certified to operate with the software versions on our Avaya 3.1 telephone systems. To accommodate, the SoM has agreed to grant Red Sky access to the SoM Avaya Test PBX Lab environment to facilitate vendor integration efforts to ensure system compatibility.

DELIVERABLES:

- Detailed Project Plan
- Test Plan
- Readiness Assessment
- Design Plan
- E911 Manager Software
- Licensing
- As-built documentation
- System operation manuals and related documentation
- Administrative and End-user training
- System management, support and maintenance

ACCEPTANCE CRITERIA:

Acceptance of the defined deliverables will be the responsibility of the Telephony Services team in conjunction with NTSD management review. Each deliverable must be met with the satisfaction of said parties in the time



MICHIGAN DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
NETWORK & TELECOMMUNICATIONS SERVICES
STATEMENT OF WORK
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frame allotted for this contract.

PROJECT CONTROL AND REPORTS:

The vendor is to provide monthly reports deficing the project schedule.

PAYMENT SCHEDULE:

Financially, the original contract value was \$1,861,650.00. To-date, the SoM has paid \$438,800 to Red Sky which leaves a contract balance of \$1,422,850.00. Payments proposed/scheduled to Red Sky through the end of 2016 total \$1,423,212.00 leaving a potential surplus of \$438,438. Such would be available and sufficient for additional annual system support and maintenance for the potential five one-year options which could extend the contract to June of 2021. System support and maintenance costs for 2012 were waived and SoM did not pay for the scheduled system support and maintenance costs in 2013 & 2014 in the amount of \$236,038. Red Sky proposed to waive the system upgrade costs for their current E911 Manager v6 and re-do all the work in the first three project milestones if the SoM will pay the aforementioned \$236,038 to re-engage them. An updated proposed project schedule and contract pricing matrix and has been provided by Red Sky to document their re-engagement proposal including the new fiscal perspective.

PROJECT CONTACTS:

The designated Agency Project Manager is:

Habon Mollse
Department of Information Technology Management and Budget
Telecommunications
Hannah Building, 1st Floor
608 W. Allegan Street
Lansing, MI, 48933
517-335-3325
MollseH@michigan.gov

The Contract Compliance Manager is:

Steve McMahon
Department of Information Technology Management and Budget
Telecommunications
Hannah Building, 1st Floor
608 W. Allegan Street
Lansing, MI, 48933
517-373-6353
McMahonS@michigan.gov



MICHIGAN DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
NETWORK & TELECOMMUNICATIONS SERVICES
STATEMENT OF WORK
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frame allotted for this contract.

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McMahonS@michigan.gov

Revised Proposed Schedule and Milestones without audits

2012	2013	2014	2015	2016	Contract Totals
Learning	\$ 430,800				\$ 430,800
Data Discovery (Audit locations for devices)					
System Mgmt & Support & Maintenance	waived				
Unpaid Maintenance and Support					
Site Implementation Phase I					
Site Implementation Phase II					
Training					
Project Plan	\$ 2,200				\$ 2,200
Readiness Assessment	\$ 2,200				\$ 2,200
Ops Design Plan	\$ 2,200				\$ 2,200
Ops Testing					
Documentation	\$ 2,200				\$ 2,200
Totals	\$ 439,600				\$ 439,600

Project re-engaged 10/15.
Data Discovery cancelled due to change in implementation method

Amounts in red already PAID by SOM
Amounts in green still due

Amount paid to date
Remaining balance

2012	2013	2014	2015	2016	Contract Totals
Re-Engagement Fee and Milestone 1: \$236,088 (paid)					
Target Begin Date: 9/1/15, Target End Date: 6/30/15 (90 days)					
1. Received and SOM approved detailed Project Plan and corresponding project documents (Risk, Change/Issue, etc.) (A.1)					
2. Received and SOM approved Test Plan (A.2)					
3. Received and SOM approved Readiness Assessment (A.3)					
4. Received and SOM approved HLD Design Plan (B)					
5. Receipt of software					
6. Received and SOM approved LLD Design Plan (D.1)					
Milestone 2: \$15,850 due upon completion upon the following five tasks					
Target Begin Date: 7/1/15, Target End Date: 2/28/16 (240 days, inclusive of Holiday Schedule)					
1. Data Discovery, Population & Validation Process completed (D.1)					
2. System Implementation Phase 1 testing completed and SOM approved (E.1)					
3. System Implementation Phase 2 testing completed and SOM approved (E.2)					
4. Documentation received and SOM approved (As-built Design, Manuals, etc.) (E.4)					
5. Administrative & End User Training Completed (E.5)					
Milestone 3: \$15,850 due upon completion of the following task					
Target Begin Date: 2/29/16, Target End Date: 5/30/16 (90 days)					
1. SOM approved System Implementation is completed at all sites (F.2 - System Mgmt & S&S)					

Other payments:



The Leader in E911 Solutions

ENTERPRISE SOLUTION BRIEF

**Application Performance Monitoring (APM)
and E911 Manager® Systems Administration Services**



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Introduction

RedSky Technologies is the leader in E911 software application solutions for many complex enterprise and government facilities. As a result of our successful installations for E911, RedSky has developed expertise in the performance monitoring and systems administration responsibilities related to enterprise-wide E911 application deployments.

For many organizations, directing resources into E911 application and dependant infrastructure management interferes with their focus on core business activities. Contending with the demands of today's varied and relatively sophisticated E911 communication solutions can also prove daunting.

Services Overview

This informational guide and professional service description is designed for customers who want to outsource the day-to-day performance monitoring and administration of their E911 Manager application and related RedSky components (i.e. Emergency Onsite Notification, IP Discovery, Directory). Further, as businesses realize the value the IT department can have on optimizing business processes and systems, more pressure is placed on internal personnel who may lack the time and training to maximize the potential of their E911 and related systems. Issues to consider include:

- Executing daily E911 systems performance monitoring and administrative duties to ensure peak systems performance and availability
- Managing and updating station location changes can be a challenge. End user changes, frequent station moves and related E911 Provider data conflicts can take valuable time and considerable labor to troubleshoot
- Monitoring application performance and performing configuration management duties scalable to the business requires special tools, training, and knowledge of public safety issues and specific database provider requirements
- Managing station and business growth. Build-out and location information changes pose challenges to the business growing into other regions, buildings, and floors
- Supporting location and voice-related information that can be accessed via electronic or printed directory requires time and labor



Overview of Application Performance Monitoring for E911 (APM)

RedSky's APM provides a cost-effective means for customers to outsource the day-to-day management and administration of their E911 Manager Application and related systems. RedSky's APM includes *Lifecycle Services* which provide service and support throughout the life of your RedSky solution, from implementation to ongoing maintenance (additional licensing and interface development fees may apply as business growth and infrastructure requirements change). Through RedSky's APM the customer has access to a portfolio of flexible support options focused on your needs instead of having to dedicate expensive internal labor and training resources to E911 related tasks. Preliminary or subsequent new solution designs, PBX integration, and E911 related communications consultation services for future growth is provided as a value added service with no additional charge to APM customers.

Customers who subscribe to APM receive daily performance monitoring and administration for their application, ensuring optimal performance, functionality and availability. RedSky professional service and support specialists remotely monitor the E911 Manager application to ensure that all scheduled and planned tasks are executed successfully. Similarly, in keeping pace with technology changes, RedSky product support specialists access the application periodically to help anticipate and prepare for future growth the customer may be undergoing and to make any necessary changes and updates to ensure optimal application performance. RedSky professional administrators will also work with E911 service bureaus and the customer to solve issues that may arise with location information data or other technical questions. Additionally, RedSky's APM specialists work closely with other third party vendors, voice systems manufacturers, and technical personnel and agents of the customer where required.

Description of Services

APM includes two core components, performance monitoring services and administration services. The performance monitoring services are typically provided on a daily basis to assure that the scheduled tasks have been successfully executed and the application is functioning properly. Administration services are provided on either a scheduled or an "as needed" basis. Many administration services are performed in response to changes in the network configuration or are related to changes in the Service Provider Automatic Location Identification (ALI) database (DB).

APM tasks are divided into the following major components:

- Performance Monitoring Services-Performed Daily
- Administration Services-Performed on Scheduled or "As Needed" Basis
 - Location Data and ALI Records Administration
 - Configuration Maintenance and System Administration
- Scheduled Task Administration

General tasks performed under APM subscriptions include:

Performance Monitoring Services – Daily Tasks

- Ascertain the status of the E911 Manager server and related systems via Virtual Private Network (VPN) or other high-speed network access. Confirm that all applications and processes are running as intended and to design
- Monitor Daily Event Log to ensure the core scheduled jobs completed as expected.
 - Daily Call Server/PBX Import
 - Daily ALI Service Center Transfer
 - Database Backups
 - Scheduled Reports
- Verify that all PBX ALI data was downloaded successfully at the scheduled intervals
- Confirm that PBX and station ALI data is correctly processed by the E911 Manager application
- Validate that ALI data was successfully uploaded to the E911 Database Provider
- Verify that ALI data was successfully accepted and validated by the E911 Database Provider. Identify and flag any ALI records that could not be processed
- Confirm that all scheduled tasks have been completed, all scheduled notifications sent and that all reports have been generated and distributed
- Notify the Customer "point-of-contact" of system status and recommend proactive data or systems adjustments as necessary

Administration Service – Tasks performed on a scheduled or "as needed" basisLocation Data and ALI Record Administration:

- Use VPN access to provide proactive correction to any records processed by the E911 Database Provider that return the following results:
 - Missing Information
 - Invalid ELIN
 - Rejected by the E911 Database Provider
- Interface with Customer telecom administrators or contractors, providing guidance on how to provide corrections to location data in the PBX, routing tables in the PBX, IP addresses and logins, network access issues
- On a monthly basis review and compare PBX station reports with E911 Manager Location reports to verify that all extensions in the PBX are accurately reflected in the E911 Manager DB and in the Service Provider ALI DB.

Configuration Maintenance and System Administration:

- Provide "first point of contact" for all application, server, network, and connectivity issues for E911
- Update PBX access numbers or user information changes
- Update scheduled events whenever the machine name or login information changes
- Submit addendum for any changes in street addresses, Telephone Number (TN) ranges or Service Provider changes and update application accordingly
- Change passwords on the E911 Manager server to meet corporate security standards
- Apply patches and upgrades to the E911 Manager application within the customer's current service release to enhance functionality
- Perform additional configuration as required to accommodate changes in the customer's workplace environment. This includes:
 - Adding or modifying companies, PBX's, buildings, ELIN's and users to the customer's current implementation
 - Adding or modifying set type filters
 - Adding or modifying scheduled tasks
- Perform manual PBX or external location file imports if the scheduled job failed or when necessary
- Perform manual transfers to the E911 Database Provider when necessary or if the scheduled job failed
- Database Maintenance
 - Review on a scheduled basis the database back-up procedure and verify successful back-ups
 - Perform database optimization on an "as needed" basis

Scheduled Task Administration:

- RedSky will confirm that the scheduled tasks on the customer's list are being executed properly and raise an issue if errors occur that are beyond the scope of E911 Manager functionality. Scheduled tasks can include the following:
 - The schedule of data transfers
 - The schedule of report generation
 - The list of event notifications and persons to be notified
 - The report distribution list

Reports:

- Sample reports that can be generated and distributed include:
 - E911 Location Reports
 - Transfer History Reports
 - Quarterly Service Detail Reports

Data & System Recovery:

- Restoration of the E911 Manager database – In the event of a system failure, customer's data would be restored from a backup file owned and provided by customer.
- Re-installation and reconfiguration of E911 Manager to Primary E911 server. Customer is to provide an adequate server platform that conforms to the current RedSky version server and software requirements and standards in the event of total server platform loss.
- Ensure all PBX imports, transfers, and information is up-to-date after recovery.

Customer Responsibilities

1. The customer will be the primary interface for paperwork and contract issues with the ALI DB Service Provider for gateway account issues where required. RedSky will make recommendations and assist the customer in proper execution regarding any issues with ALI DB provider, but the contractual relationship is between the customer and the ALI DB Service Provider.
2. The customer must provide RedSky with VPN access to the E911 Manager server and back-up server should the customer choose this option
3. Unless otherwise contracted with RedSky, the customer will perform administration on the PBX and is responsible for:
 - a. Placing all location data for all phone extensions in the PBX.
 - b. Configuring the routing tables and trunking configurations in the PBX
 - c. The location definition of all network regions and network switch and port location data
 - d. Providing the administration passwords and login IDs to RedSky for the call server/PBX in order to run reports
4. The customer will identify points of contact and lines of responsibility with network administration and telecom administration
5. The customer will instruct its network administrators that any OS or patch updates to the E911 Manager server must be first cleared with RedSky in order to ensure continuity of the E911 Manager application.

Other APM Terms and Conditions

RedSky's APM includes these additional terms, conditions, and requirements:

- RedSky will perform daily performance monitoring and administration of the RedSky application ONLY (no server hardware maintenance and performance monitoring) but will serve as the "first line" point of contact for ANY issue encountered with the server hosting the RedSky application, whether the issue is application, Operating System (OS), or hardware related. RedSky will be responsible for administration and repair of the application only and will NOTIFY appropriate personnel of OS or hardware problems or needed fixes.
- The RedSky Technologies, Inc. Customer Support Services Policies and Procedures Guide applies to all APM customers. Hours of operation, escalation process, methods of communication, product support policy, support expectations, and metrics for example are described within this guide. Some APM services will rely on automated subscriptions to system events as well as previously discussed calendared duties. These events, depending upon, RedSky pre-determined levels of severity will conform to current Policy and Procedure.
- RedSky will NOT provision, procure, or OWN the server hardware. However, once the application is installed and accepted by customer AND the customer purchases APM, RedSky will be given CONTROL over the box, not to monitor or repair it (beyond the application itself), but to ensure that unauthorized or approved changes to the OS or the hardware are not made without first checking with the designated RedSky administrator.
- Customer, or their contractor, will continue to OWN the server hardware; RedSky will monitor and maintain the E911 Manager and related RedSky applications ONLY, but will require maintenance control of the server hardware. If for any reason customer and/or contractor must access and make OS, administrative, or scheduled maintenance changes we request sufficient notice (five business days) be made to the designated RedSky administrator or RedSky support mail-in address (support@redskytech.com) before changes are made. Application, OS or hardware issues that arise from Emergency changes or other changes made by the customer not communicated to RedSky may result in support activity and unplanned charges depending on the severity of the issue.
- The APM service is only available to customers that can provide VPN (Broadband or other high speed network) access to the RedSky server and application.
- The customer must provide a "point-of-contact" with whom the RedSky administrator will interface for all PBX and network related issues. If the customer uses outsourced PBX, network or server support, the customer must provide the contact information for these support groups and provide clear delineation of the roles and responsibilities for each group to the RedSky administrator.



Service Implementation

Upon mutual agreement to an APM proposal, a RedSky Technologies Services Support Specialist and Project Manager will be assigned to the account and will get in touch with the appropriate customer contact to schedule a kickoff call. At this time the RedSky project manager will review the APM service offering, the Customer Requirements and the details surrounding such things as VPN access, scheduled tasks, notifications, reports and the like. Schedules for service turn-up will also be discussed at this time. The customer and RedSky will have to jointly signoff on the implementation schedule and specific modules of service to be provided in order to initiate the service delivery process.

RedSky's Application Performance Monitoring and Administration Services are offered on a 1-year contract term, renewable at the end of each year.

About RedSky

RedSky is the leading provider of on-premise and cloud-based E911 solutions with more customers, more technology, and more experience than any other provider. More than a million workers, students, guests and visitors rely on RedSky for E911 protection. RedSky leverages legacy standards as well as the new National Emergency Number Association (NENA) 13 standards for Next Generation 9-1-1 (NG9-1-1) to help organizations provide effective 9-1-1 emergency response, comply with state E911 regulations and meet business requirements for safety, risk management and efficiency.

For More Information:

RedSky Technologies, Inc.
925 West Chicago Avenue, Suite 300
Chicago, Illinois 60642
1-877-REDSKY1
www.redskyE911.com

Milestone Tasking

Milestone 1

Assessment Phase

Initial planning session with customer contact(s) is conducted to establish timeframes, action items and

Develop and submit EASA

EASA Approved

Develop and submit ISR

ISR approved

Send RedSky DIT 51 Forms (access forms)

Hardware/software configuration confirmed/secured

Establish Remote Access Procedure

Building Data

Data Switch Information

PS-ALI

PBX Data

911 Notification Form

Milestone 2

Implementation Phase - Capital PBX

Implementation Phase - Detroit PBX

Implementation Phase - Grand Rapids PBX

Implementation Phase - Secondary PBX

Audit Phase

Milestone 3

Validation Phase

Develop Test Plan

Schedule Testing with PSAP

Run Test Plan

Test Plan successfully completed

Training Phase

Determine staff members that will receive administrative application training

Schedule Training Dates

Train Administrative Users - TBD



Quote Date: 10/23/2015
 Created by: Aikea Grau
 Account: State of MI
 Created for: Steve McMahon

Quantity	Part Description	Part #/SKU	Unit Price
	Service Activation Fee for E911 Anywhere network service for 100 ELINs	RS-4749	\$ 2,920.00
	Service Activation Fee for E911 Anywhere network service for 101-250 ELINs	RS-4749	\$ 3,620.00
	Service Activation Fee for E911 Anywhere network service for 251-500 ELINs	RS-4749	\$ 6,220.00
	E911 Anywhere Network Service activation for 0-99 ELINs	RS-4751	\$ 29.00
	E911 Anywhere Network Service activation for 100-199 ELINs	RS-4751	\$ 58.00
	E911 Anywhere Network Service activation for 200-499 ELINs	RS-4752	\$ 116.00
	E911 Anywhere Network Service activation for 500 - 999 ELINs	RS-4753	\$ 232.00
	E911 Anywhere Network Service activation for 1000+ ELINs	RS-4754	\$ 464.00
	099 MyE911 Client - E911 Anywhere Service - Annual Service	RS-4761	\$ 33.00
	100 - 199 MyE911 Client - E911 Anywhere Service - Annual Service	RS-4761	\$ 66.00
	200 - 499 MyE911 Client - E911 Anywhere Service - Annual Service	RS-4762	\$ 132.00
	500 - 999 MyE911 Client - E911 Anywhere Service - Annual Service	RS-4763	\$ 264.00
	1000 - 1999 MyE911 Client - E911 Anywhere Service - Annual Service	RS-4764	\$ 528.00
	2000+ MyE911 Client - E911 Anywhere Service - Annual Service	RS-4765	Custom Quote

Annual maintenance fees of \$82,800 just due for 2015 and needs to be paid as soon as possible
Annual maintenance fee for 2016 due April 2016 of \$164,288

**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. 071B1300319

between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR Red Sky Technologies, Inc. 925 West Chicago Ave, Suite 300 Chicago, IL 60642 Email: agrau@redskytech.com		TELEPHONE (312) 432-5963 Alicea Grau
		CONTRACTOR NUMBER/MAIL CODE
		BUYER/CA (517) 335-0462 Christine Mitchell
Contract Compliance Inspector: Steve McMahon (517) 373-6353 Enhanced 9-1-1 Multi-Line Telephone System Operator Compliance and Integration		
CONTRACT PERIOD: 5 yrs. + 5 one-year options From: June 29, 2011 To: June 30, 2016		
TERMS Net 45	SHIPMENT N/A	
F.O.B. N/A	SHIPPED FROM 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		
MISCELLANEOUS INFORMATION: The terms and conditions of this Contract are those of RFP-CM-07111300107, this Contract Agreement and the vendor's quote dated 4/8/2011. In the event of any conflicts between the specifications, and terms and conditions, indicated by the State and those indicated by the vendor, those of the State take precedence.		
Estimated Contract Value: \$1,861,650.00		

THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the RFP-CM-07111300107 posted on Bid4Michigan. Orders for delivery will be issued directly by the Department of Technology, Management and Budget through the issuance of a Purchase Order Form.

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

FOR THE CONTRACTOR:

FOR THE STATE:

 Red Sky Technologies, Inc.
 Firm Name

 Authorized Agent Signature

 Authorized Agent (Print or Type)

 Date

 Signature
 Christine Mitchell, Buyer

 Name/Title
 IT Division

 Division

 Date



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

Contract No. 071B1300319

(Enhanced 9-1-1 Multi-Line Telephone System Operator Compliance and Integration)

Buyer Name: [Christine Mitchell](#)
Telephone Number: [517-335-0462](tel:517-335-0462)
E-Mail Address: mitchellc4@michigan.gov



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Attachments:

- Attachment 1 - Company Organizational Chart
- Attachment 2 - Key Personnel
- Attachment 3 - Solution Narrative
- Attachment 4 - E9-1-1 Requirements Worksheet
- Attachment 5 - E9-1-1 Pricing Tables
- Attachment 6 - Master Software License Agreement
- Attachment 7 - SOM Acceptance Form



DEFINITIONS

Days	Means calendar days unless otherwise specified.
24x7x365	Means 24 hours a day, seven days a week, and 365 days a year (including the 366th day in a leap year).
Additional Service	Means any Services/Deliverables within the scope of the Contract, but not specifically provided under any Statement of Work, that once added will result in the need to provide the Contractor with additional consideration.
Audit Period	See Section 2.110.
Business Day	Whether capitalized or not, shall mean any day other than a Saturday, Sunday or State-recognized legal holiday (as identified in the Collective Bargaining Agreement for State employees) from 8:00am EST through 5:00pm EST unless otherwise stated.
Blanket Purchase Order	An alternate term for Contract as used in the State's computer system.
Business Critical	Any function identified in any Statement of Work as Business Critical.
Chronic Failure	Defined in any applicable Service Level Agreements.
Contractor	RedSky Technologies, Inc
Deliverable	Physical goods and/or commodities as required or identified by a Statement of Work
DTMB	Michigan Department of Technology, Management and Budget
Environmentally preferable products	A product or service that has a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose. Such products or services may include, but are not limited to, those that contain recycled content, minimize waste, conserve energy or water, and reduce the amount of toxics either disposed of or consumed.
Excusable Failure	See Section 2.244.
Hazardous material	Any material defined as hazardous under the latest version of federal Emergency Planning and Community Right-to-Know Act of 1986 (including revisions adopted during the term of the Contract).
Hosted Service	The E911 Anywhere Hosted solution provides E911 protection in a SaaS model. The connection to the on-site PBX (Cisco or Avaya) would be via IP.
Incident	Any interruption in Services.
ITB	A generic term used to describe an Invitation to Bid. The ITB serves as the document for transmitting the CONTRACT to potential Contractors
Key Personnel	Any Personnel designated in Article 1 as Key Personnel.
New Work	Any Services/Deliverables outside the scope of the Contract and not specifically provided under any Statement of Work, that once added will result in the need to provide the Contractor with additional consideration.
Ozone-depleting substance	Any substance the Environmental Protection Agency designates in 40 CFR part 82 as: (1) Class I, including, but not limited to, chlorofluorocarbons, halons, carbon tetrachloride, and methyl chloroform; or (2) Class II, including, but not limited to, hydro chlorofluorocarbons
Post-Consumer Waste	Any product generated by a business or consumer which has served its intended end use, and which has been separated or diverted from solid waste for the purpose of recycling into a usable commodity or product, and which does not include post-industrial waste.
Post-Industrial Waste	Industrial by-products that would otherwise go to disposal and wastes generated after completion of a manufacturing process, but do not include internally generated scrap commonly returned to industrial or manufacturing processes.
Recycling	The series of activities by which materials that are no longer useful to the



	generator are collected, sorted, processed, and converted into raw materials and used in the production of new products. This definition excludes the use of these materials as a fuel substitute or for energy production.
Deleted – Not Applicable	Section is not applicable or included in this CONTRACT. This is used as a placeholder to maintain consistent numbering.
Reuse	Using a product or component of municipal solid waste in its original form more than once.
CONTRACT	Request for Proposal designed to solicit proposals for services
Services	Any function performed for the benefit of the State.
Source reduction	Any practice that reduces the amount of any hazardous substance, pollutant, or contaminant entering any waste stream or otherwise released into the environment prior to recycling, energy recovery, treatment, or disposal.
State Location	Any physical location where the State performs work. State Location may include state-owned, leased, or rented space.
Subcontractor	A company Contractor delegates performance of a portion of the Services to, but does not include independent contractors engaged by Contractor solely in a staff augmentation role.
Unauthorized Removal	Contractor’s removal of Key Personnel without the prior written consent of the State.
Waste prevention	Source reduction and reuse, but not recycling.
Waste reduction and Pollution prevention	The practice of minimizing the generation of waste at the source and, when wastes cannot be prevented, utilizing environmentally sound on-site or off-site reuse and recycling. The term includes equipment or technology modifications, process or procedure modifications, product reformulation or redesign, and raw material substitutions. Waste treatment, control, management, and disposal are not considered pollution prevention, per the definitions under Part 143, Waste Minimization, of the Natural Resources and Environmental Protection Act (NREPA), 1994 PA 451, as amended.
Work in Progress	A Deliverable that has been partially prepared, but has not been presented to the State for Approval.
Work Product	Refers to any data compilations, reports, and other media, materials, or other objects or works of authorship created or produced by the Contractor as a result of an in furtherance of performing the services required by this Contract.

PROJECT GLOSSARY AND DEFINITIONS

American National Standards Institute (ANSI)	Entity that coordinates the development and use of voluntary consensus standards in the United States and represents the needs and views of U.S. stakeholders in standardization forums around the globe.
ANI	Automatic Number Identification is the automatic display at the PSAP of the telephone number associated with the line which called 911. The PSAP uses the ANI to retrieve the caller’s physical address from the ALI database. Additionally, the ANI acts as a callback number should the PSAP lose its connection to the distressed caller.
Automatic Location Identification (ALI)	The automatic display at the PSAP of the caller’s telephone number, the address/location of the telephone and supplementary emergency services information of the location from which a call originates.
Automatic Location Identification (ALI) Data Base	The set of ALI records residing on a computer system.



BICSI Building Industry Consulting Services, International	Building Industry Consulting Services, International. An international telecommunications association providing education, registration and resources for professionals involved in the design and installation of low-voltage distribution systems in commercial and residential buildings as well as outside plant systems.
Call Back Number	A number used by the PSAP to re-contact the location from which the 9-1-1 call was placed. The number may or may not be the number of the station used to originate the 9-1-1 call.
CAMA	Centralized Automated Message Accounting. A type of in-band analog transmission protocol that transmits telephone number via multi-frequency encoding. Originally designed for billing purposes.
Carrier	A function provided by a business entity to a SOM base, typically for a fee. Examples of carriers and associated services are; PSTN service by a Local Exchange Carrier, VoIP service by a VoIP Service Provider, email service provided by an Internet Service Provider.
CLEC	Competitive Local Exchange Carrier is a telecommunications provider company sometimes called a "carrier" that competes with other, already established carriers generally the Incumbent Local Exchange Carrier (ILEC).
CPE	SOM Premise Equipment. The telecommunications equipment owned by an organization and located on its premises. CPE equipment includes PBXs (private branch exchanges), telephones, routers, switches, and software.
Direct Inward Dialing (DID)	The ability for a caller outside a company to call an internal extension without having to pass through a switchboard operator or attendant at the MLTS.
DMS	Digital Multiplex System. A digital switch from Nortel Networks that is used in a telephone company's central office.
Emergency Location Identification Number (ELIN)	A valid North American Numbering Plan format telephone number, assigned to the MLTS Operator by the appropriate authority that is used to route the call to a PSAP and is used to retrieve the ALI for the PSAP. The ELIN may be the same number as the ANI. The North American Numbering Plan number may in some cases not be a dialable number.
Emergency Response Location (ERL)	A location to which a 9-1-1 emergency response team may be dispatched. The location should be specific enough to provide a reasonable opportunity for the emergency response team to quickly locate a caller anywhere within it.
Enhanced 9-1-1 (E9-1-1)	A telephone system which includes network switching, data base and Public Safety Answering Point premise elements capable of providing automatic location identification data, selective routing, selective transfer, fixed transfer, and a call back number. The term also includes any enhanced 9-1-1 service so designated by the Federal Communications Commission in its Report and Order in WC Docket Nos. 04-36 and 05-196, or any successor proceeding.
FCC	The Federal Communications Commission is an independent agency of the United States government whose mission is to make available so far as possible, to all the people of the United States rapid, efficient, Nation-wide, and world-wide wire and radio communication services with adequate facilities at reasonable charges.
Gateway	The Point at which a circuit-switched call is encoded and repackaged into IP packets – Equipment that provides interconnection between two networks with different communications protocols; two examples are packet assembler/disassemblers and protocol converters. Gateways operate at the 4th through 7th layers of the Open Systems Interconnection model.
ILEC	Incumbent Local Exchange Carrier. The former Bell System or Independent Telephone Company responsible for providing local telephone exchange services in a specified geographic area.



Interactive Voice Response (IVR)	A computer system accessible by registered users utilized to identify the Service Provider and 24 X 7 access number for telephone numbers which have been ported or pooled.
Internet Protocol Telephony (IP Telephony)	A general term for the technologies that use the IP's packet-switched connections to exchange voice, fax, and other forms of information that have traditionally been carried over the dedicated Circuit-Switched (CS) connections of the PSTN. The IP address may change each time the user logs on.
Integrated Services Digital Network (ISDN)	Integrated Services Digital Network is a set of communications standards for simultaneous digital transmission of voice, video, data, and other network services over the traditional circuits of the public switched telephone network.
LAN	Local Area Network. A transmission network encompassing a limited area, such as a single building or several buildings in close proximity.
LEC	Local Exchange Carrier. Companies that provide local access to voice communications networks.
MPSC	Michigan Public Service Commission. An agency within the State of Michigan designed to grow Michigan's economy and enhance the quality of life of its communities by assuring safe and reliable energy, telecommunications, and transportation services at reasonable prices.
Multi-Line Telephone System (MLTS)	A system comprised of common control unit(s), telephone sets, control hardware and software and adjunct systems used to support the capabilities outlined herein. This includes network and premises based systems. E.g., Centrex, VoIP, as well as PBX, Hybrid, and Key Telephone Systems (as classified by the FCC under Part 68 Requirements) and includes systems owned or leased by governmental agencies and non-profit entities, as well as for profit businesses.
Multi-Line Telephone System (MLTS) Operator	The entity responsible for ensuring that a 9-1-1 call placed from an MLTS is transmitted and received in accordance with this legislation regardless of the MLTS technology used to generate the call. The MLTS Operator may be the MLTS Manager or a third-party acting on behalf of the MLTS Manager.
NIST	The National Institute of Standards and Technology (NIST), known between 1901 and 1988 as the National Bureau of Standards (NBS), is a measurement standards laboratory which is a non-regulatory agency of the United States Department of Commerce.
North American Numbering Plan (NANP)	The NANP is a standardized system of numbering plan areas (NPA), which have evolved over time into a system of three-digit area codes and seven-digit telephone numbers. Through this plan, telephone calls can be directed to particular regions of the larger NANP public switched telephone network (PSTN), where they are further routed by the local networks.
OPX	Off Premise Extension. An extension telephone that terminates in a location distant from its parent Private Branch Exchange (PBX). OPX is generally used to provide employees with access to their company's phone system while out of the office.
PBX	Private Branch Exchange. A privately owned "business" telephone system which also interfaces to the telephone network.
PRI Primary Rate Interface	The Primary Rate Interface (PRI) is a standardized telecommunications service level within the Integrated Services Digital Network (ISDN) specification for carrying multiple DS0 voice and data transmissions between a network and a user.



Public Safety Answering Point (PSAP)	Public Safety Answering Point (PSAP): A set of call takers authorized by a governing body and operating under common management which receives 9-1-1 calls and asynchronous event notifications for a defined geographic area and processes those calls and events according to a specified operational policy.
Quality of Service (QoS)	As related to data transmission a measurement of latency, packet loss and jitter.
Redundancy	Duplication of components, running in parallel, to increase reliability; A backup system (either a device or a connection) that serves in the event of primary system failure.
Service Address	The physical location of a subscriber access line. Service Address is the recommended address for 9-1-1 use. (May be different from the listed address or billing address)
SIP Trunking	Session Initiation Protocol trunk is a Voice over Internet Protocol (VoIP) service offered by many Internet telephony service providers (ITSPs) that connects a company's private branch exchange (PBX) telephone system to the public switched telephone network (PSTN) via the Internet.
SMS	Short Message Service. A service typically provided by mobile carriers that sends short (160 characters or fewer) messages to an endpoint. SMS is often fast, but is not real time.
TDM	Time Division Multiplexing is a technique of transmitting multiple digitized data, voice, and video signals simultaneously over one communication media by interleaving pulses representing bits from different channels or time slots.
Technical Requirements Document (TRD)	NENA Technical Requirements Document, developed by a Technical Committee, is used as basis for a NENA Technical Committee or outside Standards Development Organization (SDO) to develop formal industry accepted standards or guidelines.
TIA/EIA	Telecommunications Industry Association/ Electronic Industries Association. A lobbying and trade association that issues its own standards and contributes to the American National Standards Institute.
Underwriters Laboratories (UL)	One of several United States nationally recognized testing laboratories (NRTL) whose testing specifications have been adopted as de facto industry standards.
XMAN	Extended Metropolitan Area Network.



Article 1 – Statement of Work (SOW)

1.000 Project Identification

1.001 Project Request

The State of Michigan (SOM) through the Michigan Department of Technology, Management, and Budget (DTMB), issues this Contract to provide an Enhanced 9-1-1 (E9-1-1) Multi Line Telephone System (MLTS) solution with 911 call notification for all SOM owned and leased facilities. Contractor will provide hardware and software, consulting, design, installation, configuration, customization, testing, training, and support services necessary to implement and maintain an effective E9-1-1 MLTS operator solution. The solution includes collecting location information for all SOM telephones and sending the ALI records to a National E9-1-1 Database. Additionally, the solution will provide Emergency On-Site Notification to a local central control office when an E9-1-1 call occurs. The system must accommodate the existing State of Michigan technology infrastructure, while closely integrating with the PBX/VoIP, call server platform in order to support the E9-1-1 requirements. The system is PBX/VoIP, hardware manufacturer, local service provider, and transport technology neutral. The selected system complies with Federal and SOM regulations and Michigan Public Service Commission (MPSC) rules.

The implementation will be divided up into two (2) defined project phases: Implementation and Integration.

The State of Michigan E9-1-1 system must be in place and fully operational by **December 31, 2011**.

Contractor will implement E911 Manager Software, which automatically captures all phone moves, adds and changes directly from the PBX(s), translates the location data into the proper NENA II format and updates the regional and dynamic ALI database providers based on their specific requirements. Traditional end-points can be managed directly in the PBX as part of the administrator's daily process for managing phone moves, adds and changes and the location of IP phones can be captured using E911 Manager's Network Discovery feature.

With Network Discovery, E911 Manager is automatically notified by the call server in real-time when an IP phone registers on the network. Using industry standard discovery protocol, Network Discovery determines the location of the phone based on its IP address, port and network device. E911 Manager will provide a full suite of reports that make it possible for administrators to proactively monitor compliance to existing regulations and track employee movement.

Contractor's E911 Manager Software also provides a feature called Emergency On-Site Notification or EON. With EON, when a 911 call is placed within the organization, designated individuals will receive instant notification along with the complete location record indicating where help is needed. Notifications can be sent to security personnel and can be received on their computer with an audible alarm and screen pop or received via email or SMS for those who may not be sitting behind a desk.

The browser interface of E911 Manager will allow administrators to access the application from virtually anywhere, making management easy and effective. A full suite of reports and web services notifications provide easy, automated administration.

Additionally Contractor provides a Standby Server Software option. In case the primary E911 Manager server goes down, the real-time location tracking and updating E911 databases will continue. The Standby Server option consists of a replication of the E911 Manager software and all of the optional features installed on the Primary E911 Manager server.

Contractor will provide a full range of E9-1-1 professional services to help organizations plan, implement and maintain effective 911 protections. These services include: Full application maintenance and support which is included with the purchase of E911 Manager and is renewable on an annual basis; Audit Services to assist in establishing E911 location information for all users; Application



Performance Monitoring and Administration Services to monitor E9-1-1 on a daily basis; and E9-1-1 Project Management services to establish E9-1-1 for the organization. [Contractor supports ACM 3.1.](#)

The State of Michigan can support up to 50 PBXs and 100,000 endpoints on one server with Contractor's E911 Manager Software. This single server architecture requires very little human intervention. Additionally, as The State of Michigan moves more fully toward IP technology, E911 Manager is equipped to accommodate the pace of migration. The features and functionality provided by E911 Manager will deliver significant manpower savings, compliance with E911 regulations and compatibility with future technology migration. Server(s) utilized for the system can be SOM-hosted virtual machines.

1.002 Background

DTMB Telecommunications provides telephone services to executive branch agencies, which enables governments' success and connects Michigan with services that are secure and reliable. An important objective for this E9-1-1 MLTS operator solution is to provide appropriate safety measures as required by SOM regulation, and reduce State of Michigan staff risk, and liability. The SOM's voice network is currently supported by both Avaya and Cisco technologies. State of Michigan telephony services inventory is stored in the Matsch system database supported by Matsch Financial Systems Ltd. of Grand Rapids, MI.

Information and details surrounding the SOM's voice network, standards and infrastructure were provided in the solicitation document resulting in this Contract.

1.100 Scope of Work and Deliverables

1.101 In Scope

This Contract is for the procurement of an E9-1-1 MLTS operator solution which will provide hardware/software, implementation services and support services. The Contract consists of the following scope:

- A. Project Planning.
- B. System Design.
- C. Provision of Hardware, Software and Licensing.
- D. Data Discovery, Population, and Validation Process.
- E. Implementation and Configuration.
- F. System Maintenance and Support Services.
- G. Reporting.

1.102 Out Of Scope

All technology, equipment and processes currently provided by the Local Exchange Carriers (LEC) and Public Safety Answering Points (PSAP).

1.103 Environment

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

Enterprise IT Policies, Standards and Procedures:



<http://www.michigan.gov/dmb/0,1607,7-150-56355---,00.html> and <http://www.michigan.gov/dmb/0,1607,7-150-56355-107739--,00.html>

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

It is recognized that technology changes rapidly. The Contractor may request, in writing, a change in the standard environment, providing justification for the requested change and all costs associated with any change. The SOM's Project Manager must approve any changes, in writing, and DTMB, before work may proceed based on the changed environment.

Enterprise IT Security Policy and Procedures:

http://www.michigan.gov/dmb/0,1607,7-150-9131_9347---,00.html#1300INFSTDSPLNNG and <http://www.michigan.gov/cybersecurity>

The SOM's security environment includes:

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

IT Strategic Plan:

<http://www.michigan.gov/itstrategicplan>

IT eMichigan Web Development Standard Tools:

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

IT Enterprise Standard Products:

Specific products are identified as Enterprise IT standards for the SOM. All product standards are reviewed, at a minimum, every two years. The currently standard products are found at:

<http://www.michigan.gov/dmb/0,1607,7-150-56355---,00.html>.

The State Unified Information Technology Environment (SUITE):

Includes standards for Project Management Methodology (PMM) that must be followed:

<http://www.michigan.gov/suite/0,1607,7-245-46056---,00.html>

1.104 Work And Deliverables

The Contractors shall provide deliverables, services and staff, and otherwise do all things necessary or incidental to provide the functionality required for the DTMB Telecom business functions, in accordance with the requirements as set forth below and in the **Attachment 4 - E9-1-1 Requirements Worksheet**. Attachment 4 states how the requirements will be met by the selected Contractor.

Acceptance Criteria

High-level acceptance criteria for Document Deliverables and Software Deliverables are listed in Section 1.501. Any additional or more specific criteria are identified here.

A. Project Planning

Project Planning covers those activities that require ongoing administrative oversight throughout the entire E9-1-1 implementation process, from initiation to completion of the project. Planning also includes a



number of plans that will guide and govern the project from requirements gathering/verification through deployment and also for preparing for the eventual assumption of responsibilities by the SOM. Project Planning includes ongoing administrative activities and deliverables required in Sections 1.3 and 1.4, and from below.

Deliverables:

1. Detailed Project Plan - within 15 business days of Contract Orientation meeting, the Contractor will update the draft Project Plan from their proposal. See Section 1.301 Project Plan Management for detailed requirements on the Project Work Plan. The detailed plan will:
 - a. Be provided in Microsoft Project, or equivalent project management tool, where milestones and tasking can be uploaded and annotated in Microsoft Project.
 - b. Include a schedule and Gantt chart (for all project tasks, subtasks, and activities), milestones, and deliverables.
 - c. Identify Contractor and SOM resources for all tasks, subtasks, and activities that exist as line items within the Project Plan.
 - d. Include the following date-related information:
 - i. Originally scheduled start and end dates for all tasks, subtasks, and activities (including milestones and deliverables).
 - ii. Anticipated start dates for future tasks, subtasks, and activities.
 - iii. Anticipated end dates for all current and future tasks, subtasks, and activities.
 - e. Identify percent of work to be performed on-site and the percent of work to be performed off-site.
 - f. Identify type of work to be performed on-site and the type of work to be performed off-site. (NOTE: Under no circumstances, unless specifically approved in a current SOW, shall any records or information, including coding, customizing or API/SDK language, regardless of format, content or structure, be transferred outside the State of Michigan or the location of the Contractors facility. Furthermore, the Contractor shall not allow any external sources, including off-shore or out of state staff, subcontractors, or consultants regardless of physical location or employment status, to gain access to state records or information, including coding, customizing or API/SDK language, or other information generated as a result of this Contract without the specific written consent of both the agency for which the work is being performed and the Project Manager. The location of all storage (physical and digital), processing, production, server room, backup facilities etc., used to fulfill this Contract, shall be provided to the state.
 - g. Include communication protocols for Contractor's interaction with the SOM project management team.

Contractor will manage the entire lifecycle of the project using industry standard techniques. The project lifecycle will go through the standard steps of initiation, planning and design, executing, monitoring and controlling, and finally closing of the project. The project manager will integrate the project resources that are directly associated with the system deployment and operation to ensure success of the environment.

A detailed project plan in Microsoft Project was provided as an example with the RFP response. This project plan will be updated and submitted to SOM within 15 business days of the contract orientation meeting. All milestones and deliverables will be tracked using this draft as a baseline.

2. Test Plan – In collaboration with the State of Michigan, the Contractor will provide a detailed plan for Interface Testing, User Acceptance Testing, Quality Assurance, Performance, and Operations Testing. Resources from the SOM and Contractor.

Contractor will complete the following test plan with the assistance of SOM. The testing phase is included in the project plan. Status of the test plan will be tracked through the E911M-TPR form. If corrective action is needed, Contractor will provide an updated plan for resolution with 5 business days.



Test Description	Expected Result	Responsibility
Download TDM Phones	E911 Manager creates an appropriate ALI record for the specified TDM phones	Contractor
Download IP Phones	E911 Manager updates ELINs for all registered IP phones	Contractor
Initialize a Data Switch	E911 Manager collects the switch description and populates MAC addresses for the specified switch	Contractor
Connect an IP Phone	E911 Manager updates the ELIN for the specified IP phone	SOM
Login or Re-register an IP Phone	E911 Manager updates the ELIN for the specified IP phone	SOM
Perform PSAP Update	E911 Manager updates the regional ALI database with all appropriate location information	Contractor
Dial 9-1-1 to a Test Destination	E911 Manager sends EON alert via the EON Client, email or SMS with all appropriate location information	SOM
Dial 9-1-1 to PSAP	Emergency call is routed to the proper PSAP and all appropriate location information is displayed on the PSAP's display	SOM
Dial the ELIN of a device used for a test 9-1-1 call	The calling party's extension rings directly, including non-DID phones...	Contractor

3. Readiness Assessment – provides an evaluation of the State of Michigan’s current technology infrastructure along with an understanding of the impact of the implementation of the proposed E9-1-1 system. The readiness assessment will include the following at a minimum:
 - a. Conduct a system interface assessment(s) and provide the SOM in writing minimum site requirements for each installation including but not limited to: Network Interface, system interface and environmental requirements, etc.
 - b. Evaluate MLTS network suitability and revision levels.
 - c. Analyze the facility locations, size and complexity based on the number of facilities being managed, the type of facility, i.e. office space, call center, warehouse.
 - d. Analyze and ensure that Contractor's solution is compatible with SOM's E9-1-1 Service Provider Network.

Contractor will perform a readiness assessment of the SOM entire infrastructure. This includes Call Server integration, Data Switch Integration, Emergency call routing, ELIN and ERL layout.

Assessment Phase – (Estimated 4 weeks)

Description	Responsible Party
Kick-off Meeting	Contractor
Completion of all required forms	SOM
Receipt and verification of all required forms	Contractor
Draft forms review & finalization	Contractor/SOM
Identify test cases and users	RedSky/SOM

The Assessment Phase is further defined as part of the Project Plan.



The below list defines the assumptions made prior to Contractor's deployment of E911 Manager.

- Contractor will install and configure E911 Manager to integrate with an approved Call Server, including:
 - Avaya ACM
 - Version 3.1
 - Version 4.x
 - Version 5.x
 - Version 6.x
 - Cisco Unified Communication Manager
 - Version 4.x
 - Version 6.x
 - Version 7.x
 - Version 8.x
- All data switches used in Layer 2 Network Discovery will be RFC 1493 compatible
- E911 Manager™ will have the ability to contact any required PS-ALI provider website and the Contractor Web Services over the Internet
- IP Connectivity will be available between the E911 Manager server and the Call Server(s)
- Hardware installation will be the responsibility of SOM

B. System Design

System design covers those activities that are required to design an E9-1-1 MLTS operator solution that interfaces to the State of Michigan's existing telephone systems and conforms to both Federal and SOM E9-1-1 standards. The Contractor is expected to provide a detailed description of the requirements that need to be met in order to comply with the Federal and SOM standards.

Attachment 3 - E9-1-1 Solution Narrative demonstrates how Contractor's proposed solution will meet both Federal and SOM Regulations and DTMB associated requirements will also help the DTMB in developing business processes around the enhancements of the new 9-1-1 system.

1. System Design – The E9-1-1 system must adhere to the following general design principles:
 - a. Contractor must specify the electrical and other environment requirements as part of a site requirement's document.
 - b. The proposed system must provide for full redundancy of data and processing components.
 - c. The system must be configured to transmit the proper ten-digit number of the 911 caller.
 - d. The system must be capable of identifying the location of a 911 caller from anywhere on the network.
 - e. The system must ensure data integrity by maintaining the ALI database with accurate records.
 - f. The system should create operational efficiencies through reducing manual processes.
 - g. The system must ensure the security and confidentiality of its information as defined by SOM and Federal standards.

The Avaya and Cisco call servers and Contractor's E911 Manager Software comply with all state and proposed federal mandates. The PBXs are capable of out pulsing the proper 10 digit DID or ELIN number to the appropriate PSAP via ISDN PRI or CAMA trunks. The E911 Manager software helps automate the responsibilities surrounding managing the location information for analog, digital and IP endpoints. The software interfaces directly to the PBXs to import the location information and put it into the required NENA format. E911 Manager then automatically transfers the location information to the appropriate regional ALI Database Provider. The following requirements are necessary for the proposed solution.

General E911M Requirements

The following requirements are needed for all installations of E911M.



2.1.1 - SOM Requirements

- Must sign the Contractor MSLA
- Provide remote access to Contractor for installation, configuration, and support tasks
- Provide operating system administrator or superuser level access to the E911M server.
- Provide a completed PBX Data form which includes the Call Server Names, IP Addresses, Usernames, Passwords, Manufacturer, and Software Version for all call servers included in the scope of the project
- Provide the appropriate access for all call servers defined in the PBX Data form
 - Cisco: AXL, JTAPI, and SNMP
 - Avaya – Telnet or SSH
- Provide a completed Building Data form which includes information for all buildings included in the scope of the project
- Provide a completed Port Assignment or IP Range Assignment form which includes all ELINs and ERLs included in the scope of the project
- SOM must be capable of configuring and troubleshooting all required hardware and software needed during the implementation, including but not limited to:
 - Call servers
 - Data switches
 - Firewalls
 - Session border controllers

2.1.2 - Contractor Requirements

- Assign a PM that will act as the SOM's point of contact for Contractor during the scope of the project
- Provide the SOM with a detailed project plan defining the project including all major milestones and Tasks that will require significant SOM resources.
- Install E911M application to either a SOM-provided or Contractor-provided server
- Configure the E911M integration to all call servers defined in the PBX Data form
- Consult with the SOM to provide best practices for ELIN and ERL creation
- MSAG Validate all ERLs defined in Building Data
- Provide an administration guide and training syllabus to the SOM
- Provide remote training sessions for up to eight (8) designated agents of the SOM for all topics defined in the training syllabus

2.2 - EON Requirements

- SOM will provide a completed Notifications form which defines the Names, Email Addresses, Phone Numbers, and Type of notifications for all users included in the scope of the project
- Contractor will configure E911M integration to monitor all call servers defined in PBX Data for emergency calls
- Contractor will configure E911M to send email and SMS notifications to all users defined in the Notifications form
- SOM must be capable of receiving email or SMS messages, if notifications are to be received for 9-1-1 events
- SOM will perform test emergency calls to ensure call server monitoring is functioning properly and notification events are sent to the appropriate parties

2.3 - L2 ND Requirements

- SOM will provide a completed Data Switch form which includes Data Switch Names, IP Addresses, and Community Strings for all data switches to be included in the scope of the project
- SOM will provide a completed Port Assignment form which defines the ERL to port mapping
- SOM will maintain an accurate wire mapping before, during, and after implementation to ensure E911M location information is accurate
- SOM will configure all switches defined in the Data Switch form to respond to SNMP queries from the E911M server
- Contractor will configure the E911M integration to all data switches defined in the Data Switch form



2.4 - L3 ND Requirements

- SOM will create or validate all VLAN and subnet information for all ERLs defined in the Port Assignment and IP Range Assignment forms

2.5 - E911M Installed as a VM Requirements

- SOM will provide access to any virtualization infrastructure client. Access may be limited to:
 - Performance reports (read-only)
 - Hardware configuration (read-only)
 - Ability to mount/unmount virtual CD-ROMs
 - Ability to access the virtual machine console
- Virtualization Software will be one of the following approved architectures:
 - VMware ESX 3.5 (or higher)
 - Citrix XenServer 4.0 (or higher)

2.6 - PS-ALI Agreement Requirements

- SOM will provide a completed PSALI form which will include Provider Name, Region, Username, Password
- Contractor will configure E911M to update all PS-ALI agreements defined in PSALI

C. Provision of Hardware, Software and Licensing

Contractor’s E911 Manager Software is a State-hosted solution. E911 Manager is licensed based upon the total number of stations or devices that can dial 911 and the total number of PBXs or Call Servers that E911 Manager interfaces directly to. These are one time license fees. E911 Manager also offers options for the following: the Emergency On-Site Notification (EON) feature is sold as a one-time license fee that includes integration to one PBX with the option to purchase additional PBX license interfaces. EON includes 10 client licenses or screen pops and additional client licenses can be purchased. The Standby Server Software option is a one-time license fee. The WI-FI support is a one-time license fee. SLDA or Software Location Determination Application is a one-time license fee based upon each client installed.

The SOM will provide the hardware for the solution. Two servers are required if the Standby Server Software option is selected. The requirements are as follows:

<u>Hardware/Software</u>	<u>Recommended Minimum</u>
<u>Processor(s)</u>	<u>Pentium 4</u>
<u>RAM Memory</u>	<u>2 GB</u>
<u>Hard Disk (free space)</u>	<u>72 GB (SCSI, RAID 5 preferred)</u>
<u>Ethernet Interface</u>	<u>2</u>
<u>CD-ROM</u>	<u>Yes (for s/w install)</u>
<u>Modem</u>	<u>At least (1) 56 Kbps US Robotics serial or USB for transferring data to the E911 DB Provider(s).</u>
<u>Operating System</u>	<u>MS Windows Server 2003 Standard Edition Service Pack 1 OR MS Windows Server 2003 R2 Standard Edition Service Pack 2</u> <u>Note: Modems are only required in PacBell and CinBell territories. All other territories use web interfaces</u>
<u>Remote Access Software</u>	<u>VPN client or similar high-speed remote access.</u>
<u>Network Services</u>	<u>Remote Access Service (RAS)</u>
<u>MS Message Queuing</u>	<u>Windows Add-on component</u>
<u>MS IIS v6.0</u>	<u>Windows Add-on component</u>
<u>ASP .NET v1.1</u>	<u>Windows Add-on component</u>
<u>.NET Framework v1.1 (version specific requirement)</u>	<u>Windows Add-on component</u>
<u>Adobe Acrobat Reader</u>	<u>To view reports on server in PDF format</u>



MS Excel or Excel Plug-in	To view reports on server in .XLS format

D. Data Discovery, Population and Validation Process

The Contractor must create or provide a process for performing data discovery, population and validation. The process needs to include the steps necessary to identify all of the phones, their specific location information and perform verification. The Contractor must provide the processes to perform the following activities, but is not limited to:

- a. Identify all SOM telephones and handset locations contained in the Matsch database.
- b. Identify all SOM telephone numbers and associate with appropriate Time Division Multiplexing (TDM) or Internet Protocol telephones (IPT) system.
- c. Perform a physical inventory/audit to validate the detailed location of all telephones and handsets.
- d. Provide detailed reports necessary to correct location database.

Station Audits for TDM

Red Sky Technologies, Inc. has developed an E911 location audit process to assist SOM in collecting location information in an organized format. Since each work environment is unique, it is recommended that the local fire marshal be contacted for assistance when developing a location identification system for each of the facilities. The initial step in planning for the physical audit is for the SOM to confirm the following information.

- 1. Identify all street addresses and each building at those addresses to be included in the E911 Manager application.
- 2. Develop a way to uniquely identify each PBX or Centrex common block (i.e. PBX1, PBX2, PBX3 etc).
- 3. Identify the actual street address for every building where there is a station on the PBX or Centrex Service. Create a unique name for each of the buildings at these street addresses (i.e. Branch office Palatine, Downtown Chicago, School Headquarters, etc). The following information will be put into E911 Manager under the section marked **Buildings**

Company Name

Location name (the name you developed)

Switch name (enter the PBX or Centrex Service name you developed that serves this location)

Street number

Street extension if applicable (i.e. 1/2)

Street Directional (i.e. North, South etc)

Street name

Street type (i.e. Rd, Blvd, etc)

Community

County

Zip Code

Local Telephone Company serving this location (i.e. Ameritech)

State

Area Code serving this location

Main Telephone Number of this location

- 4. Develop a 20-character description that will inform emergency crews on exactly how to find each and every station in the event of an emergency. The 20 characters do NOT include the physical address of the building but may include the floor/suite number and the room/cubicle number as well as compass directions where helpful.
- 5. Print out a station report from the PBX listing all of the stations that are currently active on the switch. Depending on the amount of information you populate in the PBX, this report may include the station number, the user name and the location information (i.e. building, floor, room) or may just include the station number.
- 6. Analyze the station report from the PBX to determine what stations do not have any location information and those stations that require additional location information.
- 7. Locate any external files or databases that might contain station location information. This could be a call accounting system, human resources system or a simple spreadsheet.



8. Based on the combination of the PBX station reports and the external file or database, determine what location information is still needed to complete the audit. If there are only a few stations left to be identified, skip to step 18. If there are many station locations to be determined continue to step 11.
9. Find a blue print or floor plan for each building location.
10. Identify every department on each floor plan.
11. Define the physical location for each department. This means the building, floor(s), and room(s) numbers for each department. Be sure to define locations that will be easily imported into the database. For example:

Field Position	Field Name	Max. Length	Req'd	Field Description	Example
1	NPA	3	X	Station's area code	312
2	Calling Number	7	X	Station's extension	5551212
3	Building ID	10		ID for the building where the phone is located	HQ
4	Station Location	20		Primary location information for the station	Floor 2, Room 312
5	Extended Station Location	40*		Extended location information for the station (not guaranteed to be seen by PSAP in Ameritech region)	SW Quad
6	Subscriber Name	32		Name assigned to the phone	John Doe
7	Comments	30*		Any optional comments	Use Main Entrance

Note: The SOM expects the MPSC E9-1-1 rules to be approved by the State Legislature by this point in the project. The SOM and Contractor will evaluate the risks associated with performing Implementation if the rules have not been approved and determine if steps are necessary to mitigate the risks.

NOTE: The 40-character 'Extended Station Location' and the 30-character 'Comments' fields are not able to be viewed by PSAPs in all E911 Service Provider regions. These fields are included within E911 Manager Reports.

12. If there are departments in one large area that are not broken into rooms, figure out a way to identify the space. It may be necessary to break the room down into North, South, East, and West and actually mark those directions on the physical walls. SOM may want to post color-coded maps within the stairwells to help direct emergency personnel.
13. Prepare a memo to each department head or manager, asking them to specify the exact location of each station within their department. Provide them with a list of all stations included in their area and the corresponding floor plans or blueprints. Five days is an appropriate amount of time to expect this information to be returned.
14. Once the station location information has been returned from each department head or manager, input the information into E911 Manager or directly input this information into the PBX.
15. Print out a report from E911 Manager or print out another station report from the PBX. For example:



NPA STATION	BUILDING	20 CHAM LOCATION	40 CHAM MAY SHOW	CALLER ID	Comments
8815 780485 CCB		FLR 1 STE 100	TREASURER	RATHEN, DEBRA	
8815 780486 CCB		FLR 1 STE 100 RM 112	TREASURER	TREAS. CASHERS	
8815 780487 CCB		FLR 1 STE 100	TREASURER	GAIKEN, BETSY	
8815 780488 CCB		FLR 1 STE 100	TREASURER	WHEELER, KATHY	
8815 780489 CCB		FLR 1 STE 100	TREASURER	BALLER, ANOREA	
8815 780490 CCB		FLR 1 STE 100	TREASURER	ARMUGH, JULE	
8815 780491 CCB		FLR 1 STE 100	TREASURER	BREDSER, JOE	
8815 780492 CCB		FLR 1 STE 100 RM 105	TREASURER	COMPUTER ROOM	
8815 780493 CCB		FLR 1 STE 100 RM 106	TREASURER	NAVE, SUE	
8815 780494 CCB		FLR 1 RM 802	RECORDER	STURPEL, MARY ANN	
8815 780495 CCB		FLR 1 STE 100	TREASURER	FAX MACHINE	FLR 1 STE 100
8815 780497 CCB				SEE, MARY JO	FLR 1 STE 100 RM 104
8815 780498 CCB				Telephone room	
8815 780499 CCB				Fax Co. Clerk	
8815 7804700 CCB		FLR 1 FRONT DESK	SECURITY	1ST FLOOR DESK	
8815 7804701 CCB				Juv Detention 1	
8815 7804702 CCB		FLR 2 STE 200	SUP-ASSESS.	TEZAK, KATHY	
8815 7804703 CCB				Juv Detention 2	
8815 7804704 CCB		FLR 2 STE 200 RM 216	SUP-ASSESS.	RODRIK, RHONDA	
8815 7804705 CCB				S/A MODEM	FLR 2 RM 200
8815 7804706 CCB				MG FAX	
8815 7804707 CCB		FLR 2 STE 220 RGT CE	SUP-ASSESS.	ROSINO, CAROL	
8815 7804708 CCB				MODEM	
8815 7804709 CCB		FLR 2 STE 263	CO. EXECUTIVE	ADEL MAR, CHARLES	
8815 7804710 CCB				TOO SCHOOLS	FLR 1 STE 140
8815 7804711 CCB		FLR 2 STE 263	PAYROLL	CHILLEN, SHARON	
8815 7804712 CCB		FLR 2 STE 263	PURCHASING		
8815 7804713 CCB			no 911	RECORDER ALARM	
8815 7804714 CCB		FLR 1 STE 100 RM 112	TREASURER	BHUNNER, MARY	
8815 7804715 CCB		FLR 1 RM 132	MAINT/FINANCE	EAGERLI, TIBB	
8815 7804716 CCB		FLR 2 STE 263	COUNTY BOARD	JOHANNSEN, BELISSA	
8815 7804717 CCB		FLR 1 REAR	MIS	COMPUTER ROOM	
8815 7804718 CCB		FLR 2 STE 220 RGT CE	SUP-ASSESS.	KASER, GAIL	
8815 7804719 CCB		FLR 2 STE 220	SUP-ASSESS.	STASZAK, JOAH	
8815 7804721 CCB			RECORDER	FAX SERVER	no 911

16. Verify what information is still needed for each building location and station.
17. Get the floor plans for each location still missing information.
18. Establish a method to associate non-DID phones to the closest one in proximity in order to send emergency response location information for these phones to the PSAP. Keep in mind that an actual emergency should be within eyesight of this phone.
19. Develop move, add, and change process to populate station records in each PBX that matches confirmed standards.
20. Coordinate timeframes with PBX administrator(s) to incorporate new MAC process immediately following physical audit.
21. Notify department managers or employees that a Team will be walking around noting the number appearing on their phone and the physical location of the phone.

Physical Audit

1. Contractor's Audit Team will need a contact at each location and have a conference call to confirm timeframes and meeting places. If any special security access measures need to be taken, the Team will need to understand how long the process takes and plan accordingly.
2. The Audit Team will meet the designated personnel and physically go to each location and walk around to every phone and write down its location using the standards established by the SOM. Special places that may get overlooked: conference rooms, hallways, cafeterias, tunnels, entrance ways, reception area phones, elevator phones, basement, supply rooms, and guest phones.
3. The station location information that has been collected will be compiled electronically and presented to the SOM for review.

Applying the Audited Information

1. Upon SOM approval, this information will then need to be populated into each PBX and proper DID association configured. Contractor can be contracted to perform this task or the task can be performed by the SOM's PBX administrator.
2. The Contractor Implementation Specialist will put the new information into E911 Manager at the time of application installation. Reports will be generated for SOM review.
3. If you still have stations that have not been identified and cannot be physically found, you may want to disconnect them from the PBX and wait to receive the complaint that they are not working. This process will give you the ability to either identify these numbers or leave them permanently disconnected.
4. Input any valid information obtained from the exercise in step 22 into the E911 Manager or directly input the information into the PBX.
5. Continue steps 16 through 21 until all stations have been accounted for and location information has been input into E911 Manager or directly input into the PBX.



6. Once the E911 Manager is complete or the PBX station report contains location information for every station listed on the PBX the E911 location audit process is complete.

Station Audits for IP

Contractor VoIP audit services for Network Discovery provides two levels of precision location information The SOM purchased: Precision to the room, office, or cube on the building floor level (voice/data jack location). Precision to the room, office, or cube on the building floor (voice/data jack location) level service will include auditing data switching outer most “edge” devices such as SNMP v1 enabled voice/data switches or routers serving specific building floors and mapping those edge device active ports to specific jacks located out on the floor terminating in offices, cubes, and rooms.

Before Contractor can conduct the VoIP audit (may be in tandem with a traditional phone audit) the following information must be identified. Again it is recommended that the SOM contact the local fire marshal for assistance when developing a location identification system for each of the facilities. SOM to identify all street addresses and each building at those addresses to be included in the E911 Manager application.

22. Develop a way to uniquely identify each IP enabled PBX (i.e. PBX1, PBX2, PBX3 etc).
23. Identify the actual street address for every building where there is a station on the IPPBX. In order for this address information to be transmitted to the E911 database provider the address must conform to the Master Street Address Guide (MSAG) in the area. The MSAG address can usually be validated by the ILEC or the public safety administrator in the locale. Create a unique name for each of the buildings at these street addresses (i.e. Branch office Palatine, Downtown Chicago, School Headquarters, etc). The following information will be put into E911 Manager under the section marked **Buildings**
 - Company Name
 - Location name (the name you developed)
 - Switch name (enter the PBX or name you developed that serves this location)
 - Street number
 - Street extension if applicable (i.e. ½)
 - Street Directional (i.e. North, South etc)
 - Street name
 - Street type (i.e. Rd, Blvd, etc)
 - Community
 - County
 - Zip Code
 - Local Telephone Company serving this location (i.e. Ameritech)
 - State
 - Area Code serving this location
 - Main Telephone Number of this location
24. Develop a 20-character description that will inform emergency crews on exactly how to find each and every station in the event of an emergency. The 20 characters do NOT include the physical address of the building but may include the floor/suite number and the room/cubicle number as well as compass directions where helpful.
25. Print out a station report from the PBX listing all of the stations that are currently active on the switch. Depending on the amount of information you populate in the PBX, this report may include the station number, the user name and the location information (i.e. building, floor, room) or may just include the station number.
26. Analyze the station report from the PBX to determine what stations do not have any location information and those stations that require additional location information.



- 27. Locate any external files or databases that might contain station location information. This could be a call accounting system, human resources system or a simple spreadsheet.
- 28. Based on the combination of the PBX station reports and the external file or database, determine what location information is still needed to complete the audit. If there are only a few stations left to be identified, skip to step 18. If there are many station locations to be determined continue to step 11.
- 29. Find a blue print or floor plan for each building location.
- 30. Identify every department on each floor plan.
- 31. Define the physical location for each department. This means the building, floor(s), and room(s) numbers for each department. Be sure to define locations that will be easily imported into the database. For example:

<i>Field Position</i>	<i>Field Name</i>	<i>Max. Length</i>	<i>Red's</i>	<i>Field Description</i>	<i>Example</i>
1	NPA	3	X	Station's area code	312
2	Calling Number	7	X	Station's extension	5551212
3	Building ID	10		ID for the building where the phone is located	HQ
4	Station Location	20		Primary location information for the station	Floor 2, Room 312
5	Extended Station Location	40*		Extended location information for the station (not guaranteed to be displayed at all PSAP)	SW Quad
6	Subscriber Name	32		Name assigned to the phone	John Doe
7	Comments	30*		Any optional comments	Use Main Entrance

NOTE: The 40-character 'Extended Station Location' and the 30-character 'Comments' fields are not able to be displayed at PSAPs in all E911 Service Provider regions, the Service Provider Representative or PSAP would be able to confirm this. These fields are included within E911 Manager Reports.

- 32. If there are departments in one large area that are not broken into rooms, figure out a way to identify the space. It may be necessary to break the room down into cardinal or ordinal directions and actually mark those directions on the physical walls. Many SOMs post color-coded maps within the stairwells and elevators to help direct emergency personnel. It is important to note that signage must support all emergency location naming schemes. Not all emergency responders carry compasses to translate directional designations or will necessarily correctly interpret a random naming convention like room number or department name. Be sure to check with the local fire marshal for recommendations before finalizing an E911 naming scheme.
- 33. Prepare a memo to each department head or manager, asking them to specify the exact location of each station within their department. Provide them with a list of all stations included in their area and the corresponding floor plans or blueprints. Five days is an appropriate amount of time to expect this information to be returned.
- 34. Once the station location information has been returned from each department head or manager, input the information into E911 Manager or directly input this information into the PBX.
- 35. Print out a report from E911 Manager or print out another station report from the PBX.



36. Verify what information is still needed for each building location and station.
37. Get the floor plans for each location still missing information.
38. Establish a method to associate non-DID phones to the closest one in proximity in order to send emergency response location information for these phones to the PSAP. Keep in mind that an actual emergency should be within eyesight of this phone.
39. Develop move, add, and change process to populate station records in each PBX that matches confirmed standards.
40. Coordinate timeframes with PBX administrator(s) to incorporate new MAC process immediately following physical audit.
41. Notify department managers or employees that a Team will be walking around noting the number appearing on their IP phone and the physical location of the phone and any relevant voice/data jacks.

Physical Audit

4. Contractor’s Audit Team will need a contact at each location and have a conference call to confirm timeframes and meeting places. If any special security access measures need to be taken, the Team will need to understand how long the process takes and plan accordingly.
5. The Audit Team will meet the designated personnel and physically go to each location and walk around to every phone and record its location using the standards established by the SOM. Special places that may get overlooked: conference rooms, hallways, cafeterias, tunnels, entrance ways, reception area phones, elevator phones, basement, supply rooms, and guest phones. A sample data collection is below.
6. Contractor will need access to the MDF and all IDF’s to physically account for all network devices serving IP phones over Ethernet. Contractor will need the help of a SOM network administrator to ensure that all permissions and settings are correct to both facilitate the audit and ensure that the E911 Manager functions as desired.

Building Address	Floor	IDF (Room Name)	Switch Name	Switch IP Address	Switch Port	Desk Drop Jack Number	E911 Info	ELIN
92 MAIN ST	2	208A	92MAIN208A	192.167.20.125	2/48	FL2_2/48	FL2 EAST	NPA/NXX-ABCD

Applying the Audited Information

7. Upon SOM approval, this information will then need to be populated into the Contractor application and proper DID/ELIN association configured.
8. The Contractor Implementation Specialist will put the new information into E911 Manager at the time of application installation. Reports will be generated for SOM review.

IP Location Naming

Once the audit is complete the audited network(s) will be documented to each data switch port that was supporting an IP phone at the time of the audit. The results of the audit remain valid only as long as no changes are made to the network. As a practical matter patch cables are routinely reconfigured as ports go bad or the needs of the end users change. As part of Contractor’s IP Location Naming process network changes that could impact emergency location information are managed by the SOM’s network



infrastructure team. These include any changes in cross connects and patch cables. Once audited each network switch and local patch panel should have a Contractor IP Location Naming compliant tag applied to prevent accidental changes which may impact emergency response location information. This is optional; an example of a Contractor IP Location Naming compliance tag is below:

SOM Preparation for an Audit: Review

1. Is SNMP (v1 compliant) available on all relevant edge devices (routers, switches, etc) with all access strings known and accessible to Contractor personnel?
2. Does each IDF voice serving data switch have its own IP address? Logical stacks are not supported.
3. Have all SNMP v1 enabled data switches been identified and listed for auditors?
4. Is CDP (Cisco Discovery Protocol) enabled on all data switches that will be serving voice?
5. Are all relevant devices (routers, data switches, etc) powered on?
6. Have all audit site servicing devices and IDF's, closets, etc. been identified?
7. Have all voice VLANs made known to audit personnel prior to site visit?
8. IP scopes and/or ranges made known to audit personnel prior to site visit?
9. Is there an escort resource designated that has keys and sufficient access to service areas, including IDF's, for Contractor audit teams when they arrive on site?
10. Confirmed that internal firewalls (if in place) permit TCP/IP traffic to all segments we need to access?
11. Granted Contractor the required permissions to access phone switches, SNMP and other network resources?
12. Provided a network topology (environment) map and/or technology survey to compare our findings versus what the SOM has defined?
13. Provided floor plans for floors where IP voice service is/will be deployed?
14. Is ISDN Public Unknown Answering properly configured on the PBX for 10-digit ANI (Avaya only)?
15. Nomenclature already determined for location information?

SOM Related Issues That May Require Change Order

Non-Contractor potential issues may affect the ability to execute audit responsibilities in the time frame(s) planned for any given location. Contractor audit teams work through many locations, sometimes geographically diverse, on a strict and carefully planned time schedule. Obstacles at one location that require much time to overcome will likely affect subsequent jobs. It is important that the SOM make all itemized preparations as outlined above so the audit team can work efficiently and economically on SOM's behalf. SOM obstacles or delays that take more than one-half day (based upon audit day agenda) to overcome will likely result in additional labor charges to the SOM at the professional service rates of \$145.00 per hour per person. Additional travel expenses may also be incurred should Contractor have to return for SOM operational issues or situations that may impede Contractor's ability to perform our services include, but are not limited to, the following examples:

1. Contractor audit personnel will arrive at agreed upon time and are unable to work because no provision for audit escort with appropriate access was made available.
2. Contractor audit personnel arrive to find all campus switches are not SNMP enabled and no one is available to make all the required changes.
3. Contractor audit personnel arrive onsite to find all switches at new site are powered off and it will take half of one day to get someone onsite to turn them all on.
4. Contractor audit personnel leave audit site and have to return because escort forgot to take the team to a building annex or area where IP phones will be or are deployed.

If additional travel expenses are incurred, document and accepted by the State, they shall be reimbursed in accordance with the State's published travel reimbursement rates for employees.



Appendix A

Precision Location to Building Floor, Room, Office, Cube

Procedures and Requirements: What to Expect

Contractor audit personnel will arrive and check-in with the project sponsor or agent of the sponsor. Any information that is needed for the audits that has not been previously delivered to Contractor must be delivered now. Contact information for cell phones and pagers should be exchanged at this time if not previously done. Agendas for the site audit should now be confirmed.

The designated SOM provided escort resource that has room and door keys and sufficient access to service areas, including IDF's, will escort the audit personnel to areas that we will audit in the audit process. Contractor audit personnel, while onsite, will:

1. Scan the SOM's network (by pre-determined IP ranges, VLAN, etc.) for SNMP devices. The SNMP data gathered will be presented to the SOM for review and verification.
2. Walk through all IDF's, data closets, etc. where previously identified VoIP devices will be audited.
3. Audit all active floor data jacks (desk drops) with IP phones from all regions on the floor to confirm mapping back to devices audited in the floor IDF(s).
4. Label any data switching devices found not labeled accurately (device name and IP address only). We will label devices unless the SOM specifically requests us not to. Contractor's expectation is that all data jacks and desk drops are already marked or labeled with identification information. We recommend that data switching jacks (data jacks) at the desk drop be named to match the serving data switch ports in the IDF's. This will require configuration on the data switches and coordination in marking or labeling jacks (data jacks) at the desk drop.

Contractor will use the information from the audits to populate E911 Manager and the Network Discovery module. The audit information will be given to the SOM at some agreed upon date after the site visit has been completed for review. The SOM will be required to approve or agree upon the audit findings for input into the Contractor application by Contractor personnel. The audit review package will have:

5. Device configuration data from SNMP queries on each serving device.
6. Excel spreadsheet itemizing the devices by MAC address, serving data switch, device ports, Extensions, and location

Note: the audit is a snapshot of the network in time. It is the SOM's responsibility to manage network device change and keep records of any changes once the auditors leave. The change record is very important and is critical to maintaining location information integrity.

Contractor will not manage moves, adds, and changes performed by the SOM. It is the SOM's responsibility to maintain and manage the information in the E911 Manager Network Discovery module as these network changes take place. Contractor will assist the SOM in creating a MAC (move, add, change) process to assist the SOM in self-managed location information change control.

Examples of information that will need to be managed and maintained include wire maps. Wire mapping information from each individual ACTIVE data switch port to the patch panel to the wall jack represents a potential location for a voice station. The last network aware endpoint in this configuration is the switch port. Therefore the audit tracks and records the switch port to patch panel to wall jack map. After the initial collection and mapping of endpoint location data, during the audit processes, MAC processes must be implemented to ensure the continued relevance and accuracy of endpoint location mapping.



E. Implementation and Configuration

Implementation consists of the Contractor standing up, configuring, and testing the E9-1-1 MLTS operator solution. Implementation will be completed in two (2) phases. The first phase includes installing and configuring the base solution, collecting and loading the validated phone number and location information for TDM telephones. The second phase includes collecting and loading the validated phone number and location information for IP telephones. The implementation will include development and successful establishment of the necessary interfaces for all ALI databases by modem or web interface. **See Attachment 4 - E9-1-1 Requirements Worksheet** for a description of the interface requirements. Once the solution is readied, the Contractor can expect to develop and run technical and user acceptance testing, prepare and provide operational and technical documentation, and conduct State of Michigan training for administrators and users of the system.

Upon signing the Contractor Master Software License Agreement, a Contractor Project Manager will be assigned to the account and will contact the designated project manager to schedule a kickoff call. At this time the Contractor’s project manager will review the SOM Requirements. Once the SOM requirements are complete, the Contractor’s project manager will perform the following tasks to install E911 Manager:

- Install software on the server you provide, in the configuration environment best suited for the company. See Appendix B for Server Requirements.
- Establish connectivity to each of the call server/PBX and/or data files that will be imported into the database.
- Import information from the various enterprise sources, files and common spreadsheets (Centrex, PBX, call server, HR databases, spreadsheets, etc).
- Demonstrate the primary E911 Manager application features to the system administrator.
- For traditional endpoints location information must be populated into the PBX, call server or a system you define.
- For IP endpoints, a map of IP addresses, ports, network devices will be developed to identify location and ELIN.
- The Contractor’s project manager will work with the assigned project manager to:
 - *Configure company name(s), area codes, community names, phone set types that should be excluded (voice mail, modems, faxes, etc.), departments and groups, user setup and configuration (names and passwords), switch configuration (vendor, model, version, release), external file/database location, call plan information, master directory setup.*
 - *Schedule tasks to be automated such as switch downloads/imports, transfers to E911 Service Provider, and/or file imports for each company.*
 - *Setup schedule for report generation intervals.*
 - *Verify that information has been sent and accepted by the E911 Service Provider.*
 - *Print all appropriate reports to verify the information and to ensure accuracy.*
- Before completion of the Assessment and Audit Phase, Red Sky must present for approval to SOM the Implementation Plan. The SOM has 5 business to provide modifications or approval.

Contractor Project Management Encompasses:

- | | |
|---------------------------------|-----------------------------------|
| • Project kick-off meetings | • Establishing milestones |
| • Pre-installation requirements | • Hardware requirements |
| • Database requirements | • Installation of software |
| • Establishing connectivity | • Defining administrative options |
| • Application training | • Administrative overview |
| • Data management | • Management reports |
| • SOM support | |

The Audit Phase will also be conducted by Contractor. A Contractor staff member will be deployed to identify and collect physical location information for every Station at each Site. The Contractor’s Project



Manager will work with SOM to determine the 20-character description that best identifies each Station at each Site.

The Contractor’s Project Manager will enter the new location data into the E-911 Manager database. The SOM Project Manager in consultation with the End User will review and approve any data entered by Contractor into the database. SOM will provide Contractor with remote access to the database. Following End User approval of said database information, Contractor will enter the data into the E-911 Manager database and populate the 9-1-1 Automatic Location Information to the appropriate Public Service Automatic Location Information (PS-ALI) Regional Database operated by the regional 9-1-1 Service Providers for sites that utilize Service Provider or other carrier local PRI trunking to the PSTN.

The Implementation Phase is triggered upon completion of the Assessment and Audit Phase.

Implementation Phase – (Estimated 10 weeks)

Description	Responsible Party
Installation of E911M	Contractor
Installation of E911M hardware	SOM
Configure Call Server integration	Contractor
Configure E911M with all ELINs and ERLs	Contractor/Contractor to perform audit
Configure E911M with PS-ALI Agreements	Contractor
Configure E911M for L3 ND	Contractor
Configure E911M with Data Switches	Contractor
Configure E911M for L2 ND	Contractor
Configure Scheduled Tasks	Contractor
Configure EON	Contractor

The Validation Phase is triggered upon completion of the Implementation Phase.

Validation Phase – (Estimated 1 week)

Description	Responsible Party
Schedule testing with PSAP	SOM
Place test emergency calls	SOM
Confirm receipt of emergency call notifications	SOM
Confirm successful PS-ALI transfers	Contractor
Confirm successful network discovery	Contractor

1. Testing

- a. As system functionality is configured and implemented, the Contractor will be required to provide comprehensive testing to validate functionality and performance.
- b. Testing will include, but not limited to:
 - i. Interface testing.
 - ii. System Integration testing.
 - iii. Accuracy testing.
 - iv. Performance testing.
 - v. User Acceptance testing.

Contractor will complete the following test plan with the assistance of SOM. The testing phase is included in the project plan. Status of the test plan will be tracked through the E911M-TPR form. If corrective action is needed, Contractor will provide an updated plan for resolution with 5 business days.



Test Description	Expected Result	Responsibility
Download TDM Phones	E911 Manager creates an appropriate ALI record for the specified TDM phones	Contractor
Download IP Phones	E911 Manager updates ELINs for all registered IP phones	Contractor
Initialize a Data Switch	E911 Manager collects the switch description and populates MAC addresses for the specified switch	Contractor
Connect an IP Phone	E911 Manager updates the ELIN for the specified IP phone	SOM
Login or Re-register an IP Phone	E911 Manager updates the ELIN for the specified IP phone	SOM
Perform PSAP Update	E911 Manager updates the regional ALI database with all appropriate location information	Contractor
Dial 9-1-1 to a Test Destination	E911 Manager sends EON alert via the EON Client, email or SMS with all appropriate location information	SOM
Dial 9-1-1 to PSAP	Emergency call is routed to the proper PSAP and all appropriate location information is displayed on the PSAP's display	SOM
Dial the ELIN of a device used for a test 9-1-1 call	The calling party's extension rings directly, including non-DID phones..	Contractor

4. The Contractor's Project Manager will provide all system and COTS documentation as outlined below in the timeframes requested by the SOM.

Documentation (Operations and Technical) – Contractor shall provide all documentation identified in Article I, Statement of Work. The Contractor shall produce and update documentation for the system, including system documentation (i.e., Operations Manual) and COTS documentation.

- a. Draft versions of these documents are due before implementation as well as at interim time periods as agreed upon by the Contractor and the SOM.
- b. The Operations Manuals shall include the following components:
 - i. Object model.
 - ii. System architecture.
 - iii. High-level interaction between modules/packages.
 - iv. Backup procedures.
 - v. Batch schedule and procedures.
 - vi. Standard system tasks such as starting up and shutting down software and servers
- c. The Operations Manual should be sufficient to provide initial training for technical staff.
- d. One electronic version and one hardcopy of the technical documentation shall be provided to the SOM initially, and as updates are made.
- e. Updated Documentation – The Contractor will update any documentation that has been previously created by the Contractor to reflect the updated and enhanced functionality of the application/system.
- f. The Contractor will provide updated versions of all systems, user, and operations documentation prior to the implementation date.



- g. The final documentation materials shall be delivered to the SOM, upon the completion of the installation.
 - h. The Contractor shall grant the SOM permission to reproduce for internal use, documentation for technical support purposes even if such material has a copyright.
5. Administrative and End User Training - The Contractor shall provide training for the E9-1-1 staff involved with the project. The SOM staff will need to be properly trained and supplied with the proper tools and documentation in order to use, monitor, operate, and configure the application in accordance with the requirements of this contract and the accepted Contractor's proposal. The Contractor shall plan on training End Users and Administrators at the SOM training facilities in Lansing Michigan.
 - a. All training materials shall be delivered to the SOM in electronic format upon the completion of the implementation.
 - b. The Contractor shall grant the SOM permission to reproduce, for internal use, documentation for training purposes even if such material has a copyright.

Contractor's training provides a cost-effective means for SOMs to contend with and succeed at the day-to-day management and administration of their E911 Manager Application and related systems. Training covers topics from implementation to ongoing maintenance. We go through the entire expected life-cycle of the solution and focus on the needs as an organization; we work to align the design specifics of the solution to the SOM's needs and legislative requirements in the geographies covered by the solution. PBX integration information and other E911 related topics covering future enterprise growth potential for example is also provided during training.

Individuals being trained receive daily performance monitoring and administration knowledge on their Application, ensuring optimal performance, functionality and availability. After training Contractor professional service and support specialists, under support and maintenance contract (or in the first year warranty period), remotely monitor the E911 Manager application with the trained individuals from time to time to ensure that all scheduled, planned, and administrative tasks are executed successfully. Similarly, in keeping pace with technology changes and the enterprise growth, Contractor product support specialists access the application periodically or at the request (assuming remote access is granted) to help you anticipate and prepare for future growth you may be undergoing and to make any necessary suggestions and offer SOM guidance to ensure optimal application performance. Contractor professional administrators will also work with the SOM's Contractor trained individuals with E911 service bureaus and the issues that may arise from time to time with location information data or other technical questions. Additionally, Contractor's APM specialists work closely with other third party vendors, voice systems manufacturers, and technical personnel and agents of the SOM where required.

Description of Training Services

Training Hours

Training sessions are usually completed in 1 eight (8) hour day (included with product purchase) in a domestic US location chosen by the SOM. Attendance is welcome for any number of trainees as long as the training location can accommodate the number of those trainees. SOM provided remote video attendance by trainees is optional and no additional Contractor charges apply. Contractor will include up to 12 bound printed manuals and 12 CD-ROM's with all content electronically. Additional training materials available upon request.

Contractor will be happy to add training days to the project should the SOM require this.

The Trainers

All Contractor application training is performed by Contractor employees. There are nine project manager trainers at Contractor with a combined 911 and telephony experience base in excess 65 years across a number of PBX platform providers with an emphasis on Avaya and Nortel legacy and IP PBX's. Please see the appendix for a sample of staff resumes and related experience.



Training Content

Training includes two core components, performance monitoring tasks and administration services. The performance monitoring tasks are typically done on a daily basis to assure that the scheduled tasks have been successfully executed and the application is functioning properly. Administration tasks are done on either a scheduled or an “as needed” basis. Many administration tasks are performed in response to changes in the network configuration or are related to changes in the Service Provider Automatic Location Identification (ALI) database (DB).

Training administrative tasks are divided into the following major components:

- Performance monitoring Services-Performed Daily
- Administration Performed on Scheduled or “As Needed” Basis
 - Location Data and ALI Records Administration
 - Configuration Maintenance and System Administration
 - Scheduled Task Administration

Training tasks and topics include:

Performance monitoring – Daily Tasks

- Ascertain the status of the E911 Manager Application and server as well as related systems (PBX’s, etc.). Confirm that all E911 Manager applications and processes are running as intended and to design
- Monitor Daily Event Log to ensure the core scheduled jobs completed as expected.
 - Daily Call Server/PBX Import
 - Daily ALI Service Center Transfer
 - Database Backups
 - Scheduled Reports
- Verify that all PBX ALI data was downloaded successfully at the scheduled intervals. Train to troubleshoot failures if any.
- Confirm that PBX and station ALI data is correctly processed by the E911 Manager application. Train to troubleshoot failures if any.
- Validate that ALI data was successfully uploaded to the E911 Database Provider. Train to troubleshoot failures if any.
- Verify that ALI data was successfully accepted and validated by the E911 Database Provider. Identify and flag any ALI records that could not be processed and provide methods to rectify problems.
- Confirm that all scheduled tasks have been completed, all scheduled notifications sent and that all reports have been generated and distributed. Train to troubleshoot failures if any.

Administration Tasks - performed on a scheduled or “as needed” basis

ALI record administration:

- Learn to provide proactive correction to any records processed by the E911 Database Provider that return the following results:
 - Missing Information
 - Invalid ELIN
 - Rejected by the E911 Database Provider



- Train to Interface with telecom administrators or contractors (if not those being trained on the application), providing guidance on how to provide corrections to location data in the PBX, routing tables in the PBX, IP addresses and logins, network access issues.
- Learn how to on a monthly basis review and compare PBX station reports with E911 Manager Location reports to verify that all extensions in the PBX are accurately reflected in the E911 Manager DB and in the Service Provider ALI DB.

Configuration Maintenance and System Administration:

- Train to update PBX access numbers or user information changes for the Application interface
- Train to update scheduled events whenever the machine name or login information changes
- Submit addendum for any changes in street addresses, Telephone Number (TN) ranges or Service Provider changes and update application accordingly
- Learn to change passwords on the E911 Manager server to meet corporate security standards
- Apply patches and upgrades to the E911 Manager application within the SOM's current service release to enhance functionality. This is not required in production however we do review this in training; Contractor will under maintenance perform these tasks upon request of the SOM.
- Train admins to perform additional configuration as required to accommodate changes in the SOM's workplace environment. This includes:
 - Adding or modifying companies, PBX's, buildings, ELIN's and users to the SOM's current implementation
 - Adding or modifying set type filters
 - Adding or modifying scheduled tasks
- Learn to perform manual PBX or external location file imports if the scheduled job failed or when necessary
- Learn to perform manual transfers to the E911 Database Provider when necessary or if the scheduled job failed
- Database Maintenance Training
 - Review on a scheduled basis the database back-up procedure and verify successful back-ups
 - Learn to perform database optimization on an "as needed" basis

Scheduled Task Administration:

- Contractor will train individuals to confirm that the scheduled tasks on the SOM's list are being executed properly and train those to recognize errors that occur that are potentially beyond the scope of E911 Manager functionality (PBX and/or network errors). Scheduled tasks can include the following:
 - The schedule of data transfers
 - The schedule of report generation
 - The list of event notifications and persons to be notified
 - The report distribution list

Reports:

- Train on reports that can be generated and distributed:
 - E911 Location Reports
 - Transfer History Reports
 - Quarterly Service Detail Reports



Data & System Recovery:

- Learn to restore the E911 Manager database – In the event of a system failure, SOM's data would be restored from a backup file owned and provided by SOM.
- Train on what to do if re-installation and reconfiguration of E911 Manager on the Primary E911 server is required. Unless otherwise contracted for, the SOM is to provide an adequate server platform that conforms to the current Contractor version server and software requirements and standards in the event of total server platform loss.
- Train to ensure all PBX imports, transfers, and information is up-to-date after recovery.

SOM Responsibilities for Training

- 1) The SOM will provide the location and training facilities for all training sessions.
- 2) The SOM must schedule with Contractor and confirm training date(s), time, and location at least two weeks in advance of the training sessions.
- 3) Unless otherwise contracted with Contractor, the training will not include administration on the SOM's PBX. If contracted Contractor will train the attendees to:
 - a. Place all location data for all phone extensions in the PBX if applicable.
 - b. Train on configuring the routing tables and best practices in 911 trunking configurations in the PBX.
- 4) The SOM will identify points of contact for training day(s) and share contact phone numbers should any travel issues arise.
- 5) The SOM will be responsible for any lengthy interruptions or delayed starts in the training session brought on by attendees or training facilities problems.

F. System Maintenance and Support Services

The SOM has defined two sets of support services, Required Services and Optional Professional Services. The SOM will establish funding for service work over the life of the contract. Additionally the SOM will secure funding for optional support services, but there will be no guarantee as to the level of funding available to the project.

Deliverables:

1. Support and Maintenance

Software Maintenance: SOMs with a valid maintenance contract have access to the following services:

- Basic technical support of the current version of software products and products
- Basic technical support of the previous versions of the software for a period of twelve (12) months
- E-mail notification of point release and version upgrades
- Point release upgrades provided via download from the Contractor web site
- New version upgrades provided via download from the Contractor web site
- Code Corrections
- Workarounds and or patches for problems where known
- Support service via telephone, fax, and e-mail during Contractor Technologies, Inc.'s support business hours (9:00 am to 6:00 pm, EST) Monday – Friday, excluding Contractor Technologies, Inc. holidays.
- Access to the technical support hotline at 1-866-RST-2435. Voicemails may be left after hours for non-emergency issues. The hotline is staffed Monday through Friday between 9:00 am and 6:00 pm ET.
- Access to afterhours support for emergencies 24 hours a day, 365 days a year. If calling the support hotline during after hours, you will be given the option to page the on-call technician.



Support Policy: The SOM Support Center determines the priority of the incident reported by assigning a severity level to the incident. This severity level indicates the actual impact of the incident on the SOM's ability to use the products or tool. Support incidents will be defined as:

Severity 1 – (Emergency) Application Failure

SOM is unable to run the application(s) in a production environment. SOM cannot conduct normal business operations, there is a high sense of urgency with respect to resolving the incident based upon production risk, and the problem cannot be circumvented. Contractor support response time to SOM is within four hours, 24 hours per day 365 days per year.

Severity 2 – (Important) Severe Impact on Application

SOM is able to run the application(s), but the incident severely affects the usability of the application(s). SOM's ability to conduct normal business operations is severely impeded, there is a high sense of urgency with respect to resolving the incident, and the problem cannot be circumvented. Contractor support response time to SOM is within four normal support business hours. Support calls taken after hours for Severity 2 incidents will be handled on the next business day.

Severity 3 – (Medium) Moderate Impact on Application

SOM is able to run the application(s), but the incident moderately affects the usability of the application(s). The problem does not severely impede the SOM's ability to conduct business, and it can be circumvented. Contractor support response time to SOM is within eight normal support business hours. Support calls taken after hours for Severity 3 incidents will be handled on the next business day.

Severity 4 – (Low) Minimal Impact on Application

The SOM is able to run the application(s), but the incident has minor impact on the usability of the application(s). The problem does not impede the SOM's ability to conduct business, and it can be circumvented. Contractor support response time to SOM is within 24 normal support business hours. Support calls taken after hours for Severity 4 incidents will be handled on the next business day.

2. Contractor-managed Support Services

The Contractor will fully manage and support the E9-1-1 MLTS solution over the life of the contract. The Contractor will assume responsibility for proactively managing the hardware systems, software applications, and network interfaces to prevent downtime and ensure effectiveness.

Contractor's APM provides a cost-effective means for SOMs to outsource the day-to-day management and administration of their E911 Manager Application and related systems. Contractor's APM includes Lifecycle Services which provide service and support throughout the life of the Contractor solution, from implementation to ongoing maintenance (additional licensing and interface development fees may apply as business growth and infrastructure requirements change). Through Contractor's APM the SOM has access to a portfolio of flexible support options focused on the needs instead of having to dedicate expensive internal labor and training resources to E911 related tasks. Preliminary or subsequent new solution designs, PBX integration, and E911 related communications consultation services for future growth is provided as a value added service with no additional charge to APM SOMs.

SOMs who subscribe to APM receive daily performance monitoring and administration for their application, ensuring optimal performance, functionality and availability. Contractor professional service and support specialists remotely monitor the E911 Manager application to ensure that all scheduled and planned tasks are executed successfully. Similarly, in keeping pace with technology changes, Contractor product support specialists access the application periodically to help anticipate and prepare for future growth the SOM may be undergoing and to make any necessary changes and updates to ensure optimal application performance. Contractor professional administrators will also work with E911 service bureaus and the SOM



to solve issues that may arise with location information data or other technical questions. Additionally, Contractor's APM specialists work closely with other third party vendors, voice systems manufacturers, and technical personnel and agents of the SOM where required.

Description of Services

APM includes two core components, performance monitoring services and administration services. The performance monitoring services are typically provided on a daily basis to assure that the scheduled tasks have been successfully executed and the application is functioning properly. Administration services are provided on either a scheduled or an "as needed" basis. Many administration services are performed in response to changes in the network configuration or are related to changes in the Service Provider Automatic Location Identification (ALI) database (DB).

APM tasks are divided into the following major components:

- Performance monitoring Services-Performed Daily
- Administration Services-Performed on Scheduled or "As Needed" Basis
 - o Location Data and ALI Records Administration
 - o Configuration Maintenance and System Administration
 - o Scheduled Task Administration

General tasks performed under APM subscriptions include:

Performance monitoring Services – Daily Tasks

- Ascertain the status of the E911 Manager server and related systems via Virtual Private Network (VPN) or other high-speed network access. Confirm that all applications and processes are running as intended and to design
- Monitor Daily Event Log to ensure the core scheduled jobs completed as expected.
 - o Daily Call Server/PBX Import
 - o Daily ALI Service Center Transfer
 - o Database Backups
 - Verify that all PBX ALI data was downloaded successfully at the scheduled intervals
 - Confirm that PBX and station ALI data is correctly processed by the E911 Manager application
 - Validate that ALI data was successfully uploaded to the E911 Database Provider
 - Verify that ALI data was successfully accepted and validated by the E911 Database Provider. Identify and flag any ALI records that could not be processed
 - Confirm that all scheduled tasks have been completed, all scheduled notifications sent and that all reports have been generated and distributed
 - Notify the SOM "point-of-contact" of system status and recommend proactive data or systems adjustments as necessary

Administration Service – Tasks performed on a scheduled or "as needed" basis

ALI record administration:

- Use VPN access to provide proactive correction to any records processed by the E911 Database Provider that return the following results:
 - Missing Information
 - Invalid ELIN
 - Rejected by the E911 Database Provider
- Interface with SOM telecom administrators or contractors, providing guidance on how to provide corrections to location data in the PBX, routing tables in the PBX, IP addresses and logins, network access issues



- On a monthly basis review and compare PBX station reports with E911 Manager Location reports to verify that all extensions in the PBX are accurately reflected in the E911 Manager DB and in the Service Provider ALI DB.

Configuration Maintenance and System Administration:

- Provide “first point of contact” for all application, server, network, and connectivity issues for E911
- Update PBX access numbers or user information changes
- Update scheduled events whenever the machine name or login information changes
- Submit addendum for any changes in street addresses, Telephone Number (TN) ranges or Service Provider changes and update application accordingly
- Change passwords on the E911 Manager server to meet corporate security standards
- Apply patches and upgrades to the E911 Manager application within the SOM’s current service release to enhance functionality
- Perform additional configuration as required to accommodate changes in the SOM’s workplace environment. This includes:
 - Adding or modifying companies, PBX’s, buildings, ELIN’s and users to the SOM’s current implementation
 - Adding or modifying set type filters
 - Adding or modifying scheduled tasks
- Perform manual PBX or external location file imports if the scheduled job failed or when necessary
- Perform manual transfers to the E911 Database Provider when necessary or if the scheduled job failed
- Database Maintenance
 - Review on a scheduled basis the database back-up procedure and verify successful back-ups
 - Perform database optimization on an “as needed” basis

Scheduled Task Administration:

- Contractor will confirm that the scheduled tasks on the SOM’s list are being executed properly and raise an issue if errors occur that are beyond the scope of E911 Manager functionality. Scheduled tasks can include the following:
 - The schedule of data transfers
 - The schedule of report generation
 - The list of event notifications and persons to be notified
 - The report distribution list

Reports:

- Sample reports that can be generated and distributed include:
 - E911 Location Reports
 - Transfer History Reports
 - Quarterly Service Detail Reports

Data & System Recovery:

- Restoration of the E911 Manager database – In the event of a system failure, SOM’s data would be restored from a backup file owned and provided by SOM.
- Re-installation and reconfiguration of E911 Manager to Primary E911 server. SOM is to provide an adequate server platform that conforms to the current Contractor version server and software requirements and standards in the event of total server platform loss.
- Ensure all PBX imports, transfers, and information is up-to-date after recovery.

SOM Responsibilities

- 1) The SOM will be the primary interface for paperwork and contract issues with the ALI DB Service Provider (should providers exist in this solution) for gateway account issues where required. Contractor will make recommendations and assist the SOM in proper execution regarding any issues with ALI DB provider, but the contractual relationship is between the SOM and the ALI DB Service Provider.



2) The SOM must provide Contractor with VPN access to the E911 Manager server and back-up server should the SOM choose this support option. This access does not have to be “always-on” in nature. If Remote access is not granted under any circumstances then the SOM will permit a Contractor support person access to the Contractor solution(s). Business arrangements and service agreements must be in-place in order for Contractor to perform on-site Application Performance Monitoring.

3) Unless otherwise contracted with Contractor, the SOM will perform administration on the PBX and is responsible for:

- a. Placing all location data for all phone extensions in the PBX if applicable
- b. configuring the routing tables and trunking configurations in the PBX
- c. the location definition of all network regions and network switch and port location data
- d. providing the administration passwords and login IDs to Contractor for the call server/PBX in order to run reports, access call platform data, etc.

4) The SOM will identify points of contact and lines of responsibility with network administration and telecom administration

5) The SOM will instruct its network administrators that any OS or patch updates to the E911 Manager server must be first cleared with Contractor in order to ensure continuity of the E911 Manager application.

Other APM Terms and Conditions

Contractor’s APM includes these additional terms, conditions, and requirements:

- Contractor will perform daily performance monitoring and administration of the Contractor application ONLY (no server hardware maintenance and performance monitoring unless already part of the solution) but will serve as the “first line” point of contact for ANY issue encountered with the server hosting the Contractor application, whether the issue is application, Operating System (OS), or hardware related. Contractor will be responsible for administration and repair of the application only and will NOTIFY appropriate personnel of OS or hardware problems or needed fixes.
- The Contractor Technologies, Inc. SOM Support Services Policies and Procedures Guide applies to all APM SOMs. Hours of operation, escalation process, methods of communication, product support policy, support expectations, and metrics for example are described within this guide. Some APM services will rely on automated subscriptions to system events as well as previously discussed calendared duties. These events, depending upon, Contractor pre-determined levels of severity will conform to current Policy and Procedure.
- Contractor will NOT provision, procure, or OWN the server hardware unless already part of the solution). However, once the application is installed and accepted by SOM AND the SOM purchases APM, Contractor will be given CONTROL over the box, not to monitor or repair it (beyond the application itself), but to ensure that unauthorized or approved changes to the OS or the hardware are not made without first checking with the designated Contractor administrator.
- SOM, or their contractor, will continue to OWN the server hardware (unless already part of the solution); Contractor will monitor and maintain the E911 Manager and related Contractor applications ONLY, but will require maintenance control of the server hardware. If for any reason SOM and/or contractor must access and make OS, administrative, or scheduled maintenance changes we request sufficient notice (five business days) be made to the designated Contractor administrator or Contractor support mail-in address (support@redskytech.com) before changes are made. Application, OS or hardware issues that arise from Emergency changes or other changes made by the SOM not communicated to Contractor may result in support activity and unplanned charges depending on the severity of the issue.



- The APM service is only available to SOMs that can provide VPN (Broadband or other high speed network) access to the Contractor server and application. As outlined above this remote access does not have to be “always-on” in nature.
- The SOM must provide a “point-of-contact” with whom the Contractor administrator will interface for all PBX and network related issues. If the SOM uses outsourced PBX, network or server support, the SOM must provide the contact information for these support groups and provide clear delineation of the roles and responsibilities for each group to the Contractor administrator.

3. Optional Professional Services

Contractor will provide the optional Audit Services and Application Performance Monitoring Services at the SOM’s request.

In the Audit Phase Contractor will help the SOM determine the appropriate method of establishing and maintaining location information for each phone and then gather the actual location data for all stations in all buildings in the phase. Depending on the type of phone (IP, digital, analog) and how the phone is managed determines how to manage the location record for the phone. Possibilities include a) Establish the network regions and IP ranges for IP phones, defining emergency response locations (ERLs) in buildings. b) Manage location information to the port level on the Ethernet data switch c) Manage location information using the station screens in the PBX for digital and analog sets c) Entering location data directly into E911 Manager. At the conclusion of the Audit Phase, all phones have a location and a location maintenance strategy.

In this phase Contractor consults and the SOM makes any routing or table changes to the PBXs to support the location determination or 911 call routing strategy.

Audit –	Responsible Party
Presentation by SOM network engineer on location gaps for specific phones.	SOM
Propose and Consult on different methodologies to establish and maintain locations for all phones with SOM network engineers	Contractor
Update PBX routing tables to properly route 911 calls from all locations	SOM
Gather location information during physical audit	Contractor
Populate the E911 Manager DB with all locations and Network Regions/ERL/ELIN records	Contractor
Review and approve all locations that are loaded with SOM	Contractor/SOM

Application Performance Monitoring

Contractor’s Application Performance Monitoring (APM) enables organizations that want to outsource the day-to-day management and administration of their E911 Manager application to do so in a cost-effective way. As businesses realize the value the IT department can have on optimizing business processes and systems, more pressure is placed on internal personnel who may lack the time and training to maximize the potential of their E911 and related systems. Through Contractor’s Application Performance Monitoring, experienced Contractor technical support personnel monitor the E911 Manager application remotely to accomplish the following:

- Monitor daily event log to ensure the scheduled jobs are being executed as expected.
- Validate that ALI data was successfully uploaded to and accepted by the E911 database provider and respond to any errors or flags
- Confirm that all scheduled tasks have been completed, all scheduled notifications sent and that all reports have been generated and distributed
- Overall system administration, including managing upgrades and any changes necessary to accommodate SOM’s changing workplace environment



- Manage tasks that are to be performed on a scheduled or “as needed” basis and adding/modifying tasks based on changing requirements
- Consult with the SOM to take corrective action for E911 as it relates to ALI records, configurations in the call server, routing tables in the call server, call server IP addresses and logins, network access issues

For further details on APM please reference response 1.104 I.F.2. Contractor-managed Support Services

G. Reporting

Deliverables:

The Red Sky E911 system is to produce reports. The reports are to include, but not limited to:

- Success and failures for exports to the National E9-1-1 Database (Weekly)
- Data quality control. (Daily)
- E9-1-1 call records. (Monthly)
- Equipment failovers. (Monthly)
- Move, Add, Change. (MAC) (Monthly)
- Customized and ad hoc reports as requested by the SOM. (As needed)
- Warranty, maintenance and support services activity report. (As needed)

It is Contractor’s responsibility to train the identified SOM resource on how to create and schedule the distribution of its own reports via E911 Manager. E911 Manager reporting capabilities include the ability to automatically run a report on any exception or errors received back from the one or multiple E911 PS/ALI Databases. The error codes are translated into plain English as much as possible so that the administrator may quickly and easily resolve any outstanding issue(s) and resend the records to the appropriate ALI database.

E911 Manager also employs an extensive event subscription notification feature. This feature allows Administrators to configure certain selected users to receive events based on automated system tasks. For example, if SOM wants to schedule ALI transfers twice daily the administrator can set themselves up to receive an event subscription that will email the subscriber with the success or failure of this task with an indication of what the error was. This same process holds true for PBX imports and any other automated task that is scheduled within E911 Manager.

Numerous reports can be executed in E911 Manager including ALI updates, validations, errors, etc. Queries can be executed by DID, date, switch, location, phone type, etc. Reports can be scheduled to occur automatically for specific users. Reports can be printed or emailed to one or multiple accounts. The reports in E911 Manager enable the administrator to “manage by exception”. Exception reports can be automatically sent to designated administrators when something is missing or wrong with the ALI data. Inquiries can be made on specific DIDs to track the record of ongoing location updates.

Using Contractor’s web services method, an unlimited number of people can subscribe to receive reports automatically by email. The Administrator has the ability to configure certain selected users or groups to receive these reports.

This feature allows Administrators to configure certain selected users to receive events based on automated system tasks and Emergency On-Site Notification (EON) events. These events can be reminders via SMS text messages to cell phones or emails.

E911 Manager includes an option for Emergency On-Site notification or EON. With this feature, the application is capable of providing detailed activity reports surrounding the origination and volume of all 911 calls. The data available includes the number that dialed 911, the time, the date and all of the location information that was provided to the PSAP.

II. Requirements



A. Detailed Requirements

The detailed requirements for E9-1-1 implementation and support services for the SOM are listed in **Attachment 4 - E9-1-1 Requirements Worksheet**.

B. Technical Requirements Guide

The Technical Requirements Guide for the E9-1-1 MLTS solution is included as Appendix 2 – Technical Requirements Guide.

Contractor will comply

1.200 Roles and Responsibilities

1.201 Contractor Staff, Roles, And Responsibilities

A. Contractor Staff

Key Personnel for this Contract are identified in **Attachment 2**,

All Key Personnel may be subject to the SOM's interview and approval process. Any key staff substitution must have the prior approval of the SOM. The SOM has identified the following as key personnel for this project:

- **Technical Lead/Project Manager**
- **Single Point of Contact. (SPOC)**

The Contractor's project Technical Lead responsibilities include, at a minimum:

- Manage all defined Contractor responsibilities in this Scope of Services.
- Manage Contractor's subcontractors, if any.
- Develop the project plan and schedule, and update as needed.
- Serve as the point person for all project issues.
- Coordinate and oversee the day-to-day project activities of the project team.
- Assess and report project feedback and status.
- Escalate project issues, project risks, and other concerns.
- Review all project deliverables and provide feedback.
- Proactively propose/suggest options and alternatives for consideration.
- Utilize change control procedures.
- Prepare project documents and materials.
- Manage and report on the project's budget.

The duties of the SPOC include, but are not limited to:

- Supporting the management of the Contract.
- Coordinates activities required for project completion.
- Facilitating dispute resolution.
- Advising the SOM of performance under the terms and conditions of the Contract.
- Available via toll free number during normal business hours (8:00 am to 5:00 pm EST).
- Communication on order and delivery status and issues.
- Manage resolution of order and delivery issues.
- Provide information on business processes for using the contract.
- Route calls or requests to the appropriate resource.
- Escalate contract and performance issues to the appropriate resource.

The Contractor will provide sufficient qualified staffing to satisfy the deliverables of this Statement of Work.

B. On Site Work Requirements

1. Location of Work

For a State-hosted solution the work is to be performed, completed, and managed at the SOM offices in Lansing, Michigan.



2. Hours of Operation

- a. Normal SOM working hours are 8:00 a.m. to 5:00 p.m. EST, Monday through Friday, with work performed as necessary after those hours to meet project deadlines. No overtime will be authorized or paid.
- b. The SOM is not obligated to provide management of assigned work outside of normal SOM working hours. The SOM reserves the right to modify the work hours in the best interest of the project.
- c. Contractor shall observe the same standard holidays as SOM employees. The SOM does not compensate for holiday pay.

The SOM holidays and the days they are observed are:

- New Year's Day, January 1, or closest weekday.
- Martin Luther King, Jr. Day, Third Monday in January.
- Presidents Day, Third Monday in February.
- Memorial Day, Last Monday in May.
- Independence Day, July 4, or closest weekday.
- Labor Day, First Monday in September.
- General Election Day, First Tuesday in November, even numbered years.
- Veterans Day, November 11.
- Thanksgiving Day and the day after, the fourth Thursday and Friday in November.
- New Year's Eve, December 31.

3. Travel

- a. No travel or expenses for fixed pricing milestones will be reimbursed. This includes travel costs related to training provided to the SOM by Contractor.
- b. In the event additional travel is required, the approved travel will be reimbursed at the State's currently published rates for State employees.

4. Additional Security and Background Check Requirements

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

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

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

1.202 State Staff, Roles, And Responsibilities

The SOM will provide the following resources for the Contractor's use on this project:

- Work space.
- Desk.
- Telephone.
- PC workstation.
- Printer.
- Access to copiers and fax machine.

The SOM project team will consist of Executive Sponsors, project support, and a DTMB and Agency project manager:

Executive Sponsors

The Executive Sponsors represent the DTMB executive team by providing the vision for the project, securing departmental support for the project, and providing high level direction to the project team.



The SOM's Executive Sponsors will provide the following services:

- Act as a vocal and visible champion within the SOM.
- Provide high level direction to the project team.
- Keep abreast of major project activities and performance.
- Make important decisions related to project scope and direction.
- Solicit the SOM resources necessary for the project.

Name	Agency/Division	Title
Dan Lohrmann	DTMB Infrastructure Services	Director

Contract Compliance Manager

DTMB will assign a Contract Compliance Manager who will be responsible for the SOM's infrastructure and coordinate with the Contractor in determining the system configuration.

The SOM's Contract Compliance Manager will provide the following services:

- Coordinate the SOM resources necessary for the project.
- Provide acceptance and sign-off of deliverable/milestone and invoices.
- Collect information necessary to monitor Contractors performance against SLA requirements.
- Attend periodic meetings to review Contractor deliverables and metrics.
- Facilitate coordination between various external contractors.
- Facilitate communication between different SOM departments/divisions.
- Escalate outstanding/high priority issues.
- Utilize change control procedures and resolve project related issues.
- Conduct regular and ongoing reviews of the project to confirm that it meets original objectives and requirements.
- Document and archive all important project decisions.
- Make key implementation decisions, as identified by the Contractor's project manager, within 48-hours of their expected decision date.
- Interface with Local Agencies to resolve delivery and change control issues.

Name	Agency/Division	Title	Phone/e-mail
Steve McMahon	DTMB Telecommunications Planning	Manager	McMahonS@michigan.gov (517) 373-6353

DTMB Contract Administrator

DTMB will assign a Contract Administrator who will manage post contractual activities which include but are not limited to:

- Negotiating or clarifying contractual provisions.
- Approving amendments to or extensions of the Contract.
- Participating in scheduled reviews of Contract milestones and deliverables.
- Resolving Contract issues between the SOM and Contractor.
- Verifying that all contractual activities are complete prior to contract close out.

Name	Agency/Division	Title	Phone/e-mail
Christine Mitchell	DTMB	Contract Administrator	(517) 335-0462 mitchellc4@michigan.gov

1.203 Other Roles And Responsibilities

DELETED – NOT APPLICABLE



1.300 Project Plan

1.301 Project Plan Management

Preliminary Project Plan

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

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

A. Kick Off Meeting

Upon 10 business days from signing of the Contract, the Contractor will be required to attend an orientation meeting to discuss the content and procedures of the Contract. The meeting will be held in Lansing, Michigan, at a date and time mutually acceptable to the SOM and the Contractor. The SOM shall bear no cost for the time and travel of the Contractor for attendance at the meeting.

B. Performance Review Meetings

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

C. Project Control

1. The Contractor will carry out this project under the direction and control of the DTMB Telecommunications Division.
2. Within 20 business days of signing the Contract, the Contractor will submit to the SOM project manager(s) for final approval the project plan. This project plan must be in agreement with Article 1, Section 1.104 Work and Deliverables, and must include the following:
 - The Contractor's project organizational structure.
 - The Contractor's staffing table with names and title of personnel assigned to the project. This must be in agreement with staffing of accepted proposal. Necessary substitutions due to change of employment status and other unforeseen circumstances may only be made with prior approval of the SOM.
 - Any tool(s) used by Contractor for such purposes must produce information of a type and in a manner and format that will support reporting in compliance with the SOM standards.

Contractor will manage the entire lifecycle of the project using industry standard techniques. The project lifecycle will go through the standard steps of initiation, planning and design, executing, monitoring and controlling, and finally closing of the project. The project manager will integrate the project resources that are directly associated with the system deployment and operation to ensure success of the environment.

The Project Manager will submit a formal Project Plan in Microsoft Project

1.302 Reports

Reporting formats must be submitted to the SOM's Project Manager for approval within 45 business days after the execution of the contract resulting from this CONTRACT. Once both parties have agreed to the format of the report, it shall become the standard to follow for the duration of the contract unless modified through an amendment documenting mutual agreement for change(s). Please see section 1.104.I C. Reporting for a more detailed list of required reports.

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 SOM'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 SOM 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 – DTMB Project Manager.

Level 2 – Contract Compliance Manager.

Level 3 – DTMB Program Manager.

(Note: Names will be defined at the Kickoff meeting.)

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 SOM.

A risk management plan format shall be submitted to the SOM for approval within twenty (20) business days after the effective date of the contract resulting from the upcoming CONTRACT. The risk management plan will be developed during the initial planning phase of the project, and be in accordance with the SOM'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 will work with the SOM and allow input into the prioritization of risks.

Working with the SOM DTMB Project Manager, Contractor will identify the key risk items at the commencement of the project and develop a mitigation strategy for each of the high risk items. Contractor will continue to monitor these items to determine that they are tracking and will be completed by the schedule date and will escalate the awareness of these items to the entire project management team if it is determined that these items will have impact on the overall implementation schedule of the project.

The escalation plan is tied to the Risk Identification described above. Each risk item is assigned a risk escalation plan for stages of risk identifying individuals who will be contacted as an item progressively deepens its risk profile. Example: If an item moves from Green (on-track) to Yellow (medium risk) specific individuals will be escalated to and be made aware of the issue.

Contractor will provide a form to be used for tracking these events.

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 SOM also employs change management in its administration of the Contract.



If a proposed contract change is approved by the Agency, the Contract Administrator will submit a request for change to the Department of Technology, Management and Budget, Purchasing Operations Buyer, who will make recommendations to the Director of Purchasing Operations regarding ultimate approval/disapproval of change request. If the DTMB 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 DTMB 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 SOM 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.

Contractor’s Project Manager and the SOM DTMB Project Manager will develop a process using the SOM’s Procurement Change Order and/or the Project Change Request Form depending on the change and situation. Contractor may have corresponding forms that will need to be included in this process. It is the intent that any change that incurs additional charges have a quick turnaround, not more than five business days, so as to not delay the progress of the project.

1.500 Acceptance

1.501 Criteria

The following is standard acceptance criteria for document deliverables. Any other specific criteria are identified in Section 1.104 Work and Deliverables.

Document Deliverables

1. Documents are dated and in electronic format, compatible with State of Michigan software in accordance with Article 1.302.
2. Draft documents are not accepted as final deliverables.
3. The documents will be reviewed and accepted in accordance with the requirements of the Contract and Appendices.
4. DTMB will review documents within a mutually agreed upon timeframe.
 - a. Approvals will be written and signed by DTMB Project Manager.
 - b. Issues will be documented and submitted to the Contractor.
 - c. After issues are resolved or waived, the Contractor will resubmit documents for approval within 30 days of receipt.

1.502 Final Acceptance

Final acceptance is expressly conditioned upon completion of ALL deliverables/milestones, completion of ALL tasks in the project plan as approved, completion of ALL applicable inspection and/or testing procedures, and the certification by the SOM that the Contractor has met the defined requirements.

1.600 Compensation and Payment

1.601 Compensation and Payment

1. Firm, fixed price.
 - The Contractor will be paid based upon the fixed discount off from manufacturer’s suggested retail price (MSRP).
 - The Contractor will submit monthly invoices for products and base services delivered with sufficient documentation to explain the billing.
2. Time and Materials



- Contractor is asked to provide a process for acquiring optional services on a time and material basis.
 - Contractor will submit monthly invoices for time and material services.
3. If Contractor reduces its prices for any of the services during the term of this Contract, the SOM shall have the immediate benefit of such lower prices for new purchases. Contractor shall send notice to the SOM's DTMB Contract Administrator with the reduced prices within fifteen (15) Business Days [or other appropriate time period] of the reduction taking effect.
 4. The Contractor must notify the SOM in writing 30 days prior of any changes that affect the manufacturers MSRP. The discount off from MSRP will be fixed for the duration of the contract.
 5. 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.
 6. Payment Terms: Net 45 days.

Milestone Payment Schedule:

Milestone 1: \$223,800

Target Approval/Invoice Date July 15, 2011

Deliverables:

1. Received and SOM approved detailed Project Plan and corresponding project documents (Risk, Change/Issue, etc) (A.1.)
2. Receipt of software

Milestone 2: \$215,000

Target Approval/Invoice Date August 15, 2011

Deliverables:

1. Received and SOM approved Test Plan (A.2)
2. Received and SOM approved Readiness Assessment (A.3)
3. Received and SOM approved HLD Design Plan (B)

Milestone 3: \$174,900

Target Due Date: September 15th, 2011

Deliverables:

4. Data Discovery, Population & Validation Process completed (D.1)
5. Received and SOM approved LLD Design Plan (D.1)
6. System Implementation Phase 1 testing completed and SOM approve (E.1)

Milestone 4: \$174,900

Target Date: November 1st 2011

Deliverables:

1. System Implementation Phase 2 testing completed and SOM approve(E.2)
2. Documentation received and SOM approved (As- built Design, Manuals, etc.) (E.4)
3. Administrative & End User Training Completed (E.5)

**Milestone 5: \$71,438**

Target Date: December 10th

Deliverables:

1. SOM approved System Implementation is completed at all sites (F.2 – System Mgmt & SS))

Method of Payment

The project will be paid by the methods listed above. The Costs Table(s) attached must be used as the format for submitting pricing information.

Once a milestone deliverable has been met, the Contractor can send Acceptance Form (Attachment 7) and Invoice, already signed with the appropriate Contractor signature, to SOM Project Manager. The SOM Project Manager will sign and send on to DTMB Financial Services for payment. The SOM Project Manager will send the completed signed acceptance form to Contractor in the manner of their choosing (fax, email or post).

Contract Pricing is included in Attachment 5 - E9-1-1 Pricing Tables both Table A – Cost Summary and Table B - E9-1-1 T&M Labor Rates.

Travel

See Section 1.201, B, 3 above.

Statements of Work and Issuance of Purchase Orders

Statements of Work will be created for all optional professional services performed under this Contract.

- 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.
- **The Contractor shall perform all services in accordance with the terms and conditions of 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:

- Contract number.
- Purchase Order number.
- Contractor name, address, phone number, and Federal Tax Identification Number.
- Description of any commodities/hardware, including quantity ordered.



- Date(s) of delivery and/or date(s) of installation and setup.
- Price for each item, or Contractor's list price for each item and applicable discounts.
- Maintenance charges.
- Net invoice price for each item.
- Shipping costs.
- Other applicable charges.
- Total invoice price.
- Payment terms, including any available prompt payment discount.

The SOM 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.

For milestone invoicing and payment, see Section 1.601, Method of Payment, above.

1.602 Holdback

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Article 2, Terms and Conditions

2.000 Contract Structure and Term

Contractor has acknowledged and concurred with each term and condition listed in Article 2 with a few exceptions or clarifications. All exceptions are noted in red next to the associated item. Contractor has also referenced our Master Software License Agreement and has provided this document as Attachment 6 for review by the SOM.

Contractor also acknowledges that we will provide a Certificate of Insurance upon award of this contract.

2.001 Contract Term

This Contract is for a period of 5 years beginning June 29, 2011 through June 30, 2016. 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 before its expiration for up to 5 additional 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 and DTMB Telecommunications (collectively, including all other relevant State of Michigan departments and agencies, the "State"). Purchasing Operations is the sole point of contact in the State with regard to all procurement and contractual matters relating to the Contract. The Purchasing Operations Contract Administrator for this Contract is:

Christine Mitchell, CPPB
Buyer Specialist
Purchasing Operations
Department of Technology, Management and Budget
Mason Bldg, 2nd Floor
PO Box 30026
Lansing, MI 48909
Mitchellc4@michigan.gov
(517) 335-0462



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:

Steve McMahon, Manager
DTMB Telecommunications Planning
608 W. Allegan St., Lansing, MI 48933
McMahonS@michigan.gov
(517) 373-6353

2.023 Project Manager

The following individual will oversee the project:

Kristen Furseth
DTMB Telecommunications Planning
608 W. Allegan St., Lansing, MI 48933
fursethk@michigan.gov
(517) 335-3797

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: Christine Mitchell
PO Box 30026
530 West Allegan
Lansing, Michigan 48909

Contractor:

Red Sky Technologies Inc
Attention: Tony Maier
925 West Chicago Avenue #300
Chicago, IL 60622

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 CONTRACT and Contract or project to which it relates shall not be made without prior written State approval, and then only in accordance with the explicit written instructions from the State. No results of the activities associated with the CONTRACT and Contract are to be released without prior written approval of the State and then only to persons designated.

2.032 Contract Distribution

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

2.033 Permits

Contractor must obtain and pay any associated costs for all required governmental permits, licenses and approvals for the delivery, installation and performance of the Services. The State 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 CONTRACT; it may be precluded from bidding on the subsequent CONTRACT. The State reserves the right to disqualify any Bidder if the State determines that the Bidder has used its position (whether as an incumbent Contractor, or as a Contractor hired to assist with the CONTRACT development, or as a Vendor offering free assistance) to gain a competitive advantage on the CONTRACT

2.036 Freedom of Information

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

2.037 Disaster Recovery

Contractor and the State recognize that the State provides essential services in times of natural or man-made disasters. Therefore, except as so mandated by Federal disaster response requirements, Contractor personnel dedicated to providing Services/Deliverables under this Contract 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 be mutually agreed 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 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; provided, however, that replacing Key Personnel for reasons beyond the reasonable control of Contractor, including, by way of example, illness, disability, leave of absence, personal emergency circumstances, resignation or for cause termination of the Key Personnel’s employment shall not be considered an Unauthorized Removal, provided that Contractor notified the State within a commercially reasonable time after becoming aware of such circumstances.
- (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

As outlined in the relevant Statement of Work: (a) 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; (b) 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; and (c) subject to availability, selected Contractor personnel may be assigned office space to be shared with State personnel. Contractor acknowledges but will be determined by the SOW.

Contractor acknowledges but will be determined by the SOW.

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.

Contractor will not have access to this data and thus will not be subject to this requirement.

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 [at the furnishing party's expense](#), 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 CONTRACT or otherwise in connection with the award of this Contract fairly and



accurately represent the business, properties, financial condition, and results of operations of Contractor as of the respective dates, or for the respective periods, covered by the financial statements, reports, other information. Since the respective dates or periods covered by the financial statements, reports, or other information, there have been no material adverse changes in the business, properties, financial condition, or results of operations of Contractor.

- (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.

The Contractor must adjust, repair or replace all equipment that is defective or not performing in compliance with the Contract in accordance with requirements addressed in Attachment 4 of the CONTRACT and/or the resulting awarded 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 INSUREDS on the vehicle liability certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

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

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

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

- 4. Employers liability insurance with the following minimum limits:
 \$100,000 each accident
 \$100,000 each employee by disease
 \$500,000 aggregate disease
- 5. Employee Fidelity, including Computer Crimes-Reserved
- 6. Umbrella or Excess Liability Insurance - Reserved
- 7. Professional Liability (Errors and Omissions) Insurance - Reserved
- 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.



Notwithstanding anything contained in this Section 2.141 to the contrary, the maximum aggregate liability of Contractor, its officers, agents and employees for any claims or damages arising out of the matters described in this Section will be limited as described in Limitations of Liability.

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 provided, however, that Contractor's indemnification obligations for such breach shall be subject to the limitation of liability set forth in Section 2.220 hereof.

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 and in accordance with this Contract, 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 as 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 CONTRACT issued by the State. The State may terminate this Contract for its convenience, in whole or in part, by giving Contractor written notice at least 30 days before the date of termination. If the State chooses to terminate this Contract in part, the charges payable under this Contract must be equitably adjusted to reflect those Services/Deliverables that are terminated. Services and related provisions of this Contract that are terminated for 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 180 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 be treated as a Change Request and 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, DTMB, 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, DTMB, 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

SHOULD LICENSEE, ANY PARTY CLAIMING THROUGH LICENSEE, OR ANY PARTY CLAIMING TO HAVE IN ANY WAY RELIED UPON THE SOFTWARE PRODUCTS, PROFESSIONAL SERVICES OR THE HOSTED SERVICES SUFFER ANY LOSS, DAMAGE, COST OR EXPENSE FROM ITS USE, OPERATION OR MODIFICATION OF THE SOFTWARE PRODUCTS, PROFESSIONAL SERVICES OR THE HOSTED SERVICES, THEN THE MAXIMUM AGGREGATE AMOUNT OF LIABILITY OF CONTRACTOR, ITS OFFICERS, EMPLOYEES AND AGENTS WILL BE LIMITED TO \$2,000,000, OR THE AMOUNT PAID TO THE CONTRACTOR UP TO THE TIME OF THE CLAIM FOR THE SOFTWARE PRODUCTS, PROFESSIONAL SERVICES OR HOSTED SERVICE THAT CAUSED OR ALLEGEDLY CAUSED SUCH LOSS, DAMAGE, COST OR EXPENSE, WHICHEVER IS GREATOR. CONTRACTOR WILL NOT BE LIABLE FOR ANY LOSS, DIRECT OR INDIRECT OR INCIDENTAL, INCLUDING GOOD WILL, SPECIAL AND CONSEQUENTIAL DAMAGES THAT MAY ARISE FROM THE UNAUTHORIZED USE, OPERATION, OR MODIFICATION OF THE SOFTWARE PRODUCTS, PROFESSIONAL SERVICES, OR HOSTED SERVICES BY LICENSEE. THIS AGREEMENT WILL NOT CREATE ANY THIRD PARTY BENEFICIARY RIGHTS OR BENEFITS TO PARTIES OTHER THAN LICENSEE EXCEPT AS MAY BE SPECIFICALLY STATED HEREIN.

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.

Contractor acknowledges but does not apply.

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

Reserved.

2.244 Excusable Failure

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

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

If any of the above-enumerated circumstances substantially prevent, hinder, or delay the Contractor's performance of the Services/provision of Deliverables for more than 10 Business Days, and the State determines that performance is not likely to be resumed within a period of time that is satisfactory to the State in its reasonable discretion, then at the State's option: (a) the State may procure the affected Services/Deliverables from an alternate source, and the State is not be liable for payment for the unperformed Services/ Deliverables not provided under the Contract for so long as the delay in performance continues; (b) the State may terminate any portion of the Contract so affected and the charges payable will be equitably adjusted to reflect those Services/Deliverables terminated; or (c) the State may terminate the affected



Statement of Work without liability to Contractor as of a date specified by the State in a written notice of termination to the Contractor, except to the extent that the State must pay for Services/Deliverables provided through the date of termination.

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

2.250 Approval of Deliverables

2.251 Delivery of Deliverables

A list of the Deliverables to be prepared and delivered by Contractor including, for each Deliverable, the scheduled delivery date and a designation of whether the Deliverable is a document ("Written Deliverable") or a Custom Software Deliverable is attached, if applicable. All Deliverables shall be completed and delivered for State review and written approval and, where applicable, installed in accordance with the State-approved delivery schedule and any other applicable terms and conditions of this Contract; provided, however, that for the avoidance of doubt, no software provided by Contractor related to the E911 system shall constitute a Deliverable or a Written Deliverable and the rights and obligations of the parties relating specifically to software provided by the Contractor shall be governed by the MLSA attached hereto as modified.

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**.

Contractor acknowledges, although this offer does not involve or anticipate custom software development.

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; provided, however, that for the avoidance of doubt, no software provided by Contractor shall constitute a Deliverable or a Written Deliverable and the rights and obligations of the parties relating specifically to software provided by the Contractor shall be governed by the MLSA attached hereto as modified

This is commercially available product NOT custom software. The rights and permissions granted to the State will be governed by the MLSA attached hereto as modified.

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; provided, however, that for the avoidance of doubt, no software provided by Contractor shall constitute a Deliverable or a Written Deliverable and the rights and obligations of the parties relating specifically to software provided by the Contractor shall be governed by the MLSA attached hereto as modified.

The Right to Use the software will be governed by the SOW and MSLA.

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)

Public Act 431 of 1984 permits MDTMB 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. A current listing of approved program members is available at: www.michigan.gov/buymichiganfirst. Unless otherwise stated, the Contractor must ensure that the non-state agency is an authorized purchaser before extending the Contract pricing.

The Contractor will supply Contract Services and equipment to these local governmental agencies at the established State of Michigan contract prices and terms to the extent applicable and where available. The Contractor must send its invoices to, and pay the local unit of government, on a direct and individual basis.

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



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

2.282 State Employee Purchases

Reserved
Does not apply.

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 such 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, includes or shall include 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 leap years shall be correctly treated as leap years 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.

Licensing will be governed by the executed MSLA and SOW between Contractor and the SOM.

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.

Contractor acknowledges but this is not custom software.

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 any time 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.



Article 4 – Contractor Information

4.010 Contractor Information

4.011 Company Information

Name:	RedSky Technologies, Inc.				Web Page:	www.redskye911.com	
Address:	925 West Chicago Ave Suite 300	City:	Chicago	State:	IL	Zip:	60642
Legal Status:		Years in business?	16		Phone:	312-432-4300	
State Incorporated:	IL	Registered in Michigan?		Yes			

4.012 Vendor contact during CONTRACT process

Name:	Alicea Grau				e-mail	agrau@redskytech.com	
Address:	925 West Chicago Ave Suite 300	City:	Chicago	State:	IL	Zip:	60642
Phone:	312-432-5963	Fax:	312-432-4320		Mobile:	312-371-5474	

4.13 Authorized Contract Signatory

Person named will be sole contact for the company to receive the Contract. Include the name and telephone number of person(s) in the company authorized to expedite any proposed contract with the State.

Name:	Tony Maier	Title:	CEO	Phone:	312-432-4321		
Name:	Nicholas Maier	Title:	Sr. VP	Phone:	650-704-6407		

4.015 Staffing

See Attachment 2 for Key Personnel.

Subcontractors:

There are no subcontractors included as part of this Contract.

4.016 Contract Performance

RedSky has not had a contract terminated for default in the last three years.

4.017 Place of Performance

4.018 Disclosure of Litigation

RedSky nor its officers or directors have any criminal litigation, investigations or proceedings pending or filed.

SIGNATURE AUTHORITY



For online submission, signatures are provided via a secure PIN number assigned to company's designated "Authorized Signers" as part of the Bid4Michigan system registration process. The system will only accept submissions by authorized signers with valid user names passwords and PIN numbers.

I/We certify that the undersigned is authorized to submit bids/quotations on behalf of RedSky Technologies, Inc.. The information provided about RedSky Technologies, Inc.'s ability to provide the goods and/or services outlined in this solicitation document is true and accurate. I/We understand that our product and/or service offerings must be in compliance with all requirements of this solicitation document.

RedSky Technologies, Inc.
Name of Bidder/Contractor/Supplier

925 West Chicago Avenue Suite 300
Chicago, IL 60642
Address of Contractor/Supplier

312-432-4300 phone 312-432-4320 fax
Telephone and Fax No. of Contractor/Supplier

agrau@redskytech.com
E-mail Address of Contractor/Supplier

Signature of Contractor/Supplier's Authorized Representative
Alicea Grau
Director of Sales
Title of Supplier Representative

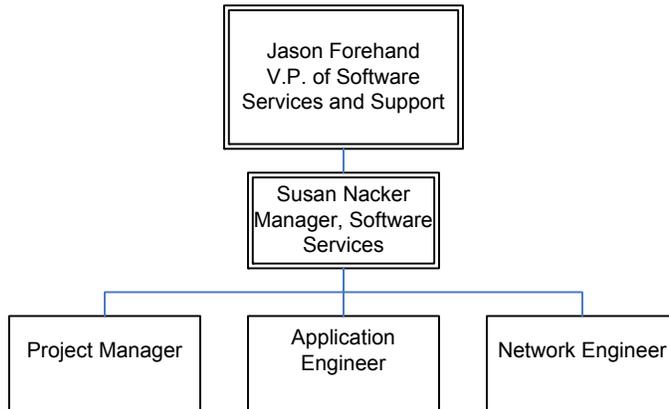
April 8,2011
Date



Attachment 1

RedSky Technologies, Inc.

Project Organizational Chart



Role Descriptions:

V.P. Software Services and Support

Responsible for the visioning of support services for RedSky Technologies, Inc. Highest level of escalation short of C-Level. Handles management of professional services, project management, sales support, and network engineering support staff.

Manager, Software Services

Responsible for management of project managers. First level escalation of support and implementation issues. Manages distribution of workload within projects.

Project Manager

Responsible for the implementation success of any given project. Responsible for execution of deliverables and project resource management.

Application Engineer

Provides overlay support for any given project. Responsible for the efficacy of the software applications required to complete project deliverables.

Network Engineer

Provides overlay support for any given project. Responsible for network application deliverables and overall network implementation coordination.



Attachment 2

Proposed Resource Name:	Thomas W. Attreau
Proposed Classification:	Technical Lead
Key Personnel:	Yes <input checked="" type="checkbox"/> or No <input type="checkbox"/>
If resource is associated with a subcontractor provide name of company:	
Percentage of time resource will be allocated to project:	
Proposed Resource Name:	Thomas W. Attreau
Proposed Classification:	Single Point of Contact
Key Personnel:	Yes <input checked="" type="checkbox"/> or No <input type="checkbox"/>
If resource is associated with a subcontractor provide name of company:	
Percentage of time resource will be allocated to project:	



Attachment 3

Bidders Name	<i>RedSky Technologies, Inc.</i>
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The Contractor must provide a Solution Narrative that describes the contractors' understanding of the project and presents the proposed E9-1-1 Multi Line Telephone System (MLTS) solution and approach as it pertains to Article 1, Sections 1.000 through 1.104, 1.300, and 1.400. The Solution Narrative provides the Contractor the opportunity to communicate to the State of Michigan (SOM), in their own words, their overall technical proposal for the solution. **The Solution Narrative must follow the outline provided within this template.** The Contractor must provide their responses inside of the Contractor Response box below each solution description. Contractors should include diagrams, drawings, charts, discussion, tables, and other pertinent artifacts that will aid the SOM in understanding the proposed solution. Contractors must provide straightforward and concise descriptions of their proposed solution with the emphasis placed on clarity and completeness of content.

Solution Narrative

A5-1 Technical architecture of the proposed solution:

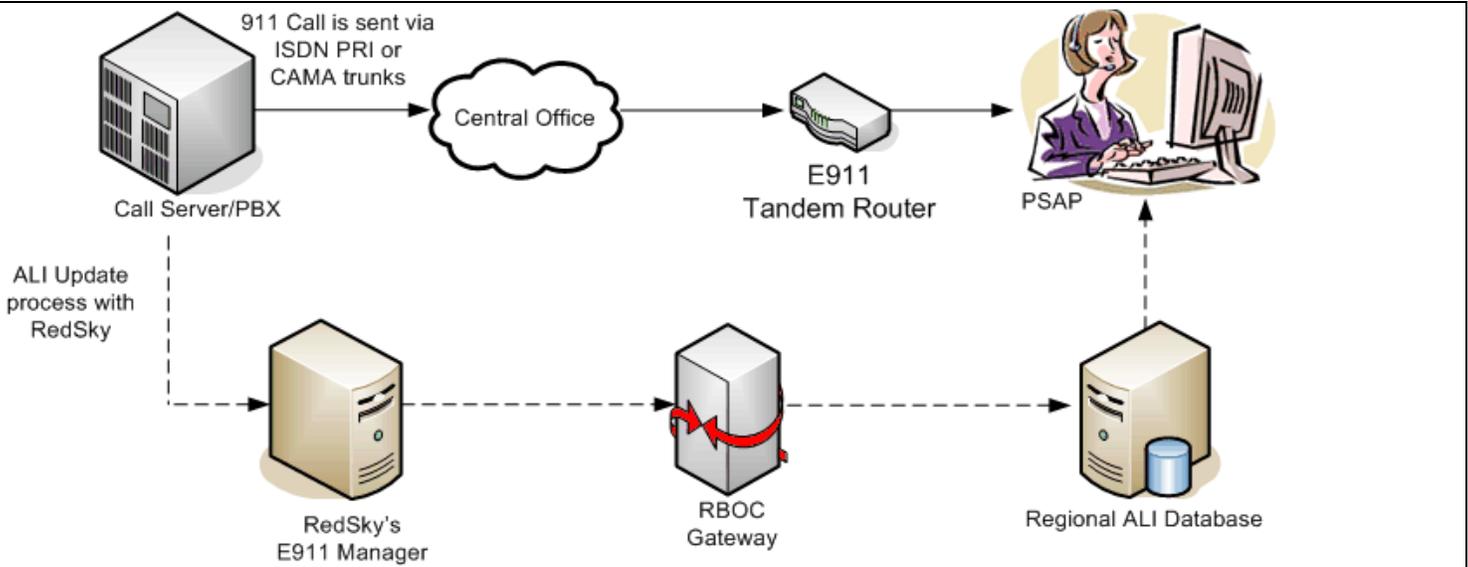
Contractor's E911 Manager is an on-premise automated software application that integrates with the enterprise communications system to capture, manage and deliver real-time location information for all analog, digital and IP devices on the network.

There are two key requirements for E911 – the ten-digit number or ELIN that is out-pulsed by the PBX/call server and the Emergency Response Location or ERL that is stored in the regional database. For E911 to work, three things need to happen to tie these two components together.

- 1) The PBX/Call Server must be configured to out-pulse the proper ten-digit (ANI/ELIN) number of the 911 caller.
- 2) Local ISDN-PRI or CAMA trunks must be implemented to send the ANI/ELIN over the Public Switched Telephone Network (PSTN) to the local Public Safety Answering Point (PSAP).
- 3) The regional ALI database must be maintained with accurate ERL records that contain the detailed location information associated to each ANI/ELIN.

When 911 is dialed, the 911 dispatcher at the local PSAP receives the ANI/ELIN, which accesses the regional ALI database to pull up the detailed ERL record defining the exact address and location of the caller.

For purposes of illustration, the following is a diagram of how an E911 call is handled when placed from a traditional PBX/Call Server-based phone system equipped with Contractor's E911 Manager.



Contractor's E911 Manager Software helps to ensure that firemen, police and paramedics have accurate location information and can find those in distress when responding to emergency calls initiated from a multi-line telephone system. E911 Manager automatically interfaces to each call server/PBX on the network to systematically capture station location information and update the regional ALI databases in a timely manner.

Automated

- Fully automated to ensure every move, add and change is updated in the regional ALI database.
- Optional Emergency On-site Notification (EON) feature notifies on-site security immediately of the location of a 911 caller to improve internal response times

Reliable

- Tasks can be scheduled to occur automatically and personnel can be notified via email to identify and correct any errors or warnings
- E911 Manager updates ALI information with the proper database before the 911 call is made – completion of the 911 call is not dependent on the E911 Manager server

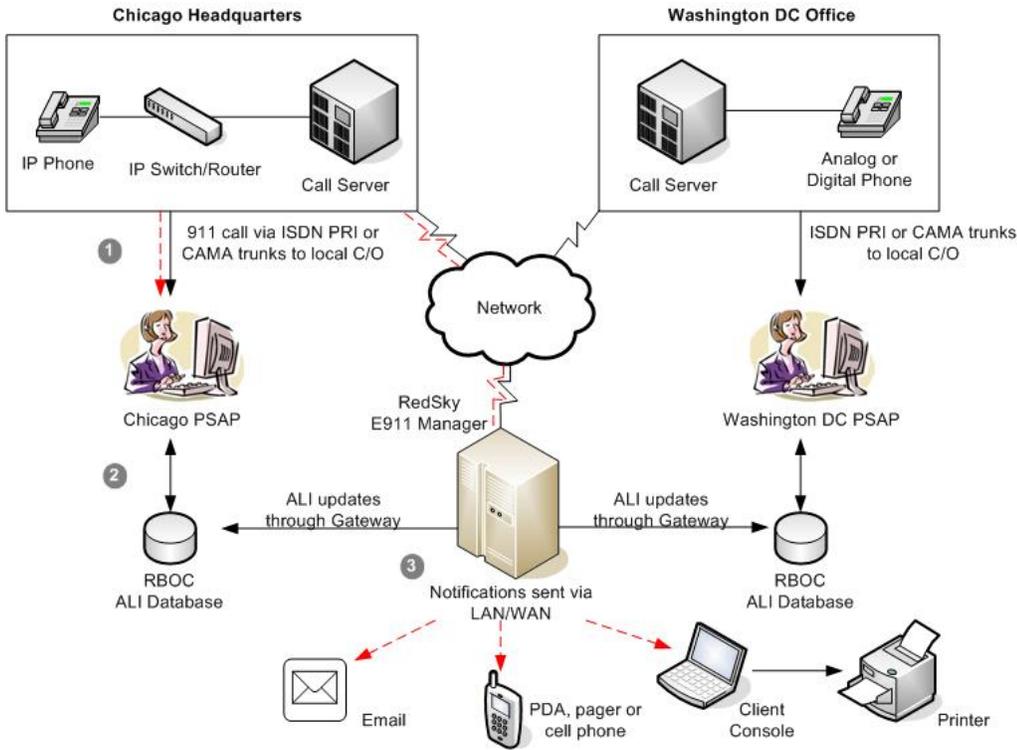
Scalable

- Central administration talks to hundreds of call server/PBX and multiple regional ALI databases to facilitate continuous ALI updates and database synchronization
- Location tracking and identification for thousands of traditional and IP end-points is executed from a single server

Cost Effective

- Streamlines processes through automation and scalability
- Easily migrated from existing systems to IP telephony or both

E911 Manager is a centralized server that interfaces with multiple call servers to capture, manage and deliver location information for traditional and IP endpoints. The diagram below depicts how E911 Manager interfaces with multiple switches across the country and multiple regional ALI database providers.



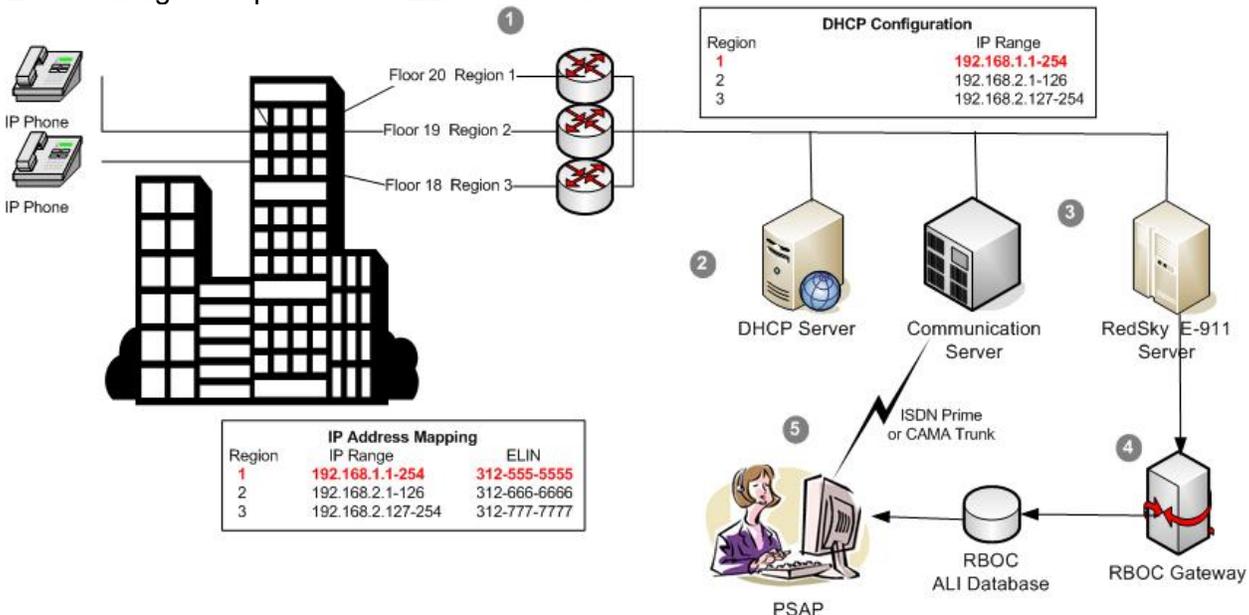
Standard Features

Network Discovery

E911 Manager features two methods for discovering the location of IP phones as standard features.

Network Regions/IP Ranges –

In this method specific Network Regions (subnets) are established that have a dedicated block of IP addresses associated to the region at the DHCP server. Each Network Region then has a physical location assigned (ex. Building name, building address, Floor 2) and an ELIN assigned to it. Every time a phone registers with the call server, E911 Manager reviews the IP address of the phone to determine if it's IP address falls into one of the IP address ranges set aside for the regions. If E911 Manager determines that a phone is in a Network Region, E911 Manager will provide the ELIN to the call server.



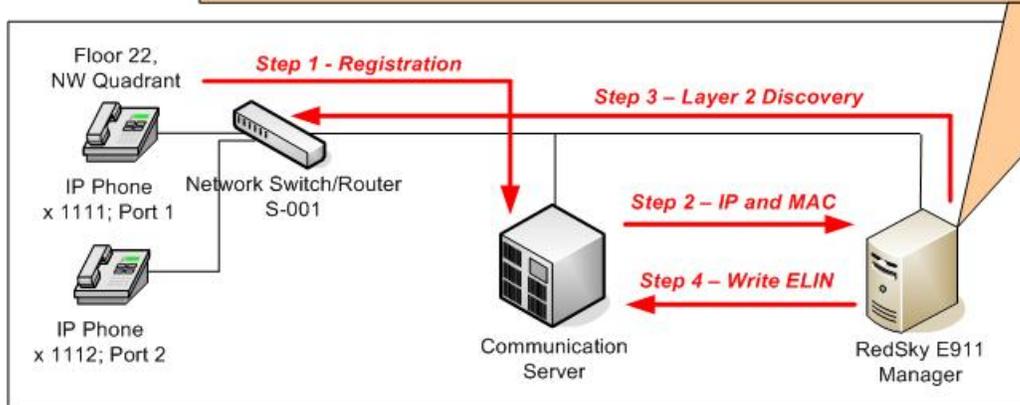


Layer 2/Port Level Network Discovery –

In this method E911 Manager uses SNMP v1.0 to interrogate voice switches in the network to find a phone. In this method a detailed wiremap is developed and stored in E911 Manager. The wiremap contains the IP addresses of every voice switch, the location of the switch and a location for every port on the switch. Every time a phone registers with the call server, E911 Manager captures the IP address and MAC address of the phone and uses SNMP to interrogate the MIB tables of the voice switches to find the port that the phone is on. When the port is determined, E911 Manager consults its database to retrieve the ELIN associated with the port and writes it to the call server. **Note: While Layer 2/Port Level network discovery is a standard feature of E911 Manager, SOMs wishing to run Layer 2 network discovery must purchase the optional Layer 2 Network Assessment so Contractor can determine if the SOM network can support Layer 2 network discovery.**

E911 Manager Network Matrix

ERL	Address	ELIN	Network Switch	Port	MAC Address	Ext.
22FLNWORM101	925 W. Halsted	312-555-5555	S-001	1	00-01-03-85-2E-45	1111
22FLNWORM102	925 W. Halsted	312-555-5556	S-001	2	00-01-04-85-2E-35	1112



Automated ALI Interfaces

E911 Manager features automated interfaces to all RBOC and LEC ALI databases in the USA. These interfaces allow E911 Manager to perform ALI record updates to the RBOC and LEC ALI databases automatically, without user intervention. E911 Manager automatically synchronizes the latest Moves, Adds and Changes to the voice network with the regional ALI database so all the locations are made available to the local PSAP.

Task Scheduler

When properly configured, E911 Manager runs automatically in the background, handling all necessary tasks, so administrators can focus on other tasks. The Task Scheduler is powerful feature that allows you to configure E911 Manager to perform routing tasks and notify administrators that tasks are completed. Administrators can schedule dozens of tasks and reports as well as set email alarm notifications if tasks cannot be completed.

Reports and Logs

E911 Manager protects the enterprise by logging all E911 location activity, documenting the enterprise’s honest effort to determine locations and protect employees. E911 Manager’s log files document all location record activity particularly the transfer of ALI records to the local RBOC and LEC ALI databases. E911 Manager provides documented proof that location records were transferred and accepted into the local ALI database. E911 Manager also logs all other important events including all 911 calls, time of notification of a 911 call, time of acknowledgement of a 911 call. Scheduled tasks can be created to automatically distribute logs and reports by email.

Emergency On-site Notification (EON)

The optional Emergency On-site Notification (EON) feature improves emergency response by notifying



corporate security with the complete location record of the 911 caller, as the 911 call is occurring. EON has been proven in real-life situations to save 2-3 minutes in emergency response time, enhancing survivability significantly for medical emergencies.

E911 Manager™ monitors ACM and UCM for 911 calls in real time and when a 911 call is made, EON retrieves the location of the caller from its database and can send out screen pops to security desks and SMS and email messages to subscribed administrators.

The EON client software is installed on each security desk PC to enable screen pops.

A5-2. Collect, store, and accurately maintain the caller location information for all digital, IP, and analog telephones. Proposed solution will provide for initial station audits and periodic verification of stored location information to ensure accuracy. System identifies the location of an IP phone when it registers on the network and discovers when a phone is moved.

A5-2. Contractor Response:

To enable location identification of the 911 caller, a distinct location must be assigned to every phone that can dial 911 or cluster of phones located in the same geographic area. Contractor offers E911 Location Audit Services if the SOM wishes to purchase this optional service. Red Sky has developed an E911 location audit process to assist SOMs in collecting location information in an organized format. Since each work environment is unique, we recommend contacting the local fire marshal for assistance when developing a location identification system for each of the facilities. The initial steps in planning for the physical audit is for the SOM and Contractor to confirm the following information.

- 42. Identify all street addresses and each building at those addresses to be included in the E911 Manager application.
- 43. Develop a way to uniquely identify each PBX or Centrex common block (i.e. PBX1, PBX2, PBX3 etc).
- 44. Identify the actual street address for every building where there is a station on the PBX. Create a unique name for each of the buildings at these street addresses (i.e. Branch office Palatine, Downtown Chicago, School Headquarters, etc). The following information will be put into E911 Manager under the section marked **Buildings**

Company Name

Location name (the name you developed)

Switch name (enter the PBX or Centrex Service name you developed that serves this location)

Street number

Street extension if applicable (i.e. ½)

Street Directional (i.e. North, South etc)

Street name

Street type (i.e. Rd, Blvd, etc)

Community

County

Zip Code

Local Telephone Company serving this location (i.e. AT&T)

State

Area Code serving this location

Main Telephone Number of this location

- 45. Develop a 20-character description that will inform emergency crews on exactly how to find each and every station in the event of an emergency. The 20 characters do NOT include the physical address of the building but may include the floor/suite number and the room/cubicle number as well as compass directions where helpful.

- 46. Print out a station report from the PBX listing all of the stations that are currently active on the switch. Depending on the amount of information you populate in the PBX, this report may include the station number, the user name and the location information (i.e. building, floor, room) or may just include the station number.

- 47. Analyze the station report from the PBX to determine what stations do not have any location information



- and those stations that require additional location information.
48. Locate any external files or databases that might contain station location information. This could be a call accounting system, human resources system or a simple spreadsheet.
 49. Based on the combination of the PBX station reports and the external file or database, determine what location information is still needed to complete the audit. If there are only a few stations left to be identified, skip to step 18. If there are many station locations to be determined continue to step 11.
 50. Find a blue print or floor plan for each building location.
 51. Identify every department on each floor plan. Define the physical location for each department. This means the building, floor(s), and room(s) numbers for each department.
 52. If there are departments in one large area that are not broken into rooms, figure out a way to identify the space. It may be necessary to break the room down into North, South, East, and West and actually mark those directions on the physical walls. Many SOMs post color-coded maps within the stairwells to help direct emergency personnel.
 53. Prepare a memo to each department head or manager, asking them to specify the exact location of each station within their department. Provide them with a list of all stations included in their area and the corresponding floor plans or blueprints. Five days is an appropriate amount of time to expect this information returned.
 54. Once the station location information has been returned from each department head or manager, input the information into E911 Manager or directly input this information into the PBX. Print out a report from E911 Manager or print out another station report from the PBX.
 55. Verify what information is still needed for each building location and station.
 56. Get the floor plan for each location still missing information.
 57. Establish a method to associate non-DID phones to the closest one in proximity in order to send emergency response location information for these phones to the PSAP. Keep in mind that an actual emergency should be within eyesight of this phone.
 58. Develop move, add, and change process to populate station records in each PBX that matches confirmed standards.
 59. Coordinate timeframes with PBX administrator(s) to incorporate new MAC process immediately following physical audit.
 60. Notify department managers or employees that a Team will be walking around noting the number appearing on their phone and the physical location of the phone.

For the Physical Audit

7. Contractor's Audit Team will need a contact at each location and have a conference call to confirm timeframes and meeting places. If any special security access measures need to be taken, the Team will need to understand how long the process takes and plan accordingly.
8. The Audit Team will meet the designated personnel and physically go to each location and walk around to every phone and write down its location using the standards established by the SOM. Special places that may get overlooked: conference rooms, hallways, cafeterias, tunnels, entrance ways, reception area phones, elevator phones, basement, supply rooms, and guest phones.
9. The station location information that has been collected will be compiled electronically and presented to the SOM for review.

Applying the Audited Information

9. Upon SOM approval, this information will then need to be populated into each PBX and proper DID association configured. Contractor can be contracted to perform this task or the task can be performed by the SOM's PBX administrator.
10. The Contractor Implementation Specialist will put the new information into E911 Manager at the time of application installation. Reports will be generated for SOM review.
11. If you still have stations that have not been identified and cannot be physically found, you may want to disconnect them from the PBX and wait to receive the complaint that they are not working. This process will give you the ability to either identify these numbers or leave them permanently disconnected.
12. Input any valid information obtained from the exercise in step 22 into the E911 Manager or directly



input the information into the PBX.

13. Continue steps 16 through 21 until all stations have been accounted for and location information has been input into E911 Manager or directly input into the PBX.

14. Once the E911 Manager is complete or the PBX station report contains location information for every station listed on the PBX the E911 location audit process is complete.

Once the Location Audit is complete, Contractor will program the E911 Manager application to automatically upload the formatted ALI records to the proper PS/ALI database.

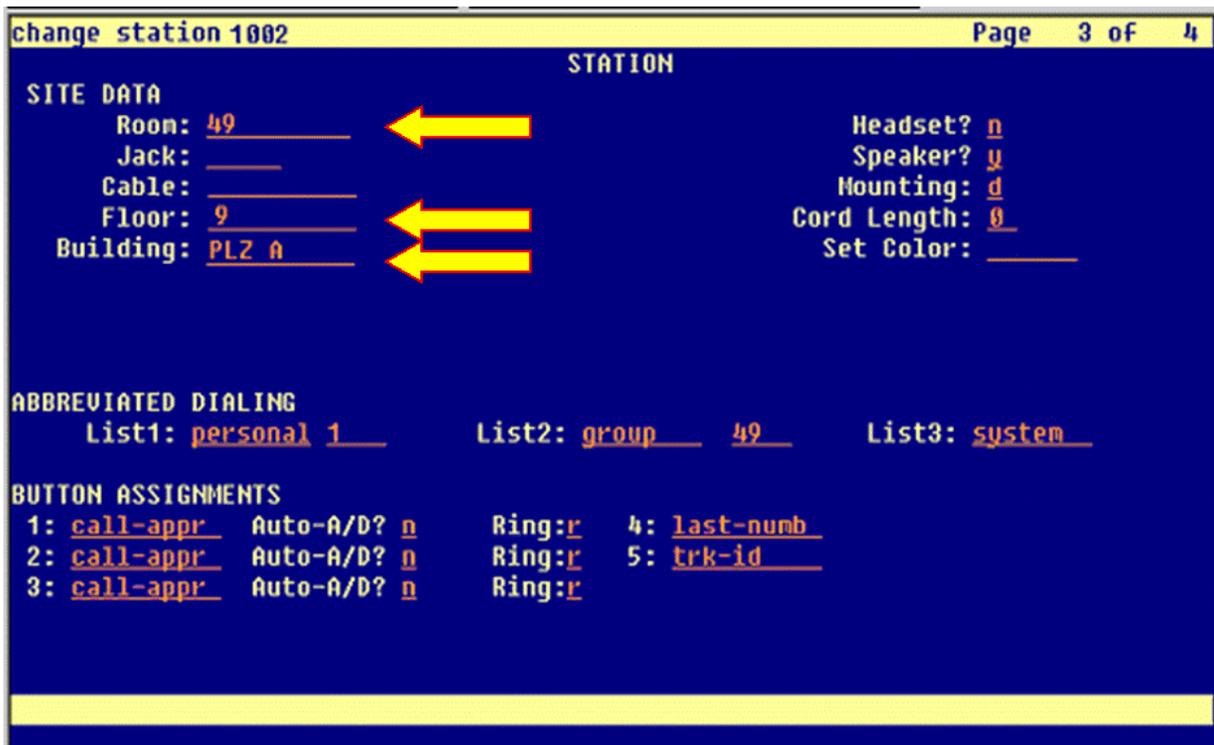
If the SOM desires they can perform the location audits and provide the information to Contractor or directly input the information into the PBX(s).

Once the information has been collected and populated there are various methods with Contractor's E911 Manager for managing the ongoing movement of the different types of phones. For digital and analog phones, this can be accomplished utilizing the station screens in the PBX to populate building, floor and room for each phone.

Configuration requirements for digital and analog phones using the station screen:

In the Avaya system, telecom managers will update page 3 of the station screen with building, floor and room information with every move, add or change. A consistent nomenclature must be used along with implementing a consistent procedure to ensure the fields are being maintained with accurate and up-to-date information. E911 Manager automatically captures all moves, adds and changes, translates the data into the proper format and updates the regional ALI database. E911 Manager has a task scheduler that allows the telecom manager to schedule ongoing maintenance for their ALI records.

Defining Locations using the Station Screen



For IP phones that can move from place to place and still access the Local Area Network, the call server must be updated with the proper Emergency Location Identification Number (ELIN) every time a phone changes locations. There are two options for location identification, network region and network discovery. SOM can



define users by network region by configuring the DHCP server and an IP network map to associate each network region or subnet to a range of IP addresses. Each IP address range will have an assigned Emergency Location Identification Number (ELIN) that serves as the 10-digit number that is out-pulsed over the network for 911 calling. With these associations in place when a phone registers on the network, an IP address is assigned and the Emergency Location Extension field in the PBX is updated with the proper ELIN in anticipation of a 911 call. When 911 is dialed, the call server out-pulses the ELIN over the PSTN to the 911 center. If the 911 center calls back, the call server retains the ELIN association to route the call back to the originating extension.

If configuring users by network region the DHCP server and network maps in the call server will be coordinated to associate specific subnets with ranges of IP addresses so that users can be identified by region when they register on the network. Each IP address range will have an assigned Emergency Location Identification Number (ELIN) that serves as the 10-digit number that is out-pulsed over the network for 911 calling. With these associations in place when a phone registers on the network, an IP address is assigned and a field in the call server (different for each type of call server) is updated by E911 Manager with the proper ELIN in anticipation of a 911 call. When 911 is dialed, the call server out-pulses the ELIN over the PSTN to the 911 center. If the 911 center calls back, the call server retains the ELIN association to route the call back to the originating extension. If subnets are not geographically oriented, a network region configuration may not be the best option.

Network discovery is a protocol used by Contractor's E911 Manager to detect and track a more specific location of new users registering on the network. Through a real-time read/write interface, E911 Manager discovers the location of the IP phone and updates the call server with the proper ELIN to be out-pulsed for 911 calling. Network Discovery enables more specific location identification, flexibility to freely associate users beyond network region boundaries and real time tracking and reporting of phone movement.

In an Avaya environment, when a phone registers on the network, E911 Manager captures the port and network device and assigns the proper ELIN to the Emergency Location Extension field on the call server in anticipation of a 911 call. When 911 is dialed, the call server out-pulses the ELIN over the PSTN to the 911 center. If the 911 center calls back, the call server retains the ELIN association to route the call back to the originating extension.

In a Cisco environment, E911 Manager polls Cisco UCM on a user defined schedule (1 – 60 minutes, default is 1 minute) to find new IP phones that have registered with UCM. When a new phone is detected on the network, E911 Manager logs the IP address and the MAC address of phone and performs an SNMP (ping sweep/polling/interrogation) of all or part of the network to discover the switch and port to which the phone is connected. Once the switch and port are known, E911 Manager performs a table look-up in its database to determine the ELIN number associated with the switch/port. E911 Manager updates the External Phone Number Mask (EPNM) in UCM through an AXL call.

A5-3. The Contracted solution will locally store and maintain Automatic Location Identification (ALI) information, send updates to the regional ALI database to provide updates and ensure ALI information is timely and accurate.

A5-3. Contractor Response:

E911 Manager stores all location records in its database. E911 Manager updates regional ALI databases over the internet using custom developed integrations to each ALI database provider. ALI updates are scheduled utilizing the E911 Manager web interface. If the optional Contractor service E911 Anywhere Network Service is used in combination with E911 Manager all ALI updates are provided in real-time over the internet.

In order to ensure the ALI information is timely and accurate, daily reports may be generated by E911 Manager and sent via email to provide the below statuses:

- Normal -- successfully updated information in the PS-ALI database
- Ready for Transfer -- a record is ready to be sent to the PS-ALI database



- In Transfer -- record has been sent to PS-ALI provider and is waiting to be processed by the PS-ALI vendor
- Rejected -- received status from PS-ALI provider and failed to update
- Missing Information -- record is missing information and a NENA compliant record could not be generated
- Invalid ELIN -- translation table could not be created to form a valid 10 digit ELIN

A5-4. The solution will route 9-1-1 calls and provide E9-1-1 services to all user telephones, identify the specific location of a 911 caller from anywhere on the network and can properly manage remote users and soft phone users.

A5-4. Contractor Response:

As a basic requirement for E-911, the Communication Server must be able to out-pulse a unique 10-digit DID number over the PSTN utilizing either ISDN-PRI or CAMA trunks. Avaya systems comply with this requirement. The other basic requirement is to identify the location of the caller by populating the regional ALI database that serves each building location's geographic area. Location identification is based on the methodology employed by each PBX owner and can be as specific as the desktop location to a network region identification.

The call server must be configured to out-pulse a 7 or 10 digit (DID or ELIN) over the public switched telephone network (PSTN) for 911 calls. Routing is configured in the Automatic Route Selection (ARS) software for 911 calls to be processed via trunks or trunk groups designated for 911 calls. This is normally the public emergency services network, typically via central office, CAMA, or ISDN-PRI trunks. Branch offices require a gateway and local ISDN-PRI or CAMA trunks to properly route 911 calls to the local Central Office and selective router serving that facility. SOM will also configure ISDN public/unknown numbering tables to associate non-DIDs to a DID/ELIN within a nearby region to be out-pulsed for 911 calls.

For IP phones that can move from place to place and still access the Local Area Network, the call server must be updated with the proper Emergency Location Identification Number (ELIN) every time a phone changes locations. There are two options for location identification, network region and network discovery. SOM can define users by network region by configuring the IP network map screen to associate each network region or subnet to a range of IP addresses. Each IP address range will have an assigned Emergency Location Identification Number (ELIN) that serves as the 10-digit number that is out-pulsed over the network for 911 calling. With these associations in place when a phone registers on the network, an IP address is assigned and the Emergency Location Extension field in the PBX is updated with the proper ELIN in anticipation of a 911 call. When 911 is dialed, the call server out-pulses the ELIN over the PSTN to the 911 center. If the 911 center calls back, the call server retains the ELIN association to route the call back to the originating extension.

Network discovery is a protocol used by Contractor's E911 Manager to detect and track a more specific location of new users registering on the network. Through a read/write interface, E911 Manager discovers the location of the IP phone and updates the call server with the proper ELIN to be out-pulsed for 911 calling. Network Discovery enables more specific location identification, flexibility to freely associate users beyond network region boundaries and real time tracking and reporting of phone movement. When a phone registers on the network, E911 Manager captures the port and network device and assigns the proper ELIN to the Emergency Location Extension field on the call server in anticipation of a 911 call. When 911 is dialed, the call server out-pulses the ELIN over the PSTN to the 911 center. If the 911 center calls back, the call server retains the ELIN association to route the call back to the originating extension.

Soft phones on premise can be handled using the Network Discovery or Network Region methods as outlined above, however Contractor does offer a broader solution. Utilizing an application known as SLDA, or Soft phone Location Determination Application, along with a nation-wide 9-1-1 routing service offered by Contractor, known as E911 Anywhere™, soft phone users can travel anywhere in the country, while receiving dial-tone from a SOM call server in Lansing, and be able to make 9-1-1 calls that will be responded to by the proper local authorities.

The SLDA application supersedes the registration of a soft phone client and prompts the user for his or her



location. If the user frequents certain locations these may be pre-populated in a drop-down menu. A new location may be entered manually and saved for use again at a later time. This location is sent to Contractor's E911 Manager server, where Master Street Address Guide (MSAG) validation is performed on the address. Once validated, the location information is transferred in real-time to the E911 Anywhere services location provisioning systems. The user is then allowed to use the soft phone client, and may immediately make a 9-1-1 call and be assured that the call will get routed to the proper Public Safety Answering Point (PSAP)

A5-5. The solution will provide a secure, reliable, and redundant environment that will ensure that E9-1-1 services are always available.

A5-5. Contractor Response:

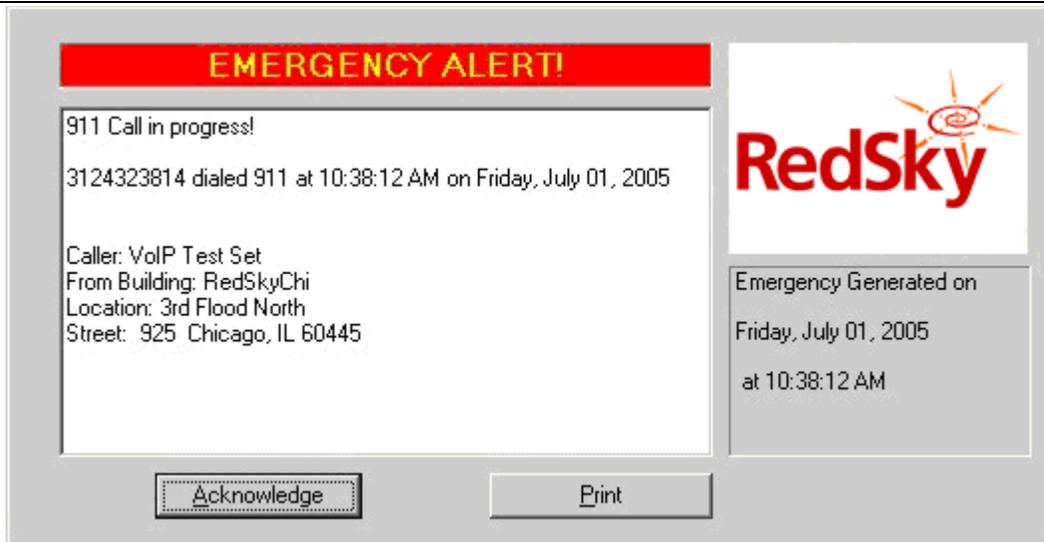
For the proposed Contractor E911 Manager solution, 911 call processing is administered within the call server itself and does not rely on the Contractor E911 Manager external server to process the call. The high availability that has been engineered into the communications system will be at the disposal when the time comes to place a 911 call in an emergency. Since E911 Manager is not in the call path there can be an application or hardware failure on the E911 Manager server and E911 services will continue to function. If location changes occur during the time of an E911 Manager outage updates will not be sent to the PSAP until E911 Manager services are restored.

Contractor also offers an option for a fully redundant E911 Manager configuration, in which a second server, which can be located in a geographically disparate location, behaves as a warm-standby. In the unlikely event that the primary E911 Manager server fails, a second server will automatically come on-line after a pre-configured amount of time. Typically SOMs set this interval from 15 to 30 minutes in order to prevent the standby server from coming on-line if the primary is rebooted due to routine maintenance. This warm stand-by maintains constant communication with the primary, replicating its internal database in real-time. If the stand-by comes on-line, it has current, accurate data and assumes the role of the primary server seamlessly.

A5-6. The solution will provide local notifications to site specific Central Control offices when a 9-1-1 call is placed. Specific location information provided with the notification and the types of notifications the solution will provide are identified in **Attachment 5 - E9-1-1 Pricing Tables**.

A5-6. Contractor Response:

This functionality is provided by our Emergency On-Site Notification (EON) feature in E911 Manager. EON provides the complete location record so that internal security know the exact location of the caller. EON is programmed to notify specific individuals via various methods. A security guard can be notified at his/her station with a screen pop and an audible alarm. Wandering security guards or other designated individuals can be notified via email and SMS messages. EON arms on-site security with immediate information to speed emergency response. Please see a sample screen shot below for details of the information provided:



EON is an optional feature of E911 Manager and includes 10 client licenses or screen pops and unlimited email or SMS messages. Additional client licenses can be purchased as required.

A5-7. Administrative activities and effort associated with managing the proposed solution on an ongoing basis:

A5-7. Contractor Response:

Administrative requirements are minimal with E911 Manager’s Task Scheduler, real-time alerts and extensive reporting capabilities. All events can be scheduled to occur systematically to ensure that E911/PS-ALI database updates are executed on a regular basis and any exceptions are reported immediately to the administrator.

E911 Manager automatically extracts the ELIN/ALI associations from the call servers, translates the data into the required format for each region, and submits the data to the regional ALI database on an ongoing basis. E911 Manager automatically verifies that the ALI data was accepted and validated as complete and accurate, detects abnormalities and errors in the data and prompts the user for correction. E-911 Manager reports are available to be viewed on-screen, sent to one or multiple email accounts, printed or saved to a file. In addition E911 Manager has a health dashboard and is equipped to notify via SMS or email on status changes.

Some general administrative tasks would include addition of new call servers, buildings, locations, or switches. All of which are easily configured using the web interface provided with E911 Manager.

A5-8. Compliance with federal regulations, NENA technical and operational standards, and proposed SOM regulations:

A5-8. Contractor Response:

E911 Manager complies with all state and federal regulations and is capable of providing location information down to the network port. Contractor is continually adding to its already robust feature set. Contractor has membership on NENA as well as many other standards boards which allow Contractor to be a leader in the E911 landscape. Contractor also has many products in the NextGeneration 911 space and is building NextGeneration concepts into all products in the enterprise space. Please see response in section A5-9 for further detail.

A5-9. Incorporation of evolving and emerging 9-1-1 technologies into the proposed solution:



A5-9. Contractor Response:

Contractor has been active in public thought leadership and standards development almost since the inception of the core concepts making up “next generation” emergency communications. Contractor is actively involved with next generation emergency services standards development undertaken by several of the industry’s leading Standards Development Organizations (SDOs), most notably the North American Emergency Number Association (NENA), the Internet Engineering Task Force (IETF), and the Alliance for Telecommunications Industry Solutions (ATIS).

North American Emergency Number Association (NENA)

NENA, the leading global professional association for emergency call takers and other emergency communications industry personnel, and the model for nascent similar organizations across the globe, has been leading the effort in North America to develop what are referred to as “Next Generation 9-1-1” standards. This work was originally begun by NENA in 2003, and Contractor has been a key player in the development of NENA standards in this and other areas almost since its inception, having been intimately involved in the NG standards development process continuously since 2005 (and had participated in generic NENA standards development from the very beginnings of the company). Since then, Contractor has variously contributed to the work of groups developing standards and procedures for:

- NG, or i3 (in NENA parlance), architectures or standards;
- NG Business Rules and Databases;
- NG Messaging (i.e., sending text and other non-voice communications to emergency call centers, or Public Safety Answering Points [PSAP])
- NG E9-1-1 Femtocell Requirements
- Emergency Services IP Network Design Requirements (ESIND)
- Next Generation Transition Planning (NGTP)

Recently, Contractor has also been involved with the NG vendor interoperability events sponsored by NENA and our VP of Product Management held the chair of the planning committee for the recently completed first NENA Industry Collaboration Event, or ICE-1. 16 different vendors participated in this test, and Contractor also led the activities of the team planning location technology testing activities for this event. Considered a great success by NENA, our success in the ICE event built upon other early experience Contractor obtained in testing NG 9-1-1 components via participation in US-government sponsored technology trials (this trial is explained in more detail below). Contractor is also chairing the event planning committed for the upcoming NENA ICE2 test, dedicated to testing legacy-to-NG transition elements, a category of NG9-1-1 functional element for which Contractor offers solutions.

Internet Engineering Task Force (IETF)

The IETF, the global organization responsible for the standards employed on the global Internet, is working on developing a globally applicable emergency calling architecture, and accompanying standards, for IP-based devices and systems. IETF is doing this work largely through the medium of two (2) dedicated working groups, Specifically the ECRIT (Emergency Context Resolution with Internet Technologies) and GEOPRIV (Geographic Location/Privacy) Working Groups (WG). Based on the internationally accepted IETF SIP standard, IP-based emergency calling and location solutions need to work everywhere and accommodate whatever emergency communications infrastructure there is in every country around the globe. Specifically designed with these international requirements in mind, the architecture and standards developed by these working groups will form the basis of all NG emergency communications of the future, and these standards form the basis for the work that NENA, for example, is doing. Contractor has been active in leading the discussion and developing the details of the IETF NG emergency calling and location standards, most notably the development of the IETF NG location acquisition protocol, the HTTP-Enabled Location Delivery (HELD) protocol.

Alliance for Telecommunications Industry Solutions (ATIS)

In the past, Contractor has also been a key contributor the work of the Next Generation Emergency Services (NGES) Working Group under the ATIS Emergency Services Interconnection Forum, or ESIF. ESIF, formed in 2002 to draft standards related to emergency calling interoperability among Mobile Network Operators (MNOs),



created NGES (and Contractor was a charter member of this group) in 2005 to work on the specifically NG-related problems of MNO emergency service interoperability. A key contributor to some of the early work done in NGES, Contractor helped lead the efforts of this industry-leading panel in its quest for “Internet friendly, yet legacy-respecting” emergency services and technology standards.

Participation in US-Government-Sponsored NG Technology Trials

In 2008, the US Department of Transportation sponsored a NG9-1-1 Project here in the United States, to demonstrate that some of the conceptual working being done by the SDOs was feasible with regard to the eventual planning, design, and implementation of a new, NG 9-1-1 system for North America. Contractor not only provided expert-level information to the team performing the design and development work, but most importantly had its next-generation location determination and management platform, its Location Information Server, or LIS, chosen as the location platform for use in the Proof of Concept (POC) test run by the contractor team under government auspices in the summer of 2008. The POC “testbed,” which included the Contractor LIS, was used to generate NG voice calls, text sessions, and video calls into actual PSAPs, located throughout the US, and the location determination, storage, and management needs of these test callers were satisfied by the Contractor LIS. Contractor was among a select few vendors whose products were chosen for inclusion in this all-important test and the company gained invaluable early experience in the workings of, and technologies behind, NG emergency communications systems.

A5-10. Functions the SOM will perform in the project. Contractor expectations for the SOM, including both roles and responsibilities for all aspects of the project:

A5-10. Contractor Response:

RedSky will install, configure and implement all aspects of an E911 Manager implementation. The SOM would be expected to provide remote access to infrastructure. Below is a detailed description of both parties roles and responsibilities:

Contractor will provide SOM with premise-based location services. E911 Manager Software will reside on SOM-provided servers, Contractor-provided servers, or a VM.

General E911 Manager Requirements

The following requirements are needed for all installations of E911 Manager.

SOM Requirements

- Must sign the Contractor MSLA (Master Software License Agreement)
- Provide remote access to Contractor for installation, configuration, and support tasks
- Provide operating system administrator or superuser level access to the E911 Manager server.
- Provide a completed PBX Data form which includes the Call Server Names, IP Addresses, Usernames, Passwords, Manufacturer, and Software Version for all call servers included in the scope of the project
- Provide the appropriate access for all call servers defined in the PBX Data form
 - Cisco: AXL, JTAPI, and SNMP
 - Avaya – Telnet or SSH
 - Nortel – Telnet or SSH and Web Services API
- Provide a completed Building Data form which includes information for all buildings included in the scope of the project
- Provide a completed Port Assignment or IP Range Assignment form which includes all ELINs and ERLs included in the scope of the project unless Contractor Location Audit Services are purchased then Contractor would perform this work
- SOM must be capable of configuring and troubleshooting all required hardware and software needed during the implementation, including but not limited to:
 - Call servers
 - Data switches
 - Firewalls
 - Session border controllers

Contractor Requirements



- Assign a PM that will act as the SOM's point of contact for Contractor during the scope of the project
- Provide the SOM with a project plan defining a high-level overview of the project including all major milestones
- Install E911 Manager application to either a SOM-provided or Contractor-provided server
- Configure the E911 Manager integration to all call servers defined in the PBX Data form
- Consult with the SOM to provide best practices for ELIN and ERL creation
- MSAG Validate all ERLs defined in Building Data
- Provide an administration guide and training syllabus to the SOM
- Provide remote training sessions for up to eight (8) designated agents of the SOM for all topics defined in the training syllabus

EON Requirements

- SOM will provide a completed Notifications form which defines the Names, Email Addresses, Phone Numbers, and Type of notifications for all users included in the scope of the project
- Contractor will configure E911 Manager integration to monitor all call servers defined in PBX Data for emergency calls
- Contractor will configure E911 Manager to send email and SMS notifications to all users defined in the Notifications form
- SOM must be capable of receiving email or SMS messages, if notifications are to be received for 9-1-1 events
- SOM will perform test emergency calls to ensure call server monitoring is functioning properly and notification events are sent to the appropriate parties

L2 ND Requirements

- SOM will provide a completed Data Switch form which includes Data Switch Names, IP Addresses, and Community Strings for all data switches to be included in the scope of the project
- SOM will provide a completed Port Assignment form which defines the ERL to port mapping
- SOM will maintain an accurate wire mapping before, during, and after implementation to ensure E911 Manager location information is accurate
- SOM will configure all switches defined in the Data Switch form to respond to SNMP queries from the E911 Manager server
- Contractor will configure the E911 Manager integration to all data switches defined in the Data Switch form

L3 ND Requirements

- SOM will create or validate all VLAN and subnet information for all ERLs defined in the Port Assignment and IP Range Assignment forms

E911 Manager Installed as a VM Requirements

- SOM will provide access to any virtualization infrastructure client. Access may be limited to:
 - Performance reports (read-only)
 - Hardware configuration (read-only)
 - Ability to mount/unmount virtual CD-ROMs
 - Ability to access the virtual machine console
- Virtualization Software will be one of the following approved architectures:
 - VMware ESX 3.5 (or higher)
 - Citrix XenServer 4.0 (or higher)

PS-ALI Agreement Requirements

- SOM will provide a completed PSALI form which will include Provider Name, Region, Username, Password
- Contractor will configure E911 Manager to update all PS-ALI agreements defined in PSALI



Attachment 4

A	B	C	D	E	F
Req. No.	Requirement	Mandatory(M) Expected (E) Optional (O)	Req. Response (Yes / No)	Response (A, B, C, D,E)	Comments
Project Planning					
1.	All documentation provided by the contractor must be in the Microsoft Office suite (e.g. Project, Word, Excel, etc.) or PDF format.	M	Yes	A	
2.	The contractor must be the primary contact for all service providers included in this proposal.	M	Yes	A	
3.	The Contractor will provide a high-level project plan outlining activity descriptions, work effort, duration and resources for a typical base-package installation.	E	Yes	A	
4.	The Contractor will provide a detailed work plan (in hours) and duration (in days) of a typical installation of the base package, including all modules. Include both SOM and Contractor effort.	E	Yes	A	
5.	The contractor must perform project management, including implementation and testing of the base system.	M	Yes	A	
6.	The contractor must meet security requirements provided by the State of Michigan.	M	Yes	A	
7.	The contractor will develop and present a Disaster Recovery Plan to the State of Michigan. The Recovery plan must include but is not limited to; person or entities to be notified, authorized messages to be conveyed, actions to be taken by the contractor in attempt to mitigate the catastrophic failure, roles and responsibilities for contractor actions, and recovery and restart procedures.	E	Yes	C	



A	B	C	D	E	F
Req. No.	Requirement	Mandatory(M) Expected (E) Optional (O)	Req. Response (Yes / No)	Response (A, B, C, D,E)	Comments
8.	The contractor will provide an Uninterruptible Power Supply (UPS) capable of maintaining the system for a minimum of fifteen (15) minutes in the event of a commercial power failure.	E	Yes	E	The service will not be provided since the SOM will provide the hardware for this solution. If this is required Contractor can provide this but pricing has not been included.
9.	The contractor will commit that at the end or termination of the contract to transfer ownership of (or provide other alternatives to the SOM) for any equipment or proprietary documentation the Contractor gained ownership of during the execution of the contract.	E	Yes	A	
10.	Readiness Assessment – The contractor will provide readiness assessment services to determine the feasibility of adding the E9-1-1 system to the State of Michigan environment.	E	Yes	A	
11.	Readiness Assessment – The contractor will evaluate compliance with NENA and State E9-1-1 standards.	E	Yes	A	
12.	Solution design services - The contractor must develop detailed project plans for E9-1-1 implementations and upgrades.	M	Yes	A	
13.	Solution design services - The contractor must perform system configurations and provide site-level documentation of configuration parameters for the proposed solution.	M	Yes	A	
14.	Knowledge Transfer - The contractor must provide or make available training services for the proposed solution.	E	Yes	A	
15.	Knowledge Transfer - The contractor must provide system documentation for the installed and supported solution.	E	Yes	A	
System Design					
16.	The system must meet all SOM E9-1-1 compliance legislation.	M	Yes	A	



A	B	C	D	E	F
Req. No.	Requirement	Mandatory(M) Expected (E) Optional (O)	Req. Response (Yes / No)	Response (A, B, C, D,E)	Comments
17.	The system will meet all Federal E9-1-1 compliance legislation.	E	Yes	A	
18.	MLTS Rules – The system must be capable of routing 9-1-1 calls to the 9-1-1 network, to be answered by a primary PSAP, in such a manner that the calls result in accurate Automatic Location Identification (ALI) and (Automatic Number Identification (ANI) which can be verified in the 9-1-1 location database and include the specific location of the communications device.	M	Yes	A	
19.	MLTS Rules - The system must identify the specific location of each communication device, including the street address in compliance with Michigan Public Service Commission (MPSC) proposed legislation.	M	Yes	A	
20.	The system will ensure the security and confidentiality of its information as defined by the National Institute of Standards and Technology (NIST).	E	Yes	A	
21.	The system must provide for full redundancy of data and processing components.	M	Yes	C	
22.	The system must support digital, analog and Internet Protocol (IP) Multiple Line Telephone System (MLTS) phone and phone systems, and all associated versions (Avaya and Cisco).	M	Yes	A	
23.	The system must be configured to transmit the proper North American Numbering Plan (NANP) number of the 911 caller.	M	Yes	A	
24.	The system will provide 911 call routing and E9-1-1 service to all user stations at each State of Michigan location.	E	Yes	A	
25.	The system must forward the E9-1-1 database information to the national E9-1-1 database in the required format.	M	Yes	A	



A	B	C	D	E	F
Req. No.	Requirement	Mandatory(M) Expected (E) Optional (O)	Req. Response (Yes / No)	Response (A, B, C, D,E)	Comments
26.	The system will be able to automatically discover and track the specific location of an IP phone when it registers on the network.	E	Yes	A	
27.	The system will provide station ID ALI/Emergency Response Location (ERL) support for multiple locations and multiple stations.	E	Yes	A	
28.	The system will identify every station with a unique Direct Inward Dialing (DID) number.	E	Yes	A	
29.	The solution will be able to support either Centralized Automated Message Accounting (CAMA) or Integrated Services Digital Network (ISDN) Primary Rate Interface (PRI) as supported in the Private Branch Exchange (PBX) to ensure proper DID translations.	E	Yes	A	
30.	The system will support direct connection to the PBX/ Voice over Internet Protocol (VoIP) by means of Local Area Network (LAN) (TCP/IP) connection.	E	Yes	A	
31.	The system must have the capability of receiving automated error and status information for E9-1-1 database updates.	M	Yes	A	
32.	The system will extract defined information from the VoIP to generate ALI/ERL information.	E	Yes	A	
33.	The system will be capable to import/export and covert.csv files.	E	Yes	A	
34.	The system must ensure data integrity by accurately maintaining the National E9-1-1 Database.	M	Yes	A	
35.	The system will provide support for a minimum of 50,000 endpoints and be scalable to 100,000 endpoints.	E	Yes	A	
36.	The system must provide Emergency On-site notifications to the Central Control Office/Security Personnel.	M	Yes	A	



A	B	C	D	E	F
Req. No.	Requirement	Mandatory(M) Expected (E) Optional (O)	Req. Response (Yes / No)	Response (A, B, C, D,E)	Comments
37.	The Emergency On-site notification feature will offer options for the following notification types; Single call (single system recorded voice to include data elements from location), Computer screen pop with an audible alarm, Email (single email per communication device, i.e. distribution list), Single number texting, and Bounce back	E	No	E	EON may be provided for screen pop with audible alarm, email, and SMS. Contractor is currently unable to provide a voice call with location information.
38.	The Emergency On-site notification feature will provide detailed activity reports to determine origination.	E	Yes	A	
39.	The Emergency On-Site notifications will include, but is not limited to, the following information: time and date of call, ANI number, physical location of the telephone or softphone (ALI information), Emergency Service Number (ESN), and primary responding agencies for the caller location.	E	No	E	EON will include Time, Date, ANI, location (ALI), but is unable to prove the ESN and primary responding agency.
40.	Testing - The Contractor must allow for a minimum of 30 days system testing prior to implementation of the E9-1-1 system.	M	Yes	A	
Hardware/Software and Licensing					
41.	The contractor must identify the hardware/software (operating system) and licensing requirements to run the proposed system and client application.	M	Yes	A	
42.	All proposed equipment must be new, unless refurbished equipment is requested by the State of Michigan, and provided with manufacturers' standard warranty.	M	Yes	A	
43.	Replacement parts must carry the same warranty whether refurbished or new.	M	Yes	A	
44.	All equipment must meet the most current industry standards and comply with NENA-04-001 Standards. http://www.nena.org/sites/default/files/04-001_20010330.pdf	M	Yes	A	



A	B	C	D	E	F
Req. No.	Requirement	Mandatory(M) Expected (E) Optional (O)	Req. Response (Yes / No)	Response (A, B, C, D,E)	Comments
45.	All equipment must be (Underwriters Laboratory) UL approved and comply with applicable Federal Communications Commission (FCC) regulations.	M	Yes	A	
46.	All equipment must be compatible with the local servicing phone company's network.	M	Yes	A	
47.	All hardware must be at the highest functional manufacturer's firmware revision levels agreed to by the State of Michigan.	M	Yes	A	
48.	All software must be at the highest functional manufacturers release and revision levels agreed to by the State of Michigan.	M	Yes	A	
49.	All infrastructure materials must meet American National Standards Institute (ANSI), Telecommunications Industry Association (TIA)/ Electronic Industries Association (EIA) and Building Industry Consulting Services, International (BICSI) standards.	M	Yes	A	
System Monitoring and Reporting					
50.	The system will support reporting capabilities for both standard reports and customizable reports. Reports are to be in the .csv format.	E	Yes	A	
51.	The system must provide monitoring of system performance and events such as retrieval of PBX and VoIP station information, and forwarding and retrieval of Error and Status information.	M	Yes	A	
52.	The system must produce standard reports which include E9-1-1 ALI/ERL retrieval, forwarding and acceptance of ALI/ERL data. Reports must be able to provide detailed information on stations, events, and transactions to provide a complete history and audit trail of system management.	M	Yes	A	
53.	The system will generate and send management reports to pre-defined user lists.	E	Yes	A	



A	B	C	D	E	F
Req. No.	Requirement	Mandatory(M) Expected (E) Optional (O)	Req. Response (Yes / No)	Response (A, B, C, D,E)	Comments
54.	The system will generate additional administrative alerts and reminders via Short Message Service (SMS) to the cell phone or Email.	E	Yes	A	
55.	The System must generate data quality control reports to identify all database records that have been rejected by that National E9-1-1 database and the reason for the rejection.	M	Yes	A	
56.	The system must generate performance issue reports regarding system health and general system status.	M	Yes	A	
57.	The system must generate E9-1-1 call reports. Reports are to include but not limited to; date, time of call, and origination point of call.	M	Yes	A	
58.	The system must maintain a real-time status of IP connectivity. Changes in network status must update automatically when a change is detected, and in no case longer than 5 minutes after the occurrence.	M	Yes	A	
System Maintenance and Support Services					
59.	The Contractor will fully manage and support the E9-1-1 MLTS solution by assuming responsibility for managing the hardware systems, software applications, and network interfaces.	E	Yes	C	Contractor offers Application Performance Monitoring for this additional service.
60.	The system will be covered by a minimum one (1) year on-site warranty.	E	No	D	Support Services are provided remotely. On-Site visits will be priced as outlined in Attachment 5 under Optional Professional Services.
61.	There will be an extended maintenance agreement made available through the contractor or authorized distributor.	E	Yes	C	



A	B	C	D	E	F
Req. No.	Requirement	Mandatory(M) Expected (E) Optional (O)	Req. Response (Yes / No)	Response (A, B, C, D,E)	Comments
62.	The contractor will be capable of providing on-site warranty services directly and coordinate these services between the State of Michigan and the manufacturer or reseller so the on-site service call is transparent to the State of Michigan.	E	Yes	D	Support Services are provided remotely. On-Site visits will be priced as outlined in Attachment 5 under Optional Professional Services.
63.	The contractor must provide a copy of the service escalation procedures; including names and telephone numbers of persons to be notified, response times for initial call response, on-site personnel response, resolution, and average time as well as a not-to-exceed time frame for each type of response. Support up to and including manufacturer support should be included.	M	Yes	A	
64.	The contractor will provide a secure Web based tracking and reporting tool which will include trouble ticket initiation, trouble history tracking, resolution status, and response times.	E	Yes	A	
65.	The contractor will provide a 7X24X365 response center which will have the ability to provide constant monitoring and dedicated network management services. The response center is to be located within the U.S.	O	No	E	Contractor's response center is located in the US. Application Performance Monitoring is an optional service but is provided during standard business hours. Pager support is available 7X24X365 for Severity 1 issues only.
66.	The contractor will provide a tiered support response solution (web, phone) which will initiate a trouble ticket and determine the level of support and action necessary to accommodate the problem resolution.	E	Yes	A	



A	B	C	D	E	F
Req. No.	Requirement	Mandatory(M) Expected (E) Optional (O)	Req. Response (Yes / No)	Response (A, B, C, D,E)	Comments
67.	The contractor's problem resolution is to include but not limited to the following: initiate trouble tickets with appropriate provider(s), track all trouble tickets and provide updates to the State of Michigan, maintain service escalation for all service providers, record history and resolution of all trouble tickets, analyze trouble tickets for trends and chronic problems, and produce quarterly reports of findings to the State of Michigan.	E	Yes	A	
68.	The contractor will provide a 1-hour response via telephone, remote access, or on-site to the State of Michigan.	E	Yes	A	
69.	The contractor will provide a 3-hour on-site response from initial contact if the problem cannot be resolved by telephone or remote access.	O	No	E	On-site support is available as per Attachment 5 and at the rates outlined in the Optional Professional Services table. Response time is based upon availability.
70.	The contractor must provide maintenance and parts for no less than 5 years after final acceptance of the contract.	M	Yes	C	
71.	The system will be capable of notifying an administrator in the event of a system fault.	E	Yes	A	
72.	The contractor must provide proof of the manufacturer's support and commitment to the products being proposed as well as advanced replacement parts, software, on-going software support, updates and enhancements. (i.e. example, manufacturer's assurance of support should the contractor abandon the product line.)	M	Yes	A	
73.	The contractor is to describe the procedures for exchange warranty or warranty after the on-site warranties expire.	E	Yes	A	This is described in our MSLA.



A	B	C	D	E	F
Req. No.	Requirement	Mandatory(M) Expected (E) Optional (O)	Req. Response (Yes / No)	Response (A, B, C, D,E)	Comments
74.	The contractor will develop, test and publish its internal and external escalation procedures, including contact information and chain of command	E	Yes	A	
Technical Requirements					
75.	The Contractor will provide a logical network diagram that describes how the infrastructure components will meet the functional requirements.	E	Yes	A	This will be included in documentation provided during the kickoff meeting.
76.	The Contractor will provide conceptual and logical data-flow diagrams.	E	Yes	A	This will be included in documentation provided during the kickoff meeting.
77.	The Contractor will provide a complete installation and configuration documentation library.	E	Yes	A	This will be included in documentation provided during the kickoff meeting.
78.	The Contractor will provide a high-level architecture diagram, including logical and physical components.	E	Yes	A	This will be included in documentation provided during the kickoff meeting.
79.	The Contractor will provide a logical network diagram that describes how the infrastructure components will meet the functional requirements.	E	Yes	A	This will be included in documentation provided during the kickoff meeting.
80.	The Contractor will provide conceptual and logical application data-flow models.	E	Yes	A	This will be included in documentation provided during the kickoff meeting.
81.	The Contractor will provide a technology roadmap for the proposed system showing a five (5) year plan for migrating to new software versions and when to de-implement dated versions as they reach end of life.	E	Yes	A	This will be included in documentation provided during the kickoff meeting.



A	B	C	D	E	F
Req. No.	Requirement	Mandatory(M) Expected (E) Optional (O)	Req. Response (Yes / No)	Response (A, B, C, D,E)	Comments
82.	The Contractor will provide a technology roadmap for the proposed system showing a five (5) year plan for new software version releases, support window, and sun setting.	E	Yes	A	This will be included in documentation provided during the kickoff meeting.
83.	The Contractor will provide a description of the skill sets of all resources required for a typical install of the base package.	E	Yes	A	This will be included in documentation provided during the kickoff meeting.
84.	The Contractor will provide a list of functional issues encountered by other users during a typical implementation of the Contractor's software.	E	Yes	A	This will be included in documentation provided during the kickoff meeting.
85.	The Contractor will provide a list of technical issues encountered by other users during a typical implementation of Contractor's software	E	Yes	A	This will be included in documentation provided during the kickoff meeting.
86.	The Contractor will provide a detailed list of any browser plug-ins (e.g., ActiveX, Java, Flash) required by the application.	E	Yes	A	Java is required
87.	The Contractor will provide a detailed list of client components (e.g. ODBC, JDBC, Java Beans, other) required by the application, including permission(s) levels.	E	Yes	A	All of E911 Manager may be configured and administered using the web interface. Both Internet Explorer and Firefox are supported browsers. Additionally there is an EON client install required if the end user wishes to receive screen pops upon emergency call notifications.



A	B	C	D	E	F
Req. No.	Requirement	Mandatory(M) Expected (E) Optional (O)	Req. Response (Yes / No)	Response (A, B, C, D,E)	Comments
88.	The Contractor will provide a detailed list of any third-party tools required by the application and how they will be supported over the System Development Life Cycle (SDLC).	E	Yes	A	E911 Manager is a self-contained application, no 3 rd party tools will be required to support the environment.
89.	The Contractor will provide a method to import data from the following proprietary sources: • Matsch Database	E	Yes	D	Many integration methods are available for import including CSV, SQL connections, and Web Service APIs. The price has not been provided for this integration.



Attachment 5 - Pricing Tables

Table A.1 - E9-1-1 Cost Summary On-Premise Solution

ID	Deliverable Item	Implementation Days	Implementation Hours	Deliverable Cost	Maintenance			
A.1.	Detailed Project Plan	Fixed Cost for Project	Fixed Cost for Project	\$2200				
A.2.	Test Plan	Fixed Cost for Project	Fixed Cost for Project	\$2200				
A.3.	Readiness Assessment	Fixed Cost for Project	Fixed Cost for Project	\$2200				
B.	System Design Plan			\$2200	Year 2	Year 3	Year 4	Year 5
C.1	Hardware			\$0	\$	\$	\$	\$
C.2	Software			\$0	\$	\$	\$	\$
C.3	Licensing			\$430,800	\$82,300	\$82,300	\$100,100	\$100,100
D.1	Data Discovery, Population and Validation Process	Fixed Cost for Project	Fixed Cost for Project	\$315,900				
E.1.	System Implementation Phase I	Fixed Cost for Project	Fixed Cost for Project	\$13,800				
E.2.	System Implementation Phase II	Fixed Cost for Project	Fixed Cost for Project	\$11,300				
E.3.	System Testing	Fixed Cost for Project	Fixed Cost for Project	\$2200				
E.4.	Documentation			\$2200				
E.5.	Administrative and End User Training	Fixed Cost for Project	Fixed Cost for Project	\$4400				
F.1.a	Warranty and Maintenance Services			\$0	\$	\$	\$	\$
F.1.b	Technical Support Help Desk			\$0	\$	\$	\$	\$
F.1.c	Critical Response			\$0	\$	\$	\$	\$
F.2.	System Management and Support Services	Annual pricing for Year 1 through Year 5.		\$71,438	\$153,738	\$153,738	\$164,268	\$164,268
F.3.	Optional Professional Services	Pricing for Optional Professional Services in Table C.						
G.	Reporting			\$0				



Table B - E9-1-1 Component List.

Manufacturer of Component	Product Type	Description of Component	Licensing (Enterprise, Server, etc.)	Component Version	Quantity	Purchase Cost	Monthly Lease Cost	Total Cost
Contractor	E911 Manager Software	E911 Manager "Right to Use" Station License includes one PBX interface and core functionality of E911 Manager and 1 year of maintenance and technical support	Licensing	5.5.12	35,100	\$35,100		\$351,000
Contractor	E911 Manager Additional PBX Interface	Additional E911 Manager interface to a PBX/call server. Note: one PBX interface is included in the base E911 Manager software license and each additional interface is \$2,300	Licensing	5.5.12	6	\$13,800		\$13,800
Contractor	EON	Right to Use server license for on-site notification. Includes 10 client licenses and 1 PBX interface.	Licensing	5.5.12	1	\$10,000		\$10,000
Contractor	EON Additional PBX Interface	Additional PBX Interface for EON. Base license includes one interface.	Licensing	5.5.12	6	\$6,000		\$6,000
Contractor	EON Additional Client Licenses	Price per license for additional client licenses for EON for the "screen pop".	Licensing	5.5.12	50	\$500		\$25,000
Contractor	Standby Server Software	The Standby Server Software option consists of a replication of the E911 Manager software that has been installed on the Primary E911 Manager server. (Does not include server hardware)	Licensing	5.5.12	1	\$25,000		\$25,000
Total						\$430,800	\$	\$430,800



Table C - E9-1-1 Optional Professional Services T&M Labor Rates.

Firm Fixed Hourly Rates for the Staffing Categories listed. Since the State of Michigan does not pay for travel time or expenses, the rates provided are all-inclusive, with travel and any other non-labor expense factored in.

Staffing Category	Firm Fixed Hourly Rate	Comments
Project Manager - on site	\$200	4 hour minimum
Network Architect	\$195	
Network Engineer	\$165	
Integration Engineer	\$145	
Implementation Specialist	\$145	
Network Assessment Analyst	\$145	
Network Assessment Analyst – Jr.	N/A	
Network Monitoring Analyst	N/A	
Database Administrator	\$225	
Systems Administrator	\$125	
Training Specialist	\$145	
Training Specialist	Duplicate	
Bidders May Propose other Positions		

Notes:

- Hourly rates quoted are firm, fixed rates for the duration of the contract. Travel and other expenses will not be reimbursed. The State will utilize the hourly rates detailed above for each staff that will be used as fixed rates for responses to separate statements of work.
- Actual funding for enhancements will occur on a yearly basis, and there is no guarantee as to the level of funding, if any, available to the project.



3. Services will be requested of the Contractors through a Statement of Work (SOW) process. Unless otherwise agreed by the parties, each SOW will include:
 - a. Background
 - b. Project Objective
 - c. Scope of Work
 - d. Deliverables
 - e. Acceptance Criteria
 - f. Project Control and Reports
 - g. Specific Department Standards
 - h. Payment Schedule
 - i. Travel and Expenses
 - j. Project Contacts
 - k. Agency Responsibilities and Assumptions
 - l. Location of Where the Work is to be Performed
 - m. Expected Bidder Work Hours and Conditions

4. The parties agree that the Services/Deliverables to be rendered by Bidder using the Optional Services Labor Rates Table on this Contract will be defined and described in detail in separate Statements of Work. Bidder shall not be obliged or authorized to commence any work to implement a Statement of Work until authorized via a purchase order issued against this Contract.

Pricing Additional Information:

Assumptions:

The pricing proposal is based upon 35,100 stations and includes the interface to 7 PBXs. The one time software price is valid for each station and does not matter whether the device is analog, digital or IP. This may be important as the SOM migrates to more IP devices in the future.

The **EON Additional Client Licenses** were estimated at a quantity of 50. This is the licensing for the “screen pop” during an actual 911 call. Even though the SOM has over 200 physical buildings it was assumed that not every building would require a screen pop as they are smaller branch locations and remote offices included in that number. If this assumption was incorrect additional client licenses can be added for \$500 each. The original purchase of **EON** includes 10 client licenses so this proposal includes a total of 60 client licenses. EON also provides for unlimited email and SMS notifications so alerts can be sent to individuals at every site if desired.

The System Management and Support System Service is quoted years 1 through 5 for support of 35,100 stations. The costs include the annual maintenance and support costs beginning with year two. The first year does not include the standard maintenance and support costs as those are covered for the first year under the initial software purchase.

The costs outlined in this proposal do not include the one time and monthly recurring fees associated with PS-ALI contracts. Those prices and contracts are provided by the Regional PS-ALI Provider (AT&T and Verizon).



Attachment 6

Master Software License Agreement

_____ with its principal place of business at _____
_____ ("**Licensee**") and Red Sky Technologies, Inc., an Illinois corporation, with its place of business at 925 W. Chicago Ave., Suite 300, Chicago, IL 60642, USA ("**Red Sky**"), by their execution hereof agree:

1. **DEFINITIONS.** The definition of terms set forth in this Section 1 will apply in this Agreement (in addition to terms expressly defined elsewhere herein) including any and all schedules, addenda and amendments made to or incorporated herein now or in the future:

(a) "**Agreement**" means this Master Software Agreement and any Product Riders, schedules, addenda, and amendments thereto as they apply to the ordering by Licensee of Software Products and Professional Services from Red Sky.

(b) "**Affiliates**" means those legal entities in which Licensee owns or controls, directly or indirectly, more than fifty percent (50%) of such entity's outstanding shares or securities (representing the right to vote for the election of directors or other managing authority).

(c) "**Call Server**" means the Server used by Licensee to deliver distributed telecommunications services. The number of Call Servers will be used in determining the type and size of license purchased.

(d) "**Client**" means a computer device that is part of a network, connected to a Server and which incorporates the object code licenses for the Software Product(s) for such device and on which the Software is used or is managed.

(e) "**Effective Date**" the date on which the last party signs this Rider. In addition to the terms and conditions of the Agreement, the following additional terms and conditions will apply to this Rider.

(f) "**Licensee**" means the end-user defined in the detailed pricing document provided by Red Sky (a "**Quotation**") or an the entity that has issued an accepted Purchase Order (defined below) and is the party that has acquired the right to use the Software Products as defined under the terms and conditions of this Agreement.

(g) "**Licensed Computers**" means the networked set of Servers and Clients for which Licensee has purchased a Software Product license from Red Sky for each Server or Client on which the Software Product(s) is to be "used or which is to be managed" (hereinafter "**use**" of the Software Products will be have the foregoing meaning).

(h) "**Ports**" means the interfaces on the data or voice network into which an IP telephone can be connected that have been defined in Licensee's PBX/Call Server and the number of which will determine the type and size of Software Product license purchased by Licensee.

(i) "**Private Branch Exchange,**" "**PBX**" or "**Switch**" means an electronic system used by Licensee to deliver telecommunications services. The number of Switches will be considered in determining the type and size of license purchased.

(j) "**Purchase Order**" means the written request to purchase a license to the Software Product or Professional Services under this Agreement, either in the form of the execution of a written Quotation from Red Sky or a formal, written purchase order or similar documentation intended to achieve the same purpose, and that is acceptable to and has been accepted by Red Sky, either in writing, or by delivery to Licensee of Software Products or Professional Services.

(k) "**Server**" means a computer that is a component of a network that provides (A) shared services to workstations over a network, (B) facilitates other stations, or (C) handles the requests of a system or software at another site, and (ii) that incorporates the object code of the Software Product(s) for such device licensed by Licensee.

(l) "**Software**" means the software component of the Software Product.



(m) **"Software Product(s)"** means one or more Red Sky proprietary computer software programs, in object code format, and their related materials, including the user manuals, documentation, and software release notes associated with such computer software programs (collectively the **"Documentation"**) and are listed in Red Sky's then-current commercial end-user price list or a Quotation, including updates, modifications or new releases of such computer software program and Documentation as may be provided by Red Sky to Licensee from time to time. The specific products licensed hereunder are those products specified in the Product Rider(s) attached hereto.

(n) **"Stations"** means the number of telephones that have been defined to Licensee's PBX or Switch that will determine the type and size of license purchased.

2. LICENSE.

(a) GRANT OF LICENSE. Subject to the terms and conditions of the Agreement, Red Sky grants Licensee a non-exclusive, non-transferable, personal license to use the Software Products for the term described in the Purchase Order or Quotation.

(b) SCOPE OF USE. Licensee may use the Software Products only for Licensee's normal, internal business purposes. Licensee may install and use Software Products on the number of Licensed Computers up to the maximum number of copies of each Software Product described in Licensee's Purchase Order(s) and for which Licensee has paid the applicable license fee(s). Licensee may also make a reasonable number of copies of the Software in machine-readable form solely for archive or backup purposes in accordance with Licensee's standard archive or backup policies and procedures. Use of a number of Software Products greater than the maximum number of licenses paid for is prohibited and any such use will be subject to additional license fee(s) and penalties.

(c) USE RESTRICTIONS. Licensee may configure the Software as allowed by the Software. Licensee will not use or permit the Software Products to be used in any manner that would enable Licensee's SOMs or any other person or entity to use the Software Products except pursuant to Section 3(d) of this Rider. Licensee may not modify, adapt, translate, or create derivative works based in whole or in part, upon any Software Products, or to reverse compile or disassemble the Software. The rights granted Licensee hereunder are restricted exclusively to Licensee and all license and use rights and the Software Products may not be assigned, sub-licensed, sold or otherwise transferred except as provided in the Agreement.

(d) USE ON OTHER COMPUTERS; PERMANENT TRANSFER TO NEW LICENSED COMPUTERS. Licensee may, without incurring additional license charges, move the Software Products to and use the Software Products on computers other than the Licensed Computers (i) temporarily, if the Licensed Computers cannot be used because of equipment or software malfunctions or (ii) permanently, onto replacement Licensed Computers if the original Licensed Computers are replaced by Licensee with other computers; provided: (A) there is no increase in the number of Servers or Client computers using the Software Product(s) over the number of Server or Client computers for which Licensee has purchased licenses for such product(s), and (B) if Licensee permanently transfers the Software Products to computers at a different location that physically replace the original Licensed Computers, Licensee will completely cease the use of the Software Products on the original set of computers and will promptly give Red Sky written notice of such relocation. Additional license fee charges will be invoiced to Licensee when Licensee, having Software Products licensed on Licensed Computers, either (X) increases the number of computers using the Software or (Y) transfers copies of the Software Product to additional computers that are not then licensed to use the Software Products and for which the applicable license fees have not been paid.

(e) LICENSING BASED UPON NUMBER OF STATIONS, NUMBER OF SWITCHES. Licensee may, as dictated by the number of stations for which licensing has been purchased, increase the number of stations to the station-licensing threshold that was purchased. If Licensee exceeds the number of stations that were originally licensed, Licensee must notify Red Sky of such increase and upgrade its software licensing to accommodate the additional number of stations. Licensee may, as dictated by the number of Switches for which licensing was purchased, increase the number of Switches to the Switch-licensing threshold that was purchased. If Licensee exceeds the number of Switches that were originally licensed Licensee must notify Red Sky of such increase and upgrade its software licensing to accommodate the additional number of Switches. Failure to do so will cause the Software to not allow additional entries of Stations or Switches and



could cause incorrect recording and reporting of information. In addition, any such use will be subject to additional license fee(s) and penalties.

(f) TRANSFER OF LICENSE GRANT. Following thirty (30) days written notice, Licensee may, with Red Sky's concurrence (which will not be unreasonably withheld) transfer the license granted hereunder provided that, either Licensee or transferee, directly or indirectly, holds a majority interest in the other. As a condition of Red Sky's consent, transferee must assume, in writing, Licensee's obligations under the Agreement and Licensee must remain liable hereunder. Under no circumstance will such transfer be permitted to a transferee or location outside the country in which the Software Product(s) were initially licensed.

(g) DOCUMENTATION. For its internal use only and only in conjunction with its use of the Software Products, Licensee may make a reasonable number of printed copies of the Documentation for the Software that may be supplied to Licensee in CD-ROM, tape or hard copy format provided Licensee includes all Red Sky copyright and all other proprietary notices on the copies of the Documentation Licensee produces.

(h) TITLE. This Agreement grants Licensee no title or rights of ownership in the Software Products. All Software Products furnished by Red Sky, and all copies thereof made by Licensee, including translations, compilations, and partial copies, and all patches, revisions, and updates thereto are and will remain the property of Red Sky or Red Sky's licensors, as applicable. All Red Sky "**Proprietary Information**" (defined below) and all title, patents, copyrights, trade secret rights anywhere in the world, and other intellectual property and rights existing in connection therewith will be the sole property of and remain with Red Sky or its licensors, as applicable. Red Sky Proprietary Information includes, but is not limited to, Red Sky E9-1-1All Information Management software and related Documentation and any modifications thereto developed in whole or in part by Red Sky.

(i) PROPRIETARY MARKINGS. Licensee will not remove or destroy any proprietary markings or proprietary legends placed on or contained within the Software Products or any related materials or Documentation. Additionally, Licensee will reproduce and include Red Sky's proprietary and copyright notices on any copies of the Software Products and related materials, or on any portion thereof, including reproduction of its international copyright notice.

(j) VERIFICATION OF SOFTWARE PRODUCTS DEPLOYED. Upon reasonable advance notice to Licensee and on a non-interference basis with Licensee's normal business operations, Red Sky may verify the number of Software Products that Licensee has placed into use under the Agreement. Unless a previous verification has shown a discrepancy, such verification will not be conducted more frequently than once per year. If a discrepancy is found, the verification may be conducted quarterly at the discretion of Red Sky.

3. PAYMENT TERMS. (Check One)

If Licensee is acquiring the Software Products directly from Red Sky:

(a) PAYMENT. Red Sky will invoice Licensee as follows:

- i. Software Products – Red Sky will invoice Licensee upon shipment of the Software Products to Licensee.
- ii. Audit Services - Red Sky will invoice Licensee upon completion of the audit and submission of the data to Licensee.
- iii. Professional Services - Red Sky will invoice Licensee upon completion of the Professional Services or will issue a milestone invoice as outlined in the Purchase Order or Quotation relating to those services.
- iv. Maintenance Services are payable and will be invoiced by Red Sky annually in advance.

All License fees and terms of payments hereunder are due net thirty (30) days after the date of the invoice unless other terms are described Red Sky's Quotation or Statement of Work. Subsequent charges will be invoiced separately. Licensee obligations to pay all accrued charges will survive the expiration or termination of the Agreement. Invoices remaining unpaid for sixty (60) days beyond the date payment is due will accrue interest at the rate of one and one-half percent (1½%) per month, or at the maximum rate permitted by applicable law, whichever is less, on the unpaid amount.



(b) RISK OF LOSS. Delivery and risk of loss will pass to Licensee FOB Licensee's ship to address. Licensee will be responsible for the payment of all freight, customs, duties, international freight forwarding and related charges applicable to the delivery of the Software Products to Licensee and Licensee will reimburse Red Sky for all such charges that are prepaid by Red Sky and invoiced to Licensee by Red Sky

□ **If Licensee is acquiring the Software Products through an authorized reseller of Red Sky products:** Reseller will invoice Licensee for the Software Products upon delivery to Licensee and payment terms and conditions will be governed by the authorized reseller's Quotation to Licensee.

4. LIMITED WARRANTY. Red Sky warrants to Licensee that for a period of one (1) year from delivery of the Software Products by Red Sky or the date on which the Licensee commenced using the Hosted Service described in the relevant Product Rider, as the case may be (the "**Warranty Period**"), the unmodified Software will be capable of operating substantially in conformance with the Specifications in effect at the time of delivery. If, during the Warranty Period, it is determined that the Software Products do not operate according to the Specifications due to Red Sky's fault, Red Sky will undertake good faith efforts to cure the nonconformity. Licensee's only remedy in the event of nonconformity in the Software, or for breach of any warranty is, at Red Sky's option, either (i) repair or replacement of the Software or (ii) return of the license fee for the Software Products. EXCEPT AS SPECIFICALLY PROVIDED IN THIS SECTION 4, CONTRACTOR MAKES NO WARRANTIES EITHER EXPRESS OR IMPLIED AS TO ANY MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, THE CONDITION OF THE SOFTWARE PRODUCT, ITS MERCHANTABILITY, OR ITS FITNESS FOR ANY PARTICULAR PURPOSE.

5. MAINTENANCE AND SUPPORT PLANS.

(a) STANDARD MAINTENANCE AND SUPPORT PLAN. The license fee for the Software Products includes one year of standard maintenance and support beginning on the date of the installation of the Software Products (the "**Free Maintenance Period**"). During the Free Maintenance Period and during any subsequent period for which Licensee has paid in advance for maintenance and support services, Red Sky will provide the following basic support of Licensee's version of the Software Products: (i) Code Corrections - supply code corrections to correct substantial deviations of unmodified Software Products from the then-current applicable Documentation and software release notes delivered with the Software Products (together the "**Specifications**"), (ii) Software Products Updates ("**dot release**") - make available to all dot releases of the version of the Software licensed to Licensee. Dot releases typically feature modifications, updates, upgrades, enhancements, and corrections to the current revision of Software. For example, if Licensee purchased a license to version 4.0, Licensee will receive dot releases v4.1 through v4.9 should those releases be generally distributed to other users of the Software. Dot releases are provided at "no charge" to Licensee during the Free Maintenance Period or any other maintenance period for which fees have been paid under an annual maintenance support program. Licensee is not eligible to receive the next major release of the Software free of charge when and if it is available. (iii) Hotline Support - support service via telephone, FAX and e-mail during Red Sky's normal business hours of 9:00 AM to 5:00 PM, ET, Mon. - Fri., except national holidays, (iv) Fixes - supply workarounds for known problems, answer questions and provide patches where they exist; and, (v) Technical Support - supply a reasonable amount of assistance by mail or telephone in the event of difficulties in the use of the Software Products or the interpretation of results. If assistance is required at the Licensee's site and the problem is the failure of the Software Products to perform to the Specifications, no charge will be made. If the problem is determined by Red Sky to be due to other causes, Red Sky's Professional Services rates at \$185.00 per hour or \$1,160 per day plus travel costs including coach airfare, hotel and car rental and a \$40.00 per diem for meals and related expenses will be applicable and payable by Licensee. **In order to receive implementation of Red Sky products and technical support, Licensee must provide broadband access to the Red Sky servers and Red Sky applications. Red Sky agrees to abide by the security protocol of the Licensee for such broadband access. If Licensee's security protocol does not allow any remote access to Licensee's network, Red Sky, at its sole discretion, may elect to: a) reject the Licensee Purchase Order with no penalty b) provide an additional quotation to the Licensee for implementation of Red Sky products, c) provide an additional cost quotation to the Licensee to provide support during the warranty period d) provide an additional cost quotation to the Licensee for extended maintenance services.**



(b) RENEWAL; CHARGES FOR SUBSEQUENT YEARS. For each subsequent year after the Free Maintenance Period, Red Sky's obligation to provide maintenance and support services as described in Section 5(a) will continue if Licensee pays the current Red Sky maintenance and support charges or has pre-paid a multi-year maintenance contract. Within ninety (90) days prior to the expiration of Licensee's Free Maintenance Period or a subsequent annual maintenance period, Red Sky will provide notice of expiration and an invoice for the subsequent annual period of maintenance. Upon payment of the invoice, Licensee's maintenance and support services will continue unabated, unless Licensee has given Red Sky written notice canceling Red Sky's maintenance and support as defined below.

(c) CANCELLATION; REINSTATEMENT. Licensee may cancel the maintenance and support plan effective as of the next anniversary or consolidated annual renewal date for a group of locations or licenses, by written notice to Red Sky received prior to the next applicable (i) anniversary or (ii) Licensee annual renewal date. If there is an increase in annual maintenance and support charges over the preceding year Licensee may give Red Sky written notice of cancellation within thirty (30) days of receipt of Red Sky's invoice or price Quotation notice showing such increase. Licensee may reinstate maintenance at a later time by paying the maintenance fee in effect at the time of reinstatement with a minimum maintenance period of one year and a reinstatement fee equal to Red Sky's maintenance fee for the previous year.

(d) SCOPE OF COVERAGE. Red Sky's maintenance and support requires that (i) Licensee bring or maintain all licensed Software Products at a single location at the current level of dot release or major release, as the case may be, in order to receive the maintenance and support services defined in Section 5(a).

(e) LIMITATIONS ON MAINTENANCE AND SUPPORT. Licensee understands and acknowledges that Red Sky may develop and market new or different computer programs or features that use part or all of the Software Products and that perform all or part of the functions performed by the Software Products, including but not limited to releases of new software products or upgrades of the Software Products that include the such new product features and functionality. Nothing contained in the Agreement gives Licensee any rights with respect to such new products, or such new or different computer programs or features.

6. INDEMNITY. Red Sky will defend or at Red Sky's option settle any action or claim based upon a third party's claim of U.S. patent, copyright, or trade secret infringement asserted against Licensee by virtue of Licensee's use of the Software Products as delivered, or hosted, by Red Sky, provided that Red Sky is given prompt notice of the action or claim and the right to control and direct the investigation, defense and settlement thereof, and further provided that Licensee reasonably cooperates with Red Sky in connection with the foregoing. If Licensee's use of the Software Product, is enjoined due to actual or alleged infringement of any U. S. patent, trademark, copyright or trade secret, Red Sky will, at its sole option and expense, either (a) procure for Licensee the right to continue using the Software Product; (b) replace or modify the Software Product so it becomes non-infringing; or, (c) if Red Sky does not either procure the right to use or replace or modify the Software Product so that it is no longer infringing, Licensee will return the Software Product, or cease accessing the Hosted Service and Red Sky will return to Licensee the license fee for the Software Product amortized on a straight-line basis over five (5) years, or stop charging Licensee for the Hosted Service.

Notwithstanding the foregoing, Red Sky will not be liable for a claim of infringement based on Licensee's (i) use of other than the latest unmodified release of the Software Products available to Licensee, (ii) use or combination of the Software Product with non-Red Sky programs if infringement would not have occurred without the combination, and (iii) use of the Software Products after receiving notice of a claim that it infringes the rights of a third party. Notwithstanding anything contained in this Section 6 to the contrary, the maximum aggregate liability of Red Sky, its officers, agents and employees for any claims or damages arising out of the matters described in this Section 6 will be limited as described in Section 7 of this Agreement.

7. LIMITATIONS OF LIABILITY. SHOULD LICENSEE, ANY PARTY CLAIMING THROUGH LICENSEE, OR ANY PARTY CLAIMING TO HAVE IN ANY WAY RELIED UPON THE SOFTWARE PRODUCTS, PROFESSIONAL SERVICES OR THE HOSTED SERVICES SUFFER ANY LOSS, DAMAGE, COST OR EXPENSE FROM ITS USE, OPERATION OR MODIFICATION OF THE SOFTWARE PRODUCTS, PROFESSIONAL SERVICES OR THE HOSTED SERVICES, THEN THE MAXIMUM AGGREGATE AMOUNT OF LIABILITY OF RED SKY, ITS OFFICERS, EMPLOYEES AND AGENTS WILL BE LIMITED TO THE LICENSE FEES PAID RED SKY FOR THE SOFTWARE PRODUCTS, PROFESSIONAL SERVICES OR HOSTED SERVICE THAT CAUSED OR ALLEGEDLY CAUSED SUCH LOSS, DAMAGE, COST OR



EXPENSE. RED SKY WILL NOT BE LIABLE FOR ANY LOSS, DIRECT OR INDIRECT OR INCIDENTAL, INCLUDING GOOD WILL, SPECIAL AND CONSEQUENTIAL DAMAGES THAT MAY ARISE FROM THE UNAUTHORIZED USE, OPERATION, OR MODIFICATION OF THE SOFTWARE PRODUCTS, PROFESSIONAL SERVICES, OR HOSTED SERVICES BY LICENSEE. THIS AGREEMENT WILL NOT CREATE ANY THIRD PARTY BENEFICIARY RIGHTS OR BENEFITS TO PARTIES OTHER THAN LICENSEE EXCEPT AS MAY BE SPECIFICALLY STATED HEREIN.

8. NONDISCLOSURE OF SOFTWARE PRODUCTS. Licensee acknowledges that the Software Products contain proprietary information. Licensee will take reasonable steps to ensure that the Software Products will not be reproduced or disclosed to others in whole or in part, without the prior written permission of Red Sky. Such prohibition on disclosure will not apply to disclosures by Licensee to its agents, contractors or employees provided such disclosures are reasonably necessary to Licensee's authorized use of the Software Products, and provided further that Licensee will take reasonable steps to ensure that the Software Products are not disclosed by its agents, contractors and employees in contravention of this Agreement. The contents of the Software Products are highly proprietary information of Red Sky or of its licensors and Licensee agrees not to allow any machine readable or other version of the Software Products to be printed, listed, decompiled, disassembled or reverse engineered. Licensee will advise all parties with access to the Software Products or the output of the Software Products of these restrictions. Red Sky may not have an adequate remedy at law and injunctive or other equitable relief will be permitted to restrain unauthorized use, reproduction, disclosure, printing, listing, decompilation, disassembly or reverse engineering. The obligations of this Section will survive the expiration or termination of this Agreement.

9. TERMINATION.

(a) TERMINATION BY CONTRACTOR. Red Sky may terminate this Agreement without further obligation or liability (i) if Licensee is delinquent in making payments of any sum due under this Agreement and continues to be delinquent for a period of thirty (30) days after the last day on which such payment is due, (ii) Licensee commits any other breach of this Agreement and fails to remedy such breach within thirty (30) days after written notice by Red Sky of such breach; (iii) immediately, if Licensee violates Section 2 or Section 5 hereof.

(b) LIQUIDATION OF CONTRACTOR. This Agreement will automatically terminate if Red Sky is liquidated, dissolved, or ceases to carry on business on a regular basis as it pertains to the Software Products licensed by Red Sky and Red Sky's obligations under this Agreement are not assumed by a successor or assignee.

(c) DISPOSITION OF SOFTWARE PRODUCTS ON TERMINATION. Upon termination of this Agreement or cancellation of the license hereunder for any reason, the license and all other rights granted to Licensee will cease, and Licensee will immediately (i) return the Software Products and all copies of Documentation to Red Sky or alternatively, provide written certification that all copies of the Software Products and Documentation have been destroyed, (ii) purge all copies of the Software Products and any portions thereof from all computers and from any computer storage device or medium on which Licensee has placed or has permitted others to place the Software Products; and (iii) cease accessing the Hosted Services.

10. U.S. GOVERNMENT END USERS. Any Software Products licensed to the United States of America, its agencies or instrumentalities (the "**U.S. Government**") is provided with "Restricted Rights." Use, duplication, or disclosure by the U. S. Government is subject to the restrictions set forth in subparagraph (c)(1)(ii) of the Rights in Technical Data and Computer Software clause at DFARS 252.227-7013 or subparagraphs (c)(1) and (2) of the Commercial Computer Software - Restricted Rights at 48 CFR 52.227-19, as applicable. All Rights Reserved under the Copyright Laws of the United States. Manufacturer/Contractor is Red Sky Technologies, Inc., 925 W. Chicago Ave., Suite 300, Chicago, IL 60622.

11. EXPORT LAW CONTROLS; EXPORT ASSURANCE DECLARATION. Licensee will comply with all export and re-export restrictions and regulations (the "**Export Requirements**") imposed by the governments of the United States or the country to which the Software Product is shipped to Licensee, or from which Licensee accesses the Hosted Services. Licensee will not commit any act or omission that will result in a breach of any Export Requirements. Licensee will comply in all respects with any governmental laws, orders or other restrictions on the export of Licensed copies of Red Sky or its licensor's Software Product(s) (including



any related information and documentation) that may be imposed from time to time by the government of the United States or the country to which the Red Sky or its licensor's Software Product(s) is shipped by Red Sky, or from which Licensee accesses the Hosted Services. This Section 8 will survive the expiration or termination of the license or this Agreement.

12. PROFESSIONAL SERVICES. For the purpose of this Agreement, "**Professional Services**" will be defined as those services that are provided by Red Sky personnel in support of the implementation of the Software Products. If ordered by Licensee on its Purchase Order, or a separate statement of work signed by the parties, the following terms and conditions will apply to Professional Services supplied by Red Sky to Licensee.

(a) TERM OF PROFESSIONAL SERVICES. The "Term of Professional Services" will begin and terminate on the dates stated in Licensee's Purchase Order, the Quotation or the statement of work that has been accepted by an official of Red Sky unless earlier terminated pursuant to paragraph 12(d) below.

(b) SCOPE OF PROFESSIONAL SERVICES. Red Sky will perform the Professional Services defined in Licensee's Purchase Order or the accepted Quotation. The parties acknowledge that the scope of services provided hereunder consist solely of delivery of (i) Red Sky software installation, deployment assistance and/or informal training in the Software; (ii) additional Red Sky copyrighted interface software or code; and (iii) location audit service, network audit services or operations process data. The Software and the tangible output of the services provided to Licensee by Red Sky will not constitute works for hire. Licensee will properly follow and implement Software installation recommendations of Red Sky, its officers, agents and employees. No claims for loss, damage or injury may be brought against Red Sky by Licensee or any third party unless all such recommendations have been followed. Licensee will indemnify and hold Red Sky, its officers, employees, and agents harmless from any and all claims, suits, losses, costs and expenses, including but not limited to, court costs and reasonable attorneys fees if all such recommendations have not been followed.

(c) FEES AND EXPENSES. Professional Services are provided on a fixed-fee basis. The fees for Professional Services are defined in a Quotation or, where no Quotation is provided, fees will be as stated in Red Sky's current, price list applicable for such Services. If Licensee is purchasing Professional Services directly from Red Sky, Red Sky will invoice Licensee for the Professional Services and payment terms and conditions will be governed by Red Sky Quotation to Licensee.

If Licensee is acquiring Software Products through an authorized reseller of Red Sky products, the reseller will invoice Licensee for the Professional Services and payment terms and conditions will be governed by the authorized reseller's Quotation to Licensee.

(d) TERMINATION OR DELAY OF PROFESSIONAL SERVICES. The Professional Services may be terminated by either party at any time for any reason, with or without cause, by giving ten (10) days prior written notice to the other party. If Licensee delays the start of the contracted Professional Services, delays the continuation of the Professional Services by Red Sky or terminates Professional Services before the end of the engagement for the Professional Services described in the accepted Quotation, Licensee's Purchase Order or a statement of work, Licensee will pay Red Sky for Professional Services completed prior to the effective termination date and reasonable and actual subcontractor costs incurred by Red Sky as a result of such delay or termination.

(e) CONSENT TO SUBCONTRACT. Licensee hereby consents for Red Sky to subcontract services to persons or companies qualified and certified by Red Sky to provide services on Red Sky's behalf.

(f) ACCEPTANCE. The Professional Services will be deemed accepted when either (i) the Professional Services have been delivered, installed, and met the satisfaction of Licensee as demonstrated by Licensee notifying Red Sky in writing of acceptance; or (ii) a period of thirty (30) days has elapsed from rendering the Professional Services to Licensee and Licensee, for whatever reason, has chosen to delay acceptance of the Professional Services or fails to run the acceptance tests described in the Purchase Order or other document detailing the Professional Services.

13. PAYMENTS. In addition to all specified charges in the Product Riders, Licensee will pay or reimburse Red Sky for all federal, state, local or other taxes (exclusive of income, business privilege, or similar taxes)



including but not limited to sales, use, lease or similar assessments based on charges payable, on the user of the Software Product, the Professional Services performed hereunder or the Hosted Services. Red Sky will invoice Licensee for all such applicable taxes unless, in advance of delivery of the Software Products, Licensee provides Red Sky a valid exemption certification from the applicable taxing authority.

14. GENERAL.

(a) FORCE MAJEURE. Except for payments of money, neither party will be liable for any losses arising out of the delay or interruption of its performance of obligations under the Agreement due to any act of God, strikes, lockouts, riots, acts of war or insurgency, acts of terrorism, acts of sabotage, epidemics, governmental regulations imposed after the fact, fire, communication line failures, power failures, inability to secure materials, earthquakes, floods, storms or other disasters, or any other cause beyond the reasonable control of the party delayed.

(b) NOTICE. All notices and demands of any kind or nature which either party to this Agreement may be required or may desire to serve upon the other in connection with this Agreement will be in writing and may be served personally or (as an alternative to personal service) by prepaid registered or certified United States mail or by private mail service (e.g., Federal Express or DHL) for next business day delivery, in either case to the addresses on page one hereof. Service of such notice or demand so made will be deemed complete on the day of actual delivery as shown by the addressee's registry or by carrier or other certification receipt or at the expiration of three (3) days after the date of mailing, whichever is earlier in time. Either party hereto may from time to time, by notice in writing served upon the other parties as aforesaid, designate a different mailing address or a different person to which following such service all further notices or demands are thereafter to be addressed.

(c) SUCCESSORS AND ASSIGNS. All terms and provisions of this Agreement will be binding upon and inure for the benefit of the parties hereto, and their successors, permitted assigns and legal representatives, except that Licensee may not assign this Agreement nor any right granted hereunder, in whole or in part without Red Sky's prior written consent. For purposes of this Agreement, assignment includes change of control by and of Licensee.

(d) GOVERNING LAW; SEVERABILITY. This Agreement will be governed by the laws of the State of Illinois, and the parties consent and submit to the jurisdiction and venue of the State and Federal Courts located in the Chicago, Illinois. If any provision of this Agreement will be held invalid, illegal or unenforceable, the validity, legality or enforceability of the other provisions hereof will not be affected thereby, and there will be deemed substituted for the provision at issue a valid, legal and enforceable provision as similar as possible to the provision at issue.

(e) CONFLICTS. If Licensee issues a Purchase Order hereunder, such Purchase Order will be considered issued for the purpose of authorization and internal use only and none of the terms and conditions will modify the terms and conditions of this Agreement or affect the obligations of Red Sky to you as set forth in this Agreement. In the event of any conflict between this Agreement and the conditions of any Quotation, the terms and conditions contained in this Agreement will control.

(f) ATTORNEY'S FEES. If any proceeding will be instituted by either party for the enforcement of any of the rights or remedies in and under this Agreement through arbitration or otherwise, the party in whose favor an award will be rendered therein will be entitled to recover from the losing party all costs reasonably incurred by said prevailing party in the action on issues on which it prevails, including, but not limited to, reasonable attorneys' fees and court costs. Such amount will include an estimate by the court as the reasonable costs and fees to be incurred by the prevailing party in collecting any monetary judgment or award or otherwise enforcing each order, judgment or decree entered in the action or proceeding.

(g) BENEFICIARY. Red Sky's licensors of Software included in the Software Products are direct and intended third-party beneficiaries of this Agreement and may enforce this Agreement directly against Licensee.

(h) ENTIRE AGREEMENT. This Agreement in conjunction with State of Michigan (SOM) Contract Number 071B1300319 constitutes the entire understanding among the parties hereto with respect to the subject matter hereof and supersedes all prior negotiations, understandings and agreements between the parties, whether written or oral. This Agreement may not be modified, amended, supplemented or otherwise changed in any



manner except by a written instrument executed by the parties. In the event of conflict between this Agreement and SOM Contract Number 071B1300319; the conditions of the SOM Contract shall supersede.

(i) **INDEPENDENT CONTRACTORS.** The relationship of the parties will be that of independent contractor. Nothing in this Agreement will be deemed to create the relationship of partners, joint ventures, employer-employee, master-servant or franchisor-franchisee between the parties hereto. No employee, agent or contractor of either party has the authority to bind the other to any representation or agreement, orally or in writing, with a third party. Each party is solely responsible for all taxes, withholdings, and other similar statutory obligations including, but not limited to Worker's Compensation Insurance.

(j) **COUNTERPARTS.** This Agreement may be executed in counterparts, each of which when executed and delivered will be deemed an original, and both, when taken together, will constitute one and the same instrument. For the purposes of this Agreement, transmitted copies (reproduced documents that are transmitted via photocopy, facsimile or process that accurately transmits the original) are considered documents equivalent to original documents.

Agreed To By:

Red Sky Technologies, Inc.

Signature: _____

Printed Name: _____

Title: _____

Date: _____

Licensee:

SOM

Signature: _____

Printed Name: _____

Title: _____

Date: _____



**Attachment 7
SOM Acceptance Form**

SOM PO Number: Insert here once PO number is known

Milestone Number: Milestone X

Completion date: (insert date here)

The above referenced engagement, contracted to Red Sky, has been successfully completed on (insert date here) with all identified tasks and deliverables listed in the Statement of Work (SOW) completed as follows:

List out Milestone and corresponding deliverables here. For example:

Milestone 1:

Completion of Project Plan, Risk, Change and Issue Management

Software confirmed received by SOM

Pursuant to the Statement of Work, Red Sky has issued an invoice for Milestone X in the amount of \$XXX – attached.

My signature, below, indicates that the agreed upon work has been properly completed in accordance with the Statement of Work (SOW), jointly signed by State of Michigan, DTMB and Red Sky, thus releasing Red Sky from any further responsibility for this engagement (outside any other existing engagements, contract coverage or warranties).

AUTHORIZED SIGNATURE
State of Michigan, DTMB

ACCEPTANCE SIGNATURE
Red Sky

Signature

Signature

Name Printed

Name Printed

Title

Title

Date

Date