

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

May 30, 2014

CHANGE NOTICE NO. 3
 to
CONTRACT NO. 071B1300375
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
HTC Global Services, Inc. 3270 West Big Beaver Road Troy, MI 48084	James Joseph	jjoseph@htcinc.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(248) 530-2528	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	William Kerr	517-335-2805	KerrB@michigan.gov
BUYER	DTMB	Mike Breen	517-241-7720	BreenM@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: Grant Electronic Monitoring System (GEMS) for MDE			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
8/22/2011	8/21/2014	5, 1 Yr. Options	8/21/2014
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS: N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>	1 year	8/21/2015
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$141,000.00		\$1,074,800.00		

Effective May 20, 2014, Michigan Department of Education and DTMB Procurement request this contract to be increased by \$141,000.00. A contract option year is utilized; the new contract end date is August 21, 2015. All other pricing, terms and conditions remain the same. Per vendor and agency agreement, DTMB Procurement approval and the approval of the State Administrative Board on May 20, 2014.

Michigan
Department
of Technology, Management & Budget



DEPARTMENT OF TECHNOLOGY, MANAGEMENT and BUDGET
IT SERVICES from HTC Global Services, Inc. (HTC)

Contract # 071B1300375

STATEMENT OF WORK

Reserved Bank of Hours for enhancements and
2nd Year Maintenance & Support

Project Title: GEMS MARS	Period of Coverage: 04/01/2014 - 08/21/2015
Requesting Department: Michigan Department of Education	Date: 03/25/2014
DTMB Project Manager: Mohammed Peeran	Phone: 517-335-1745
MDE Project Manager: Louis Burgess	Phone: 517-335-3672
DTMB Contract Administrator: TBD	Phone:

BACKGROUND:

MDE is required by USDA to conduct reviews. It is estimated that 85-90% of the features in MARS and Flex Forms are applicable to USDA needs in the setup of programs, scheduling of sub recipients, collection of information, development of the report and tracking of findings to closure. It is anticipated that the USDA requirements will be constantly changing. So enhancements will have to be made to the functionality of the MARS and Flex Forms to meet those requirements. MDE would like to exercise the Reserved bank of hours for enhancement option of the contract. The contract value is \$125,000.00. MDE may choose to use all or some of the funds during the period of the contract. Enhancement request will be on an as needed basis.

The warranty period of the system has ended. Though the software code and the system will be maintained by DTMB team, the State would like to receive only the support from HTC. This provision will help the DTMB resources to reach out to HTC and get clarification/technical advice and to trouble shoot a problem quickly. The Performance, System, Adaptive and Preventative maintenance tasks identified in the contract (Section L104 L Maintenance and Support) will no longer be needed. HTC will only be responsible for providing Support to a State hosted solution. MDE would also like to exercise the 2nd year Maintenance & Support option of the contract whose value is \$16,000.00.

PROJECT OBJECTIVE:

Reserved Bank of hours for enhancements:

During the period of the contract, whenever there is a need for a change or enhancement, the DTMB Project Manager will communicate the changes or functionality that is required to be enhanced to HTC. HTC will prepare a Change Request document with the following details.

1. Details of the change/enhancement
2. Scope of the work and deliverables
 - a. E.g. analysis, code changes, testing of changes, regression testing & changes to the user documentation etc.
 - b. Deliverables – Updated code, documentation (if changes occur in the d/b and/or the model then updated data model etc.)
3. Impact Analysis

4. Cost and Schedule

- a. Cost will include the breakdown of the resources that HTC will use along with the labor rate detailed in Table G-4 of the contract.
- b. Schedule will include the date by which the requested change or enhancement will be completed by HTC.

5. List of assumptions and risk if there are any

The Change Request submitted by HTC will have to be approved by DTMB and MDE for HTC to begin the work. DTMB and/or MDE may decide not to implement the change with or without any reason after reviewing the Change Request document. Such decisions will be communicated to HTC.

2nd year Maintenance and Support:

DTMB resources may call or send an email to the HTC Point of Contact with questions related to the system, workflow configuration, software code, solution for a problem etc.

- a. HTC's Point of Contact will route the inquiry to the appropriate HTC resource that has the experience to address the issue. The HTC resource will provide support to troubleshoot the problem if so requested by the State technical resource within 1 to 2 hours of request between the hours of 8 a.m. to 5 p.m. Eastern Time during normal business days or if after hours, within 1 to 2 hours of start of the next business day. Billing will begin only when the appropriate HTC resource begins working on the inquiry. DTMB will not be billed for the time associated with routing the inquiry to the appropriate HTC resource.

- b. The services will be provided on an as needed basis by the HTC resource(s). HTC will charge an hourly rate of \$90.00 per hour per resource and will bill monthly for the support provided. The State will commit to a minimum billing of 10 hours per month (\$900.00 month). Support provided for less than or more than one hour will be prorated at increments of 15 minutes. The commitment of 10 hours minimum billing is not per resource. If two resources worked on investigating, one spent 2 hours and the other spent 30 minutes, then the total for that incident will be 2 ½ hours (\$225.00). HTC will maintain a log of support provided and submit the support log along with the monthly invoice to the State for payments. Unused hours if any for a particular month cannot be carried forward to the next month.

A bi-weekly review conference call to review progress / status may be held if required based on mutual agreement between MDE / DTMB and HTC.

The support (activity) log that will be provided by HTC will include the following:

1. **Support ID:** A number that will identify each support call/email.
2. **Date & Time:** Identifies the date and time of the technical assistance call / request.
3. **Initiated By:** Identifies the MDE / DTMB personnel initiating the call / request.
4. **Mode:** Identifies the mode of communication – Telephone, Email, etc.
5. **Activity Description:** Identifies the details of the Technical Assistance call / request.
6. **HTC Personnel:** Identifies the HTC personnel designated to the Technical Assistance call / request
7. **Resolution:** Identifies the details of the response / resolution provide by HTC personnel.
8. **Hours:** Identifies the time spent to provide the Technical Assistance for the call / request

9. Status: Identifies the status of the Technical Assistance call / request.

10. Comments: To put in any comments

Additional fields may added or the existing fields mentioned above may be removed based on mutual agreement between HTC and the DTMB Project Manager.

- c. If the HTC resource is unable to provide a solution or resolve the issue during the phone call or after receiving the email and determines he/she would need to spend more time to investigate or may need additional HTC resources to work on investigating the problem, the HTC resource will communicate the same to the DTMB resource that called/emailed and obtain permission to carry on with the investigation/work. Communication must include an estimate of number of hours that will be required to investigate/work.
- d. If the \$16,000 allocated towards the support gets exhausted prior to the end of the contract period and if there are still months remaining on the contract, the minimum billing of 10 hours per month will no longer be applicable. The last payment will be prorated based on the balance available.
- e. Support request can be cancelled by DTMB after it was initiated. For such requests, HTC must stop proceeding with the work and must bill only for the hours that its resources have already spent.

PROJECT CONTROL AND REPORTS:

The terms and conditions of the contract will be followed.

PROJECT CONTACTS:

The designated DTMB Manager is:

Mohamed Peeran
Project Manager, DTMB Agency Services - MDE
Hannah Building
608 W. Allegan, Lansing, MI 48909
517-335-1745
peeramm@michigan.gov

The MDE Executive Sponsor:

Louis Burgess
Assistant Director,
Hannah Building
608 W. Allegan, Lansing, MI 48909
517-335-3672
burgessl@michigan.gov

AGENCY RESPONSIBILITIES/ASSUMPTIONS:

The terms and conditions of the contract will be followed.

CANCELLATION OF SUPPORT SERVICES

DTMB/MDE may decide to cancel the support services with or without reason by providing 30 days' notice to HTC.

HTC RESPONSIBILITIES/ASSUMPTIONS:

The terms and conditions of the contract will be followed.

LOCATION WHERE THE WORK IS TO BE PERFORMED:

The terms and conditions of the contract will be followed.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

The terms and conditions of the contract will be followed.

PAYMENT SCHEDULE:

Payment for work done under "2nd Year Maintenance and Support" will be based on the monthly invoice detailing the hours spent or the minimum number of hours committed. Payment for work done under "Reserved Bank of hours for enhancements will be made on a fixed-price deliverables-based basis. MDE will pay HTC upon receipt of properly completed invoices which will be submitted to the Project Manager upon designated deliverable acceptance. All invoices will reflect work completed by payment date, and will be approved by the DTMB Project Manager prior to payment. The invoices will document the work performed, deliverables being invoiced, and payment amount. Payment will be considered timely if made by MDE within forty-five days after receipt of properly completed invoices.

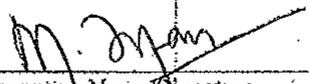
EXPENSES:

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

APPROVALS

This work will be performed under the terms and conditions set forth in contract # 071B1300375. By signing below, both HTC and the State agree to the information contained within this agreement.

Mohamed Peeran

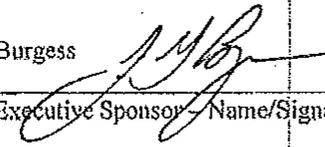


DTMB Project Manager - Name/Signature

4/10/14

Date

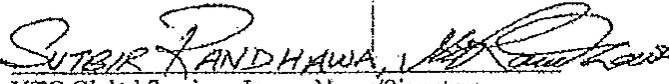
Louis Burgess



MDE Executive Sponsor - Name/Signature

4/15/14

Date



HTC Global Services, Inc. - Name/Signature

4-9-2014

Date

There are 3 Updates appearing in the Federal Register for *7 CFR 210*. Select the tab below to view, or [View eCFR \(GPOAccess\)](#)

- [CFR](#)
- [Updates](#)
- [Authorities \(U.S. Code\)](#)
- [Rulemaking](#)

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§ 210.18

Administrative reviews.

(a) **Implementation dates.** For the school year beginning July 1, 1992, each State agency shall conduct administrative reviews as prescribed under this section. However, FNS will approve a State agency's written request if FNS determines that the State agency has demonstrated good cause to delay implementation of the provisions specified under this section to January 1, 1993. At State agency discretion, State agencies may begin implementation of the provisions of this section on August 16, 1991. FNS review responsibilities are specified under § [210.29](#) of this part.

(b) **Definitions.** The following definitions are provided in order to clarify State agency administrative review requirements:

(1) *Administrative reviews* means the initial comprehensive on-site evaluation of all school food authorities participating in the Program in accordance with the provisions of this section. The term "administrative review" is used to reflect a review of both critical and general areas in accordance with paragraphs (g) and (h) of this section, and includes other areas of Program operations determined by the State agency to be important to Program performance.

(2) *Critical areas* means the following two performance standards described in detail in paragraph (g) of this section which serve as measures of compliance with Program regulations:

(i) Performance Standard 1—Certification/Counting/Claiming—All free, reduced price and paid lunches claimed for reimbursement are served only to children eligible for free, reduced price and paid lunches, respectively; and counted, recorded, consolidated and reported through a system which consistently yields correct claims.

(ii) **Performance Standard 2—Meal Elements.** Lunches claimed for reimbursement within the school food authority contain meal elements (food items/components, menu items or other items, as applicable) as required under § 210.10.

(3) *Documented corrective action* means written notification required of the school food authority to certify that the corrective action required for each violation has been completed and to notify the State agency of the dates of completion. Documented corrective action may be provided at the time of the review or may be submitted to the State agency within specified timeframes.

(4) *Follow-up reviews* means any visit(s) to the school food authority subsequent to the administrative review to ensure corrective actions are taken.

(5) *General areas* means the areas of review specified in paragraph (h) of this section.

(6) *Large school food authority* means, in any State:

(i) All school food authorities that participate in the Program and have enrollments of 40,000 children or more each; or

(ii) If there are less than two school food authorities with enrollments of 40,000 or more, the two largest school food authorities that participate in the Program and have enrollments of 2,000 children or more each.

(7) *Participation factor* means the percentages of children approved by the school for free lunches, reduced price lunches, and paid lunches, respectively, who are participating in the Program. The free participation factor is derived by dividing the number of free lunches claimed for any given period by the product of the number of children approved for free lunches for the same period times the operating days in that period. A similar computation is used to determine the reduced price and paid participation factors. The number of children approved for paid lunches is derived by subtracting the number of children approved for free and reduced price lunches for any given period from the total number of children enrolled in the reviewed school for the same period of time, if available. If such enrollment figures are not available, the most recent total number of children enrolled shall be used. If school food authority participation factors are unavailable or unreliable, State-wide data shall be employed.

(8) *Review period* means the period of time covered by the administrative review or follow-up review. The review period is specified in paragraph (f)(2) of this section.

(9) *Review threshold* means the degree of error in a critical area of review which, if exceeded during an administrative review or follow-up review of a school food authority, may trigger a follow-up review of that school food authority.

(10) *Small school food authority* means, in any State, a school food authority that participates in the Program and is not a large school food authority, as defined in this section.

(c) **Timing of reviews.** The first year of the first 5-year review cycle began on July 1, 1992, or as otherwise authorized under paragraph (a) of this section and shall end on June 30, 1994. For each State agency, the first 5-year review cycle shall end on June 30, 1998. Administrative reviews and follow-up reviews shall be conducted as follows:

(1) **Administrative reviews.** At a minimum, State agencies shall conduct administrative reviews of all school food authorities at least once during each 5-year review cycle; provided that each school food authority is reviewed at least once every 6 years. The on-site portion of the administrative review shall be completed during the school year in which the review was begun.

(2) **Expanded review cycle.** State agencies are encouraged to conduct administrative reviews of large school food authorities and of any school food authorities which may benefit from a more frequent interval than the minimum 5-year cycle required in paragraph (c)(1) of this section.

(3) **Exceptions.** FNS may, on an individual school food authority basis, approve written requests for 1-year extensions to the 6-year review interval specified in paragraph (c)(1) of this section if FNS determines this requirement conflicts with efficient State agency management of the Program.

(4) **Follow-up reviews.** The State agency is encouraged to conduct first follow-up reviews in the same school year as the administrative review; but in no event shall first follow-up reviews be conducted later than December 31 of the school year following the administrative review. Subsequent follow-up reviews shall be scheduled in accordance with paragraph (i)(5) of this section.

(d) **Scheduling school food authorities.** The State agency shall use its own criteria to schedule school food authorities for administrative reviews; provided that the requirements of paragraph (c) of this section are met. State agencies are encouraged to take into consideration the findings of the claims review process required under § 210.8(b)(2) of this part in the selection of school food authorities.

(1) **Schedule of reviews.** To ensure no unintended overlap occurs, the State agency shall inform FNS of the anticipated schedule of school food authority reviews upon request.

(2) **Reporting follow-up review activity.** At such time as the State agency determines that a follow-up review is needed, the State agency shall notify FNS

of the names of those large school food authorities exceeding any one of the critical area review thresholds specified in paragraph (i) of this section.

(3) Exceptions. In any school year in which FNS or OIG conducts a review or investigation of a school food authority in accordance with § 210.19(a)(5) of this part, the State agency shall, unless otherwise authorized by FNS, delay conduct of a scheduled administrative review until the following school year. The State agency shall document any exception authorized under this paragraph.

(e) Number of schools to review. The State agency is encouraged to review all schools meeting the school selection criteria specified in paragraph (e)(1) of this section. At a minimum, the State agency shall review the number of schools specified in paragraph (e)(1) of this section and shall select the schools to be reviewed on the basis of the school selection criteria specified in paragraph (e)(2) of this section.

(1) Minimum number of schools. Except for residential child care institutions, the State agency shall review all schools with a free average daily participation of 100 or more and a free participation factor of 100 percent or more. In no event shall the State agency review less than the minimum number of schools illustrated in table A:

Table A No. of schools in the school food authority	Minimum no. of schools to be reviewed
1 to 5	1
6 to 10	2
11 to 20	3
21 to 40	4
41 to 60	6
61 to 80	8

81 to 100	10
101 or more	1 12
<p>1 Twelve plus 5 percent of the number of schools over 100. Fractions shall be rounded to the nearest whole number.</p>	

(2) School selection criteria. (i) Selection of additional schools to meet the minimum number of schools required under paragraph (e)(1) of this section, shall be based on the following criteria:

(A) Elementary schools with a free average daily participation of 100 or more and a free participation factor of 97 percent or more;

(B) Secondary schools with a free average daily participation of 100 or more and a free participation factor of 77 percent or more; and

(C) Combination schools with a free average daily participation of 100 or more and a free participation factor of 87 percent or more. A combination school means a school with a mixture of elementary and secondary grades.

(ii) When the number of schools selected on the basis of the criteria established in paragraph (A) through paragraph (C) of this paragraph are not sufficient to meet the minimum number of schools required under paragraph (e)(1) of this section, the schools selected for review shall be selected on the basis of State agency criteria which may include low participation schools, recommendations from a food service director based on findings from the on-site visits or the claims review process required under § 210.8(a) of this part; or any school in which the daily lunch counts appear questionable, e.g., identical or very similar claiming patterns, and/or large changes in free lunch counts.

(3) Pervasive problems. If the State agency review finds pervasive problems in a school food authority, FNS may authorize the State agency to cease review activities prior to reviewing the required number of schools under paragraph (e)(1) of this section. Where FNS authorizes the State agency to cease review activity, FNS may either conduct the review activity itself or refer the school food authority to OIG.

(f) Scope of review. During the course of an administrative review, each State agency shall monitor compliance with the critical and general areas identified in paragraphs (g) and (h) of this section.

(1) Review form. State agencies shall use the administrative review form prescribed by FNS for the critical areas of review specified in paragraph (g) of this section. State agencies may use their own administrative review form for the general areas of review specified in paragraph (h) of this section.

(2) Review period. (i) The review period for administrative reviews and follow-up reviews shall cover, at a minimum, the most recent month for which a Claim for Reimbursement was submitted; provided that such Claim for Reimbursement covers at least 10 operating days.

(ii) Subject to FNS approval, the State agency may conduct a review early in the school year, prior to the submission of a Claim for Reimbursement. In such cases, the review period shall be the prior month of operation in the current school year, provided that such month includes at least 10 operating days.

(3) Audit findings. To prevent duplication of effort, the State agency may use any recent and currently applicable findings from Federally-required audit activity or from any State-imposed audit requirements. Such findings may be used only insofar as they pertain to the reviewed school(s) or the overall operation of the school food authority and they are relevant to the review period. The State agency shall document the source and the date of the audit.

(g) Critical areas of review. The performance standards listed in this paragraph are deemed critical since compliance in these areas is directly linked to the service of a reimbursable lunch.

(1) Performance Standard 1 *(All free, reduced price and paid lunches claimed for reimbursement are served only to children eligible for free, reduced price and paid lunches, respectively; and are counted, recorded, consolidated and reported through a system which consistently yields correct claims.)* The State agency shall determine that the free and reduced price eligibility determinations are correct. In addition, the State agency shall determine that for each day of operation for the review period, the number of free, reduced price and paid lunches claimed for each reviewed school is not more than the number of lunches served to children eligible for free, reduced price and paid lunches, respectively, in those schools for the review period. The State agency shall also determine that a lunch counting system is being used which accurately counts, records, consolidates and reports the reimbursable lunches served, by type.

(i) For each school reviewed, the State agency shall:

(A) Determine the number of children eligible for free, reduced price and paid lunches, by type, for the review period. To make this determination:

(1) The State agency shall:

(i) Review all approved free and reduced price applications for children in the reviewed schools back to the beginning of the school year to determine whether each child's application is complete and correctly approved in accordance with all applicable provisions of 7 CFR part 245; or

(ii) Review all approved free and reduced price applications effective for the review period for children in the reviewed schools; or

(iii) Review all approved free and reduced price applications effective on the day(s) the review is conducted for children in the reviewed schools.

(2) In lieu of reviewing all of the free and reduced price applications as required under paragraph (g)(1)(i)(A)(i) of this section, the State agency may review a statistically valid sample of those applications. If the State agency chooses to review a statistically valid sample of applications, the State agency shall ensure that the sample size is large enough so that there is a 95 percent chance that the actual error rate for all applications is not less than 2 percentage points less than the error rate found in the sample (i.e., the lower bound of the one-sided 95 percent confidence interval is no more than 2 percentage points less than the point estimate). In addition, the State agency shall determine the need for follow-up reviews and base fiscal action upon the error rate found in the sample.

(3) Evaluate if the previous year's eligibility determinations were used as required in § 245.6(c)(2) of this chapter.

(4) In the case where children are determined eligible for free lunches through direct certification, as specified in § 245.6 of this chapter, establish that the documentation for direct certification of children is official and from the appropriate State or local agency or another appropriate individual, as approved by FNS; establish that all information required under § 245.6 of this chapter is complete and the children were enrolled in the school under review during the review period.

(B) Evaluate the system for issuing benefits and updating eligibility status by validating the mechanism(s) the reviewed school uses to provide benefits to eligible children, e.g., master list. The State agency shall determine whether the system for issuing benefits and updating children's eligibility status is adequate and, within the timeframes established in § 210.7(c)(1)(ii)(B), reflects changes due to verification findings, transfers, or a household's decision to decline benefits.

(C) Determine whether the lunch counting system yields correct claims. At a minimum, the State agency shall determine whether:

(1) The daily lunch counts, by type, for the review period are more than the product of the number of children determined by the school/school food authority to be eligible for free, reduced price, and paid lunches for the review period times an attendance factor. If the lunch count, for any type, appears questionable or significantly exceeds the product of the number of eligibles, for that type, times an attendance factor, documentation showing good cause must be available for review by the State agency.

(2) Each type of food service line provides accurate point of service lunch counts, by type, and those lunch counts are correctly counted and recorded. If an alternative counting system is employed (in accordance with § 210.7(c)(2)), the State agency shall ensure that it provides accurate counts of reimbursable lunches, by type, and is correctly implemented as approved by the State agency.

(3) All lunches are correctly counted, recorded, consolidated and reported for the day they are served.

(ii) For each school food authority reviewed, the State agency shall review lunch count records to ensure that the lunch counts submitted by each reviewed school are correctly consolidated, recorded, and reported by the school food authority on the Claim for Reimbursement.

(2) Performance Standard 2 (Lunches claimed for reimbursement within the For each school reviewed, the State agency must:

(i) For the day of the review, observe the serving line(s) to determine whether all required meal elements (food items/components, menu items or other items, as applicable) as required under § 210.10 are offered.

(ii) For the day of the review, observe a significant number of the Program lunches counted at the point of service for each type of serving line, to determine whether those lunches contain the required number of meal elements (food items/components, menu items or other items, as applicable) as required under § 210.10.

(iii) Review menu records for the review period to determine whether all required meal elements (food items/components, menu items or other items, as applicable) as required under § 210.10 have been offered.

(h) General areas of review. The general areas listed in this paragraph reflect major Program requirements. The general areas of review shall include, but are not limited to, the following areas:

(1) Free and reduced price process. In the course of the review of each school food authority, the State agency shall:

(i) Review the implementation of the free and reduced price policy statement to ensure it is implemented as approved.

- (ii) Evaluate whether the required minimum number of applications are verified with respect to the selection method used.
 - (iii) Determine that applications for verification are selected in accordance with the applicable procedures in § 245.6a(c) of this chapter and that no discrimination exists in the selection process.
 - (iv) Establish that verification is completed by November 15 (or other date established in accordance with § 245.6a(b)(2)(i) or (b)(2)(ii) of this chapter) including any follow-up activities as required in § 245.6a(f)(6) of this chapter. If the administrative review occurs prior to the November 15 deadline, the State agency shall evaluate the verification activities that have occurred to date and assess whether these activities represent a good faith effort that will result in compliance with the requirements of § 245.6a of this title.
 - (v) Confirm that the verification process is complete for each application verified by or on behalf of the reviewed schools. Verification is considered complete either when a child's eligibility for the level of benefits for which he or she was approved is confirmed, changed to a higher level of benefit, or a letter of adverse action has been sent.
 - (vi) Ensure that verification records are maintained as required by § 245.6a(i) of this chapter.
 - (vii) Determine that, for each reviewed school, the lunch count system does not overtly identify children eligible for free and reduced price lunches.
 - (viii) Review a representative sample of denied applications to evaluate whether the determining official correctly denied applicants for free and reduced price lunches.
- (2) Food quantities.** For each school reviewed, the State agency must observe a significant number of Program lunches counted at the point of service for each type of serving line to determine whether those lunches appear to provide meal elements (food items/components, menu items or other items, as applicable) in the quantities required under § 210.10. If visual observation suggests that quantities are insufficient, the State agency shall require the reviewed schools to provide documentation demonstrating that the required amounts of food were available for service for each day of the review period.
- (3) Civil rights.** The State agency shall examine the school food authority's compliance with the civil rights provisions specified in § 210.23(b) of this part.
- (4) Monitoring responsibilities.** The State agency shall ensure that the school food authority conducts on-site reviews in accordance with § 210.8(a)(1) of this part and monitors claims in accordance with § 210.8(a)(2) and (a)(3) of this part.

(5) Reporting and recordkeeping. The State agency shall determine that the school food authority submits reports and maintains records as required under 7 CFR parts 210 and 245.

(6) Food safety. The State Agency must examine records to confirm that each school food authority under its jurisdiction meets the food safety requirements of § 210.13.

(i) Follow-up reviews. All school food authorities found to have a critical area violation in excess of any one of the review thresholds specified in this paragraph are subject to follow-up reviews. State agencies shall notify FNS of the names of large school food authorities exceeding critical area review thresholds in accordance with paragraph (d)(2) of this section. The State agency shall conduct a first follow-up review of any large school food authority found on an administrative review to have critical area violations in excess of any one of the review thresholds. State agencies shall also conduct a first follow-up review of at least 25 percent of the small school food authorities found on a review to have critical area violations in excess of any one of the review thresholds. State agencies shall conduct additional follow-up reviews of any school food authority which has a critical area violation exceeding a review threshold on the first follow-up or any subsequent follow-up review regardless of whether such review is conducted by FNS or the State agency.

(1) Selection of small school food authorities. In determining which small school food authorities to include in the follow-up review sample, State agencies shall select those school food authorities which have the most serious problems, including, but not limited to, systemic accountability problems, large overclaims, significant lunch pattern violations, etc.

(2) Selection of schools. (i) If the critical area violation(s) responsible for follow-up review activity are limited to school food authority level problems (e.g. centralized application processing or centralized kitchen), the State agency may limit the follow-up review to the school food authority level.

(ii) If the critical area violation(s) responsible for follow-up review activity were identified in the review of a school(s), then State agencies shall review at least the minimum number of schools required under paragraph (e)(1) of this section. State agencies shall meet the minimum number of schools requirement by selecting those schools found, on a previous review, to have significant critical area violations. If any additional schools must be selected to meet the minimum required number, the State agency shall select from those schools which meet State agency-developed criteria identified under paragraph (e)(2)(ii) of this section.

(3) Review thresholds. The review thresholds apply only to the critical areas of review and are designed to limit follow-up reviews to those school food authorities with serious problems. The provisions of paragraph (i) of this section apply when:

(i) For Performance Standard 1—

(A) A number of the reviewed schools in a school food authority, as specified in Table B, have an inadequate system for certification, issuing benefits or updating eligibility status; or for counting, recording, consolidating or reporting lunches, by type; or

(B) The school food authority has an inadequate system for consolidating lunch counts, by type, or for reporting claims; or, if applicable, for certification, issuing benefits or updating eligibility status.

(C) At the school and school food authority level, a system for certification, issuing benefits or updating eligibility status is inadequate if 10 percent or more (but not less than 100 lunches) of the free and reduced price lunches claimed for the review period (for any school reviewed) are claimed incorrectly due to errors of certification, benefit issuance or updating of eligibility status.

Table B Number of schools reviewed	Number of schools violating performance standard 1
1 to 5	1
6 to 10	2
11 to 20	3
21 to 30	4
31 to 40	5
41 to 50	6

51 to 60	7
61 to 70	8
71 to 80	9
81 to 90	10
91 to 100	11
101 or more	11*
* 11 plus the number identified above for the appropriate increment.	

(ii) For Performance Standard 2—10 percent or more of the total number of Program lunches observed in a school food authority are missing one or more of the required meal elements (food items/components, menu items or other items, as applicable) as required under § 210.10.

(4) **Scope of follow-up reviews.** On any follow-up review, the State agency is encouraged to review all of the critical and general areas of review specified in paragraph (g) and (h) of this section for those schools which were not reviewed during the administrative review. At a minimum, the State agency shall:

- (i) For each school selected for review (or for the school food authority, as applicable,) review the critical areas for which the review thresholds were exceeded by the school food authority on a previous review;
- (ii) Determine whether the school food authority has satisfactorily completed the corrective actions in accordance with paragraph (k) of this section required for both critical and general areas within the timeframes established by the State agency;
- (iii) Evaluate whether these corrective actions resolved the problem(s); and
- (iv) If the State agency did not evaluate the certification, count and milk/meal service procedures for the School Breakfast Program (7 CFR part 220) and/or the Special Milk Program for Children (7 CFR part 215) or offering meal

supplements in after hour care programs (7 CFR part 210) in those schools selected for the administrative review and participating in those Programs, the State agency shall do so for those schools selected for the first follow-up review.

(5) Critical area violations identified in a follow-up review. Critical area violations identified on a follow-up review shall be addressed as follows:

(i) If, during a follow-up review, the State agency determines, that corrective actions have not been satisfactorily completed in accordance with the documented corrective action, the State agency shall: require the school food authority to resolve the problems and to submit documented corrective action to the State agency ; take fiscal action for critical area violations as specified in paragraph (m) of this section; and withhold Program payments in accordance with paragraph (l) of this section, until such time as a follow-up review, requested by the school food authority, indicates the problem has been corrected. If the State agency determines that the corrective actions have been completed as specified in the documented corrective action, but those corrective actions do not effectively resolve the problem, the State agency shall follow the requirements for new critical area violations specified in paragraphs (i)(5)(ii) and (iii) of this section.

(ii) If new critical area violations are observed that exceed a review threshold, the State agency shall: Require the school food authority to resolve the problems and to submit documented corrective action to the State agency; take fiscal action as specified in paragraph (m) of this section; and conduct a follow-up review within 6 operating months of the first follow-up review.

(iii) If new critical area violations are observed which do not exceed review thresholds, the State agency shall: Require the school food authority to resolve the problem and to submit documented corrective action to the State agency within specified timeframes; and take fiscal action in accordance with paragraph (m) of this section. If adequate documented corrective action is not received within those timeframes, the State agency shall withhold Program payments in accordance with paragraph (l) of this section, until such time as adequate documented corrective action is received.

(6) General area violations identified in a follow-up review. General area violations identified in a follow-up review shall be addressed as follows:

(i) If, during a follow-up review, the State agency determines that corrective actions have not been taken in accordance with the documented corrective action, the State agency shall withhold Program payments in accordance with

paragraph (l) of this section, until such time as the State agency receives adequate documented corrective action.

(ii) If the State agency determines that the corrective actions taken did not effectively resolve the problem, or if new general area violations are observed on a follow-up review, the State agency shall require the school food authority to resolve the problem and to submit documented corrective action to the State agency within specified timeframes. If adequate documented corrective action is not received within those timeframes, the State agency shall withhold Program payments in accordance with paragraph (l) of this section, until such time as adequate documented corrective action is received.

(7) **Exceptions.** FNS may, on an individual school food authority basis, approve written requests for exceptions to the follow-up review requirement specified in paragraph (i)(1) of this section if FNS determines that the requirement conflicts with efficient State agency management of the program.

(j) **Exit conference and notification.** The State agency shall hold an exit conference at the close of the administrative review and of any subsequent follow-up review to discuss the violations observed, the extent of the violations and a preliminary assessment of the actions needed to correct the violations. The State agency shall discuss an appropriate deadline(s) for completion of corrective action, provided that the deadline(s) results in the completion of corrective action on a timely basis. After every review, the State agency shall provide written notification of the review findings to the school food authority's Superintendent (or equivalent in a non-public school food authority) or authorized representative. The written notification shall include the review findings, the needed corrective actions, the deadlines for completion of the corrective action, and the potential fiscal action. As a part of the denial of all or a part of a Claim for Reimbursement or withholding payment in accordance with the provisions of this section, the State agency shall provide the school food authority a written notice which details the grounds on which the denial of all or a part of the Claim for Reimbursement or withholding payment is based. This notice, which shall be sent by certified mail, return receipt requested, shall also include a statement indicating that the school food authority may appeal the denial of all or a part of a Claim for Reimbursement or withholding payment and the entity (i.e., FNS or State agency) to which the appeal should be directed. The State agency shall notify the school food authority, in writing, of the appeal procedures as specified in § 210.18(q) for appeals of State agency findings, and for appeals of FNS findings, provide a copy of § 210.29(d)(3) of the regulations.

(k) Corrective action. Corrective action is required for any violation under either the critical or general areas of the review. Corrective action shall be applied to all schools in the school food authority, as appropriate, to ensure that previously deficient practices and procedures are revised system-wide. Corrective actions may include training, technical assistance, recalculation of data to ensure the correctness of any claim that the school food authority is preparing at the time of the review, or other actions. Fiscal action shall be taken in accordance with paragraph (m) of this section.

(1) Extensions of the timeframes. If extraordinary circumstances arise where a school food authority is unable to complete the required corrective action within the timeframes specified by the State agency, the State agency may extend the timeframes upon written request of the school food authority.

(2) Documented corrective action. Documented corrective action is required for any degree of violation of general or critical areas identified in an administrative review or on any follow-up review. Documented corrective action may be provided at the time of the review; however, it shall be postmarked or submitted to the State agency no later than 30 days from the deadline for completion of each required corrective action, as specified under paragraph (j) of this section or as otherwise extended by the State agency under paragraph (k)(1) of this section. The State agency shall maintain any documented corrective action on file for review by FNS.

(l) Withholding payment. At a minimum, the State agency shall withhold Program payments to a school food authority as follows:

(1) Cause. (i) The State agency shall withhold all Program payments to a school food authority if documented corrective action for critical area violation(s) which exceed the review threshold(s) is not provided within the deadlines specified in paragraph (k)(2) of this section; and/or

(ii) The State agency shall withhold all Program payments to a school food authority if, in the event that a follow-up review is not conducted, the State agency finds that corrective action for a critical area violation which exceeded the review threshold was not completed within the deadlines specified in paragraph (j) of this section or as otherwise extended by the State agency under paragraph (k)(1) of this section; and/or

(iii) The State agency shall withhold all Program payments to a school food authority if, on a follow-up review, the State agency finds a critical area violation which exceeded the review threshold on a previous review and continues to exceed the review threshold on a follow-up review.

(iv) The State agency may withhold payments at its discretion, if the State agency finds that documented corrective action is not provided within the deadlines specified in paragraph (k)(2) of this section, that corrective action is not complete or that corrective action was not taken as specified in the documented corrective action for a general area violation or for a critical area violation which did not exceed the review threshold.

(2) Duration. In all cases, Program payments shall be withheld until such time as corrective action is completed, and documented corrective action is received and deemed acceptable by the State agency or as otherwise specified in paragraph (i)(5) of this section. Subsequent to the State agency's acceptance of the corrective actions (and a follow-up review, when required), payments will be released for all lunches served in accordance with the provisions of this part during the period the payments were withheld. In very serious cases, the State agency will evaluate whether the degree of non-compliance warrants termination in accordance with § 210.25 of this part.

(3) Exceptions. The State agency may, at its discretion, reduce the amount required to be withheld from a school food authority pursuant to paragraph (l)(1)(i) through (iii) of this section by as much as 60 percent of the total Program payments when it is determined to be in the best interest of the Program. FNS may authorize a State agency to limit withholding of funds to an amount less than 40 percent of the total Program payments, if FNS determines such action to be in the best interest of the Program.

(4) Failure to withhold payments. FNS may suspend or withhold Program payments, in whole or in part, to those State agencies failing to withhold Program payments in accordance with paragraph (l)(1) of this section and may withhold administrative funds in accordance with § 235.11(b) of this title. The withholding of Program payments will remain in effect until such time as the State agency documents compliance with paragraph (l)(1) of this section to FNS. Subsequent to the documentation of compliance, any withheld administrative funds will be released and payment will be released for any lunches served in accordance with the provisions of this part during the period the payments were withheld.

(m) Fiscal action. For purposes of the critical areas of the administrative review and any follow-up reviews, fiscal action is required for all violations of Performance Standards 1 and 2. Except that, on an administrative review, the State agency may limit fiscal action from the point corrective action occurs back through the beginning of the review period for errors identified under paragraphs (g)(1)(i)(A) and (g)(1)(i)(B) of this section, provided corrective action

occurs. Fiscal action shall be taken in accordance with the provisions identified under § 210.19(c) of this part.

(n) Miscellaneous reporting requirement. Each State agency shall report to FNS the results of reviews by March 1 of each school year, on a form designated by FNS. In such annual reports, the State agency shall include the results of all administrative reviews and follow-up reviews conducted in the preceding school year.

(o) Summary of reporting requirements. Each State agency shall report to FNS:

(1) The names of those large school food authorities exceeding any one of the critical area review thresholds as described in paragraph (d)(2) of this section.

(2) The results of reviews by March 1 of each school year on a form designated by FNS, as specified under paragraph (n) of this section.

(p) Recordkeeping. Each State agency shall keep records which document the details of all reviews and demonstrate the degree of compliance with the critical and general areas of review. Records shall be retained by the State agency as specified in § 210.23(c) of this part. Such records shall include documentation of administrative reviews and follow-up reviews. As appropriate, the records shall include documented corrective action, and documentation of withholding of payments and fiscal action, including recoveries made. Additionally, the State agency must have on file:

(1) Criteria for selecting schools on first and follow-up reviews in accordance with paragraphs (e)(2)(ii) and (i)(2)(ii) of this section.

(2) Its system for selecting small school food authorities for follow-up reviews in accordance with paragraph (i)(1) of this section.

(3) Documentation demonstrating compliance with the statistical sampling requirements in accordance with paragraph (g)(1)(i)(A)(1) of this section, if applicable.

(q) School food authority appeal of State agency findings. Except for FNS-conducted reviews authorized under § 210.29(d)(2), each State agency shall establish an appeal procedure to be followed by a school food authority requesting a review of a denial of all or a part of the Claim for Reimbursement or withholding payment arising from administrative or follow-up review activity conducted by the State agency under § 210.18 of this part. State agencies may use their own appeal procedures provided the same procedures are applied to all appellants in the State and the procedures meet the following requirements: appellants are assured of a fair and impartial hearing before an independent official at which they may be represented by legal counsel; decisions are rendered in a timely manner not to exceed 120 days from the date of the receipt

of the request for review; appellants are afforded the right to either a review of the record with the right to file written information, or a hearing which they may attend in person; and adequate notice is given of the time, date, place and procedures of the hearing. If the State agency has not established its own appeal procedures or the procedures do not meet the above listed criteria, the State agency shall observe the following procedures at a minimum:

(1) The written request for a review shall be postmarked within 15 calendar days of the date the appellant received the notice of the denial of all or a part of the Claim for Reimbursement or withholding of payment, and the State agency shall acknowledge the receipt of the request for appeal within 10 calendar days;

(2) The appellant may refute the action specified in the notice in person and by written documentation to the review official. In order to be considered, written documentation must be filed with the review official not later than 30 calendar days after the appellant received the notice. The appellant may retain legal counsel, or may be represented by another person. A hearing shall be held by the review official in addition to, or in lieu of, a review of written information submitted by the appellant only if the appellant so specifies in the letter of request for review. Failure of the appellant school food authority's representative to appear at a scheduled hearing shall constitute the appellant school food authority's waiver of the right to a personal appearance before the review official, unless the review official agrees to reschedule the hearing. A representative of the State agency shall be allowed to attend the hearing to respond to the appellant's testimony and to answer questions posed by the review official;

(3) If the appellant has requested a hearing, the appellant and the State agency shall be provided with at least 10 calendar days advance written notice, sent by certified mail, return receipt requested, of the time, date and place of the hearing;

(4) Any information on which the State agency's action was based shall be available to the appellant for inspection from the date of receipt of the request for review;

(5) The review official shall be an independent and impartial official other than, and not accountable to, any person authorized to make decisions that are subject to appeal under the provisions of this section;

(6) The review official shall make a determination based on information provided by the State agency and the appellant, and on Program regulations;

(7) Within 60 calendar days of the State agency's receipt of the request for review, by written notice, sent by certified mail, return receipt requested, the

review official shall inform the State agency and the appellant of the determination of the review official. The final determination shall take effect upon receipt of the written notice of the final decision by the school food authority;

(8) The State agency's action shall remain in effect during the appeal process;

(9) The determination by the State review official is the final administrative determination to be afforded to the appellant.

(r) **FNS review activity.** The term "State agency" and all the provisions specified in paragraphs (a)–(h) of this section refer to FNS when FNS conducts administrative reviews or follow-up reviews in accordance with § 210.29(d)(2). FNS will notify the State agency of the review findings and the need for corrective action and fiscal action. The State agency shall pursue any needed follow-up activity.

[56 FR 32942, July 17, 1991; 56 FR 55527, Oct. 28, 1991, as amended at 57 FR 38584, Aug. 26, 1992; 57 FR 40729, Sept. 4, 1992; 59 FR 1894, Jan. 13, 1994; 60 FR 31215, June 13, 1995; 60 FR 57147, Nov. 14, 1995; 64 FR 50740, 50741, Sept. 20, 1999; 64 FR 72471, Dec. 28, 1999; 65 FR 26922, May 9, 2000; 73 FR 76858, Dec. 18, 2008; 74 FR 66216, Dec. 15, 2009; 76 FR 22797, Apr. 25, 2011]

Title 7 published on 2012-01-01

The following are only the Rules published in the Federal Register **after** the published date of Title 7.

For a complete list of all Rules, Proposed Rules, and Notices view the Rulemaking tab.

- 2012-04-27; vol. 77 # 82 – Friday, April 27, 2012
 - 77 FR 25024 – Certification of Compliance With Meal Requirements for the National School Lunch Program Under the Healthy, Hunger-Free Kids Act of 2010
GPO FDSys [XML](#) | [Text](#)
[Additional Documents](#)

type	regulations.gov
type	regulations.gov
FR Doc.	<u>2012-10229</u>
RIN	<u>0584-AE15</u>

DEPARTMENT OF AGRICULTURE, Food and Nutrition Service

Interim final rule.

Effective date: This interim rule is effective July 1, 2012. Comment dates:

Comments on rule provisions: Mailed comments on the provisions in this rule must be postmarked on or before July 26, 2012; emailed or faxed comments must be submitted by 11:59 p.m. on July 26, 2012; and hand-delivered comments must be received by 5 p.m. July 26, 2012 to be assured of consideration. Comments on Paperwork Reduction Act requirements: Comment on the information collection requirements associated with this rule must be received by June 26, 2012.

7 CFR Part 210

Summary

This interim rule amends National School Lunch Program regulations to conform to requirements contained in the Healthy, Hunger-Free Kids Act of 2010 regarding performance-based cash assistance for school food authorities certified compliant with meal pattern and nutrition standards. This rule requires State agencies to certify participating school food authorities (SFAs) that are in compliance with meal pattern and nutrition standard requirements as eligible to receive performance-based cash assistance for each reimbursable lunch served (an additional six cents per lunch available beginning October 1, 2012 and adjusted annually thereafter). This rule also requires State agencies to disburse performance-based cash assistance to certified SFAs, and withhold the performance-based cash assistance if the SFA is determined to be out of compliance with meal pattern or nutrition standards during a subsequent administrative review. The intended effect of this rule is to provide additional funding for SFAs to implement new meal pattern requirements, thus increasing the healthfulness of meals served to school children.

2012-04-02; vol. 77 # 63 - Monday, April 2, 2012

- 77 FR 19525 - National School Lunch Program: School Food Service Account Revenue Amendments Related to the Healthy, Hunger-Free Kids Act of 2010; Approval of Information Collection Request
[GPO FDSys XML](#) | [Text](#)
[Additional Documents](#)

type regulations.gov
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FR Doc. 2012-7762
RIN 0584-AE11
FNS-2011-0021

DEPARTMENT OF AGRICULTURE, Food and Nutrition Service
Interim final rule; approval of information collection request.

The ICR associated with the interim rule published in the Federal Register on June 17, 2011, at 76 FR 35301, was approved by OMB on February 6, 2012, under OMB Control Number 0584-0565.

7 CFR Part 210

Summary

The Food and Nutrition Service published an interim final rule entitled "National School Lunch Program: School Food Service Account Revenue Amendments Related to the Healthy, Hunger-Free Kids Act of 2010" on June 17, 2011. The Office of Management and Budget (OMB) cleared the associated information collection requirements (ICR) on February 6, 2012. This document announces approval of the ICR.

2012-01-26; vol. 77 # 17 - Thursday, January 26, 2012

- 77 FR 4088 - Nutrition Standards in the National School Lunch and School Breakfast Programs

GPO FDSys [XML](#) | [Text](#)

Additional Documents

type regulations.gov
type regulations.gov
FR Doc. 2012-1010
RIN 0584-AD59
FNS-2007-0038

DEPARTMENT OF AGRICULTURE, Food and Nutrition Service
Final rule.

Effective date: This rule is effective March 26, 2012. Compliance date:
Compliance with the provisions of this rule must begin July 1, 2012, except as otherwise noted on the implementation table provided in the preamble under
SUPPLEMENTARY INFORMATION .

7 CFR Parts 210 and 220

Summary

This final rule updates the meal patterns and nutrition standards for the National School Lunch and School Breakfast Programs to align them with the Dietary Guidelines for Americans. This rule requires most schools to increase the availability of fruits, vegetables, whole grains, and fat-free and low-fat fluid milk in school meals; reduce the levels of sodium, saturated fat and trans fat in meals; and meet the nutrition needs of school children within their calorie requirements. These improvements to the school meal programs, largely based on recommendations made by the Institute of Medicine of the National Academies, are expected to enhance the diet and health of school children, and help mitigate the childhood obesity trend.

This is a list of United States Code sections, Statutes at Large, Public Laws, and Presidential Documents, which provide rulemaking authority for this CFR Part.

This list is taken from the Parallel Table of Authorities and Rules provided by GPO [Government Printing Office].

It is not guaranteed to be accurate or up-to-date, though we do refresh the database weekly. More limitations on accuracy are described at the GPO site.

United States Code

USC : Title 42 – THE PUBLIC HEALTH AND WELFARE

§ 1751 – Congressional declaration of policy

§ 1752 – Authorization of appropriations; “Secretary” defined

§ 1753 – Apportionments to States

§ 1754 – Nutrition promotion

§ 1755a – Whole grain products

§ 1755 – Direct expenditures for agricultural commodities and other foods

§ 1756 – Payments to States

[§ 1757](#) – State disbursement to schools

[§ 1758a](#) – State performance on enrolling children receiving program benefits for free school meals

[§ 1758](#) – Program requirements

[§ 1758b](#) – Local school wellness policy

[§ 1759](#) – Direct disbursement to schools by Secretary

[§ 1759a](#) – Special assistance funds

[§ 1760](#) – Miscellaneous provisions

[§ 1779](#) – Regulations

The following are ALL rules, proposed rules, and notices (chronologically) published in the Federal Register relating to *7 CFR 210*

- [2012-09-13; vol. 77 # 178 – Thursday, September 13, 2012](#)
 - [77 FR 56565 – Independent Review of Applications Required by the Healthy, Hunger-Free Kids Act of 2010](#)

GPO FDSys [XML](#) | [Text](#)

[Additional Documents](#)

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FR Doc. [2012-22261](#)

RIN [0584-AE17](#)

DEPARTMENT OF AGRICULTURE, Food and Nutrition Service

Proposed rule.

To be assured of consideration, written comments must be postmarked on or before November 13, 2012.

7 CFR Parts 210 and 245

[Summary](#)

In accordance with Section 304 of the Healthy, Hunger-Free Kids Act of 2012, this proposed rule would require local education agencies participating in the

Department's National School Lunch Program and demonstrating high levels of, or a high risk for administrative error associated with certification, verification, and other administrative processes to conduct an independent review of the initial eligibility determinations for free and reduced price school meals for accuracy prior to notifying households of eligibility or ineligibility. Additionally, this proposed rule would require each affected local educational agency to submit to the relevant State agency the results of the reviews including the number of applications subject to a second review, the number and percentage of reviewed applications for which the eligibility determinations changed, and a summary of the type of changes made. State agencies would be required to submit to the Food and Nutrition Service, a report describing the results of the second reviews in their State. This proposed rule is expected to reduce administrative errors in eligibility determinations for free and reduced price school meals.

2012-04-27; vol. 77 # 82 – Friday, April 27, 2012

- 77 FR 25024 – Certification of Compliance With Meal Requirements for the National School Lunch Program Under the Healthy, Hunger-Free Kids Act of 2010

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[Additional Documents](#)

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FR Doc. 2012-10229

RIN 0584-AE15

FNS-2011-0025

DEPARTMENT OF AGRICULTURE, Food and Nutrition Service

Interim final rule.

Effective date: This interim rule is effective July 1, 2012. Comment dates:

Comments on rule provisions: Mailed comments on the provisions in this rule must be postmarked on or before July 26, 2012; emailed or faxed comments

must be submitted by 11:59 p.m. on July 26, 2012; and hand-delivered comments must be received by 5 p.m. July 26, 2012 to be assured of

consideration. Comments on Paperwork Reduction Act requirements: Comments on the information collection requirements associated with this rule must be received by June 26, 2012.

7 CFR Part 210

Summary

This interim rule amends National School Lunch Program regulations to conform to requirements contained in the Healthy, Hunger-Free Kids Act of 2010 regarding performance-based cash assistance for school food authorities certified compliant with meal pattern and nutrition standards. This rule requires State agencies to certify participating school food authorities (SFAs) that are in compliance with meal pattern and nutrition standard requirements as eligible to receive performance-based cash assistance for each reimbursable lunch served (an additional six cents per lunch available beginning October 1, 2012 and adjusted annually thereafter). This rule also requires State agencies to disburse performance-based cash assistance to certified SFAs, and withhold the performance-based cash assistance if the SFA is determined to be out of compliance with meal pattern or nutrition standards during a subsequent administrative review. The intended effect of this rule is to provide additional funding for SFAs to implement new meal pattern requirements, thus increasing the healthfulness of meals served to school children.

2012-04-02; vol. 77 # 63 - Monday, April 2, 2012

- 77 FR 19525 - National School Lunch Program: School Food Service Account Revenue Amendments Related to the Healthy, Hunger-Free Kids Act of 2010; Approval of Information Collection Request

GPO FDSys [XML](#) | [Text](#)

[Additional Documents](#)

type	regulations.gov
type	regulations.gov
FR Doc.	2012-7762
RIN	0584-AE11
	FNS-2011-0021

DEPARTMENT OF AGRICULTURE, Food and Nutrition Service
Interim final rule; approval of information collection request.

The ICR associated with the interim rule published in the Federal Register on June 17, 2011, at 76 FR 35301, was approved by OMB on February 6, 2012, under OMB Control Number 0584-0565.

7 CFR Part 210

Summary

The Food and Nutrition Service published an interim final rule entitled "National School Lunch Program: School Food Service Account Revenue Amendments Related to the Healthy, Hunger-Free Kids Act of 2010" on June 17, 2011. The Office of Management and Budget (OMB) cleared the associated information collection requirements (ICR) on February 6, 2012. This document announces approval of the ICR.

2012-01-26; vol. 77 # 17 - Thursday, January 26, 2012

- 77 FR 4088 - Nutrition Standards in the National School Lunch and School Breakfast Programs

GPO FDSys [XML](#) | [Text](#)

[Additional Documents](#)

type	regulations.gov
type	regulations.gov
FR Doc.	2012-1010
RIN	0584-AD59
	FNS-2007-0038

DEPARTMENT OF AGRICULTURE, Food and Nutrition Service

Final rule.

Effective date: This rule is effective March 26, 2012. Compliance date:

Compliance with the provisions of this rule must begin July 1, 2012, except as otherwise noted on the implementation table provided in the preamble under SUPPLEMENTARY INFORMATION .

7 CFR Parts 210 and 220

Summary

This final rule updates the meal patterns and nutrition standards for the National School Lunch and School Breakfast Programs to align them with the Dietary Guidelines for Americans. This rule requires most schools to increase the availability of fruits, vegetables, whole grains, and fat-free and low-fat fluid milk in school meals; reduce the levels of sodium, saturated fat and trans fat in meals; and meet the nutrition needs of school children within their calorie requirements. These improvements to the school meal programs, largely based on recommendations made by the Institute of Medicine of the National Academies, are expected to enhance the diet and health of school children, and help mitigate the childhood obesity trend.

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

September 6, 2013

CHANGE NOTICE NO. 2
 to
CONTRACT NO. 071B1300375
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
HTC Global Services, Inc. 3270 West Big Beaver Rd Troy, MI 48084	James Joseph	jjoseph@htcinc.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(248) 530-2528	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	William Kerr	517-335-2805	KerrB@michigan.gov
BUYER	DTMB	Mike Breen	517-241-7720	BreenM@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: Grant Electronic Monitoring System (GEMS) for MDE			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
8/22/2011	8/21/2014	5, 1 Yr. Options	8/21/2014
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS: N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>	N/A	8/21/2014
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$90,800.00		\$933,800.00		

Effective immediately this Change Request repurposes the funding for the last 5 years of (\$150,000.00 for Maintenance and Support Years 3, 4, 5, 6 and 7 for GEMS) included in Table G-3b to be allocated to the work described in this Change Notice. The State has amended this Contract to include the services outlined in the attached Statement of Work. After repurposing funds for Maintenance and Support, the State is increasing the Contract value by \$90,800.00.

All other pricing, terms and conditions remain the same.

1. Overview

The Michigan Department of Education (MDE) administers various Federal and State grant programs funded by the Department of Education (USED) and the Department of Agriculture (USDA). MDE is required by law to monitor implementation of Federal and State programs at the local level to ensure funds and other resources are spent or used appropriately in accordance with State and Federal law and Education policy.

MDE has been using a semi automated system to monitor the various programs in the form of Excel spreadsheets and other disparate electronic media. In September of 2012, MDE awarded an amendment contract to HTC Global Services, Inc. (HTC) to automate the review and monitoring process of grant programs funded by the USDA. The basis assumption at that time was that the forms used for entering review information would be hard coded to represent the physical form. Since all the forms were not finalized, the USDA amendment was awarded to develop the CACFP, CFSP and SFSP forms.

The forms used for the entry of information in the reviews are based on federal regulations and are subject to change. Hence during the Requirement Confirmation meetings, a need was felt to support modification of the forms content (add / edit content of a form, add a new form) with minimum development effort.

In addition, MDE would also like to include an additional feature to address non-review (Events) related functionality for documentation purposes.

In view of the above, HTC is pleased to provide a Change Request to develop 'Flex Forms' – a term to denote user configured forms v/s hard-coded forms provided to HTC and support Events.

Scope of Work

This Change Request does not alter the scope of the review process as identified in the original MARS proposal. This Change Request is limited to changes for providing the following functionality:

- i. Development of a 'Flex Forms' module to support end-user configuration of most of the USDA forms including NSLP forms that was not in scope of the earlier proposal. In addition, the hard-coded forms proposed in the earlier proposal will be substituted by the Flex Forms module.
- ii. Develop a feature to support the documentation various non-review based events.

2. HTC's Proposed Solution

A. Flex Forms Designer

HTC's proposed solution is based on providing MDE a tool that will enable MDE users to create / edit most of the USDA forms. However, due to development complexity, some forms may still require hard-coding.

Listed below are the functional modules identifying functionality of the 'Flex Forms designer'.

#	Sub-Module	Description	Remarks
Flex Form Designer			
1.	Create Form	This sub-module will allow authorized MDE users to create a new form and specify controlling attributes of the form. E.g. Form Name, Form Level – Generic, Office, Program, Review Type, Effective From / To Dates, Federal Regulation Reference (if applicable), Form Notes / Remarks, Process / Procedure documentation, Form Status (Active / Inactive). In addition, this sub-module will also support setting up the individual pages for a form	A form is 'Active' once published.
2.	Add / Edit Page Content	This will be a continuation of the 'Create Form' functionality. This sub-module will support <ul style="list-style-type: none"> • Creation of form content and associated form controls (question, checkbox, data entry area (numeric, date, time, text, etc.) attachment, table, and selection from available list • Supporting business rules - Required / Optional, Read / Write, Dependency, Basic validation rules • Support referencing components (stored procedures) for displaying specific information across forms / form pages or computations 	None
3.	Form Preview	This sub-module will allow authorized MDE users to view the form generated on the browser based on the configuration. This facilitates viewing the forms before being published and making any refinements as required.	None
4.	Form Validator	This sub-module will allow authorized MDE users to validate the form(s) configuration prior to publishing a form(s). The system will validate the configuration to ensure that the configuration is complete and consistent.	

#	Sub-Module	Description	Remarks
5.	Publish Form	This sub-module allows authorized MDE users to 'Publish' a configured form(s). Prior to publishing a form(s), the system will validate the configuration to ensure completeness and consistency	Only published forms are available in the lookup for assignment / selection in the Review Type document list setup
6.	Copy Form	This sub-module allows authorized MDE users from copying an existing published form to create a new form and making required changes / edits as applicable.	None
Completed Forms			
1.	Print Forms	This functionality will allow MDE reviewers to print out one or all of the completed forms during / after the review process in Word / PDF format. This feature will be supported in the review process / screens.	Assumption: MDE has aspose.pdf for .NET
2.	Validate Data Entry	This functionality will allow MDE reviewers to validate information entered in the forms based on the configured business rules. Validation will be on-demand by the reviewers	
Download Forms for Offline Review			
1.	Download Forms	This sub-module will allow MDE reviewers to download all / selected forms in Word / Excel format on a local drive for offline electronic entry. If some forms are partially filled out, the system will download the forms with the partially entered content.	
Upload / Sync Offline Review			
1.	Upload Forms	This sub-module will allow MDE reviewers to upload previously downloaded forms (in the respective download format) that have been electronically entered offline. All forms uploaded will overwrite previously entered data for the respective form / page.	
Assumptions			
1.	The Look & Feel of the dynamically generated form may not match the paper form 100% although all the required data fields will be captured.		
2.	The system will not restrict users from filling out a form that is not applicable for a specific review. (e.g. An Unannounced Meal Observation Form is filled out for an announced visit, etc.)		
3.	The number of pages generated by the system / printed may not match the physical paper form.		
4.	Some multi-line headings in tables may be re-worded to generate single heading line		

A. Events

With a view to have a consolidated USDA activity / tasks repository, MDE would like to document some non-review related activities in MARS. The non-review related activities are termed as 'Events'. They may be several types of events – some requiring Scheduling and Compliance related actions (e.g. Training); whereas some events may be simple logging of details (In Control, Out Control, etc.)

Listed below is a high-level description of the various sub-modules under the 'Events' module.

#	Sub-Module	Description	Remarks
1.	Event Type	This sub-module is used to set up the various event types in the system together with any supporting rules (e.g. Scheduling Required, etc.)	None
2.	Event Logging	This sub-module is used to set up / log event details for the respective event type, program and sub-recipient.	None
3.	Event Reporting	This sub-module will support display and print of event information based on user defined selection criteria	None

3. Work and Deliverables

1. Introduction

The table below details the options associated with Change Notice described in this Statement of Work. Specifically the details address the following:

- Adding Event Types
- An option to add 22 NSLP Forms if the decision is to stay with “Hard Coding”
- Developing a “Flex-Form Generator” that will allow for the “configuration” of forms thus eliminating “Hard Coding”. *

* HTC expects approximately 85% of the forms can be configured using the Flex-Form Generator. This is only an estimate as the product is not yet built and we cannot therefore be specific.

Our pricing will include the hard coding of any forms that cannot be configured using the Flex-Form Generator. Further as part of our proposal, HTC will use the Flex-Form Generator to configure the initial 30 forms associated with Phase 2.2 and the newly defined 22 NSLP forms to ensure the fastest possible development.

- The pricing to incorporate Event Types is \$44,800.
- The pricing to hard code the 22 NSLP Forms is \$120,000.
- Alternatively, HTC will develop the Flex-Form Generator for \$332,000. Assuming MDE chooses this option, the initial proposal price of \$368,000 will be lowered by \$133,000 (the cost of Phase 2) to \$235,000 (\$332,000 plus \$235,000 equals \$567,000)

Therefore, the price of the Flex-Form Generator plus the revised price of the initial proposal is now \$567,000 (or \$611,800 when adding Event Types). This compares favorably with the price of \$488,000 for the initial proposal of \$368,000 and “Hard Coding” the NSLP forms at \$120,000. The additional cost of developing the complete solution using the Flex-Form Generator is only an additional \$79,000 over the cost of hard coding all the forms and offers the following advantages to MDE.

- Longer Term Functionality – MDE can put the power of the forms generation in the hands of users and thus control this cost into the future
- MDE controls the time to respond to any form changes
- MDE can accommodate any new forms in the future without reliance on an external vendor to develop them

2. Timeline

Assuming that the Change Request is verbally approved by April 19,2013, HTC can commit to the following delivery timeline:

- Addition of Event Type functionality to be delivered with Phase 2.1
- Creation of Flex Form engine to be Production ready by September 1, 2013
- NSLP forms to be Production ready by September 1, 2013

3. Compensation and Payment

Table below gives the details of the additional pricing for items in scope:

Phase 2.1 plus Hard Code Option

#	Cost Components Based on Phase and Deliverables	Current Cost (Phase 2.1 & 2.2)	Hard Code NSLP Forms	Total
A	Initiation and Planning	\$5,000	\$900	
B	Business Requirements	\$18,000	\$5,415	
C	Application Design		\$10,827	
C1	• Data Model	\$13,000		
C2	• Technical Design & Architecture Document	\$8,000		
C3	• Functional Specification	\$12,000		
D	Application Development		\$73,985	
D1	• Setup & Administration	\$20,000		
D2	• Pre-selection, Scheduling, Submission	\$30,000		
D3	• Review	\$140,000		
	• Report, Follow-up / Compliance	\$30,000		
	• Event Type			
E	Testing		\$12,632	
E1	• Test Plan	\$13,000		
E2	• Completion of UAT	\$18,000		
F	Implementation	\$18,000	\$5,414	
G	Training	\$18,000	\$2,707	
H	Documentation	\$13,000	\$4,511	
I	Knowledge Transfer / Transition	\$12,000	\$3,609	
	SUB-TOTAL	\$368,000	\$120,000	\$488,000
J1	Optional First Year of Software Maintenance and Support (Following warranty)	\$20,000		\$20,000
J2	Optional Second Year of Software Maintenance and Support	\$20,000		\$20,000
	TOTAL	\$408,000		\$528,000

Phase 2.1 plus Flex Form* Option

#	Cost Components Based on Phase and Deliverables	Revised Cost (Phase 2.1)	Flex Form	Total
A	Initiation and Planning	\$4,000		
B	Business Requirements	\$12,000	\$19,960	
C	Application Design			
C1	• Data Model	\$6,000	\$39,920	
C2	• Technical Design & Architecture Document	\$4,000	\$9,980	
C3	• Functional Specification	\$11,000	\$29,940	
D	Application Development			
D1	• Setup & Administration	\$20,000	\$176,312	
D2	• Pre-selection, Scheduling, Submission	\$30,000		
D3	• Review	\$58,000		
	• Report, Follow-up / Compliance	\$30,000		
	• Event Type			
E	Testing			
E1	• Test Plan	\$6000	\$16,632	
E2	• Completion of UAT	\$11,000	\$6,653	
F	Implementation	\$12,000		
G	Training	\$15,000	\$13,307	
H	Documentation	\$8,000	\$12,643	
I	Knowledge Transfer / Transition	\$8,000	\$6,653	
	SUB-TOTAL	\$235,000	\$332,000	\$567,000
J1	Optional First Year of Software Maintenance and Support (Following warranty)	\$20,000	\$4,000	\$24,000
J2	Optional Second Year of Software Maintenance and Support	\$20,000	\$4,000	\$24,000
	TOTAL	\$275,000	\$340,000	\$615,000

* HTC pricing will include the hard coding of any forms that cannot be configured using the Flex-Form Generator.

Event Type Option (to be added to any option)

#	Cost Components Based on Phase and Deliverables	Event Type
A	Initiation and Planning	
B	Business Requirements	\$6,400
C	Application Design	
C1	• Data Model	\$4,800
C2	• Technical Design & Architecture Document	
C3	• Functional Specification	\$4,800
D	Application Development	
D1	• Setup & Administration	
D2	• Pre-selection, Scheduling, Submission	
D3	• Review	
	• Report, Follow-up / Compliance	
	• Event Type	\$19,200
E	Testing	
E1	• Test Plan	\$4,000
E2	• Completion of UAT	\$2,400
F	Implementation	
G	Training	\$1,920
H	Documentation	\$1,280
I	Knowledge Transfer / Transition	
	SUB-TOTAL	\$44,800
J	Optional Recurring Software Maintenance and Support for Year 2 and Year 3	
	TOTAL	\$44,800

4. Pricing Assumption

- a. The pricing includes development of approximately 8 hard-coded forms.
- b. HTC will use the Flex Forms generator to configure approximately 44 forms.
- c. The following table provides a breakdown of the new cost associated with the options chosen by MDE to modify the Base 2.0, add Events and the Flex-Form generator.

5. Option Selected

Based upon the options noted above, MDE and DTMB have communicated the intent to secure:

- a. Baseline Phase 2.0 functionality (Revised Cost 2.1)
- b. Flex-forms
- c. Events
- d. The resulting pricing for MARS enhancements to GEMS are as follows:

#	Payment Deliverable Milestone	Payment Amount	Base 2.0	Events	Flex-Form	
A	Initiation and Planning	\$4,000				
A1	Base-Initiation	4,000	4,000			
A2	EV-Initiation	0		0		
A3	FF-Initiation	0			0	
B	Business Requirements	\$38,360				
B1	Base-Requirements	12,000	12,000			
B2	EV-Requirements	6,400		6,400		
B3	FF-Requirements	19,960			19,960	
C	Application Design	\$110,400				
C1	Base-Design	21,000	21,000			
C2	EV-Data Model	4,800		4,800		
C3	EV-Design	0		0		
C4	EV-Specifications	4,800		4,800		
C6	FF-Data Model	39,920			39,920	
C6	FF-Design	9,980			9,980	
C7	FF-Specifications	29,940			29,940	
D	Application Development	\$333,512				
D1	Base-Development		138,000			
D2	EV-Development	19,200		19,200		
D3	FF-Development	176,312			176,312	
E	User Acceptance Testing	\$46,685				
E1	Base-Plan	7,000	7,000			
E2	Base-Test	10,000	10,000			
E3	EV-Plan	4,000		4,000		
E4	EV-Completion of UAT	2,400		2,400		
E5	FF-Plan	16,632			16,632	
E6	FF-Completion of UAT	6,653			6,653	
F	Production Implementation	\$0				
F1	Base-IMP	12,000	12,000			
-	EV-IMP	0		0		
-	FF-IMP	0			0	
G	Training	\$30,227				
G1	Base Admin-Training	7,500	7,500			
G2	Base Rv Cycle – Training	7,500	7,500			
G3	EV-Training	1,920		1,920		
G4	FF-Training	13,307			13,307	
H	Documentation	\$21,923				
H1	Base-Documentation	8,000	8,000			
H2	EV-Documentation	1,280		1,280		
H3	FF-Documentation	12,643			12,643	
I	Knowledge Transfer / Transition	\$14,653				
	Base-KT Plan	4,000	4,000			
	Base-Entire System-KT	4,000	4,000			

Change Notice No. 2
Contract Number 071B1300375

#	Payment Deliverable Milestone	Payment Amount	Base 2.0	Events	Flex-Form	
	FF-KT	6,653			6,653	
	<u>Total – Base 2.0</u>	\$235,000	235,000			
	<u>Total - Events</u>	\$44,800		44,800		
	<u>Total – FF</u>	\$332,000			332,000	
	<u>GRAND TOTAL</u>	\$611,800				

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

February 5, 2013

CHANGE NOTICE NO. 1
 to
CONTRACT NO. 071B1300375
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
HTC Global Services, Inc. 3270 West Big Beaver Rd Troy, MI 48084	James Joseph	jjoseph@htcinc.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(248) 530-2528	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	William Kerr	517-335-2805	KerrB@michigan.gov
BUYER	DTMB	Steve Motz	517-241-3215	MotzS@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: Grant Electronic Monitoring System (GEMS) for MDE			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
August 22, 2011	August 21, 2014	5, 1 Year	August 21, 2014
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>		
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$388,000.00		\$843,000.00		

This Contract is hereby INCREASED by \$388,000.00 to provide funding for modifications to the Grant Electronic Monitoring Systems (GEMS) to handle review requirements placed on Michigan Department of Education (MDE) by the United States Department of Agriculture (USDA) as outlined in the attached Statement of Work.

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

Per Administrative Board approval on December 4, 2012.



STATEMENT OF WORK

Project Title: Grant Electronic Monitoring System (GEMS) Michigan Administrative Review System (MARS) Amendment	Period of Coverage: December 2012 - December 2013
Requesting Department: Michigan Department of Education	Date: 12/12/12
Agency Project Manager: William J. Kerr	Phone: 517-335-2805
DTMB Contract Administrator: Maria Thomas	Phone: 517-335-1701

Brief Description of Services to be provided:

BACKGROUND:

The Michigan Department of Education (MDE) is required by law to monitor implementation of Federal and State programs at the local level to ensure funds and other resources are spent or used appropriately in accordance with State and Federal law and Education policy. The Grant Electronic Monitoring System (GEMS) provides a tool to support the monitoring process and replaces a highly manual process.

PROJECT OBJECTIVE:

This request is to modify the Grant Electronic Monitoring Systems (GEMS) to handle review requirements placed on Michigan Department of Education (MDE) by the United States Department of Agriculture (USDA). GEMS is a custom developed solution for MDE that went into production in September 2012. It is under warranty/maintenance period with HTC Global Services, Inc. (HTC), Contract No. 071B1300375. GEMS provides improved tools, replacing largely manual processes, to monitor implementation of Federal (US Department of Education) and State programs at the local level to ensure funds and other resources are spent or used appropriately in accordance with State and Federal law and Education policy.

MDE is also required by USDA to conduct reviews. It is estimated that 85-90% of the features in GEMS are applicable to USDA needs in the setup of programs, scheduling of subrecipients, collection of information, development of the report and tracking of findings to closure. There are some new features required including handling unannounced visits and numerous specific USDA forms to be completed. These features would be added to GEMS.

DTMB and MDE realize there are significant savings in NOT duplicating the features already developed. This avoids the cost to again develop functions that exist in GEMS and permits a single team for ongoing support by DTMB resources upon implementation of the system. We recommend an amendment to the existing contract with HTC to allow modifications to GEMS so a single system, performing similar functions, can service both USED and USDA needs. Phase 2 provides enhancements to GEMS including features to support U.S. Department of Agriculture (USDA) requirements for monitoring.

The administrative reviews are required under federal law. The USDA requirements are currently met through a manual, paper intensive process and subject to inconsistencies. The new process will be more timely, less manual, more consistent and help better meet the federal requirements. The new process will link with on-line claim system something performed manually. The new process will track

status, currently handled manually. The new process will provide for standardizing findings and actions.

SCOPE OF WORK:

This continues the existing contract 071B1300375 established for GEMS but amends with scope as defined in SEM-402 MDE MARS USDA Requirements v5 2012-05-21. The general approach is defined in the HTC response entitled Proposal for Michigan Administrative Review System (MARS).

TASKS:

Technical support is required to assist with the following tasks:

Group	Task/Deliverable
A	Initiation and Planning
	Award / Letter of Intent
	Project Kick-off Meeting
	Project Planning
B	Business Requirements
	Review and Analyze Forms / Process / Procedures
	Requirement Confirmation Meetings – Approximately 3
	Requirement Documentation
C	Application Design
	Design Data Model
	Updates to Design & Architecture Document
	Forms Specification
	Update RTM, DIT-170
D	Application Development and Modification
	Development of Forms
	Enhancements to GEMS and Integration with additional systems
E	Test
	System Testing
	User Acceptance Testing
F	Implementation
G	Training
H	Documentation
I	Knowledge Transfer
J	Requirements Clarifications
	There is funding included for Requirements Clarifications in the event the State requires additional services from the Contractor following or during the Business Requirements Milestone.

APPROACH:

The work will be handled in two general releases. The first will enhance the system to provide non-report/form related changes in the areas of system parameters, setup, pre-select, review, etc as required. The second phase will provide the forms/reports and associated database to retain content and support reports/analysis of data.

DELIVERABLES:

The project plan and project schedule which will be mutually confirmed and will finalize the dates for all significant milestones and deliverables.

Deliverables will not be considered complete until the Agency and DTMB Project Manager has formally accepted them. Deliverables for this project are listed in the tasks above.

ACCEPTANCE CRITERIA:

Acceptance criteria are already defined in the existing contract.

PROJECT CONTROL AND REPORTS:

A bi-weekly progress report must be submitted to the Agency and DTMB Project Managers throughout the life of this project. This will continue the format used during the GEMS Project or as amended as determined by the DTMB Project.

SPECIFIC DEPARTMENT STANDARDS:

Any technical solutions must be consistent with the DTMB standards as exist at the time of the project initiation unless by mutual written consent of HTC and DTMB.

PAYMENT SCHEDULE:

The payment schedule will be broken into component payments that are mutually agreeable to the two parties and will become part of the Project Plan / Schedule. Additionally, Section D, Application Development will incorporate a payment for delivery of code sets including the source code with mutually agreeable terms.

The review period for each deliverable will be specified in the final project schedule. If no changes/modifications are requested for a deliverable at the end of each review period, the Contractor will follow the issue escalation and resolution process identified in Section 1.401 of the Contract.

Payment will be made on a deliverable basis. DTMB will pay HTC upon receipt of properly completed invoice(s) which shall be submitted to the billing address on the State issued purchase order not more often than monthly. DTMB Accounts Payable area will coordinate obtaining Agency and DTMB Project Manager approvals. All invoices should reflect actual work completed by payment date, and must be approved by the Agency and DTMB Project Manager prior to payment. The invoices shall describe and document to the State's satisfaction a description of the deliverable and associated fees.

Payment Deliverable Milestone	Payment Amount
A - Initiation and Planning	\$5,000
B - Business Requirements	\$18,000
C - Application Design	\$34,000
D - Application Development and Modification	\$222,000
E - Testing	\$31,000
F - Implementation	\$18,000
G - Training	\$18,000
H - Documentation	\$13,000
I - Knowledge Transfer and Transition	\$12,000
J - Requirements Clarifications	\$17,000
TOTAL CHANGE NOTICE #1 VALUE	\$388,000

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

EXPENSES:

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

PROJECT CONTACTS:

The designated Agency Project Manager is:

Name	Louis Burgess
Department	Michigan Department of Education (MDE)
Area	Grants
Building/Floor	Hannah Building, Fourth Floor
Address	608 West Allegan Street
City/State/Zip	Lansing, MI 48933
Phone Number	517-335-3672
Fax Number	NA
Email Address	Burgessl@michigan.gov

The designated DTMB Project Manager is:

Name	William J. Kerr
Department	DTMB Agency Services
Area	MDE
Building/Floor	Hannah Building, first Floor
Address	608 West Allegan Street
City/State/Zip	Lansing, MI 48933
Phone Number	517-335-2805
Fax Number	NA
Email Address	Kerrb@Michigan.gov

AGENCY RESPONSIBILITIES:

- Provide resources for meetings with DTMB and HTC

- Conduct reviews and provide feedback per schedule regarding deliverables.
- Perform the review for each deliverable in adherence to the review dates as specified in the project schedule and confirm acceptance of the deliverable within the two review cycles.

LOCATION OF WHERE THE WORK IS TO BE PERFORMED:

HTC will primarily work at HTC facility in Michigan but attend meetings in person as Hannah building as required.

EXPECTED CONTRACTOR WORK HOURS AND CONDITIONS:

Hours are managed by the vendor to ensure timely completion per schedule of deliverables.

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY MANAGEMENT AND BUDGET September 2, 2011
PURCHASING OPERATIONS
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

NOTICE
OF
CONTRACT NO. 071B1300375
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR HTC Global Services, Inc. 3270 West Big Beaver Rd Troy, MI 48084 Email: jjoseph@htcinc.com	TELEPHONE James Joseph (248) 530-2528
	CONTRACTOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-3215 Steve Motz
Contract Compliance Inspector: William Kerr Grant Electronic Monitoring System (GEMS) for MDE	
CONTRACT PERIOD: From: August 22, 2011 To: August 21, 2014	
TERMS <p style="text-align: center;">N/A</p>	SHIPMENT <p style="text-align: center;">N/A</p>
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	
MISCELLANEOUS INFORMATION:	

TOTAL ESTIMATED CONTRACT VALUE: \$455,000.00

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

**CONTRACT NO. 071B1300375
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF CONTRACTOR HTC Global Services, Inc. 3270 West Big Beaver Rd Troy, MI 48084 <p style="text-align: right;">Email: jjoseph@htcinc.com</p>	TELEPHONE James Joseph (248) 530-2528 CONTRACTOR NUMBER/MAIL CODE BUYER/CA (517) 241-3215 Steve Motz
Contract Compliance Inspector: William Kerr <p style="text-align: center;">Grant Electronic Monitoring System (GEMS) for MDE</p>	
CONTRACT PERIOD: From: August 22, 2011 To: August 21, 2014	
TERMS <p style="text-align: center;">N/A</p>	SHIPMENT <p style="text-align: center;">N/A</p>
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	
MISCELLANEOUS INFORMATION: The terms and conditions of this Contract are attached.	
Estimated Contract Value: \$455,000.00	

THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the RFP No. 084R1300072. Orders for delivery will be issued directly by the Department of Information Technology through the issuance of a Purchase Order Form.

FOR THE CONTRACTOR: HTC Global Services, Inc. Firm Name	FOR THE STATE: Jeff Brownlee / Chief Procurement Officer Name/Title
Authorized Agent Signature	DTMB, Purchasing Operations Division
Authorized Agent (Print or Type)	Date
Date	Date



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

Grant Electronic Monitoring System (GEMS)

Buyer Name: Steve Motz
Telephone Number: 517-241-3215
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Article 1 – Statement of Work (SOW)

1.000 Project Identification

1.001 PROJECT REQUEST

The State of Michigan (State), through the Michigan Department of Education (MDE) with assistance and support of the Michigan Department of Technology, Management, & Budget (MDTMB), has issued this Contract for the Grant Electronic Monitoring System (GEMS).

The GEMS will:

- Be available 24x7 since users will perform activities outside of the normal business day including weekends. There will be an allowance for a scheduled maintenance window.
- Be State-hosted.
- Be a custom development solution.
- Meet the requirements as defined in Appendices A and B.

The project will include all activities and services as defined in Article 1 and associated attachments and appendices. The State seeks to have services begin upon award of the contract. The duration of the effort to ready and implement into production will be defined by the Contractor. GEMS shall “go live” as soon as reasonably possible, but no later than July 2012. Go live is defined as in the production environment and available “ready to for use” by the user community.

This contract has a term of three (3) years, with five (5) additional one-year options to provide continued maintenance and implementation of enhancements of the product (as identified and authorized by the MDE) while in use by the SOM.

A specific description of the software, services (work) and deliverables sought for this project is provided in Article 1, Section 1.104, Work and Deliverables (and its associated attachments and appendices).

1.002 BACKGROUND

Information in this section is for information purposes only.

MDE is required by law to monitor implementation of Federal and State programs at the local level to ensure funds and other resources are spent or used appropriately in accordance with State and Federal law and Education policy. The oversight or monitoring activity includes conduct of “Reviews” of fiscal and programmatic activity. Certain aspects of the Review are conducted “at the desk” of the MDE Reviewer while other aspects require the MDE Reviewer to go “on site” at the local level (district or school). The Review results in a Findings Report and, as necessary, triggers a Corrective Action Plan (CAP) so the local level can address any gaps and become compliant with the fiscal or program requirements. The local level will provide updates to the CAP as well as evidence to indicate the problem area has been corrected.

Key aspects of the Review process include:

- Each program has a review cycle that defines each recipient needs to be reviewed at least once every X years. For example, some programs require all recipients to be reviewed no less than every 3 years while other programs expect monitoring over a 5 year period. However, nothing precludes out-of-cycle reviews as necessary.
- Each program requires certain documents from the local level. These are gathered and reviewed, whenever possible, before the on-site review.
- The onsite review will likely identify and gather additional documents.
- Interviews will be conducted with predefined resources at the local level.



- Each program being reviewed typically has a set of guidelines or a rubric identifying the criteria that is expected and the evidence demonstrating compliance
- The MDE Reviewer will determine whether the evidence indicates compliance with or a lack of controls against fiscal or program requirements.
- These findings typically generate “standard” actions.
- The preliminary findings are shared during the on-site visit.
- A formal report is created, internally reviewed and distributed to the local level. This may vary from the preliminary findings.
- A CAP is created to ensure all shortcomings or gaps are addressed.
- Updates to the CAP are provided until all shortcomings or problems are corrected and the action closed.
- A follow-up review often occurs to validate the change has been institutionalized.

Performing these aforementioned activities allows the MDE to fulfill the following goals:

- Ensuring subgrantees are achieving program goals and objectives
- Protect against waste, fraud and abuse
- Provide the required oversight responsibilities for the State and Federal programs
- Encourage program coordination and collaboration
- Help consultants identify the program development and improvement needs of the school districts.
- Identify effective programs and practices for dissemination purposes.

The GEMS system should facilitate, but would not be limited to, the following:

- An automated and integration solution
 - Less manual intervention for repeatable, predefined activities
- Improved collection, storage and access to documents collected or transported during the Review.
 - A reduction in the amount of paper collected and lugged to the on-site reviews
- Better tracking of receipt of documents requested
 - A reduction in missing required documentation
- More timely completion of activities according to a schedule
 - A reduction in activities missing target dates
- More efficient completion of the findings report
 - A reduction of duplicate effort such as rekeying notes from onsite review
 - A more standard presentation of findings and correction actions
- Foster department wide coordination of all monitoring activities

Additional Background information:

- There is no current system, all processes are manual.
- There are 100 Internal State users
- There are 500 Concurrent Users (Peak Time; 250 average daily concurrent users)
- System Integration supported by DTMB, and all systems are state hosted

1.102 EXCLUSIONS FROM CURRENT CONTRACT SCOPE

The current Contract scope does not include:

- Management consulting or re-engineering of the processes for the purpose of adapting the SOM processes to better fit a proposed system. The solution shall support existing processes or can be configured to match its existing processes. Business processes are defined in Appendix B.
- Contractor having primary responsible for any installation of software or hardware within the State of Michigan environment. This does not preclude their support of said activity.



- During the initial implementation, data conversion or migration. The new system will use only new data, no data will be migrated

1.103 ENVIRONMENT

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

Contractors are advised that the State has methods, policies, standards and procedures that have been developed over the years. Contractor shall conform to State IT policies and standards. All services and products provided must comply with all applicable State IT policies and standards. The Contractor is required to review all applicable links provided below and state compliance in their response.

Enterprise IT Policies, Standards and Procedures:

http://www.michigan.gov/dmb/0,1607,7-150-9131_9347---,00.html

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

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

Enterprise IT Security Policy and Procedures:

http://www.michigan.gov/dmb/0,1607,7-150-9131_9347---,00.html (see 1300 series for security)

The State's security environment includes:

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

MDTMB requires that its single login security environment be used for all new client-server software development. Where software is being converted from an existing package, or a client-server application is being purchased, the security mechanism must be approved in writing by the State's Project Manager and MDTMB Office of Enterprise Security (OES).

Any additional Agency specific security requirements above and beyond the enterprise requirements and standard terms and conditions stated in Article 2 must be provided as part of the Agency Specific Technical Environment.

IT eMichigan Web Development Standard Tools:

http://www.michigan.gov/documents/som/Look_and_Feel_Standards_302051_7.pdf

The State Unified Information Technology Environment (SUITE):

SUITE is a methodology that includes standards, forms and templates for project management and systems engineering: <http://www.michigan.gov/suite>



The Contractor shall conform to SUITE and adopt said processes and templates in performance of the project.

The solution must be able to be hosted on the hardware defined in Agency Specific Technical Environment below and software must be currently supported by the manufacture.

Agency Specific Technical Environment (as of March 2011)

- | | |
|--|--|
| Hardware Listing | <ul style="list-style-type: none"> ○ Web Servers: 2 - HP Proliant DL380 G3 with 2 (Intel Xeon 2.33 GHz) Dual-Core; 4 GB memory; 2 X 73 GB Hard drives; RAID 5; Load balanced via content switch; Windows 2003 SVR STD SP2, IIS6 ○ Database Servers: Multiple HP Proliant DL580 G5 with 4 (Intel Xeon 2.4 GHz) Quad-Core; 128 GB memory; 2 X 146 GB Hard drives; RAID 1; Clustered; Windows 2008 SVR EE 64-Bit ○ Application Server: HP Proliant DL380 G5 with 2 (Intel Xeon 2.3 GHz) Dual-Core; 4 GB memory; 2 X 36 GB Hard drives; RAID 1; Windows 2003 SVR EE, IIS6 ○ Web Services Server: Application Server: HP Proliant DL380 G5 with 2 (Intel Xeon 2.33 GHz) Dual-Core; 4 GB memory; 2 X 73 GB Hard drives; RAID 1; Windows 2003 SVR STD SP2, IIS6 |
| Desktop Workstations | <ul style="list-style-type: none"> ○ Dell Pentium with Windows XP |
| Software Listing | <ul style="list-style-type: none"> ○ ASP.Net using 4.0 framework ○ Visual Studio 2010 ○ JavaScript ○ HTML ○ XML ○ MS Office 2010 ○ Microsoft Project ○ Visio |
| Database Source Control, & Code Promotion | <ul style="list-style-type: none"> ○ MS SQL Server 2008 ○ Microsoft Team Foundation Server 2010 |
| Network | <ul style="list-style-type: none"> ○ MS Active Directory |
| Browser | <ul style="list-style-type: none"> ○ Internet Explorer 8, Firefox, Safari |
| Reporting tools | <ul style="list-style-type: none"> ○ SQL Reporting Services 2008 |
| Interfaces | <ul style="list-style-type: none"> ○ State of Michigan's eMichigan Standards |

1.104 WORK AND DELIVERABLE

I. Services and Deliverables To Be Provided

The Contractor shall, in completion of this section, provide staff and otherwise do all the things necessary to complete all deliverables in order to successfully implement and support the Grant Electronic Monitoring System (GEMS).

These deliverables are not all inclusive.



A. Initiation and Planning

The Contractor will perform the following Initiation and Planning activities:

1. Conduct of a project kick-off meeting. The State Project Manager and the Contractor Project Manager will develop a kick-off meeting agenda.
2. Creation of the Project Plan including its associated sub-plans in compliance with requirements as defined in Section 1.300 (Project Plan) and Section 1.400 (Project Management).
3. Creation of a detailed Work Breakdown Structure (WBS) and Project Schedule (with dependencies, resource assignments and using MS Project or other pre-approved alternative)
 - a. Tasks should have no more than two week duration.
 - i. Tasks should minimize assigning multiple resources to a task to avoid confusion how much time each resource has to complete their assigned work.
 - b. A Milestone will clearly identify
 - i. "Go live" date
 - ii. Completion of the task(s) so the hardware environment is ready.
 - iii. Completion date of the software loaded and ready to support:
 1. Production equivalent testing system
 2. Production equivalent training system
4. Inclusion in the Project Schedule:
 - a. Dates when deliverables are submitted to State for review and
 - b. Dates when deliverable approval is expected (consistent with terms defined elsewhere including 1.500, 2.253, 2.254 and 2.255)
5. RESERVED.
6. Updates against this phase will be included in the Project Status Report.

Deliverables for Initiation and Planning

- A1: Project Plan (and its associated sub-plans, each in its own document)
 - Change Management Plan
 - Communications Plan
 - Quality Plan
 - Security Plan and Assessment
 - Procurement Plan
 - Resource Plan
 - Risk Management Plan
 - Initial Test Plan
 - Initial Implementation Plan
 - Initial Maintenance Plan
- A2: Work Breakdown Structure
 - Project Schedule

Acceptance Criteria

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

B. Business Requirements

The Contractor shall perform the Business Requirements activities including but not limited to the following:

1. Verification and validation, not identification, of requirements (found in Appendix A and B).
 - a. Every grant program defines requirements necessary to ensure compliance. When a NEW program is added, any form(s) required for a new grant program, would have to be attached. All grant programs will follow the same basic workflow.
 - b. It is estimated that 10-12 SMEs would be involved in detailed requirements verification and validation. A SME can participate in no more than three 3-hour sessions, in any given week (maximum of 9 hours per week). No more than six 3-hour sessions should be scheduled in a week.



- c. These meetings are driven by the Contractor business analyst instead of the MDE business users
 - d. On completion of the requirement confirmation meetings, the Contractor will document the business requirements and submit them to MDE for review and approval.
 - i. The document provides the overall scope of the solution, process flow and a detailed description of the individual components (workflow, configuration, scheduling, review & monitoring, interface to other systems, reporting, etc) and the requirements traceability matrix.
2. Creation as/if required of use cases.
3. Update, as/if required, Requirements Specification, Requirements Traceability Matrix, Business Workflows and Use Cases.
- a. Should the documents not be modified, that is, no changes are required, then the Contractor would submit a document stating their acceptance from previous efforts “as is”
 - b. If the documents are modified even with clarifications, the Contractor will resubmit to MDE and MDTMB approval.
 - i. To facilitate State review, the Contractor will clearly identify changes from the initial version.
 - c. If modifications are made that are considered additional work, any impact to schedule or cost must also be documented and submitted for approval through the change management process.
 - i. No further work (design, etc) on these proposed changes may occur until written approval is received.
 - ii. However, the Contractor may proceed with work (design, etc) for requirements accepted “as is.”
 - iii. And the Contractor may proceed with work (design, etc) for “clarifications that did not adjust scope” and ergo have no schedule or cost impact once the modified documents are approved.
4. Updates against this phase will be included in the Project Status Report.

State and Contractor Roles

The recommended Contractor and State roles for this task are:

Contractor Roles	State Roles
Analyze the Requirements	Participate in Requirement Confirmation Meetings
Prepare Requirement Confirmation Document	Review and Approve Requirement Confirmation Document

Deliverable(s) for Business Requirements

- B1: Updated Documentation, as required or “As Is” Acceptance
 - Updated Requirements Specification
 - Updated Requirements Traceability Matrix
 - Creation of or Updated Business Work Flow document
 - Creation of or Updated Use Cases

Acceptance Criteria

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

C. Hardware

The Contractor shall perform the Hardware activities including but not limited to the following:

- 1. Confirm that the solution will operate on in the Agency Specific Technical Environment as defined in section 1.103.



State and Contractor Roles

The recommended Contractor and State roles for this task are:

Contractor Roles	State Roles
Confirmation of hardware list	Review and provide feedback

Deliverable(s) for Hardware

- C1: Confirmation of hardware list prior to commencement of the Application Development phase

Acceptance Criteria

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

D. Software

The Contractor shall perform the Software activities including but not limited to the following:

1. Providing custom developed software that meets the requirements contained in Appendices A and B.
2. Solution will use Windows standards for common functions including, but not limited to, navigation, printing, etc.
3. RESERVED
4. Description of the proposed architecture, technology standards, and programming environment.

The technical architecture document that will cover the following (but not limited to):

- System architecture
- Data architecture
- Reporting platform
- Technology Standards
- External and Internal interfaces
- Programming Environment
- Testing/QA Environment

The solution will utilize Microsoft .NET 4.0-based development platform and environment in the development of GEMS. In addition, Contractor will follow State’s technology standards in developing GEMS.

5. Identification of abilities (or limitations) as to reporting capability including HTML, Excel, Text, PDF, etc.
6. Identification of any/all ancillary software required to support the operational use of the solution. All software/tools must be current version or still supported by the Contractor.

State and Contractor Roles

The recommended Contractor and State roles for this task are:

Contractor Roles	State Roles
Provide Requirements Traceability Matrix	Review and provide approval
Provide technical documentation	Review and provide feedback

As part of their RFP response, the Contractor completed a preliminary Enterprise Architecture Solution Assessment (EASA). This document is found in **Appendix E – EASA**.

Deliverable(s) for Software

- D1: Updates to software documentation before commencement of the Application Development phase

Acceptance Criteria

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



E. Application Design

The Contractor shall perform the Application Design activities including but not limited to the following:

1. RESERVED
2. Providing a technical design document including:
 - a. Explanation of the Application Architecture illustrating use of the n-tier layers and responsibilities in each layer
 - b. Design considerations including:
 - i. Page/screen layout standards to ensure common presentation of material and compliant with look and feel standards described earlier (Section 1.103)
 - ii. Factors considered that improve the usability of the system including usability guidelines that covers accessibility, ease of navigation, discoverability, consistency, learnability, efficiency and memorability.
 - c. Security considerations including:
 - i. Reference to secure development practices/frameworks such as OWASP
 - ii. Avoiding common threats such as SQL injection attacks and XSS attacks
 - iii. Network security including placement of servers in DMZ and how database is protected
 - iv. Data security
 - d. Network Deployment Diagram including:
 - i. Physical network structure
 - ii. Deployed components
 - iii. Demarcation of subnets
 - iv. Setup of DMZ
 - v. Identification of various hardware elements including network devices
 - e. Data Design which will, at a minimum, define for each element its meaning, relationship to other data, origin, use and format. In addition this will include:
 - i. ER diagram showing tables, keys and their relationships at a high level
 - ii. Schema definition including name of the element and its data type
 - iii. Brief description that indicates the use and mapping in the application
 - f. Program Specifications
3. Providing lists and associated layout of:
 - a. Screens/pages
 - b. Reports
4. Providing to the State for evaluation and feedback against “look and feel” standards.
 - a. The Contractor will develop a look and feel standards document to be approved by the State that will outline the various UI elements and how it will be presented across the application. The standards document will include:
 - i. General UI principles
 - ii. High Level Visual Design covering overall layouts
 - iii. Components style covering elements such as header, footer, buttons, listboxes etc.
 - iv. Accessibility guidelines
 - v. Developer checklist
 - b. Will resolve all findings from the SOM review prior to completion of the design to avoid rework during the development phase.
5. RESERVED
6. Updates the Requirements Traceability Matrix (RTM). The RTM provides evidence that all requirements from the Requirements Phase – 1.104 (1) (B) – are included. This will cover the completion of the column marked “Design Specifications”, where the Contractor is expected to provide a reference to the approved Design document(s). The Design document will not be considered complete until the updated version of the Requirements Traceability Matrix is approved.
7. Updates against this phase will be included in the Project Status Report.

The design of GEMS will not require any changes to the below mentioned system interfaces. The Contractor must provide appropriate system interfaces/integration to the following applications:



I. Name of Application: EEM (Educational Entity Master)

- Definition: The EEM is the State of Michigan's database of school directory information for public and registered non-public educational entities. It is the single source repository for all official identification numbers and contact information for the educational systems in Michigan. It is the foundation for linking all "Center for Educational Performance and Information" (CEPI) data applications and Michigan Department of Education data collections. These data collections rely on the status (open-active, closed) and the coding for each of several entity types denoted in the EEM. The data maintained in the EEM are used for mandated data submissions to the state and federal government and are critical to fulfilling the requirements of the Elementary and Secondary Education Act (ESEA) and Michigan's school accreditation
- Application Owner: Center for Educational Performance and Information (CEPI), State of Michigan
URL: www.michigan.gov/eem
- Source: The source data is in Microsoft SQL Server 2008. The EEM contains approximately 7300 entities with approximately 80 data characteristics. Entities are uniquely identified by an Entity ID. Each entity has an entity type and one to many relationships with other entity types.
- Data systems required to consume source EEM data have the following options:
 1. Web Services
 - a. EEM.SystemInterface.EntitySearch.asmx is the webservice for the external systems to access the EEM Entity types, Relationships, Entity Searches, and Entity Characteristics.
 - i. A profile token is required to access
 - ii. Multiple searches are available; or custom search can be created
 - iii. Results are returned as an XML string
 - iv. EEM uses SOAP as transmission protocol.
 2. Access to SQL views of the EEM database tables
 - a. For systems not hosted at the State of Michigan, this requires approval for a Virtual Private Network (VPN) connection.
 3. Database extracts upon request
 4. Downloadable Data sets
 - a. Excel format.
 - b. Data Set URL: <https://cepi.state.mi.us/eem/PublicDatasets.aspx>
 5. Search Functions: Quick, Detailed, Historical, and Geographical.
 - a. All search Results can be exported to Excel, PDF, XML, and CSV formats.
 - b. Entity Search values can be filtered by characteristics and exported into XML format
 6. Reports
 - a. Reports are available in PDF, HTML, or Excel
 - i. Not all reports are available in Excel
- Requirement: The new system must have a provision to import entity data.
- Sizing: Approximately 900 entities are imported from the EEM.

II. Name of Application: MEGS+ (Michigan Electronic Grants System +)

- Definition: MEGS+ is used to help expedite and improve the Grant Application process. The MEGS+ primary functions are:
 - Allowing you to view and print information about a grant and its current application.
 - Providing a secure environment for on-line applicants to complete, submit, amend, and track their applications.
 - Automatically reviewing applications to reduce the number of initial application errors.
 - Allowing reviewers to conduct their reviews online and share the results of the review with the applicant immediately.
- Application Owner: Michigan Department of Education (MDOE), State of Michigan
URL: <https://mdoe.state.mi.us/MEGSPplus>
- Source: The source data is in Microsoft SQL Server 2008. MEGS+ has approximately 80 different application types used to apply for approximately 120 different grants. There can be over 800 applicants for some of the application types.



- Data systems required to consume source MEGS+ data have the following options:
 1. Access to SQL views of the MEGS+ database tables
 - a. For systems not hosted at the State of Michigan, this requires approval for a Virtual Private Network (VPN) connection.
 2. Database extracts upon request
- Requirement: The new system must have a provision to import application data.
- Sizing: TBD

III. Name of Application: CMS (Cash Management System)

- Definition: CMS facilitates Grant fund requests to the MAIN accounting system and generates expenditure reports for managing Grant fund requests. The CMS primary system functions are:
 - Request Funds for a Project
 - Certify Fund Requests
 - Reporting Final Expenditures
 - Certify Final Expenditures
 - Control Access
 - Monitor Activity
 - Profile Grants
 - Profile Recipients
 - Notify Recipients
 - Generate Administrative Reports
- Application Owner: Michigan Department of Education (MDOE), State of Michigan
 URL: <https://mdoe.state.mi.us/CMS>
- Source: The source data is in Microsoft SQL Server 2008. CMS contains approximate 725 grants with approximately 35 properties. Each Grant is uniquely identified by a grnID.
- Data systems required to consume source EEM data have the following options:
 1. Access to SQL views of the CMS database tables
 - b. For systems not hosted at the State of Michigan, this requires approval for a Virtual Private Network (VPN) connection.
 2. Database extracts upon request
- Requirement: The new system must have a provision to import grant data.
- Sizing: TBD

IV. Name of Application: MEIS (Michigan Education Information System)

- Definition: MEIS is the front end data authentication tool for internet applications for the Michigan Department of Education (MDE) and Center for Educational Performance and Information (CEPI).
- Application Owner: Michigan Department of Education (MDOE), State of Michigan
 URL: <https://cepi.state.mi.us/MEISPublic/>
- Source: The source data is in Microsoft SQL Server 2008.
- Requirement: The new system must use MEIS for authentication.
- Sizing: TBD

The Contractor requirements for the specific data elements and characteristics will be dependent based on the proposed solution

State and Contractor Roles

The recommended Contractor and State roles for this task are:

Contractor Roles	State Roles
Provide technical documentation	Review and provide feedback
Provide Requirements Traceability Matrix	Review and provide approval
	Provide details of system interfaces (EEM, MEGS+, CMS, MEIS, AdvancED)



Deliverable(s) for Application Design

- E1: Technical Design Document
- E2: List and layouts of reports and screens/pages
- E3: Creation or updates to documentation including the Data Dictionary, Project Plan and Requirements Traceability Matrix

Acceptance Criteria

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

F. Application Development

The Contractor shall perform the Application Development activities including but not limited to the following:

1. Development of solution including interfaces
 - a. Present the software for review against “look and feel” standards. This should confirm items defined from a similar review during the requirements stage have been addressed and whether any items not in compliance were introduced during design and development.
 - b. However, if changes are required, these must be addressed before execution of the system, performance, or stress test. Said changes are performed at no additional cost to the State.
2. Creation of all interfaces to pull data in a real time basis
3. Updates to documentation including
 - a. As required, documentation of modules/pages and reports
 - b. As required, Data Dictionary
 - c. As required update the various components of the Project Plan
4. Updates of the Requirements Traceability Matrix (RTM). This provides evidence that all requirements are accounted for in the development. This will cover the completion of the column marked “Program Module.” The development effort will not be considered complete until the updated version of the Requirements Traceability Matrix is approved.
5. Updates against this phase will be included in the Project Status Report.

State and Contractor Roles

The recommended Contractor and State roles for this task are:

Contractor Roles	State Roles
Provide updated technical documentation	Review and provide feedback
Provide Requirements Traceability Matrix	Review and provide approval
Demonstrate that the system follows established “look and feel standards”	Review and provide feedback

Deliverable(s) for Application Development

- F1: Creation of software including development of interfaces
- F2: Updated documentation including the Requirements Traceability Matrix

Acceptance Criteria

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

G. Test

The Contractor shall perform the Test activities including but not limited to the following:

1. Creation of the Test Plan and schedule.
 - a. Test Planning identifies the high level test strategy for the testing of the system. The test plan identifies the type of testing that will be done (Functional, Look & Feel, Browser compatibility, Section 508 compliance, Load & Stress, Security, Interface, etc). In addition, the test plan also identifies the process – manual v/s automated tools usage, error logging, etc



2. Creation of test cases that verify the functionality but also the capacity/performance to handle the expected load including peak demand.
3. Conduct of a “testing kick-off meeting” with appropriate SOM (MDE and DTMB) staff in order to orient SOM staff on the test methodology and schedule.
4. Creation of a test environment separate from production and training.
 - a. Includes a complete data set to support the various test types.
 - b. Test data will be “real data”, some of which is of a sensitive nature and therefore accessible under the same authorization rules as exists in production.
 - c. Verification that the separate test environment is ready prior to the SOM Subject Matter Experts beginning their User Acceptance Testing. Ready includes:
 - i. System loaded and “ready and able” to be used
 - ii. User testers have access and able to access the system
 1. Authentication and authorization will be in place to ensure protection of data
 - iii. Reloading system to test including UAT after defects corrected
 - iv. Reloading test data as requested

The State Of Michigan, DTMB, will provide the QA (Test) environment, and will load the test data as provided by the Contractor.

5. Provision of a tool to log and report defects from all the various tests including UAT. Said tool will be easily accessible to the State to post defects, review activity and run reports.
6. Execution of testing:
 - a. Unit Tests
 - i. This testing involves testing of each screen / component to ensure that the individual component works as expected and meets the functionality identified in the requirements.
 - b. Integration Test
 - i. This involves validating that all of the functions works in unison as the modules are developed.
 - ii. The Contractor is responsible for performing integration testing of the external interfaces with GEMS
 - c. Functional Test
 - i. This occurs in conjunction with integration testing.
 - ii. This ensures that the new system is handling data correctly, receiving inputs from users and files, performing data error checks and input validation, passing data between modules correctly, storing and retrieving data correctly, printing reports, and presenting the proper error messages to the user.
 - d. Performance and Stress Test
 - i. This occurs after integration and functional testing is complete and involves testing application procedures and functions with the increasing data and user load to ensure that the response time is within contract and user standards.
 - ii. Performance testing involves the responsiveness of the system, in an environment equivalent to production
 1. Production-like environment at the SOM is provided in the QA environment
 2. Will utilize Vantage (or similar State provided tool)
 - iii. Stress testing involves measuring how the application will perform, in an environment equivalent to production, in response to increasing demand by simulating the following: (1) increasing the number of users, (2) increasing the complexity of the tasks which the users are performing, and (3) increasing the number of tasks the users perform. The final load test needs to demonstrate the ability to handle expected peak demand.
 1. Production like environment at the SOM is provided in the QA environment
 2. Will utilize Visual Studio 2010
 - iv. Performance and Stress Test results will be documented no less than weekly and any concerns identified with corresponding recommendations to correct or improve.
 - v. The Contractor shall perform this test prior to submitting code to the SOM for the User Acceptance Test.



- vi. Performance threshold of page response time expected for a page load is 2-5 seconds on the State Of Michigan network.
- e. System Test
 - i. This involves validating that all of the functions work in unison.
 - ii. Stress testing involves measuring how the application will perform, in an environment equivalent to production
 - 1. Production like environment at the SOM is provided in the QA environment
 - iii. The Contractor shall perform this test prior to submitting code to the SOM for the User Acceptance Test.
- f. Correction of all errors from the testing (listed above), unless specifically agreed to in writing by the DTMB Project Manager, before the system is turned over to the State for User Acceptance Testing.
 - i. Errors are not considered as closed until verified at the same level of testing as occurred. Therefore, for example, an error during performance test must be verified in performance test as corrected prior to closure.
 - ii. Should a defect prevent continuation of testing by more than 1 business day, the State is not held responsible for schedule and associated costs of the delay
- 7. During system test, performance test, stress test and UAT, the Contractor will monitor, track/report and if necessary identify issues to address:
 - a. System performance
 - b. Computer resource usage
- 8. Though the State will perform User Acceptance Testing, the Contractor will provide business and technical personnel to monitor progress, investigate and answer questions that may arise and assist users in documentation of defects during User Acceptance Testing
 - a. The Contractor will conduct 2 rounds of UAT. Round 1 will be no more than 4 business days, a maximum of 6 hours per day, and a minimum of 2 business days, 6 hours per day. Round 2 would be after reported errors have been corrected. Round 2 will be no more than 3 business days, a maximum of 6 hours per day, and a minimum of 2 business days, 6 hours per day.
 - b. All errors, unless specifically agreed to in writing by the DTMB Project Manager, will be corrected by the Contractor before completion of User Acceptance Testing
 - i. Should a defect prevent continuation of testing by more than 1 business day, the State is not held responsible for schedule and associated costs of the delay
- 9. Creation of a test results report which records the test events, the dates of the events, the test results and the analysis of the results (defects and resolution).
- 10. Update of the Requirements Traceability Matrix (RTM). This provides evidence that all requirements are accounted for in the testing to validate they perform as expected. This will cover the completion of the column marked "Test Case", where the Contractor is expected to provide a reference to approved Test Cases. The Test Case document(s) will not be considered complete until the updated version of the Requirements Traceability Matrix is approved.
- 11. Updates against this phase will be included in the Project Status Report.

State and Contractor Roles

The recommended Contractor and State roles for this task are:

Contractor Roles	State Roles
Prepare Test Plan	Review and approve Test Plan
Prepare Test Cases	Review and approve Test Cases
Execute testing	
Prepare Test Report	Review Test Report

Deliverable(s) for Testing:

- G1: Test Plan
- G2: Test Cases/Scripts
- G3: Test Environment



- Implementation of defect tracking tool
- Creation of Test Environment including data
- Test Environment Verification
- G4: Completion of tests as defined above
 - Correction of defects (unless so excluded in writing by DTMB Project Manager)
 - Test Result Report (developed after completion of each of the following: Performance/Stress Test, System Test)
- G5: User Acceptance Test
 - Including defect correction and Test Result Report
- G6: Updated documentation
 - Review and as required update the various components of the Project Plan
 - Updated Requirement Traceability Matrix

H. Implementation

The Contractor shall perform the Implementation activities including but not limited to the following:

1. The Implementation Plan will include the detailed activities to provide the necessary timelines, skills and checklists for implementation of our solution in test, training, QA and production environments. The high-level activities for the Implementation Plan will include:
 - a. Conduct kick-off for implementation planning
 - b. Identify key stakeholders in the implementation in all environments
 - c. Identify the roles, skill levels and dependencies of all the resources
 - d. Identify the Go/No-Go criteria for starting the production implementation
 - e. Develop communications guidelines to be followed during the implementation phase
 - f. Develop installation guides and checklists
 - g. Identify the dates and the procedures leading up to and after the implementation date
 - h. Provide Weekly Performance Log and Project Status Report
2. Implementation of a test system, training system, QA system and production system in the SOM environment
 - a. Verification the system, at each level, is ready to be used
3. Creation of an installation guide and checklist of installation activities (that can be used repeatedly as/if required)
 - a. These will be used, validated and modified as/if required during the actual implementation
4. Validation that the system is installed and ready for use
5. Support to DTMB in regards to all product related installations in State environments
6. A warranty period of 90 days. The system is not considered under “maintenance and support” until passage of the predefined time and closure of issues as identified during this period
 - a. Direct troubleshooting, as/if necessary, to define root cause of problems, recommend solutions and secure correction
 - Said activities must be conducted consistent with the Knowledge Transfer process described in 1.104 (I) M (described below)
7. Should warranty activities not fully utilize resources, the State may leverage said person(s) to work on knowledge transfer or backlog enhancements. Said enhancements if undertaken during this period do not impact the duration of the warranty period.
8. Updates against this phase will be included in the Project Status Report.
 - a. This includes identification of issues, recommended solutions and actual action to improve or correct system performance
 - b. Warranty period reports – Weekly Performance Log will measure the production environment against the Service Level Agreements for performance.



State and Contractor Roles

The recommended Contractor and State roles for this task are:

Contractor Roles	State Roles
Develop implementation strategy	Review and approve the Implementation Plan
Develop the checklists of items to be followed for implementation of the system in test, training, QA and production environments prior to the onset of operations.	Collaborate on the implementation strategy, implementation activities, and checklists
Collaborate with State on decision points and triggers that may require roll-back	Document the criteria for any such roll-backs.
Create procedures and processes for implementation	Review and approve the Implementation Plan
Evaluate lessons learned from each environment implementation and use them for the production rollout.	Provide feedback on the lessons learned from each environment rollout.
Provide update on the implementation activities in the Project Status Report	Review and approve the reported weekly activities

Deliverable(s) for Implementation:

- H1: Installation Guide including Checklist
- H2: Implemented system - GEMS
- H3: Completion of the warranty period
 - Including Management Reports, Weekly Performance Log through the warranty support period and Performance against SLA (see Appendix C)
 - Resolution of issues during the warranty period from users and through monitoring of system performance

Acceptance Criteria

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

I. Training

The Contractor shall perform the Training activities including but not limited to the following:

1. Definition and execution of activities that provide knowledge so that users are able to perform their intended responsibilities. This includes:
 - a. Training of both MDE and non-MDE users (such as Local Education Agency (LEA) users) learning to perform job responsibilities.
 - i. MDE users are typically involved in conducting Reviews.
 - ii. Non-MDE users are typically personnel at the LEA or other entities subject to Reviews.
 - b. Training includes personnel learning about the database. This is meant to facilitate, as needed, user's ability to develop reports or analyze data
2. The Training Plan should be completed and approved no later than the 20 business days prior to completion of the construction effort.
 - a. It is revised, as necessary, during the testing and training phase.
 - b. The State will be responsible for providing the facilities for training sessions.
 - c. The Contractor will not need to travel to any facility outside the greater Lansing area.
3. Training material will include:
 - a. Training/User Manual
 - b. Podcast/Webinar (retained for replay as needed)
 - c. PowerPoint presentations
 - d. On-line user help
 - e. Frequently Asked Questions (FAQ)
4. Training material must be in a format that can be modified.
 - a. Hard copy material using tools such as MS Word and PowerPoint or other tools if so approved by the State Project Manager.



- b. Run time presentations using tools that support editing as/if content changes such as Camtasia or other tools if so approved by the State Project Manager.
- 5. Training material (including anything on-line) cannot illustrate real data.
 - a. Names, identification numbers, etc. must reflect fictitious information to protect confidentiality of individuals unless specifically authorized by MDE management.
- 6. Training will be “tested” before conduct to a wider, general audience.
 - a. An initial session for each audience (MDE and non-MDE) will “test” the effectiveness of the material through user feedback.
 - b. The training material will be adjusted as necessary
- 7. Training will occur in a training system, separate from production and separate from testing.
 - a. Training sessions must complete before GEMS goes into production.
 - b. Training approach for MDE
 - i. Webinar to introduce the system
 - ii. Up to 5 training classes to learn how to perform job responsibilities
 - iii. Access to the training system so they can, with assistance of the Training Manual, practice performing job responsibilities
 - iv. Series of short taped session (PowerPoint and/or screen shots with voice overlay) showing “how to” that could teach on an “as needed” basis
 - c. Training approach for non-MDE
 - i. Webinar to introduce the system.
 - ii. Up to 3 Train the Trainers sessions. These are MDE Consultants (who perform the review) and partners of MDE such as LEA/ISD (Intermediate School District) staff learning how to explain to non-MDE personnel how to perform their job responsibilities.
 - iii. Access to the training system so they can, with assistance of the Training Manual, practice performing job responsibilities
 - iv. Series of short taped sessions (PowerPoint and/or screen shots with voice overlay) showing “how to” that could teach on an “as needed” basis
- 8. Additional “indirect” training support for users will be provided through on-line help.
 - a. On line help (screens), explaining how to perform a feature/function will exist at the time of User Acceptance Testing
 - i. Alternatively to online help, an online user manual with search capability can be provided.
 - ii. The Contractor will secure written feedback during UAT and modify material as required
 - b. On line Frequently Asked Questions (FAQ)
 - i. Said FAQ should exist in a format that MDE staff can add, change or delete content as old problems go away or new problems are identified.
 - 1. Features hardest to understand
 - 2. Features generating the most calls
 - ii. Can be presented by role; that is, FAQ for MDE and FAQ for non-MDE
 - c. The on-line material, both help and FAQ, will be printable.
- 9. Updates against this phase will be included in the Project Status Report.

State and Contractor Roles

The recommended Contractor and State roles for this task are:

Contractor Roles	State Roles
Develop training plan	Review and approve the training plan
Set up the environment for training which will be different from the testing, QA and production environments prior to the onset of the training	Collaborate on the training environment setup and activities associated with setting up locations/sites.
Develop the training material for MDE and non-MDE audience as per the details laid out in the training plan	Review and approve the training material.
Execute the training	Collaborate on the training execution by ensuring



	all the participants are communicated with and arrangements made for their training time
Provide update on the training activities in the Project Status Report	Review and approve the reported weekly activities

Deliverable(s) for Training

- I1: Training Plan
- I2: Training System (an environment separate from production and testing)
- I3: Training Materials suitable for each audience/role and per the Training Plan
- I4: Execution of training prior to Go-Live so users able to perform their job responsibilities

Acceptance Criteria

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

J. Documentation

Documentation is created and, as required, updated throughout the life of the project. This section identifies some general rules in their creation, updating and handling.

The State preference for document management tool is MS SharePoint. The state cannot provide external access to the State’s SharePoint environment at this time.

The Contractor shall perform the Documentation activities including but not limited to the following:

1. Compliance with these general rules which apply to all documentation mentioned throughout the Contract.
 - a. All documentation provided as deliverables become the property of the SOM
 - b. The documentation of components, features, and use of the hardware/software shall be detailed such that resolution of most problems can be determined from the documentation, and most questions can be answered.
 - c. All documents will employ version control.
 - d. All documents will be accessible to State Users even prior to system implementation
 - e. All documents will employ identifiers for each section and support access from the Table of Contents.
 - f. All material must be in a format that allows creation of unlimited copies. All material must be created with tools generally and cost effectively available so material can be updated as needed.
 - g. Documentation can’t illustrate real data. Names, identification numbers, etc. must reflect fictitious information to protect confidentiality of individuals.
 - h. An outline or table of contents should be approved before development of the documents.
 - i. Documents once drafted will be sent, prior to the “ready for final review” step, to representatives of their intended reader audience in order to permit initial review and comments.
 - i. It is recommended to conduct a meeting to review comments but allow reviewers to simply submit replies back to the project without attending said meeting.
 - j. Documents reflecting audience review and now “ready for final review” will provide time, based upon size/length of the document, as defined in Article 2 between submission and acceptance.
2. Notify the State of any discrepancies or errors in the system, operations, and user documentation.
3. In addition to documents mentioned in earlier phases of the project, the Contractor is responsible for creation and approval of the following items prior to, whichever is first, implementation or knowledge transfer (unless specifically stated otherwise):
 - a. Procedure Manual will define policies and practices.
 - b. User Manual will define “how to” use the system functions. As noted elsewhere, this will be completed and approved prior to training.
 - c. The Delivery Reference Manual will, among other things, provide details of the system build and the source code. This will be completed and approved prior to Implementation.



- i. The document will include the description of all modules within the application, source code listing, versioning standards used, libraries/directories, database objects, and code dependencies.
- ii. This document will identify modifications (changes, additions or deletions) from base system to ensure when the base package is upgraded all modifications are retained.
- iii. This document is intended to help the technical staff that will, upon completion of this project, provide ongoing maintenance, support and enhancement.
- d. Data Model will present the data structure
 - i. Data Model will be provided as an output from a data modeling tool such as ERWIN. The documentation will include a data dictionary and table cross-referencing.
- e. System Administrator Manual describes, among other things, how to handle security (authorization), job scheduling, system monitoring, archiving (e.g. backup and recovery), etc.
- f. DBA Manual describe how to install, create and maintain the database
- g. Operations Manual describe how to perform IT support actions required on a daily or predefined regular basis, operations done only as needed (e.g. upgrades or to expand size due to increase usage), special operations (e.g. shut-down, recovery, etc) and troubleshooting

State and Contractor Roles

The recommended Contractor and State roles for this task are:

Contractor Roles	State Roles
Identify key stakeholders for documentation approval	Review and confirm the list of documentation approvers
Finalize the list of documents to be produced by the Contractor	Review and confirm the list of documents
Develop the documents as per the details laid out in the deliverables below	Review and approve the listed documents
Provide update on the documentation activities in the Project Status Report	Review and approve the reported weekly activities

Deliverable(s) for Documentation

- J1: On Line Help Screens, both “how to” and common FAQ
- J2: Procedures Manual
- J3: User Manual
- J4: Developers Reference Manual
- J5: Logical and Physical Data Model
 - Including Data (Element) Dictionary
- J6: System Administration Manual
- J7: Database Administration Manual
- J8: Operations Manual

Acceptance Criteria

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

K. Operation Services

The Contractor shall perform the Operation Services activities including but not limited to the following:

1. Systems Management
2. Security Administration Services
3. Process to provide software to the State and support provided to assist in installation in the various (QA, Production, Test, Training) environments
 - a. Package the GEMS software along with installation guide and checklist. This will enable the State systems personnel with the required system privileges to:



- i. validate the environment’s readiness for software installation
 - ii. follow the instructions independently to install the software
 - iii. configure any system settings required for the software to perform in the environment
- 4. Support OA in the GEMS software installation through:
 - a. installation guide and checklist
 - b. training on the installation procedure
 - c. assist in execution of the installation steps

State and Contractor Roles

The recommended Contractor and State roles for this task are:

Contractor Roles	State Roles
Create and maintain installation guide and checklist	Provide the hardware and network environments required to install the GEMS software
Package the GEMS software for installation	Provide Contractor access to system personnel to work with, or system access to install GEMS software
Train and assist State personnel in installing the GEMS software	
Test the software installation	

Deliverable(s) for Operation Services

- Delivery of all software to SOM Office Automation (OA) Team
- Support to OA in the installation
 - Training including documentation on installation and support (as defined above in Section 1.104(1) (I))
 - Modification, as/if necessary to installation guide/checklist based upon the lessons learned from the actual installation

Acceptance Criteria

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

L. Maintenance and Support

The maintenance period will commence immediately upon completion of the warranty period.

The Contractor shall perform the Maintenance and Support activities including but not limited to the following:

1. Performance maintenance
 - a. Performance maintenance includes the following services:
 - i. Improve the performance, maintainability, or other attributes of an application system.
 - ii. Data table restructuring.
 - iii. Data purges and or archiving to reduce/improve data storage.
 - iv. Run time improvements.
 - v. Replace utilities to reduce run time.
 - vi. Potential problem correction.
 - vii. Data set expansions to avoid space problems.
 - b. Performance maintenance changes as part of a regularly scheduled release. For major changes requiring significantly more time to develop, test, and implement, the changes should be completed as part of a development release
 - i. Said activity needs to be scheduled to minimize impact to users recognizing they have access 7x24.
 - ii. Said activity must be communicated (broadcast message or other acceptable alternative) so users are aware prior to the outage



- c. Activities that typically can be completed independent of a production release (e.g., data set expansions, data purges) may be completed on a more frequent basis (e.g., daily or weekly).
2. System Maintenance
 - a. Refers to regular and routine work performed by the Contractor on the system and any ancillary systems or interfaces run by the Contractor under this contract.
 - b. Includes any work required to correct defects in the system operation as required to meet Contract requirements. This includes:
 - i. Any routine file maintenance to update any information required for operation of the system such as data changes, constructing new edits, investigating batch job failures, investigating and correcting application defaults, repairing jobs run incorrectly, repairing problems due to system software failures, repairing problems due to operator or schedule error, rectifying problems due to web page,
 - ii. program, object, class, scripts, control language, or database errors, repairing security problems, repairing and restoring corrupted files, table structures, and databases, rectifying incorrect documentation, and repairing problems due to jobs run with incorrect data.
3. Adaptive and Preventive Maintenance
 - a. Adaptive and preventive maintenance addresses upgrades to the system due to technical changes to system components to keep the system maintainable, including the following services:
 - i. Upgrades or patches of the application server, Windows components, java virtual machine, operating system, RDMBS, or other system and application software.
 - ii. Software modifications and upgrades necessary because of expiring Contractor support.
 - iii. Hardware, database, or application conversions that do not modify user functionality
 - iv. One-time loads or reformats of user data
 - v. Report distribution changes.
 - vi. Disaster recovery plan activities.
 - b. The changes should be transparent to the user.
 - c. Adaptive release changes will be performed in a regularly scheduled release.
 - d. For major upgrades requiring a more significant amount of time to develop, test, and implement, the changes should be completed as part of a development release
4. Enhancements
 - a. Should Contractor have dedicated resources assigned to this phase and they are not be fully utilized in the aforementioned activities, then they can be assigned to participate in any aspects of the development cycle from definition through implementation of enhancements to the application.
 - b. Said enhancements if undertaken during this period do not impact the duration of the maintenance period
 - c. Use of any additional resources will be handled as explained in 1.104N.
5. Updated Documentation
 - a. Documentation, including training material, must reflect the system "as is" so as modifications, enhancements or defects are addressed the documentation is updated
 - b. Frequency of regular releases is defined as part of a Maintenance Plan
 - i. Release Notes must identify features added, modified or removed
 - ii. Release Notes are presented and approved prior to implementation in Production
 - c. Review and as required updates to the Maintenance Plan
6. Management Reporting
 - a. Updates against this phase will be included in the Project Status Report.
7. A process for escalation to ensure timely resolution of critical problems
8. A single point of contact (SPOC) to receive notification of problem.
9. Provision of annual renewable contract
10. Support to a State Hosted Solution



- a. Provide support to troubleshoot problems if so requested by the State technical resources within 30 minutes of request between the hours of 8 a.m. to 5 p.m. Eastern Time during normal business days or if after hours, within 30 minutes of start of the next business day
- b. Provide system enhancements/upgrades via remote access during non-business hours to avoid disruption of users unless an exemption is granted, in writing, by the State
- c. Provide adaptive and preventative maintenance via remote access during non-business hours to avoid disruption of users unless an exemption is granted, in writing, by the State
- d. Provide updated documentation per Section 1.104 (1) (J) prior to changes being pushed to production

11. RESERVED

12. SOM environment support is provided by DTMB for state hosted solutions,

State and Contractor Roles

The recommended Contractor and State roles for this task are:

Contractor Roles	State Roles
Correct defects in the GEMS software’s functionality	Provide Contractor support team remote access to the environments supported.
Incident Management and Problem Management of issues related to GEMS application software	Review and approve the listed documents
Provide Issue/Defect Tracking Tool	
Track and report application incidents and resolution, and performance against service levels agreement	

Deliverable(s) for Maintenance and Support

- Management Reports
 - Include uptime and explanation of any interruptions
 - Include performance against SLA (see Appendix C)
 - Listing of items completed during the reporting period
 - Listing of items planned during the upcoming reporting period
- Defect tracking tool
 - With State access to see activity and perform, as desired, reporting
- Updates (including replacements) to hardware, as/if required
- Updates to software, as/if required
- Updates to documentation, including training material, as/if required
- Release Notes

Acceptance Criteria

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

M. Knowledge Transfer/Transition

The Contractor shall perform the Knowledge Transfer/Transition activities including but not limited to the following:

1. Acknowledgement that Knowledge Transfer shall provide sufficient knowledge to 4 DTMB and, if applicable, any Contractor personnel assigned to provide ongoing support for operations no later than upon completion of the warranty period.
2. Creation of Knowledge Transfer Plan that will result in the support team having:
 - a. Knowledge to perform operational activity (including administration and security)
 - b. Knowledge to perform maintenance
 - c. Knowledge to perform enhancements
 - d. Knowledge to use and, if necessary, enhance the database
3. Creation of a Knowledge Transfer Plan will provide:
 - a. Time for the support team to review documentation as defined in 1.104 (I) (J) and provide questions and/or comments about the documentation



- i. The Contractor will provide written response to questions raised
 - ii. As necessary, the Contractor will update the documentation.
 - b. Opportunity for support team to participate as a secondary resource during training and implementation to gain general and technical knowledge of the system.
 - c. Opportunity for support team to participate as a secondary resource to gain “hands on” experience in investigation, determination of solution(s) and correction of problems that arise during the warranty period.
 - d. Opportunity for support team to participate in enhancements from day 1 during the maintenance period with increasing responsibility as level of expertise increases.
- 4. The Knowledge Transfer Plan will include, but is not limited to:
 - a. Completion including approval no later than the 20 business days prior to completion of the construction/development effort.
 - b. Describing the approach, tasks/steps, staffing levels, and roles and responsibilities of the State and Contractor to ensure State resources secure sufficient knowledge to serve as primary support for operations upon completion of the warranty period.
 - i. Business Knowledge including business process overview, application overview, and use case review.
 - ii. Technical Knowledge including database, modules/sub-modules, design, and standards applied.
 - iii. Process Knowledge including production support, release, configuration management, change management and version control. Production support will include batch processes as well as online and reporting processes.
 - c. Inclusion of a checklist of items to transfer to ensure each item is tracked to completion.
 - d. Creation of a detailed project schedule developed and tracked throughout this activity.
- 5. Updates against the Knowledge Transfer Plan will be included in the Project Status Report.
- 6. No later than 30 business days prior to completion of the Knowledge Transfer, the Contractor will issue a Transfer Evaluation Report defining any concerns or deficiencies during this Knowledge Transfer with recommendations to resolve the problems.
 - a. The Contractor will provide updates during subsequent status reports and status meetings.
- 7. No later than 10 business days prior to completion of Knowledge Transfer, the Contractor will provide a “final” Transfer Evaluation Report and conduct a walkthrough of this report.
- 8. Transfer Evaluation Reports will include:
 - a. Task level schedule status
 - b. Training provided by each recipient
 - c. Training remaining by each recipient
 - d. Risks and Issues with actions, owners and target dates

State and Contractor Roles

The recommended Contractor and State roles for this task are:

Contractor Roles	State Roles
Develop the Knowledge Transfer Plan	Review and approve the Knowledge Transfer Plan
Execute Knowledge transfer	Collaborate on the knowledge transfer by ensuring all the appropriate participants are communicated with and arrangements made for their time for knowledge transfer
Compile knowledge transfer evaluation report	Review the evaluation report and take appropriate actions to complete the remaining knowledge transfer
Provide update on the knowledge transfer activities in the Project Status Report	Review and approve the reported weekly activities

Deliverable(s) for Knowledge Transfer/Transition

- M1: Knowledge Transfer Plan including Project Schedule
- M2: Execution off the Knowledge Transfer Plan
 - Transfer Evaluation Report
 - Final Transfer Evaluation Report



Acceptance Criteria

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

N. Other Services (Agency to add any additional services to be required)

The State intends to establish funding for up to **2,000 hours** over the initial term of the contract for related development; that is, additional modifications to the system as implemented at the State. 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. They State may request additional hours if the option years are exercised.

The State will submit a Statement of Work (SOW) to the Contractor for the additional training and enhancements requested and the Contractor will provide a written price proposal. Upon review and approval by the DTMB Project Manager, a Purchase Order release will be issued to the Contractor for the project to begin.

Upon State request, the Contractor will perform or assist in the following activities, as permitted, towards the deliverables for enhancement of the GEMS software.

- Assist State, as requested, in drafting the Statement of Work for the application modification/enhancement or training envisioned
- Estimate the effort, schedule and price for the SOW
- Develop, test and implement the enhancement
- Create/update documentation impacted by the enhancement

State and Contractor Roles

The recommended Contractor and State roles for this task are:

Contractor Roles	State Roles
Review SOW provided by State	Prepare SOW
Estimate effort, schedule and price for the SOW	Review proposal
Develop, test and implement the enhancement	Issue Purchase Order
Update documentation	
Update training material and provide training on the enhancement	

Deliverable(s) for Other Services

- Pricing Proposal and Project Schedule
- Updated system to reflect changes pursuant to the Statement of Work
- Updated documentation as defined in Section 1.401(J)
- Updated training material as defined in Section 1.401(I)
- Training, as if required in the SOW
- Implementation of the revised system

Acceptance Criteria

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

II. Requirements

A. General and Technical System Requirements (Appendix A)

The General and Technical System Requirements will identify what the solution or product must run on or integrate with, including any standards that must be met, security requirements, service levels and interfaces. The General and Technical System Requirements will also identify the general framework in which the system or product must work, such as: capacity requirements (number of users, concurrent users, number of transactions to be handled, peak usage), documentation, audit and backup and recovery.



B. Functional Requirements (Appendix B)

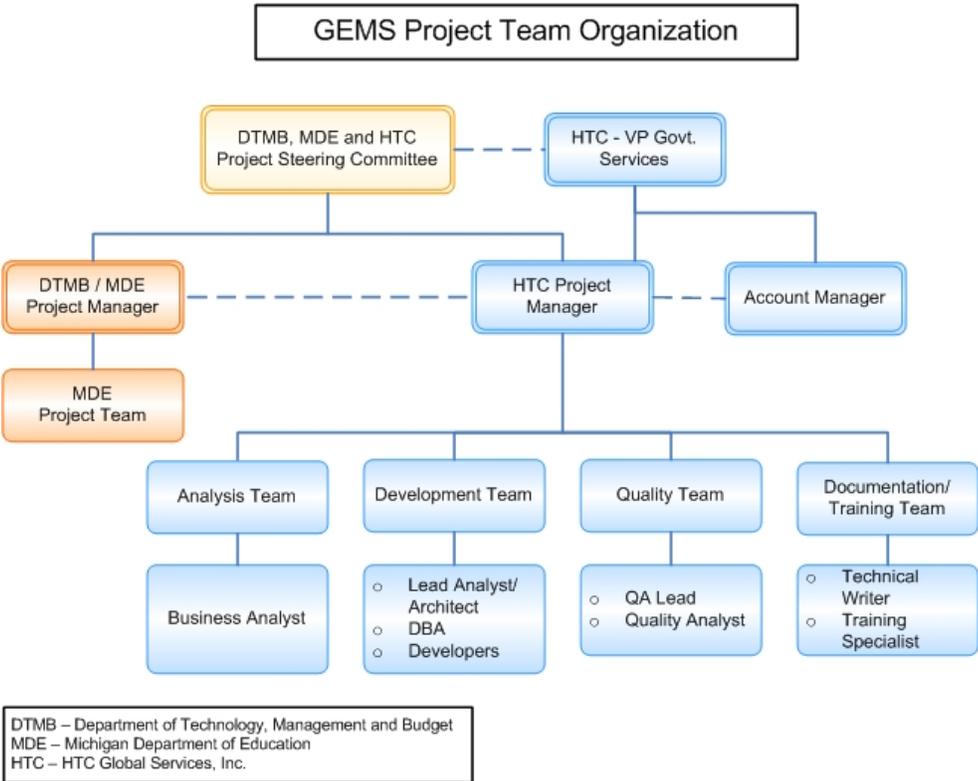
The Functional Requirements identify what the product or system must do to enable performance of work tasks and any applicable service levels.

1.200 Roles and Responsibilities

1.201 CONTRACTOR STAFF, ROLES, AND RESPONSIBILITIES

A. Contractor Staff

The Contractor will utilize the following team structure to implement GEMS for MDE:



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

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

- **Single Point of Contact** (Jim Parker)

The Contractor will provide sufficient qualified staffing to satisfy the deliverables of this Statement of Work. All Key Personnel may be subject to the State’s interview and approval process. Any key staff substitution must have the prior approval of the State. The State has identified the following three (3) roles and individuals as key personnel for this project:

- **Project Manager** (Joseph Rodrigues)
- **Lead Analyst/Architect** (Shibu Madhavan)
- **Training Specialist** (Theresa Christner)



Each of the key personnel roles must be filled and no individual can fill more than one role. This does not preclude said person from performing other roles except for other key roles as noted earlier.

The Contractor will provide a Project Manager to interact with the designated personnel from the State to insure a smooth execution of this project. The Contractor's Project Manager will coordinate all of the activities of the Contractor personnel assigned to the project and create all reports required by State. The Contractor's Project Manager 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
- Ensure creation of all deliverables. Review all project deliverables and provide feedback
- Proactively propose/suggest options and alternatives for consideration
- Utilize change control procedures, if any
- Prepare project documents and materials
- Manage and report on the project's budget

The Contractor will provide a **Lead Analyst/Architect** with responsibilities that include, at a minimum:

- Identification of gaps between requirements and their solution
- Ensure all requirements are met in the custom development solution
- Design of modifications/enhancements

The Contractor will provide a **Training Specialist** with responsibilities that include, at a minimum:

- Development of a training plan
- Development of training material including scripted webinars
- Execution of training

The required skills for the key personnel are provided below:

Required Skills for Project Manager
1. At least 5 years as a Project Manager.
2. At least 2 prior projects as a PM involving full life cycle (definition through implementation) of the proposed solution (either custom development or modification of a COTS solution). Please list all applicable projects
3. At least 2 prior projects as a PM using a formal SDLC or PM methodology. Please indicate name of methodology used and whether it was the client's methodology of choice.
Required Skills for Lead Analyst / Architect
1. At least 3 years of experience as an analyst/architect
2. If proposing a COTS solutions, performed gap analysis between client requirements and COTS solution on at least 2 prior projects
3. Performed design on how to meet requirements under the proposed solution (either modified COTS solution or custom development solution) on at least 2 prior projects
Required Skills for Training Specialist
1. At least 3 years of experience as a training specialist
2. Developed overall training plan that set direction for the training effort.
3. Developed training material for multiple roles on at least 2 prior projects
4. Developed webinars for presentation of training material to business/non-technical system users.
5. Executed training of at least 50 persons on at least 2 prior projects.



B. On-Site Work Requirements

1. Location of Work

- a. The Contractor will perform certain work at the State location. This includes:
 - i. Requirements verification
 - ii. Training
 - iii. User Acceptance Testing
 - iv. Knowledge Transfer
 - v. Warranty (if space is available)
 - vi. Maintenance/Support if dedicated resources (and pending if space is available) since Contractor resources will be part of a team that includes DTMB
 - vii. Deliverable Walkthrough/Review unless agreed to in advance by the State Project Manager
 - viii. Status Meetings
- b. The State Project Manager will identify other such on-site needs.
 - i. The State will provide workspace (work space, telephone, and access to a printer, copier, and fax machine) for the Contractor when onsite at SOM offices for specific predefined activities but not for the duration of the project.
 - ii. Said space is most likely at the 608 W. Allegan Street, Hannah Building, Lansing, Michigan where both MDE and MDTMB supporting MDE are located.
 - iii. No hardware or software will be provided to the Contractor.
 - iv. The development of this solution is to be done off site. The State will provide the test (QA) and production environments.
 - v. The State will not provide VPN access for development.
 - vi. For other project efforts, VPN access will be considered.
 - vii. The State will provide necessary performance tools towards performing load/stress tests.
- c. Other activities will be performed at Contractor location
 - i. Contractor will identify location(s)
 - ii. The Contractor shall not use facilities located outside the US to complete development scope tasks.
 - iii. Travel is to be included in the firm fixed price.
 - iv. The Contractor will perform, offsite work at the following location:
3270 West Big Beaver Road, Troy MI 48084

2. Hours of Operation:

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

3. Additional Security and Background Check Requirements:

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

If the person is in Michigan, the State will run the ICHAT. If the person is outside of Michigan, the Contractor must conduct and provide the background check.

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



C. Approved Subcontractors

The Contractor will utilize the following subcontractor to complete the specified work.

Firm Name: 1099
 Address: 500 W. Main, Homer, MI 49245
 Contact Person: Theresa Christner
 Description of Work: Training Services

1.202 STATE STAFF, ROLES, AND RESPONSIBILITIES

The State project team will consist of Executive Subject Matter Experts (ESME's), Subject Matter Experts, a MDTMB Project Manager and an Agency Project Manager:

Executive Subject Matter Experts

The Subject Matter Experts representing the business units involved will provide the vision for the business design and how the application shall provide for that vision. They shall be available on an as needed basis. The Executive SME's will be empowered to:

- Resolve project issues in a timely manner
- Review project plan, status, and issues
- Resolve deviations from project plan
- Provide acceptance sign-off
- Utilize change control procedures
- Ensure timely availability of State resources
- Make key implementation decisions, as identified by the Contractor's project manager, within 48-hours of their expected decision date.

Name	Agency/Division	Title
Louis Burgess	MDE	Assistant Director, Grants Coordination and Executive Sponsor
Mike Radke	MDE	Director, Office of Field Services
Shulawn Doxie	MDE	Supervisor, Grants Coordination

State Project Manager - (MDTMB and Agency)

MDTMB will provide a Project Manager who will be responsible for the State's infrastructure and coordinate with the Contractor in determining the system configuration.

The State's Project Manager will provide the following services:

- Provide State facilities, as needed
- Coordinate the State resources necessary for the project
- Facilitate coordination between various external contractors
- Facilitate communication between different State departments/divisions
- Provide acceptance and sign-off of deliverables/milestones
- Review and sign-off of timesheets (The Project Manger Supervisor will sign off on invoices)
- Resolve project issues
- Escalate outstanding/high priority issues
- Utilize change control procedures
- Conduct regular and ongoing review of the project to confirm that it meets original objectives and requirements
- Document and archive all important project decisions
- Arrange, schedule and facilitate State staff attendance at all project meetings.



Name	Agency/Division	Title
Maria Thomas	MDTMB	Project Manager Supervisor
Bill Kerr	MDTMB	Project Manager

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

Name	Agency/Division	Title
Steve Motz	MDTMB	Contract Administrator

1.203 OTHER ROLES AND RESPONSIBILITIES

Reserved

1.300 Project Plan

1.301 PROJECT PLAN MANAGEMENT

Project Plan

The Contractor provided a Preliminary Project Plan with their proposal which is provided as Appendix F. The Contractor will update the Preliminary Project Plan as required in section 1.104 (I) (A) (2) and section 1.301 (Project Control) (2).

1. The Project Plan will include:
 - a. Statement of project objectives
 - b. Statement of project approach, that is, how the contractor will apply their understanding and their experience while following the components in Section 1.104.
 - c. Roles and responsibility matrix for both Contractor and State personnel
 - d. Organization chart
2. The Project Plan will include a MS Project Schedule that includes:
 - a. All tasks as defined in Section 1.104
 - b. All deliverables as defined in Section 1.104
 - i. Target start and end dates for the deliverables.
 - c. Dependencies that illustrate the relationship of various tasks and deliverables
 - d. Identification of roles likely to participate in the tasks and deliverables
 - e. Internal milestones including, for example:
 - i. When hardware must be available
 - ii. When various environments must be ready
 - iii. When we go live
 - f. Task durations
3. The Project Plan shall include the following deliverable/milestones for which payment shall be made.
 - a. Payment to the Contractor will be made upon the completion and acceptance of the deliverable or milestone, not to exceed contractual costs of the phase. A milestone is defined as complete when all of the deliverables within the milestone have been completed.
 - i. Failure to provide deliverable/milestone by the identified date may be subject to liquidated damages as identified in Article 2.
4. The Project Plan shall include the following:
 - a. Change Management Plan – See Section 1.403 below
 - b. Communications Plan – Details how information is shared within the team and with stakeholders including meetings, reports, who creates the report, who attends meetings or receives reports, frequency, etc.



- c. Quality Plan – Details how to ensure deliverables meet expectations – “right the first time” and how defects are identified, tracked and resolved.
- d. Security Plan and Assessment – Details the DIT-170 which is created and updated throughout the life of the project to ensure security is integrated into the solution and associated risks monitored
- e. Procurement Plan – Details the process behind any purchases of equipment or material is handled.
- f. Resource Plan – Details the process to ensure skills and experience are identified and procured or developed to ensure “right people for the specific roles.”
- g. Risk Management Plan – See Section 1.402
- h. Initial Test Plan – Define, consistent with 1.104 G (Testing), the testing approach, scenarios, environment, tools, schedule, effort, and resources to ensure defects are defined, tracked and corrected.
- i. Initial Implementation Plan – Define the process to implement and verify software in each environment including test, training, and production
- j. Initial Maintenance Plan – Define the approach, roles and responsibilities, and staffing to provide ongoing maintenance and support as defined in 1.104 (I) L.

Orientation Meeting

Upon 30 calendar days from execution of the Contract, the Contractor will be required to attend an orientation meeting to discuss the content and procedures of the Contract. The meeting will be held in Lansing, Michigan, at a date and time mutually acceptable to the State and the Contractor. The State shall bear no cost for the time and travel of the Contractor for attendance at the meeting.

Performance Review Meetings

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

Contractor project team conducts a bi-weekly status conference call to review the status and resolution of any issues. In addition, a monthly status report is sent to the MDE for review. The project weekly report includes:

- Activities planned for the next reporting period
- Activities completed during the prior reporting period
- Percentage of completion
- Any issues / problems that require MDE attention

Project Control

1. The Contractor will carry out this project under the direction and control of MDTMB, in compliance with SUITE, and the Michigan Department of Education (MDE).
2. Within twenty (20) business days of the execution of the Contract, the Contractor will submit to the State Project Manager(s) for final approval of the project plan. This project plan must be in agreement with Article 1, Section 1.104 Work and Deliverables, and must include the following:
 - a. The Contractor’s project organizational structure.
 - b. 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.
 1. Necessary substitutions due to change of employment status and other unforeseen circumstances may only be made with prior approval of the State.
 2. Any positions to be allocated to a subcontractor or individuals identified that are not employees of the contractor must be so identified including the name of their firm.
 - c. The project work breakdown structure (WBS) showing sub-projects, activities and tasks, and resources required and allocated to each.



- d. The time-phased plan in the form of a graphic display, showing each event, task, and decision point in the WBS.
3. The Contractor will manage the project in accordance with the State Unified Information Technology Environment (SUITE) methodology, which includes standards for project management, systems engineering, and associated forms and templates which is available at <http://www.michigan.gov/suite>
 - a. Contractor will use an automated tool for planning, monitoring, and tracking the Contract's progress and the level of effort of any Contractor personnel spent performing Services under the Contract. The tool shall have the capability to produce:
 1. Staffing tables with names of personnel assigned to Contract tasks.
 2. Project plans showing tasks, subtasks, deliverables, and the resources required and allocated to each.
 - a. Summary plan showing start and end dates for all phases
 - b. Detailed plans for no less than all active phases and those starting in the next 90 calendar days.
 - o For example, if the design phase is "active" the detail plan is required for that entire phase. However, if other phases should commence within this window, then detailed plans is also required for that phase/those phases, too.
 - c. Said plan is updated no less than biweekly
 - o Updates must include actual time spent on each task and any revision of the estimate to complete.
 3. Graphs showing critical events, dependencies and decision points during the course of the Contract.
 - b. Any tool(s) used by Contractor for such purposes must produce information of a type and in a manner and format that will support reporting in compliance with the State standards.

The Contractor's Project Manager utilizes Microsoft Project as a tool for planning, tracking, execution, controlling and communicating the status of the various phases of the project. Each phase is divided into several major activities, and each activity is further divided in several tasks. Each activity has a start and end date together with milestone identification.

Contractor agrees to manage and control the project, addressing all the components as mentioned in the Contract.

1.302 REPORTS

A Weekly Project Status Report will be required from the Contractor from the start of the project until the completion of the project or mutually agreed by the MDTMB project manager and the Contractor.

Reporting formats must be submitted to the State's Project Manager for approval within ten (10) business days after the execution of the Contract. The Contractor shall use as its base the Project Status Report SUITE template. 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 changed with written agreement of the DTMB Project Manager. Report components will include:

- Executive Summary of activity during the report period
- Accomplishments during the reporting period
 - Accomplishments indicate specific work started or completed and not work in process
 - Accomplishments must indicate more than "just" milestones and deliverables.
- Deliverable status
- Schedule status
- Change Control
- Maintenance Activity (if any)
- Planned accomplishments during the coming report period



- Planned Accomplishments indicate specific work started or completed and not work in process
- Action Item status
 - The Log may be attached rather than material copied into the actual PSR
 - Action Item includes the action, owner, target date, updates and closure date
- Issues
 - The Log may be attached rather than material copied into the actual PSR
 - Detail on the Issue Log is provided in 1.401 (below)
- Risks
 - The Log may be attached rather than material copied into the actual PSR
 - Detail on the Risk Log is provided in 1.402 (below)

The Contractor shall include, within the Executive Summary of the Project Status Report, a statement that the project is on schedule or, if not, reasons for discrepancies and a tracking date.

During testing and warranty period, information will be included or attached to the PSR to indicate a summary of defects:

- Open at the beginning of the reporting period
- New defects reported during the reporting period
- Defects closed during the reporting period
- Defects in process as (being worked on) of the end of the period
- Defects not yet worked on as of the end of the period
- Open defects as of the end of the period

Said report may be broken down further by severity level if defects are so categorized. A detailed report or access to any tool used to track said defects will be available to the State upon request.

During system and user testing, information will be included to indicate:

- Number of test cases that passed on first try
- Percentage of test cases that passed on first try against all test cases completed

An updated Project Schedule reflecting activity to date as well as updates to the estimate to complete will also be provided by the Contractor with the Project Status Report. The Project Schedule will identify tasks that are over estimate and/or behind schedule with associated actions to address the situation.

1.400 Project Management

1.401 ISSUE MANAGEMENT

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

The Contractor shall maintain an issue log for issues relating to the provision of services under this Contract. The issue management log must be communicated to the State's Project Manager as part of the Project Status Report or as otherwise agreed to. The issue log must be updated and must contain the following minimum elements:

- Description of issue
- Issue identification date
- Responsibility for resolving issue (a single owner).
- Priority for issue resolution (to be mutually agreed upon by the State and the Contractor)
- Resources assigned responsibility for resolution
- Updates (indicating date and progress made towards resolution of the issue)
- Resolution date
- Resolution description



Issues will be retained for the life of the project. However, upon resolution of an issue and communication thereof, the issue may be moved to an archive issue log for retention.

Issues shall be escalated for resolution from level 1 through level 3, as defined below:

Level 1 – Business Leads

Level 2 – Project Managers

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

1.402 RISK MANAGEMENT

A risk is a circumstance or event that may be “reasonably presumed” to occur and, 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, and monitoring of risk items. Risk assessment reviews with the State will occur at the start of each phase and no less than monthly. Therefore if the phase last multiple months, the risk assessment is updated each month. The documentation of the risks and associated information (defined above) will be in the Risk Log and updated to reflect each review.

A risk management plan format shall be submitted to the State for approval within twenty (20) business days after the effective date of the Contract. The risk management plan will be developed during the initial planning phase of the project, and be in accordance with the State's PMM methodology. Once both parties have agreed to the format of the plan, it shall become the standard to follow for the duration of the contract.

The Contractor shall provide the tool to track risks subject to the approval of the MDTMB Project Manager. The Contractor will work with the State and allow input into the prioritization of risks.

The Contractor is responsible for identification of risks for each phase of the project and for updating said risk assessment no less than monthly. Mitigating and/or eliminating assigned risks will be the responsibility of the Contractor. The State will assume the same responsibility for risks assigned to them.

1.403 CHANGE MANAGEMENT

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

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

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

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



1.500 Acceptance

1.501 CRITERIA

The approval process is defined in more detail in the terms and conditions, specifically sections 2.253, 2.254 and 2.255. In addition to these sections the following apply:

Deliverables that are documents must:

- Be reviewed and approved by staff (unless there are issues) within five (5) business days (as identified in the Project Schedule). During the review, deliverables will be subject to no more than two (2) review cycles (unless something previously communicated was left out): one review and one subsequent review of any necessary changes required by the first review. The second review will be limited to only those changes and not intended to introduce new feedback.
- Be in electronic format, compatible with State of Michigan software in accordance with Article 1.302.
 - Provide a heading indicating system (e.g. GEMS) and document name (e.g. User Manual) on each page
 - Provide page number and “of pages” on each page.
 - Provide an “as of” date.
 - Indicate final and not draft status
- If required by SUITE will leverage the SUITE template or leverage a template that serves the same purpose and contains similar information but if and only if with prior approval of the MDTMB Project Manager.
- Reflect correction of feedback provided by the State regarding but not limited to level of detail and clarifications.
- Reflect correction of issues identified by State personnel during the review of said documents unless waived in writing by the MDTMB Project Manager
- Not illustrate “real” data. Names, identification codes, etc. must be fictitious to ensure confidentiality of sensitive information.

Deliverables that represent “construction activity” must:

- Include updated documentation of the modules, pages, reports, etc.
- Indicate in the requirements traceability matrix (RTM) that all requirements were addressed through the System Development Life Cycle including design, development, and testing
- Reflect successful installation in no less than the test, training, UAT, QA and Production environments
- And operates in said environment including security (authentication and authorization)

Deliverables that represent testing must:

- Indicate all test cases have been successfully executed in system test, performance test, load test, User Acceptance Test
- And all defects, unless waived in writing by the State, are corrected

Deliverables that represent training must:

- Indicate all persons so identified to receive training, have in fact completed the training
- Reflect that all training material, per feedback from those trained and the State (MDTMB and MDE) Project Managers, has been updated

Deliverables that represent the warranty period must:

- Indicate passage of the timeframe
- Resolution of all issues raised during the period, unless waived in writing by the State MDTMB Project Manager



1.502 FINAL ACCEPTANCE

The following requirements for final acceptance apply:

- That all deliverables defined in Article 1 and per the acceptance criteria defined in section 1.501 have been completed and written approval provided
- That all contractual requirements have been met including but not limited to:
 - Placement of source code in escrow as/if applicable

1.600 Compensation and Payment

1.601 COMPENSATION AND PAYMENT

Method of Payment

The project, from inception through and including warranty, will be based on a firm, fixed-priced per deliverable basis. Payment is made upon completion of all deliverables for the phase as reflected in Cost Table G-2. During maintenance and support, which begins after completion of the warranty period, the Contractor will be paid monthly, with equal payments each month based upon the annual cost listed in Appendix G. **The Cost Table attached (Appendix G) must be used as the format for submitting pricing information.** The Contractor shall adhere to the deliverables identified in the Cost Table. Modification to the Cost Table in Appendix G will not be acceptable.

The Contractor agrees the costs provided in Appendix G represent the total charge to the State, and that there are no other charges required to ensure successful Contract execution. The Contractor has provide a listing and any associated pricing for any 3rd party software required in the solution.

Travel

The State will not pay for any travel expenses, including hotel, mileage, meals, parking, etc. This includes travel costs related to training provided to the State by Contractor. Travel time will not be reimbursed.

Out-of-Pocket Expenses

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

Statements of Work and Issuance of Purchase Orders

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



issued against this Contract. Contractor shall perform in accordance with this Contract, including the Statements of Work/Purchase Orders executed under it.

Invoicing

The 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 set up;
- Price for each item, or Contractor's list price for each item and applicable discounts;
- Maintenance charges;
- Net invoice price for each item;
- Shipping costs;
- Other applicable charges;
- Total invoice price; and
- Payment terms, including any available prompt payment discount.

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

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

1.602 HOLDBACK - RESERVED



Article 2, Terms and Conditions

2.000 Contract Structure and Term

2.001 CONTRACT TERM

This Contract is for a period of 3 years beginning **August 22, 2011** through **August 21, 2014**. All outstanding Purchase Orders must also expire upon the termination for any of the reasons listed in **Section 2.150** of the Contract, unless otherwise extended under the Contract. Absent an early termination for any reason, Purchase Orders issued but not expired, by the end of the Contract's stated term, shall remain in effect for the balance of the fiscal year for which they were issued.

2.002 OPTIONS TO RENEW

This Contract may be renewed in writing by mutual agreement of the parties not less than 30 days before its expiration. The Contract may be renewed for up to five (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, APPENDICES & EXHIBITS

All Attachments, Appendices 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 Michigan Department of Education (MDE) (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:

Steve Motz
Buyer
Purchasing Operations
Department of Technology, Management and Budget
Mason Bldg, 2nd Floor
PO Box 30026
Lansing, MI 48909
motzs@michigan.gov
517-241-3215

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:

William J. Kerr
DTMB Agency Services
Hannah Building
608 West Allegan Street
Lansing, Michigan 48909
Kerrb@Michigan.Gov
517-335-2805

2.023 PROJECT MANAGER

The following individual will oversee the project:

William J. Kerr
DTMB Agency Services
Hannah Building
608 West Allegan Street
Lansing, Michigan 48909
Kerrb@Michigan.Gov
517-335-2805

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: Steve Motz
 PO Box 30026
 530 West Allegan
 Lansing, Michigan 48909

Contractor:

See Contact information on Contract cover page.

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

2.026 BINDING COMMITMENTS

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



2.027 RELATIONSHIP OF THE PARTIES

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

2.028 COVENANT OF GOOD FAITH

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

2.029 ASSIGNMENTS

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

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

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

2.030 General Provisions

2.031 MEDIA RELEASES

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

2.032 CONTRACT DISTRIBUTION

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

2.033 PERMITS

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

2.034 WEBSITE INCORPORATION

The State is not bound by any content on the Contractor's website, even if the Contractor's documentation specifically referenced that content and attempts to incorporate it into any other communication, unless the



State has actual knowledge of the content and has expressly agreed to be bound by it in a writing that has been manually signed by an authorized representative of the State.

2.035 FUTURE BIDDING PRECLUSION

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

2.036 FREEDOM OF INFORMATION

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

2.037 DISASTER RECOVERY

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

2.040 Financial Provisions

2.041 FIXED PRICES FOR SERVICES/DELIVERABLES

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

2.042 ADJUSTMENTS FOR REDUCTIONS IN SCOPE OF SERVICES/DELIVERABLES

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

2.043 SERVICES/DELIVERABLES COVERED

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

2.044 INVOICING AND PAYMENT – IN GENERAL

- (a) Each Statement of Work issued under this Contract shall list (or indicate by reference to the appropriate Contract Exhibit) the prices for all Services/Deliverables, equipment and commodities to be provided, and the associated payment milestones and payment amounts.
- (b) Each Contractor invoice shall show details as to charges by Service/Deliverable component and location at a level of detail reasonably necessary to satisfy the State's accounting and charge-back requirements. Invoices for Services performed on a time and materials basis shall show, for each individual, the number of hours of Services performed during the billing period, the billable skill/labor category for such person and the applicable hourly billing rate. Prompt payment by the State is contingent on the Contractor's invoices showing the amount owed by the State minus any holdback amount to be retained by the State in accordance with **Section 1.600**.
- (c) Correct invoices shall be due and payable by the State, in accordance with the State's standard payment procedure as specified in 1984 Public Act No. 279, MCL 17.51 et seq., within 45 days after receipt, provided the State determines that the invoice was properly rendered.



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

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

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

2.045 PRO-RATION

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

2.046 ANTITRUST ASSIGNMENT

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

2.047 FINAL PAYMENT

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

2.048 ELECTRONIC PAYMENT REQUIREMENT

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

2.050 Taxes

2.051 EMPLOYMENT TAXES

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

2.052 SALES AND USE TAXES

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



means sole proprietorship, a partnership (as defined in § 701(a) (2) of the Internal Revenue Code), a trust, an estate, a corporation, or a limited liability company.

2.060 Contract Management

2.061 CONTRACTOR PERSONNEL QUALIFICATIONS

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

2.062 CONTRACTOR KEY PERSONNEL

- (a) The Contractor must provide the Contract Compliance Inspector with the names of the Key Personnel.
- (b) Key Personnel must be dedicated as defined in the Statement of Work to the Project for its duration in the applicable Statement of Work with respect to other individuals designated as Key Personnel for that Statement of Work.
- (c) The State shall have the right to recommend and approve in writing the initial assignment, as well as any proposed reassignment or replacement, of any Key Personnel. Before assigning an individual to any Key Personnel position, Contractor shall notify the State of the proposed assignment, shall introduce the individual to the appropriate State representatives, and shall provide the State with a resume and any other information about the individual reasonably requested by the State. The State reserves the right to interview the individual before granting written approval. In the event the State finds a proposed individual unacceptable, the State shall provide a written explanation including reasonable detail outlining the reasons for the rejection.
- (d) Contractor must not remove any Key Personnel from their assigned roles on the Contract without the prior written consent of the State. The Contractor's removal of Key Personnel without the prior written consent of the State is an unauthorized removal ("Unauthorized Removal"). Unauthorized Removals does not include replacing Key Personnel for reasons beyond the reasonable control of Contractor, including illness, disability, leave of absence, personal emergency circumstances, resignation or for cause termination of the Key Personnel's employment. Unauthorized Removals does not include replacing Key Personnel because of promotions or other job movements allowed by Contractor personnel policies or Collective Bargaining Agreement(s) as long as the State receives prior written notice before shadowing occurs and Contractor provides 30 days of shadowing unless parties agree to a different time period. The Contractor with the State must review any Key Personnel replacements, and appropriate transition planning will be established. Any Unauthorized Removal may be considered by the State to be a material breach of the Contract, in respect of which the State may elect to exercise its termination and cancellation rights.
- (e) The Contractor must notify the Contract Compliance Inspector and the Contract Administrator at least 10 business days before redeploying non-Key Personnel, who are dedicated to primarily to the Project, to other projects. If the State does not object to the redeployment by its scheduled date, the Contractor may then redeploy the non-Key Personnel.

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

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



which is attributable to the State, the applicable SLAs for the affected Service shall not be counted for a time as agreed to by the parties.

2.064 CONTRACTOR PERSONNEL LOCATION

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

2.065 CONTRACTOR IDENTIFICATION

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

2.066 COOPERATION WITH THIRD PARTIES

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

2.067 CONTRACT MANAGEMENT RESPONSIBILITIES

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

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

2.068 CONTRACTOR RETURN OF STATE EQUIPMENT/RESOURCES

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

2.070 Subcontracting by Contractor

2.071 CONTRACTOR FULL RESPONSIBILITY

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



2.072 STATE CONSENT TO DELEGATION

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

2.073 SUBCONTRACTOR BOUND TO CONTRACT

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

2.074 FLOW DOWN

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

2.075 COMPETITIVE SELECTION

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

2.080 State Responsibilities

2.081 EQUIPMENT

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

2.082 FACILITIES

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



otherwise gains access in the course of performing the Services, for any purpose other than providing the Services to the State.

2.090 Security

2.091 BACKGROUND CHECKS

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

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

2.092 SECURITY BREACH NOTIFICATION

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

2.093 PCI DATA SECURITY REQUIREMENTS

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

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

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

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

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



2.100 Confidentiality

2.101 CONFIDENTIALITY

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

2.102 PROTECTION AND DESTRUCTION OF CONFIDENTIAL INFORMATION

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

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

2.103 EXCLUSIONS

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

2.104 NO IMPLIED RIGHTS

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



2.105 RESPECTIVE OBLIGATIONS

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

2.110 Records and Inspections

2.111 INSPECTION OF WORK PERFORMED

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

2.112 EXAMINATION OF RECORDS

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

2.113 RETENTION OF RECORDS

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

2.114 AUDIT RESOLUTION

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

2.115 ERRORS

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

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



2.120 Warranties

2.121 WARRANTIES AND REPRESENTATIONS

The Contractor represents and warrants:

- (a) It is capable in all respects of fulfilling and must fulfill all of its obligations under this Contract. The performance of all obligations under this Contract must be provided in a timely, professional, and workman-like manner and must meet the performance and operational standards required under this Contract.
- (b) The Contract Appendices, Attachments and Exhibits identify the equipment and software and services necessary for the Deliverable(s) to perform and Services to operate in compliance with the Contract's requirements and other standards of performance.
- (c) It is the lawful owner or licensee of any Deliverable licensed or sold to the State by Contractor or developed by Contractor under this Contract, and Contractor has all of the rights necessary to convey to the State the ownership rights or licensed use, as applicable, of any and all Deliverables. None of the Deliverables provided by Contractor to the State under neither this Contract, nor their use by the State shall infringe the patent, copyright, trade secret, or other proprietary rights of any third party.
- (d) If, under this Contract, Contractor procures any equipment, software or other Deliverable for the State (including equipment, software and other Deliverables manufactured, re-marketed or otherwise sold by Contractor under Contractor's name), then in addition to Contractor's other responsibilities with respect to the items in this Contract, Contractor must assign or otherwise transfer to the State or its designees, or afford the State the benefits of, any manufacturer's warranty for the Deliverable.
- (e) The contract signatory has the power and authority, including any necessary corporate authorizations, necessary to enter into this Contract, on behalf of Contractor.
- (f) It is qualified and registered to transact business in all locations where required.
- (g) Neither the Contractor nor any Affiliates, nor any employee of either, has, must have, or must acquire, any contractual, financial, business, or other interest, direct or indirect, that would conflict in any manner or degree with Contractor's performance of its duties and responsibilities to the State under this Contract or otherwise create an appearance of impropriety with respect to the award or performance of this Agreement. Contractor must notify the State about the nature of the conflict or appearance of impropriety within two days of learning about it.
- (h) Neither Contractor nor any Affiliates, nor any employee of either has accepted or must accept anything of value based on an understanding that the actions of the Contractor or Affiliates or employee on behalf of the State would be influenced. Contractor must not attempt to influence any State employee by the direct or indirect offer of anything of value.
- (i) Neither Contractor nor any Affiliates, nor any employee of either has paid or agreed to pay any person, other than bona fide employees and consultants working solely for Contractor or the Affiliate, any fee, commission, percentage, brokerage fee, gift, or any other consideration, contingent upon or resulting from the award or making of this Contract.
- (j) The prices proposed by Contractor were arrived at independently, without consultation, communication, or agreement with any other bidder for the purpose of restricting competition; the prices quoted were not knowingly disclosed by Contractor to any other bidder; and no attempt was made by Contractor to induce any other person to submit or not submit a proposal for the purpose of restricting competition.
- (k) All financial statements, reports, and other information furnished by Contractor to the State as part of its response to the RFP or otherwise in connection with the award of this Contract fairly and accurately represent the business, properties, financial condition, and results of operations of Contractor as of the respective dates, or for the respective periods, covered by the financial statements, reports, other information. Since the respective dates or periods covered by the financial statements, reports, or other information, there have been no material adverse changes in the business, properties, financial condition, or results of operations of Contractor.
- (l) All written information furnished to the State by or for the Contractor in connection with this Contract, including its bid, is true, accurate, and complete, and contains no untrue statement of material fact or omits any material fact necessary to make the information not misleading.
- (m) It is not in material default or breach of any other contract or agreement that it may have with the State or any of its departments, commissions, boards, or agencies. Contractor further represents and warrants



that it has not been a party to any contract with the State or any of its departments that was terminated by the State or the department within the previous five years for the reason that Contractor failed to perform or otherwise breached an obligation of the contract.

- (n) If any of the certifications, representations, or disclosures made in the Contractor's original bid response change after contract award, the Contractor is required to report those changes immediately to the Department of Technology, Management and Budget, Purchasing Operations.

2.122 WARRANTY OF MERCHANTABILITY

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

2.123 WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE

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

2.124 WARRANTY OF TITLE

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

2.125 EQUIPMENT WARRANTY

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

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

Within 10 business days of notification from the State, the Contractor must adjust, repair or replace all equipment that is defective or not performing in compliance with the Contract. The Contractor must assume all costs for replacing parts or units and their installation including transportation and delivery fees, if any.

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

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

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

2.126 EQUIPMENT TO BE NEW

If applicable, all equipment provided under this Contract by Contractor shall be new where Contractor has knowledge regarding whether the equipment is new or assembled from new or serviceable used parts that are like new in performance or has the option of selecting one or the other. Equipment that is assembled from new



or serviceable used parts that are like new in performance is acceptable where Contractor does not have knowledge or the ability to select one or other, unless specifically agreed otherwise in writing by the State.

2.127 PROHIBITED PRODUCTS

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

2.128 CONSEQUENCES FOR BREACH

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

2.130 Insurance

2.131 LIABILITY INSURANCE

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

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

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

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

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

See www.michigan.gov/dleg.

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

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

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

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



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

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

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

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

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

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

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

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

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

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

2.132 SUBCONTRACTOR INSURANCE COVERAGE

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



2.133 CERTIFICATES OF INSURANCE AND OTHER REQUIREMENTS

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

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

2.140 Indemnification

2.141 GENERAL INDEMNIFICATION

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

2.142 CODE INDEMNIFICATION

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

2.143 EMPLOYEE INDEMNIFICATION

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



2.144 PATENT/COPYRIGHT INFRINGEMENT INDEMNIFICATION

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

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

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

2.145 CONTINUATION OF INDEMNIFICATION OBLIGATIONS

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

2.146 INDEMNIFICATION PROCEDURES

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

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



the claim and (iv) to the extent that any principles of Michigan governmental or public law may be involved or challenged, the State has the right, at its own expense, to control the defense of that portion of the claim involving the principles of Michigan governmental or public law. But the State may retain control of the defense and settlement of a claim by notifying the Contractor in writing within 10 days after the State's receipt of Contractor's information requested by the State under clause (ii) of this paragraph if the State determines that the Contractor has failed to demonstrate to the reasonable satisfaction of the State the Contractor's financial ability to carry out its defense and indemnity obligations under this Section. Any litigation activity on behalf of the State, or any of its subdivisions under this Section, must be coordinated with the Department of Attorney General. In the event the insurer's attorney represents the State under this Section, the insurer's attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.

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

2.150 Termination/Cancellation

2.151 NOTICE AND RIGHT TO CURE

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

2.152 TERMINATION FOR CAUSE

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

2.153 TERMINATION FOR CONVENIENCE

The State may terminate this Contract for its convenience, in whole or part, if the State determines that a termination is in the State's best interest. Reasons for the termination must be left to the sole discretion of the State and may include, but not necessarily be limited to (a) the State no longer needs the Services or products



specified in the Contract, (b) relocation of office, program changes, changes in laws, rules, or regulations make implementation of the Services no longer practical or feasible, (c) unacceptable prices for Additional Services or New Work requested by the State, or (d) falsification or misrepresentation, by inclusion or non-inclusion, of information material to a response to any RFP issued by the State. The State may terminate this Contract for its convenience, in whole or in part, by giving Contractor written notice at least 30 days before the date of termination. If the State chooses to terminate this Contract in part, the charges payable under this Contract must be equitably adjusted to reflect those Services/Deliverables that are terminated. Services and related provisions of this Contract that are terminated for convenience must cease on the effective date of the termination.

2.154 TERMINATION FOR NON-APPROPRIATION

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

2.155 TERMINATION FOR CRIMINAL CONVICTION

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

2.156 TERMINATION FOR APPROVALS RESCINDED

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

2.157 RIGHTS AND OBLIGATIONS UPON TERMINATION

- (a) If the State terminates this Contract for any reason, the Contractor must (a) stop all work as specified in the notice of termination, (b) take any action that may be necessary, or that the State may direct, for preservation and protection of Deliverables or other property derived or resulting from this Contract that may be in Contractor's possession, (c) return all materials and property provided directly or indirectly to Contractor by any entity, agent or employee of the State, (d) transfer title in, and deliver to, the State, unless otherwise directed, all Deliverables intended to be transferred to the State at the termination of the Contract and which are resulting from the Contract (which must be provided to the State on an "As-Is" basis except to the extent the amounts paid by the State in respect of the items included compensation to



- Contractor for the provision of warranty services in respect of the materials), and (e) take any action to mitigate and limit any potential damages, or requests for Contractor adjustment or termination settlement costs, to the maximum practical extent, including terminating or limiting as otherwise applicable those subcontracts and outstanding orders for material and supplies resulting from the terminated Contract.
- (b) If the State terminates this Contract before its expiration for its own convenience, the State must pay Contractor for all charges due for Services provided before the date of termination and, if applicable, as a separate item of payment under this Contract, for Work In Process, on a percentage of completion basis at the level of completion determined by the State. All completed or partially completed Deliverables prepared by Contractor under this Contract, at the option of the State, becomes the State's property, and Contractor is entitled to receive equitable fair compensation for the Deliverables. Regardless of the basis for the termination, the State is not obligated to pay, or otherwise compensate, Contractor for any lost expected future profits, costs or expenses incurred with respect to Services not actually performed for the State.
- (c) Upon a good faith termination, the State may assume, at its option, any subcontracts and agreements for services and deliverables provided under this Contract, and may further pursue completion of the Services/Deliverables under this Contract by replacement contract or otherwise as the State may in its sole judgment deem expedient.

2.158 RESERVATION OF RIGHTS

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

2.160 Termination by Contractor

2.161 TERMINATION BY CONTRACTOR

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

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

2.170 Transition Responsibilities

2.171 CONTRACTOR TRANSITION RESPONSIBILITIES

If the State terminates this contract, for convenience or cause, or if the Contract is otherwise dissolved, voided, rescinded, nullified, expires or rendered unenforceable, the Contractor shall comply with direction provided by the State to assist in the orderly transition of equipment, services, software, leases, etc. to the State or a third party designated by the State. If this Contract expires or terminates, the Contractor agrees to make all reasonable efforts to effect an orderly transition of services within a reasonable period of time that in no event will exceed 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 conform to the requirements of **Section 2.024**.

2.183 ALLOWANCE OF CONTRACTOR COSTS

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

2.190 Dispute Resolution

2.191 IN GENERAL

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

2.192 INFORMAL DISPUTE RESOLUTION

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

- (1) The representatives of Contractor and the State must meet as often as the parties reasonably deem necessary to gather and furnish to each other all information with respect to the matter at issue which the parties believe to be appropriate and germane in connection with its resolution. The representatives shall discuss the problem and negotiate in good faith in an effort to resolve the dispute without the necessity of any formal proceeding.
 - (2) During the course of negotiations, all reasonable requests made by one party to another for non-privileged information reasonably related to the Contract shall be honored in order that each of the parties may be fully advised of the other's position.
 - (3) The specific format for the discussions shall be left to the discretion of the designated State and Contractor representatives, but may include the preparation of agreed upon statements of fact or written statements of position.
 - (4) Following the completion of this process within 60 calendar days, the Director of Purchasing Operations, DMB, or designee, shall issue a written opinion regarding the issue(s) in dispute within 30 calendar days. The opinion regarding the dispute must be considered the State's final action and the exhaustion of administrative remedies.
- (b) This Section shall not be construed to prevent either party from instituting, and a party is authorized to institute, formal proceedings earlier to avoid the expiration of any applicable limitations period, to preserve a superior position with respect to other creditors, or under Section 2.193.
- (c) The State shall not mediate disputes between the Contractor and any other entity, except state agencies, concerning responsibility for performance of work under the Contract.

2.193 INJUNCTIVE RELIEF

The only circumstance in which disputes between the State and Contractor shall not be subject to the provisions of **Section 2.192** is where a party makes a good faith determination that a breach of the terms of the Contract by the other party is that the damages to the party resulting from the breach shall be so



immediate, so large or severe and so incapable of adequate redress after the fact that a temporary restraining order or other immediate injunctive relief is the only adequate remedy.

2.194 CONTINUED PERFORMANCE

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

2.200 Federal and State Contract Requirements

2.201 NONDISCRIMINATION

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

2.202 UNFAIR LABOR PRACTICES

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

2.203 WORKPLACE SAFETY AND DISCRIMINATORY HARASSMENT

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

2.204 PREVAILING WAGE

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

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



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

2.210 Governing Law

2.211 GOVERNING LAW

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

2.212 COMPLIANCE WITH LAWS

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

2.213 JURISDICTION

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

2.220 Limitation of Liability

2.221 LIMITATION OF LIABILITY

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

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

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

2.230 Disclosure Responsibilities

2.231 DISCLOSURE OF LITIGATION

Contractor shall disclose any material criminal litigation, investigations or proceedings involving the Contractor (and each Subcontractor) or any of its officers or directors or any litigation, investigations or proceedings under the Sarbanes-Oxley Act. In addition, each Contractor (and each Subcontractor) shall notify the State of any material civil litigation, arbitration or proceeding which arises during the term of the Contract and extensions, to which Contractor (or, to the extent Contractor is aware, any Subcontractor) is a party, and which involves: (i) disputes that might reasonably be expected to adversely affect the viability or financial stability of Contractor or any Subcontractor; or (ii) a claim or written allegation of fraud against Contractor or, to the extent Contractor is aware, any Subcontractor by a governmental or public entity arising out of their business dealings with governmental or public entities. The Contractor shall disclose in writing to the Contract Administrator any



litigation, investigation, arbitration or other proceeding (collectively, "Proceeding") within 30 days of its occurrence. Details of settlements that are prevented from disclosure by the terms of the settlement may be annotated. Information provided to the State from Contractor's publicly filed documents referencing its material litigation shall be deemed to satisfy the requirements of this Section.

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

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

2.232 CALL CENTER DISCLOSURE

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

2.233 BANKRUPTCY

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

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

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

2.240 Performance

2.241 TIME OF PERFORMANCE

- (a) Contractor shall use commercially reasonable efforts to provide the resources necessary to complete all Services and Deliverables according to the time schedules contained in the Statements of Work and other Exhibits governing the work, and with professional quality.



- (b) Without limiting the generality of **Section 2.241**, Contractor shall notify the State in a timely manner upon becoming aware of any circumstances that may reasonably be expected to jeopardize the timely and successful completion of any Deliverables/Services on the scheduled due dates in the latest State-approved delivery schedule and must inform the State of the projected actual delivery date.
- (c) If the Contractor believes that a delay in performance by the State has caused or will cause the Contractor to be unable to perform its obligations according to specified Contract time periods, the Contractor must notify the State in a timely manner and must use commercially reasonable efforts to perform its obligations according to the Contract time periods notwithstanding the State's failure. Contractor will not be in default for a delay in performance to the extent the delay is caused by the State.

2.242 SERVICE LEVEL AGREEMENT (SLA)

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

2.243 LIQUIDATED DAMAGES

Late or Improper Completion of Work

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

During the warranty period, should the system be unavailable due to host or applicable problems, the State is entitled to \$500 per calendar day if down 4 or more hours. During maintenance & support, system be unavailable due to host or applicable problems, the State is entitled to \$400 per calendar day if down 4 or more hours.



Unauthorized Removal of any Key Personnel

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

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

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

2.244 EXCUSABLE FAILURE

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

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

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

The Contractor will not have the right to any additional payments from the State as a result of any Excusable Failure occurrence or to payments for Services not rendered/Deliverables not provided as a result of the Excusable Failure condition. Defaults or delays in performance by Contractor which are caused by acts or



omissions of its Subcontractors will not relieve Contractor of its obligations under the Contract except to the extent that a Subcontractor is itself subject to an Excusable Failure condition described above and Contractor cannot reasonably circumvent the effect of the Subcontractor's default or delay in performance through the use of alternate sources, workaround plans or other means.

2.250 Approval of Deliverables

2.251 DELIVERY OF DELIVERABLES

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

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

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

2.252 CONTRACTOR SYSTEM TESTING

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

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

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

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

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



2.253 APPROVAL OF DELIVERABLES, IN GENERAL

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

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

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

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

If, after three (3) opportunities (the original and two repeat efforts), Contractor is unable to correct all deficiencies preventing State approval of a Deliverable, the State may: (i) demand that Contractor cure the failure and give Contractor additional time to cure the failure at the sole expense of Contractor; or (ii) keep this Contract in force and do, either itself or through other parties, whatever Contractor has failed to do, in which event Contractor shall bear any excess expenditure incurred by the State in so doing beyond the contract price for such Deliverable and will pay the State an additional sum equal to ten percent (10%) of such excess expenditure to cover the State's general expenses without the need to furnish proof in substantiation of such general expenses; or (iii) terminate this Contract for default, either in whole or in part by notice to Contractor (and without the need to afford Contractor any further opportunity to cure). Notwithstanding the foregoing, the State shall not use, as a basis for exercising its termination rights under this Section, deficiencies discovered in a repeat State Review Period that could reasonably have been discovered during a prior State Review Period.

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

Approval in writing of a Deliverable by the State shall be provisional; that is, such approval shall not preclude the State from later identifying deficiencies in, and declining to accept, a subsequent Deliverable based on or which incorporates or inter-operates with an approved Deliverable, to the extent that the results of subsequent review or testing indicate the existence of deficiencies in the subsequent Deliverable, or if the Application of which the subsequent Deliverable is a component otherwise fails to be accepted pursuant to **Section 2.080**. **There shall be no default acceptance.**



2.254 PROCESS FOR APPROVAL OF WRITTEN DELIVERABLES

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

2.255 PROCESS FOR APPROVAL OF CUSTOM SOFTWARE DELIVERABLES

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

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

For the Custom Software Deliverables listed in an attachment, the State Review Period for conducting UAT will be as indicated in the attachment. For any other Custom Software Deliverables not listed in an attachment, the State Review Period shall be the number of days agreed in writing by the parties (failing which it shall be forty-five (45) days by default). The State Review Period for each Custom Software Deliverable will begin when Contractor has delivered the Custom Software Deliverable to the State accompanied by the certification required by this **Section** and the State's inspection of the Deliverable has confirmed that all components of it have been delivered.

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

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



2.256 FINAL ACCEPTANCE

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

2.260 Ownership

2.261 OWNERSHIP OF WORK PRODUCT BY STATE

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

2.262 VESTING OF RIGHTS

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

2.263 RIGHTS IN DATA

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

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

2.264 OWNERSHIP OF MATERIALS

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



2.270 State Standards

2.271 EXISTING TECHNOLOGY STANDARDS

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

2.272 ACCEPTABLE USE POLICY

To the extent that Contractor has access to the State computer system, Contractor must comply with the State's Acceptable Use Policy, see <http://www.michigan.gov/ditservice>. All Contractor employees must be required, in writing, to agree to the State's Acceptable Use Policy before accessing the State system. The State reserves the right to terminate Contractor's access to the State system if a violation occurs.

2.273 SYSTEMS CHANGES

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

2.280 Extended Purchasing

2.281 MIDEAL (MICHIGAN DELIVERY EXTENDED AGREEMENTS LOCALLY

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.

2.282 STATE EMPLOYEE PURCHASES

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

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

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

2.290 Environmental Provision

2.291 ENVIRONMENTAL PROVISION

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



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

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

- (a) The Contractor shall use, handle, store, dispose of, process, transport and transfer any material considered a Hazardous Material according to all federal, State and local laws. The State shall provide a safe and suitable environment for performance of Contractor's Work. Before the commencement of Work, the State shall advise the Contractor of the presence at the work site of any Hazardous Material to the extent that the State is aware of the Hazardous Material. If the Contractor encounters material reasonably believed to be a Hazardous Material and which may present a substantial danger, the Contractor shall immediately stop all affected Work, notify the State in writing about the conditions encountered, and take appropriate health and safety precautions.
- (b) Upon receipt of a written notice, the State will investigate the conditions. If (a) the material is a Hazardous Material that may present a substantial danger, and (b) the Hazardous Material was not brought to the site by the Contractor, or does not result in whole or in part from any violation by the Contractor of any laws covering the use, handling, storage, disposal of, processing, transport and transfer of Hazardous Materials, the State shall order a suspension of Work in writing. The State shall proceed to have the Hazardous Material removed or rendered harmless. In the alternative, the State shall terminate the affected Work for the State's convenience.
- (c) Once the Hazardous Material has been removed or rendered harmless by the State, the Contractor shall resume Work as directed in writing by the State. Any determination by the Michigan Department of Community Health or the Michigan Department of Environmental Quality that the Hazardous Material has either been removed or rendered harmless is binding upon the State and Contractor for the purposes of resuming the Work. If any incident with Hazardous Material results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Work will not be counted in a time as mutually agreed by the parties.
- (d) If the Hazardous Material was brought to the site by the Contractor, or results in whole or in part from any violation by the Contractor of any laws covering the use, handling, storage, disposal of, processing, transport and transfer of Hazardous Material, or from any other act or omission within the control of the Contractor, the Contractor shall bear its proportionate share of the delay and costs involved in cleaning up the site and removing and rendering harmless the Hazardous Material according to Applicable Laws to the condition approved by applicable regulatory agency(ies).

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



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

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

2.300 Deliverables

2.301 SOFTWARE

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

2.302 HARDWARE

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

2.310 Software Warranties

2.311 PERFORMANCE WARRANTY

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

2.312 NO SURREPTITIOUS CODE WARRANTY

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

As used in this Contract, "Self-Help Code" means any back door, time bomb, drop dead device, or other software routine designed to disable a computer program automatically with the passage of time or under the positive control of a person other than the licensee of the software. Self-Help Code does not include Software routines in a computer program, if any, designed to permit an owner of the computer program (or other person acting by authority of the owner) to obtain access to a licensee's computer system(s) (e.g. remote access via modem) for purposes of maintenance or technical support.

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



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

2.313 CALENDAR WARRANTY

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

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

2.314 THIRD-PARTY SOFTWARE WARRANTY

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

2.315 PHYSICAL MEDIA WARRANTY

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

2.320 Software Licensing

The Contractor is providing a Custom Developed solution and will be the property of the State.

2.321 CROSS-LICENSE, DELIVERABLES ONLY, LICENSE TO CONTRACTOR

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

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

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



2.323 LICENSE BACK TO THE STATE

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

2.324 LICENSE RETAINED BY CONTRACTOR

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

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

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

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

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

2.325 PRE-EXISTING MATERIALS FOR CUSTOM SOFTWARE DELIVERABLES

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

2.330 Source Code Escrow

2.331 DEFINITION

"Source Code Escrow Package" shall mean:

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



2.332 DELIVERY OF SOURCE CODE INTO ESCROW

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

2.333 DELIVERY OF NEW SOURCE CODE INTO ESCROW

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

2.334 VERIFICATION

Thereafter, 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.



Glossary

Term	Definition
24x7x365	Means 24 hours a day, seven days a week, and 365 days a year (including the 366 th 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
Blanket Purchase Order	An alternate term for Contract as used in the States computer system.
Bidder	The Bidder is a Vendor prior to award. The term Bidder is used to identify work the Bidder performs during the ITB/RFP process.
Business Critical	Any function identified in any Statement of Work as Business Critical.
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.
Chronic Failure	Defined in any applicable Service Level Agreements.
Contractor	The term Contractor and Vendor are used interchangeably in this RFP and refer to the firm awarded the work and performing the project.
Days	Means calendar days unless otherwise specified.
Deleted – Not Applicable	Section is not applicable or included in this RFP. This is used as a placeholder to maintain consistent numbering.
Deliverable	Physical goods and/or commodities as required or identified by a Statement of Work
MDTMB	Michigan Department of Technology, Management and Budget. Sometimes known as DTMB.
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).
Help Desk	SOM Customer Service Center (CSC)
Incident	Any interruption in Services.
ITB	A generic term used to describe an Invitation to Bid. The ITB serves as the document for transmitting the RFP to potential bidders
Key Personnel	Any Personnel designated in Article 1 as Key Personnel.
MDE	The Michigan Department of Education
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
PMM	The Project Management Methodology (PMM) was created by MDTMB to manage and monitor Information Technology projects by establishing formal project management practices.
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



Term	Definition
	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.
Reuse	Using a product or component of municipal solid waste in its original form more than once.
RFP	Request for Proposal designed to solicit proposals for services
SEM	The System Engineering Methodology (SEM) was created by DTMB and provides guidance for information systems engineering related practices and procedures.
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	The State refers to the government of the State of Michigan
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.
SUITE	SUITE stands for State Unified Information Technology Environment. SUITE is meant to standardize methodologies, procedures, training and tools for project management and systems development lifecycle management throughout MDTMB. SEM and PMM (defined elsewhere) are components of SUITE.
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.
MDE Specific Definitions	
Consortia	Is a cooperative arrangement among groups or institutions
EEM	Educational Entity Master – CEPI database that contains information on school districts and buildings.
ISD	Intermediate School District – may also be referenced as a Regional Education Service Agency (RESA)
LEA	Local Educational Agency - Federal language for school district, including a Public School Academy (charter public school)



Term	Definition
MDE	Michigan Department of Education
MEGS or MEGS-Plus (MEGS+)	Michigan Electronic Grants System – Online system that the State of Michigan and LEAs use to manage their grants.
MEIS	Michigan Education Information System. It provides a central “repository” for authentication so people have a single logon to access many MDE applications.
OFS	Office of Field Services (a group within MDE) one of several groups that perform Reviews
OSR	On Site Review
PSA	Public School Academy—a charter public school, including those authorized as an Urban High School Academy, Strict Discipline Academy and School of Excellence
SEA	State Educational Agency - another name for MDE
SIP	School Improvement Plan. This document resides in an application known as AdvancED. A Contractor performs the initial review of the SIP and a findings report is provided to MDE OFS.
Subrecipient	Is a legal entity to which a subaward is made and which is accountable to the recipient for the use of the funds provided
USED	United States Department of Education



Appendix A – General and Technical Requirements

This Appendix contains non-functional requirements. The requirements identify what the solution or product must run on or integrate with, including any standards that must be met, security requirements, and interfaces. Technical requirements will also identify the general framework in which the system or product must work, such as: capacity requirements (number of users, concurrent users, number of transactions to be handled, peak usage), documentation, audit and backup and recovery.

The Contractor will fully provide all aspects of the requirement and will incorporate the requirement into the new system.

- The column “Priority” indicates if the requirement is mandatory (M) or optional (O). In the pricing proposal, the Contractor has indicated the specific cost of providing optional features.
- The Comments column does not amend the Detailed Requirement column.
 - Comments reflect the Contractor’s approach at the time of their response to the RFP, and are retained for informational purposes.

Req. No.	Detailed Requirement	Priority	Comments
GENERAL REQUIREMENTS			
1.	The system must support an offline mode so Consultant performing review activities can do so without access to the internet. Remote field review work must be laptops. The Operating System must be Microsoft Windows. Remote mode is when the user is not accessing the system, and does not have an internet connection. Appendix B, under remote review lists all of the requirements/features required for remote mode. These are items 23-26.	M	Contractor will provide an Excel spreadsheet with the required number of columns for the Consultant performing reviews to enter the information offline.
2.	The system shall support the ability to “re-synch” so that information updated or created in the offline mode can be placed in the primary system without rekey.	M	Contractor will support an screen interface for the Consultant to upload the Excel spreadsheet into the system. The information uploaded through the spreadsheet will be updated into the respective database fields in the system. This will eliminate the need for duplicate data entry /rekey of information collected offsite. The data uploaded through the spreadsheet will support the same display / edit rules as applicable for data entered in an online mode.
3.	The system must support web access so authorized (role based) users can access the system remotely for read or write capability.	M	Contractor plans to use its configurable Security component to define the various Roles and Role access to the GEMS system
4.	The system would permit multiple persons access to the system at the same time (subject to role based security).	M	Contractor plans to use its configurable Security component to define the various Roles and Role access to the GEMS system
5.	The system would access (database view or web services) existing data rather than recreate/duplicate. This includes: <ul style="list-style-type: none"> • EEM for info about ISD, LEA, etc. • Info about contacts at ISD, LEA, etc. 	M	Contractor would develop web services or stored procedures (as applicable) to request the required data from EEM for information on ISD, LEA, etc or information on contacts at ISD, LEA, etc.
6.	The system must support access (via a database view or web services) from AdvancED for the SIP.	M	Contractor would develop web services or stored procedures (as applicable) to request the required data from AdvanceED for the SIP.



Req. No.	Detailed Requirement	Priority	Comments
	<p>AdvancED houses school improvement plans.</p> <p>AdvanceED is not a state hosted system.</p> <p>The new solution will need to provide a link to the AdvanceED web site, but not import any data.</p>		
7.	<p>The system must support access (via a database view or web services) from MEGS-Plus for information about active grants, grant contact information, consortia members, budget information.</p> <p>Database views will be provided by DTMB.</p>	M	Contractor would develop web services or stored procedures (as applicable) to request the required data from existing MEGS-Plus for information on active grants, grant contact information, consortia members, budget information.
8.	The system must support access (via a database view or web services) from CMS for information grant number, project, project end dates, recipient code.	M	Contractor would develop web services or stored procedures (as applicable) to request the required data from CMS for information related to grant number, project, project end dates, recipient code.
TECHNICAL REQUIREMENTS			
1.	The system must comply with technical standards as established by the Department of Technology, Management and Budget (DTMB) Agency (such as but not limited to if developed in ".Net" then using the most current version).	M	Contractor will comply with the technical standards established by DTMB
2.	The system must comply with "look and feel" standards as established by DTMB.	M	Contractor will comply with the 'look and feel' standards established by DTMB
3.	The system must comply with web standards as established by the DTMB.	M	Contractor will comply with the web standards established by DTMB
4.	The system must comply with enterprise security standards as established by DTMB.	M	Contractor will comply with the enterprise security standards established by DTMB
5.	The system must support export formats including, but not limited to PDF, Excel and CSV.	M	The system will support export formats in PDF, Excel, CSV, Fixed Length Text and XML based on user defined export criteria
6.	The system shall operate on web browsers running on both the Windows and Apple Operating Systems.	M	The system will operate on web browsers running on Windows and Apple operating systems
7.	The system must allow actors to search files and items that are attached to the file by indexes with keyword search criteria.	O	Contractor's framework currently supports search of files based on keyword search criteria
8.	The system must enforce the entry of valid data in mandatory fields before additional functionality or processes can be performed.	M	Contractor's framework supports a rules engine that validates all data based on the configured business rules.
9.	<p>The system must have online help or access to the User Manual. (Note: If help shows data, it must be sanitized to protect confidentiality.)</p> <p>The application will not have separate online help screens for each user role.</p> <p>An authorized user will have the ability to enter and modify the on-line help.</p>	M	Contractor's framework currently supports a screen interface to upload one or more help documents / manuals for each screen. It also supports a screen interface to upload an entire user manual
10.	The system on-line help must be configurable by the user.	M	Contractor's framework currently supports a screen interface to enter online help at a field level
11.	The system must allow the printing of online User Manual and/or help.	M	Contractor's framework currently supports a 'Print' icon to print
12.	The system architecture must be designed to	M	The system will allow actors to run external reporting



Req. No.	Detailed Requirement	Priority	Comments
	allow actors to run reporting tools against information in the database to generate customized one time reports. (Ergo, the system supports ad hoc reporting.)		tools. In addition, Contractor's framework supports an Ad hoc Report Write that allows actors to create and run ad hoc reports
13	The system needs to allow web based secure access by actors within and external to the State of Michigan Network. Actors are both internal to state network and public actors through the Internet.	M	Contractor plans to use its configurable Security component to allow user within the State network or users external user access to GEMS system
14	The system shall use the State's authentication system (MEIS).	M	Contractor's current security frameworks supports internal and external authentication based on an authentication source parameter. Contractor has experience with MEIS and developed the FID system for CEPI using MEIS authentication
15	The system shall ensure a secure sign-on through user ID and password.	M	All users with require a valid user name and password to access the GEMS system. In addition, their user status would have to be active.
16	The system shall provide security at the database level.	M	
17	The authorization system shall provide role based security at the operator level.	M	Contractor's configurable Security component supports definition of role based access to the system
18	The system shall check each user's access privileges at login, and automatically disable or enable client functions (in real time) based upon the user's profile.	M	Contractor's configurable Security component determines access to the respective functionality allowable for the role in real time
19	The system shall provide varying levels of access within the application, using role based models.	M	Contractor's configurable Security component support definition of role based access to the system
20	The system shall support the ability to set a parameter for specified number of consecutive invalid login attempts before disabling.	M	Contractor's configurable Security component supports configurable parameter for the number of consecutive invalid attempts before a user account is disabled
21	The system shall allow entry of passwords in a non-display field.	M	Contractor's Security component supports entry of password in a non-display field
22	The system shall provide the ability to disable an account.	M	Contractor's Security component supports a screen interface to disable / enable a user account
23	The system shall log unauthorized access attempts by date, time, user ID, device and location.	M	Contractor's Security component supports logging of all login attempts by date, time, user Id, device and IP address
24	The system shall maintain an audit trail of all security maintenance performed by date, time, user ID, and device.	M	Contractor's Security component maintains an audit trail of all maintenance by date, time, user Id and IP address
25	The system must have the ability to assign User ID, date and time stamp to track changes to database or other rules.	M	Contractor's Security component maintains the user id and date & timestamp on all records for the creation & changes
26	The system shall provide security reports of users.	M	Contractor's Security component supports canned reports related to users, roles and role access. In addition, the Contractor also has an ad hoc report writer to generate any additional security reports as required.
27	The system shall have an integrated solution with multiple tiers and handle growth in users of web based data collection and reporting system.	M	The system will be designed to meet this requirement
28	The system needs to maintain and process access to prior years of historical data.	M	The system will be designed to meet this requirement
29	The system shall provide data privacy	M	Contractor's security component supports multiple



Req. No.	Detailed Requirement	Priority	Comments
	safeguards.		security levels. The role based security controls access to the screen and functionality that can be accessed with a screen (e.g. Read, Write, Delete, etc). In addition access can be restricted at a program level, ISD, LEA level, etc based on configured rules.



Appendix B – Functional Requirements

Functional requirements identify the requirements of the new system. Additional functional requirements are included in Article 1 – Statement of Work, the Contract Appendices and Contract Attachments.

The Contractor will fully provide all aspects of the requirement and will incorporate the requirement into the new system.

- The column “Priority” indicates if the requirement is mandatory (M) or optional (O). In the pricing proposal, the Contractor has indicated the specific cost of providing optional features.
- The Comments column does not amend the Detailed Requirement column.
 - Comments reflect the Contractor’s approach at the time of their response to the RFP, and are retained for informational purposes.

Req. No.	Detailed Requirement	Priority	Comments
BUSINESS/FUNCTIONAL REQUIREMENTS			
Review Setup			
1.	<p>The system shall support identification of a “cycle” based upon program. A cycle is defined as number of years that each recipient of program funds must receive an OSR. This cycle must be configurable. EX: Title I is a five year cycle.</p> <p>This number of Grant Programs can vary over time based upon decisions by the US Department of Education. GEMS needs to handle additions or subtractions without development effort.</p> <p>Currently, there are approximately 30 grant programs.</p>	M	The developed solution will have a screen interface to define the Onsite review (OSR) cycle rules at a program level
2.	<p>The system shall support identification of schools, districts or regions to a program related “cycle” to ensure OSR occur as required. EX: LEA “A” is a Title I, Part A recipient.</p>	M	The developed solution will have a screen interface to define schools, districts or regions to a program related cycle
3.	<p>The system shall support assignment of region, districts or school or recipient to a specific year in the program cycle. EX: ISD “A” will be year 2.</p>	M	The developed solution will have a screen interface to assign regions, districts, schools or recipient to a specific year in the program cycle
4.	<p>The system shall support view or report showing schools by cycle year. Year 1 includes..., Year 2 includes..., etc.</p>	M	The developed solution will support the report in the desired format
5.	<p>The system shall support creation of “documentation lists” that define based upon program or program focus that the LEA/ISD/subrecipient would provide to MDE for review. For example, the list for program X consists of ... Or the packet for this aspect of a program <examples, fiscal review or parental involvement> consists of... for example, a fiscal review might request General Ledger, Transaction Detail and Payroll Summaries.</p> <p>The documentation lists change “as needed.”</p>	M	The system will have a screen interface to define the documentation required based on the Review Type (Program, Fiscal, etc), Program, Entity Type (LEA, ISD, etc)
6.	<p>The system shall support retention of forms (tools in Word or Excel) that indicate questions to answer during the review. These are likely program specific. For example, but not limited to:</p> <ul style="list-style-type: none"> • OFS District Study Guide • OFS School Study Guide • Education Jobs Fund Desk Monitoring Review 	M	The developed solution will have a screen interface to upload any forms, documents, instructions, etc



Req. No.	Detailed Requirement	Priority	Comments
Desk Review and OSR Preparation			
7.	<p>The system shall support scheduling (specific dates) of reviews for a team.</p> <p>Team members are State of Michigan employees or contractors.</p> <p>Team size can vary and the system should not limit the team size. Typically a review team is 1-5 members.</p> <p>There is always a lead, and there are other additional members. The lead is responsible for completing the review.</p>	M	<p>The developed solution will have a screen interface to generate a schedule for a date range or user selected dates for a team. The schedule generated would take demographic information into consideration to include multiple entities for review, if required. The generated schedule can be viewed, printed and edited if required</p>
8.	<p>The system shall support assignment of person(s) to serve on the OSR team.</p>	M	<p>The developed solution will have a screen interface to assign person(s) to serve on the OSR team. In addition, the system will also store additional rules</p>
9.	<p>The system shall send alerts to team members. This includes:</p> <ul style="list-style-type: none"> • When assigned to an OSR • When date notification sent to the region/school, LEA (including district or PSA), ISD, competitive grant agency or consortia. • When documents received or updated from assigned districts/schools <p>Note: Alerts (here and elsewhere in the document) could be emails but other alternative methods to provide awareness will be entertained.</p>	M	<p>Contractor plan to use its Email component to send out email notifications based on the notification rules defined in the workflow. The email component also has the ability to define notification text based on review types, program, etc.</p> <p>The email component also supports an email log within the system to view emails sent out to the various entities.</p>
10	<p>If possible, the system shall support alerts to be in the form of Outlook entries (thus leveraging an existing SOM tool).</p>	O	<p>Contractor's email component supports all email servers including Outlook based on a configurable parameter</p>
11	<p>The system must support an override to add or subtract document list from the standard list for that program. For example, for this particular OSR, add to (or subtract from) the list...</p>	M	<p>The system will support the ability to do entity (ISD, LEA, etc) level overrides that will allow addition / deletion to the document list</p>
12	<p>The system shall support creation, sending via email and printing for mail (as or if required) letters from a selection of templates such as, but not limited to:</p> <ul style="list-style-type: none"> • Cycle Announcement (what year) • Schedule Announcement (dates for visit) 	M	<p>Contractor's email component supports set up of email / notification letter templates. The generated emails / letters have an option to be sent as an email or generated as a letter and the ability the print emails & letters</p>
13	<p>The system shall track receipt of documents from LEA against the document list.</p>	M	<p>The system will display</p>
14	<p>The system shall generate an alert XX days after request or XX days prior to visit to request missing documents. XX indicates a configurable number of days. Said alert can be sent to OSR team and/or subrecipient.</p>	M	<p>Contractor's reporting component has the ability to define parameters for reminder and delinquent days. It also supports sending out reminder and delinquent email notifications based on the configured email text.</p> <p>The email component supports definition of the distribution and CC list for all notifications.</p>
15	<p>The system shall support attachment (or association) of documents from the Subrecipient to the relevant event (OSR). Note: Documents may be provided before, during or after the OSR.</p>	M	<p>Contractor's attachment component supports upload of documents in formats based on the configuration of file types for the respective document (e.g. PDF, Word, etc). It also supports the max size in MB for each document</p>
16	<p>The system shall support the ability of the Subrecipient (school, LEA (including district or PSA), ISD, competitive grant agency or consortia) to post documents directly to the system without MDE involvement.</p>	M	<p>The subrecipients will have the ability to post documents directly to the system without MDE involvement</p>



Req. No.	Detailed Requirement	Priority	Comments
17	The system shall support identification of any document provided hard copy (so team aware it is not provided electronically) against the “document list” so retain full picture of what provided or missing.	O	The system will have the ability to allow subgrantees and/or MDE personnel mark sections where the document is provided in hard copy.
18	The system shall support access and display of documents by authorized users from other systems such as the SIP.	M	The system will support access of documents to authorized users based on document level access permissions
19	The system shall support capturing comments (input to findings, questions to ask at the OSR, evidence to gather, etc.) from document review. Note: Input sources include: <ul style="list-style-type: none"> • MDE consultants • Contractors (such as those who review the SIP). 	M	The system will support user defined review criteria to aid the reviewer / consultant ask questions, gather information, etc and also have the ability to enter any comments / remarks against specific evaluation criteria
20	The system shall support saving the completed form with content specific to the review. This reflects consultants answering the questions. For example, but not limited to: <ul style="list-style-type: none"> • OFS Study Guide specific to ISD “A” for 2010. • Education Jobs Fund Desk Monitoring Review Any form used in the review shall be saved as updated.	M	The system will support saving of comments / remarks against specific evaluation criteria
21	The system shall support identification of those individuals at school, LEA (including district or PSA), ISD, competitive grant agency or consortia identified as participants (to be interviewed or otherwise involved) during the OSR.	O	The system will support identifying contact persons for each entity and review type and also the individual roles – Primary, Secondary, etc
22	The system shall support the documentation and distribution (via printed copy and/or email) of the OSR agenda	O	The system will support generation of OSR agenda based on the configured rules for a review type
Remote Review			
<p>Note: Though focused on the OSR, this “event” could be an abbreviated OSR focused on less than all areas typically covered in a full OSR (such as financial or parental involvement review) or could be a “desk review” reflecting “just” material available. However, since most reviews are conducted remotely (out-of-office location such as at an ISD) and as noted above, the Consultant must have an offline mode with material preloaded, so able to perform their responsibilities without internet access.</p>			
23	The system shall support the ability to preload documents from the Subrecipient or other sources (such as the SIP) so the “complete” set of materials is available to the Reviewer when at a remote location.	M	The subrecipients will have the ability to post documents directly to the system. These documents will be accessible to the reviewer at remote locations
24	The system shall support updates to forms that reflect evaluation of documents received when “off site.” This includes but not limited to: <ul style="list-style-type: none"> • OFS District Study Guide • OFS School Study Guide • Education Jobs Fund Desk Monitoring Review There is no requirement to capture the location where the document was received.	M	The system will support updates to forms that reflect evaluation of documents when received off-site.
25	The system shall support capturing/updating comments (input to findings) from interviews, evidence review.	M	The system will support update of comments / findings against evaluation criteria / interviews
26	The system shall support that these notes (previous requirement) can associated with a document or “step”	M	The system will support viewing of comments / findings log of previous notes, findings, etc.



Req. No.	Detailed Requirement	Priority	Comments
	with the latter including: <ul style="list-style-type: none"> • Review in general • Development of findings/correction action report • Response to compliance plan • Appeal 		
	Report Preparation		
27	The system shall support a configurable means for each program to have “specific finding” generate a “standard recommendation.” EX: For Title I programmatic reviews, if finding is X then recommendation is Y. The findings are specific to a document or in general for the review or both.	M	The system will support a screen interface to define findings and one or more corrective actions / recommendation together with an indicator as to which recommendations can be overwritten for the respective finding. If more than one corrective is defined, the reviewer will have the ability to select the appropriate recommendation as required
28	The system shall support modifying from the standard the findings or recommendations or priority for the specific OSR.	M	The system will support modifying standard finds and recommendations
29	The system shall support providing (pre-populating) the “most likely” action. Note: This may not be provided for all findings and the action can be overridden.	O	The system will support pre-populating recommendations and allow overriding of recommendation based on override parameters
30	The system shall support a citation (reference) to federal or state law/regulation associated to a finding.	M	The system will support set up of a reference (federal or state law) with finding
31	The system shall support the ability to assign priority level to a finding (indicating some items are more important than others).	O	The system will support identifying a severity / priority level with a finding
32	The system shall generate a finding/recommendation for any requested document that remains missing by creation of the Report.	M	The system will generate the appropriate finding / recommendation for mission documents based on the configured rules
33	The system shall support providing “other recommendations” that reflect best practices but are not tied to the specific findings.	M	The system shall support optional entry / documentation of other recommendations, as applicable
34	The system shall support providing observations (that reflect kudos to the school, LEA (including district or PSA), ISD, competitive grant agency or consortia.	M	The system shall support optional entry / documentation of observations, as applicable
35	The system shall support generation of the OSR report combining a template with: <ul style="list-style-type: none"> • Findings, • Other recommendations • Observations. The Lead Reviewer is responsible for creation of the Review.	M	The system will generate a consolidated report combining findings, recommendations, observations based on user defined selection criteria
36	The system shall support identification of the report status which is configurable and includes: <ul style="list-style-type: none"> • Preliminary Subject to Review (possibly shared either verbally or as a document at conclusion of the OSR) • Under Internal (within MDE) Review • Final The workflow process varies with each program; the number of reviewers varies with each program.	M	The system shall support multiple levels of review based on the workflow configuration. Each level of review will identify the review team / group
37	The system shall support amending (modification to provide specific details) to the generated report before finalized.	M	The system shall support entry / documentation of findings, recommendations, observations during each review. The system will also maintain a history a changes made



Req. No.	Detailed Requirement	Priority	Comments
38	In support of the previous requirement, the system shall support multiple interim versions of the report. For example, report reflecting specific comments (feedback) per each reviewer. Smith comments on Report, Jones comments on Report, etc.	O	The system shall support individual review comments
39	The system shall generate a "baseline" Compliance Plan that fills in from the final report the findings and recommendations. These fields should not be editable.	M	The system shall support generation of a baseline Compliance Plan based on configured rules
40	The system shall support creation, sending via email and printing for mail (as or if required) letters from a selection of templates such as: <ul style="list-style-type: none"> • Cover letter Note: Same function identified earlier but different templates.	M	Contractor's email component supports set up of email / notification letter templates. The generated emails / letters have an option to be sent as an email or generated as a letter and the ability the print emails & letters
41	The system shall support access to findings report once issued to authorized personnel in other GM efforts. Note 1: Preliminary findings should not be accessible outside the OSR team and authorized supervisors. Note 2: This ensures access to previous efforts as part of preparing/conducting a new review. Any authorized user will have access to the findings report.	M	Contractor security components allows defining access rules based on workflow stages
Post Report			
42	The system shall support the ability of the school, LEA (including district or PSA), ISD, competitive grant agency or consortia to update the Compliance Plan with actions and target dates.	M	The system will support schools to update the Compliance Plan based on workflow stage access for edit
43	All changes from the subrecipient need to be tracked (who did what and when).	M	The system will support maintaining an audit trail of all changes made by the subrecipient and also support relevant reports to view a history of changes audit trail based on user defined selection criteria
44	The system shall support the school, LEA (including district or PSA), ISD, competitive grant agency or consortia defining status of the Compliance Plan <ul style="list-style-type: none"> • Draft • Ready for Review • Approved • Adjustments Required The workflow process varies with each program. The status of the compliance plan will be changed by the authorized user. The change in status is typically handled by the lead but can be delegated to another authorized user/team member.	M	The system will support promotion of the Compliance Plan based on the workflow stages
45	The system shall track each finding (issue or non-compliance) from issuance through closure.	M	The system will support tracking and monitoring of non-compliance issues and support progressive updates till closure
46	The system shall support creation, sending via email and printing for mail (as if required) letters from a selection of templates such as: <ul style="list-style-type: none"> • Findings report received • Compliance Plan received • Plan accepted 	M	Contractor's email component supports generation of evnt driven emails / letters as per the workflow configuration. The text / template associated with each of the events can be different and is defined through the email message configuration



Req. No.	Detailed Requirement	Priority	Comments
	<ul style="list-style-type: none"> • Plan rejected • Evidence received • Evidence rejected • Evidence accepted and finding closed <p>Note: Same function identified earlier but different templates.</p> <p>The proposed GEMS system does monitor the status of the compliance after the compliance plan is issued</p> <p>There are 3 groups of templates. These include the following:</p> <ol style="list-style-type: none"> 1) Communication Templates <ol style="list-style-type: none"> a. Communication e-mails or letters for each step. For example they would receive an announcement that they have been picked, scheduling, etc. 2) Findings Report Template <ol style="list-style-type: none"> a. Boilerplate, plus the findings/actions. 3) Compliance Plan Template <ol style="list-style-type: none"> a. Boilerplate on the compliance plan and finding/action citation, and provides them an opportunity to provide the specifics of corrective action. b. This is where we would provide follow up surrounding MDE review of evidence. <p>The completed reports will become part of the evidence for the review.</p>		
47	The system shall support modification to the letter templates.	M	Contractor's email component supports a user interface to define email / letter templates
48	The system shall trigger a reminder to MDE consultants (who conduct reviews) to schedule a "follow-up" review. This can be date or xx days after issuance of the findings report.	M	The system will generate follow-up review schedules based on user defined search criteria
Process Control			
49	<p>The system shall support a milestone list of key steps with associated dates for a program. For example, Title I OSR.</p> <p>The milestone steps for each program will vary. For example, a typical program will have these steps:</p> <ul style="list-style-type: none"> -Pre-selection -Scheduling -Submission of Documents -Review -Report -Compliance Plan -Follow-up -Compliance Closure <p>The system is not required to automate the milestone steps.</p>	M	The workflow component supports defining multiple stages and multiple status codes for each stage. It also support defining additional attributes for each stage like key stage, level – program or individual, etc.
50	The system shall support an authorized user modification of steps without coding effort.	M	Contractor plans to use its workflow component that allows changes to process steps without code changes



Req. No.	Detailed Requirement	Priority	Comments
51	The system shall support tracking which step in process are completed.	M	The system will identify process steps completed based on workflow configuration
52	The system shall support alerts if the “next (not completed) step” is due in xx days of a target date. This is meant to reduce missing dates. For example: <ul style="list-style-type: none"> • MDE reminded xx days before Findings Report is due to the Recipient. • Recipient reminded xx days before the Compliance Plan is due to the MDE. 	M	The system will generate required alerts based on workflow stage dependency configuration
53	The system shall support visibility to dates missed by program and specific OSR.	M	The system will support entry of actual dates and generate a reports of scheduled v/s actual, missed dates, etc based on user defined selection criteria
Other			
54	The system shall support creation of risk factors specific to a program. Examples include: <ul style="list-style-type: none"> • Over a threshold such as size of grant (\$ value) • Previous finding(s); that is, non-compliances in prior Review(s) • Incomplete or missing documents • High turnover of key school, LEA (including district or PSA), ISD, competitive grant agency or consortia people • Etc. 	O	The system will have the ability to generate / create risk factors based on user selected risk criteria of historical data
55	The system shall support assignment of risk factors by program to a district or school.	O	The system will have the ability for MDE staff to review the risk factors generated by the system and assign risk factors to school districts
56	The system shall support generating a listing of districts or schools with high risk factors. (This serves as an input to identify potential out of cycle candidates for OSR).	O	The system will have the ability to generate various reports based on user defined selection and sort criteria including risk factors
57	The system shall support a self-assessment, which varies by program, completed by the school, LEA (including district or PSA), ISD, competitive grant agency or consortia. For example, <ul style="list-style-type: none"> • OFS District Study Guide • OFS School Study Guide • Education Jobs Fund Desk Monitoring Review 	M	The system will support a self assessment based on configurable criteria and rating.
58	The system shall support a generating a “self-assessment findings report.” This is similar to the final report from an OSR but will clearly indicate said results are “preliminary, not binding.”	M	The system will generate a findings report based on self assessment as per the configured rules
59	The system shall track requests for assistance from districts/schools or by MDE to improve the “next time right” completion requested documents at any time in the cycle.	O	The system will support logging of assistance requests from entities. Based on these requests, the system will generate required reports based on user defined selection criteria
60	The system shall time stamp action (updates) to the system so aware “who did what and when.”	M	The system will support maintaining an audit trail of all changes made by the subrecipient and also support relevant reports to view a history of changes audit trail based on user defined selection criteria
61	The system shall maintain/retain a historical record of MDE and school, LEA (including district or PSA), ISD, competitive grant agency or consortia interfaces (activity). This includes, but not limited to, emails, letters, documents received, documents provided, etc.	M	The system will maintain historical information that is accessible online through GEMS



Req. No.	Detailed Requirement	Priority	Comments
62	The system shall support placement of templates, best practice examples/samples, and training material accessible to school, LEA (including district or PSA), ISD, competitive grant agency or consortia to provide guidance in development or enhancement of their required documents including evidence.	M	The system will support posting of designated review assets, templates, best practices, etc to a review repository for access by authorized users
63	The system shall support, variable by program, FAQ so school, LEA (including district or PSA), ISD, competitive grant agency or consortia can learn from others.	M	The system will support posting of Q&A, FAQ's etc
64	<p>The standard reports required are as follows:</p> <ol style="list-style-type: none"> 1. Report Showing Schools by Cycle (see Requirement B4 for description) 2. Risk Analysis Report (see Requirements B54-56 for description) 3. Scheduling Report – identifies who/what/where/when/how the programs are monitored 4. Documentation List Report - (see Requirements B 5, 11, 14 for description) 5. Findings Report –Fiscal (see Requirements B27- 35 for description) 6. Findings Report – Program (see Requirements B27- 35 for description) 7. Compliance Plan Report (see Requirements B39, 42,46 for description) 8. Follow-up Report (see Requirements B39, 42, 46, 48 for description). This is an update of the Compliance Plan Report. <ul style="list-style-type: none"> • State reserves the right to rename the reports • Assume an additional 3 reports, to be defined 	M	



Appendix C – Service Level Agreement (SLA)

The Bidder shall complete the following and indicate whether agree to be held responsible for the SLA requirements listed below. By mutual consent and in writing the SLA can be changed.

Since state hosted, this applies only during the warranty period.

Requirement 1	Support Response
Description	Once operational, Contractor will respond to calls for system support as follows: <ul style="list-style-type: none"> • Between the hours of (a) 8 a.m. to 5 p.m. or (b) 7 a.m. to 7 p.m., both Eastern Time. The selection of options is based upon cost and finalized with the contract • Critical (system outage) or High (major modules down, some services available) – Contractor response within 30 minutes • Moderate (majority of application is up, some services down) or Low (Limited problem with no major disruptive ramifications) - Contractor response within 2 hours
Measurement	Total number of trouble tickets received within the severity level time frame divided by total number of tickets received.
Target Performance	No more than one failure if less than 10 tickets 90% compliance with target service level if at least 10 tickets but less than 20 tickets 95% compliance with target service level if at least 20 tickets but less than 100 tickets 99% compliance with target service level if at least 100 tickets
Period of Review	Monthly



Appendix D – Resume Templates
DELETED



Appendix E – EASA
Preliminary Enterprise Architecture Solution Assessment

The following preliminary EASA was provided by Contractor in response to the GEMS RFP.

Enterprise Architecture Solution Assessment	
Contact Info & Purpose (vendor version)	
The purpose of the EA Solution Assessment is to document architectural details of proposed IT solutions in order to determine compatibility with the overall SOM architecture. MDIT/SOM activities which require an Assessment include: the purchase of new licenses, contracting for software development services, purchase of new software components, installation of new software components, the purchase of new hardware components or the use of MDIT staff resources on any project beyond the design phase. All vendor proposals and new contracts must be accompanied by an Assessment, documenting the architectural details of the proposed solution. Vendor should complete all areas except where indicated.	
Vendor Version 2.3	
Solution/Project Name	GEMS
RFP Name/Number	<SOM complete>
Date Submitted	<SOM complete>
Vendor Name	HTC Global Services, Inc.
Vendor City and State	Troy, MI
Vendor Phone No.	(248) 786-2500
Vendor eMail	proposals.response@htcinc.com
A brief description of the proposed solution and business purpose/process. (please keep the description brief)	Custom development or modified COTS solution to provide Grant Electronic Monitoring System (GEMS) so MDE can conduct the "Review" process which (as noted in Section 1.002 of this document) supports MDE requirement by law to oversee implementation of Federal and State programs at the local level to ensure resources are used appropriately to meet the purpose of the specific program.
Additional description of the solution and business purpose. (please expand the row as much as needed)	HTC proposes to build a custom developed solution utilizing a set of software frameworks that are already in use at the State in various applications developed by HTC. These applications include Electronic Grants Administration and Management System (EGrAMS) used by several State agencies, Adult Services Automated Payment (ASAP) System for Community Health, Michigan Automated Prescription (MAPS) for Licensing and Regulatory Affairs, and Financial Information Database for Center for Educational Performance and Information.

Enterprise Architecture Solution Assessment	
Architecture Overview (vendor version)	
Vendor: the technologies listed below are standards used by the State of Michigan. Utilization of existing technology for new solutions is encouraged. Check the left column if the technology can be used with the solution being proposed. Add comments as needed.	
1	Server/Application Hosting
<input checked="" type="checkbox"/>	Internally Hosted
	Externally Hosted
	Internally & Externally Hosted
2	User Interface Type
<input checked="" type="checkbox"/>	Browser
	Citrix
	Client
	Mobile Browser
	Mobile Client
	Terminal



Enterprise Architecture Solution Assessment		
Architecture Overview (vendor version)		
Select all that apply ✓ (vendor complete)	Vendor: the technologies listed below are standards used by the State of Michigan. Utilization of existing technology for new solutions is encouraged. Check the left column if the technology can be used with the solution being proposed. Add comments as needed.	
	Other (explain =>)	
3	Supported Browsers (internet)	Comments
✓	Internet Explorer 8.x (intranet)	
✓	Firefox 3.0.x (internet)	
✓	Chrome 3.0 (internet)	
✓	Safari 4.x (internet)	
	Other (explain =>)	
4	Data Exchange Interface	Comments (e.g. version or release)
	EDI (industry protocol)	
	Flat File (private protocol)	
✓	Web Service	
✓	XML	
	Other (explain =>)	
5	System Access	Comments
✓	Internal (SOM)	
	External (public)	
✓	External (authorized)	
	Mixed (internal-external)	
6	User Access	Comments
✓	Internet	
✓	Intranet	
	Local Government (LGNet)	
	Public facing internet	
	Kiosk terminal	
	Vendor Net	
	VPN	
	Other (explain =>)	
7	Data Classification	Comments
	Non-sensitive	
	Sensitive w/ personal ID info	
	Sensitive w/ no personal ID info	
	Not classified	
✓	Other (explain =>)	Unknown at this time
8	PCI-DSS Compliance Needed?	Comments
	Yes	
✓	No	
9	Data Audit Trail Implementation	Comments
✓	Application Code	
✓	Database Audit Files	
	Database Triggers	
✓	Stored Procedures	
	Other (explain =>)	
10	IT Services (Centers of Excellence)	Comments
	x86 Virtualization	
	Address Verification	
	Business Objects Reporting	
	Digital Electronic Gateway (DEG)	
	Extract Transform Load (ETL)	
	Citrix Virtualization	
11	Enterprise Data Storage	Comments
✓	SAN	At this time, SAN access is envisaged. However, this may change after architectural definition.



Enterprise Architecture Solution Assessment		
Architecture Overview (vendor version)		
Select all that apply ✓ (vendor complete)	Vendor: the technologies listed below are standards used by the State of Michigan. Utilization of existing technology for new solutions is encouraged. Check the left column if the technology can be used with the solution being proposed. Add comments as needed.	
	CAS / NAS	
	Internal Disk	
	Other (explain =>)	
12	Database (RDBMS)	Comments
✓	MS SQL Server 2008	
	MySQL 5.1	
	Oracle 11g	
	TeraData A28V2R6.2 / 12.0	
	Other (explain =>)	
13	Database Modeling Tools	Comments
	Erwin 7.x	
✓	MSSQL Server Mgmt Studio (match db)	
	MySQL Workbench (match db)	
	Oracle Designer (match db)	
	TeraData Utilities (match db)	
	Other (explain =>)	
14	Development Framework	Comments
✓	.NET Framework 3.5	
	Java J2EE 5.x	
	Other (explain =>)	
15	Development Platform	Comments
	Eclipse 3.x	
	Hibernate 3.x	
	IBM Websphere Integration Dev 6.1 & 6.2	
	Microsoft SilverLight Expression 2.x	
	Microsoft Team Foundation System 2008	
✓	Microsoft Visual Studio 2008	
	Oracle JDeveloper 11g	
	Spring 2.5	
	Struts 2.x	
	XML Spy 2010	
	Other (explain =>)	
16	Development Language	Comments
✓	ASP .NET 2008	
✓	CSS Level 2	
✓	Microsoft C#	
✓	Microsoft VB.Net	
	Java	
✓	JavaScript	
	JDK 6.x	
	PHP 5.2	
	Other (explain =>)	
17	Markup languages	Comments
✓	HTML 4 & 5	
✓	XML Schema 1.1	
	XSLT 2.0	
✓	XHTML 2.0	
18	Presentation (Web) Server	Comments
	Apache HTTPD 2.2.x	
	IBM Websphere IHS 6.1	
✓	Microsoft IIS 7.0	



Enterprise Architecture Solution Assessment		
Architecture Overview (vendor version)		
Select all that apply ✓ (vendor complete)	Vendor: the technologies listed below are standards used by the State of Michigan. Utilization of existing technology for new solutions is encouraged. Check the left column if the technology can be used with the solution being proposed. Add comments as needed.	
	Other (explain =>)	
19	Application Server	Comments
✓	.NET Framework 3.5	
	IBM Websphere 6.1	
	JBoss 5.x	
	Oracle C4J	
	Other (Explain)	
20	HW Platform	Comments
	Dell	
✓	HP	
	Sun	
	Unisys Mainframe	
	x86 Virtualization	
	Other (explain =>)	
21	Server OS	Comments
	Linux Redhat Enterprise Server 5.x	
	Linux SUSE Enterprise 10.x	
✓	Microsoft Windows 2008	
	Unix HPUX 11i v3	
	Unix Sun Solaris 10.x	
	VMWare vSphere 4	
	Other (explain =>)	
22	Document Management	Comments
	EMC Documentum 6.5 & 7.0	
	FileNet Content Services 5.4	
	FileNet Document Mgmt P8	
	HP Trim	
	PaperPort 10	
	MS SharePoint Server 2007 EE	
	Other (explain =>)	
23	Centralized Printing	Comments
	DMB consolidated print center	
	Other (explain =>)	
24	Testing Tools	Comments
	Junit 4.x	
	LoadRunner 9.x	
✓	Microsoft Team Foundation System	
	Quick Test Pro 10.x	
	Selenium 1.x	
	Other (explain =>)	
25	Identity Management (network)	Comments
	Active Directory 2008	
	Other (explain =>)	
26	Identity Management (application)	Comments
	IBM Tivoli SSO (TIM-TAM)	
	Novell e-Dir 8.8.x	
✓	Other (explain =>)	HTC will utilize State's existing SSO infrastructure, as needed
27	Project Management	Comments
	Clarity 12.0	
✓	MS Project 2007	
	Other (explain =>)	



Select all that apply ✓ (vendor complete)	Enterprise Architecture Solution Assessment	
	Architecture Overview (vendor version)	
	Vendor: the technologies listed below are standards used by the State of Michigan. Utilization of existing technology for new solutions is encouraged. Check the left column if the technology can be used with the solution being proposed. Add comments as needed.	
		Comments
28	Requirements Gathering	
	Compuware Optimal Trace 5.x	
✓	Microsoft Office	
✓	Microsoft Visio	
	SUITE/SEM templates	
	Rational Requisite Pro 7.1	
	Serena Dimensions 2009 R1.x	
	Other (explain =>)	
29	Design Tools	Comments
✓	Microsoft Visio	
✓	MSSQL Server Mgmt Studio (match db)	
	Rational Rose 7.0	
	Serena Prototype Composer 2009 R1.x	
	Other (explain =>)	
30	Version Control	Comments
✓	Microsoft Team Foundation System	
	Serena Dimensions (PVCS Mgr) 2009 R1.x	
	Subversion 1.6	
	Other (explain =>)	
31	Message Queuing	Comments
	Apache Active MQ 5.3	
	IBM Websphere MQ 6.x, 7.x	
	Other (explain =>)	
32	Business Integration	Comments
	JBoss SOA 4.3	
	Websphere Message Broker 6.x	
	Other (explain =>)	
33	Database Tools	Comments
	DBArtisan 8.6, 8.7	
	Infosphere Information Svr v8.1.x	
✓	MSSQL Server Mgmt Studio (match db)	
	MySQL Workbench (match db)	
	Oracle Developer Suite (match db)	
	Oracle Enterprise Manager (match db)	
	Oracle SQL Developer (match db)	
	Rapid SQL 7.6 & 7.7	
	TeraData Utilities (match db)	
	Toad 9.x & 10.x	
	Other (explain =>)	
34	Reporting Tools	Comments
	ActivePDF 2009	
	ActiveReports 4.0	
	Crystal Reports XI R2, 2008	
	Crystal Xcelsius 2008	
	Crystal Reports for Eclipse 2.x	
✓	MSSQL Reporting Services (match db)	
	Oracle Reports (match db)	
	Other (explain =>)	
35	End-User Tools	Comments
	Business Objects (BO) XI R2, 3.x	
	Oracle Discoverer (match db)	
	Other (explain =>)	



Enterprise Architecture Solution Assessment		
Architecture Overview (vendor version)		
Vendor: the technologies listed below are standards used by the State of Michigan. Utilization of existing technology for new solutions is encouraged. Check the left column if the technology can be used with the solution being proposed. Add comments as needed.		
36	Deployment Tools	Comments
✓	Microsoft Team Foundation System 2008	
	Serena Dimensions CM Mover 2009, 2.3	
	Other (explain =>)	
37	Build Tools	Comments
	Apache Ant 1.7.1	
	Apache Maven 2.1.x	
✓	Microsoft Team Foundation System 2008	
	Serena Dimensions CM Builder 2009 R1.x	
	Other (explain =>)	
38	Job Schedulers	Comments
	BL/Sched 5.2	
	OpCon XPS 4.x.x	
	Tidal Enterprise Scheduler 5.3.1 & 6.0	
	UC4 Global 5.0	
	UC4 Op Mgr 6.0 & 8.0	
	Other (explain =>)	
39	GIS Technologies	Comments
	ArcIMS 9.3	
	ArcGIS Server 9.3	
	ArcSDE 9.3	
	Erdas ADE Rel. 2	
	ER Mapper Image Server 7.2	
	Oracle Spatial (match db)	
	Oracle MapView (match db)	
	Other (explain =>)	
40	Issue & Defect Tracking	Comments
	Bugzilla 3.2.5 & 3.4.2	
	Clear Quest Chg Mgmt Suite 7.5	
✓	Microsoft Team Foundation System 2008	
	Serena Mashup Composer 2009 R1.x	
	Other (describe =>)	

Enterprise Architecture Solution Assessment	
Disaster Planning (Section to be completed by SOM)	
Business continuity requirements.	Describe below
The business requirement(s) that determine the amount of time and the operational availability of the application to the end-user.	Under state definition, this system qualifies under the "medium" level criteria. Also, DTMB service is by default at the 24 hour recovery cycle. The need to investigate alternatives and undertake higher cost for higher recovery was not selected as an option.
Select Only One (1)	Availability Requirement Category – Availability Requirement is divided into three different levels. These levels define the continuous service availability requirements of the application. Based on the following definitions, please indicate the level of availability required for this Business Function / Application.
	Urgent - Business Function / Application outage has potential to cause loss of life or risk of injury to a citizen. 99.99% availability (<45 minutes of downtime / month). If an Urgent priority application is not available, DIT will work to resolve the incident 7 x 24 x 365. If the incident occurs after normal business hours, on-call staff (where available) will be called in to resolve the incident. DIT staff will continue to work the issue during and



	after business hours until the incident is resolved, and the application service restored.
	High – Business Function / Application outage will have a high non-life threatening impact on the public. If this application is not available, there may be an adverse impact on a large number of business clients who use the application. The lack of application availability may also be considered politically sensitive. 99.5% availability (<3.5 hours of downtime / month). DIT will work to resolve the incident 7 x 24 x 365. If the incident occurs after normal business hours, on-call staff (where available) will be called in to resolve the incident. DIT staff will continue to work the issue during and after business hours until the incident is resolved, and the application service restored.
X	Medium – Business Function / Application not meeting the Urgent or High criteria will be assigned Medium priority status; this default will be considered the third priority and reflect a situation where there is no risk of personal injury, and the public is not being directly effected. 98% availability (<15 hours of downtime / month). If there is an issue with a medium priority application, work to resolve the incident will be handled during normal DIT Business hours (typically 8:00 am-5:00 pm, Monday-Friday. If the problem is not resolved at the end of the business day, staff will return to work the next business day, and continue the resolution process until the service is restored

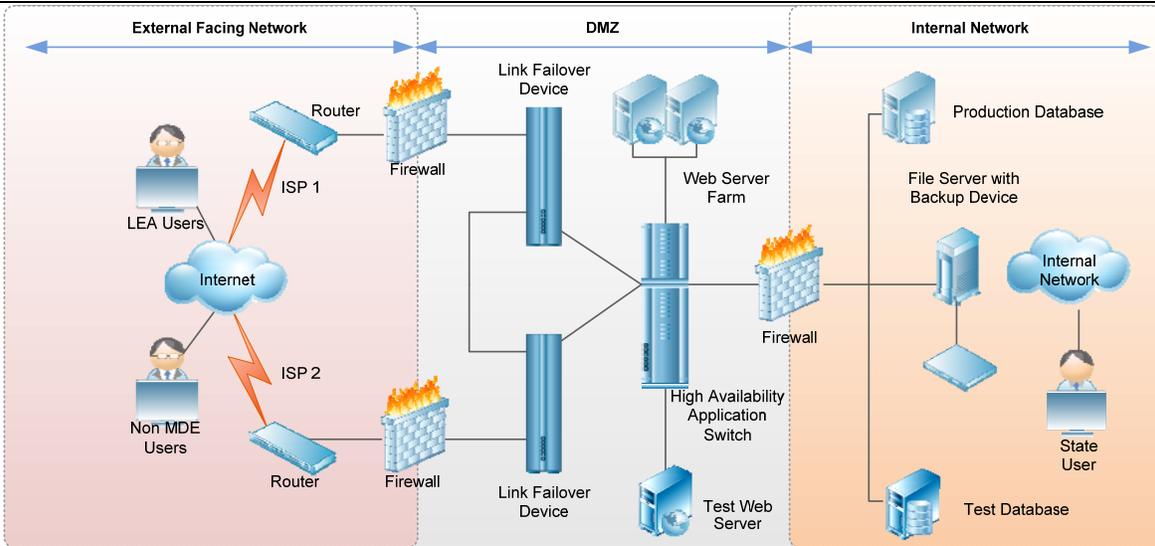
Recovery Point and Time Objectives

Select Only One (1)	Recovery Point Objective (RPO) is the maximum amount of data loss a business function can sustain during an event.	Select Only One (1)	Recovery Time Objective (RTO) is the maximum amount of time that can elapse until a system / application / function must be returned to service.
	2 hours		2 hours
	4 hours		4 hours
	6 hours		6 hours
	8 hours		8 hours
X	24 hours	X	24 hours
	72 hours		72 hours
	Other		Other

Enterprise Architecture Solution Assessment

Server/Network Diagram (vendor version)

Diagrams are useful to illustrate the interaction of technologies. The "Server/Network Diagram" is intended to allow the EA (Enterprise Architecture) Core Team to understand the relationship between the system components. Below is an example illustrating the network components deemed necessary. Vendors may use their own format so long as adequate information is conveyed.





Appendix F – Preliminary Project Plan

See Attached Preliminary Project Management Plan dated June 23, 2011.

Project Schedule

ID	Task Name	Duration	Start	Finish	Predecessors	Resource Names
1	MDE - GEMS Implementation	1010.5 days	Aug 15 '11	Jun 29 '15		
2	Project Initiation	10.5 days	Aug 15 '11	Aug 29 '11		
3	Award / Letter of Intent	0 days	Aug 15 '11	Aug 15 '11		MDE
4	Contract Review & Finalization	4 days	Aug 16 '11	Aug 19 '11	3	HTC,MDE
5	Prepare for Project Kick-off meeting (presentation, draft sched	5 days	Aug 22 '11	Aug 26 '11	4	HTC
6	Project Kick-Off Meeting	0.5 days	Aug 29 '11	Aug 29 '11	5	MDE,HTC,MDTMB
7	Project Planning	11.5 days	Aug 29 '11	Sep 13 '11		
8	Pre-Planning activities (Implementation pace, constraints, etc)	0.5 days	Aug 29 '11	Aug 29 '11	6	HTC,MDE
9	Project Schedule Development	2 days	Aug 30 '11	Aug 31 '11	8	HTC
10	Project Plan Development (includes Change Mgmt, Communicat	5 days	Aug 30 '11	Sep 5 '11	8	HTC
11	Project Plan Review	5 days	Sep 6 '11	Sep 12 '11	9,10	MDE,MDTMB
12	Incorporate feedback on Project Schedule & Project Plan	1 day	Sep 13 '11	Sep 13 '11	11	HTC
13	Project Plan & Project Schedule Approval	0 days	Sep 13 '11	Sep 13 '11	12	MDE
14	Project Tracking and Control	220.13 days	Aug 26 '11	Jun 29 '12		
15	Weekly Project Status Reports	220.13 days	Aug 26 '11	Jun 29 '12		HTC
61	Bi-Weekly Status Review Meetings with MDTMB,MDE	200.13 days	Sep 12 '11	Jun 18 '12		MDE,HTC,MDTMB
83	Project Schedule Maintenance	195.13 days	Sep 30 '11	Jun 29 '12		HTC
94	Project Risk Review	195.13 days	Sep 30 '11	Jun 29 '12		HTC
105	Requirements Management	41.75 days	Aug 30 '11	Oct 26 '11		
106	Requirements Preparation	9 days	Aug 30 '11	Sep 9 '11		HTC
107	Request available Review Life Cycle Documentation	5 days	Aug 30 '11	Sep 5 '11	8	MDE
108	Review Review Documentation, Workflows; Prepare for F	2 days	Sep 6 '11	Sep 7 '11	107	HTC
109	Develop GEMS Life Cycle Business Process Flows	2 days	Sep 8 '11	Sep 9 '11	108	HTC
110	Requirement Confirmation Meetings	6.75 days	Sep 12 '11	Sep 20 '11	109	HTC,MDE
111	Requirements Confirmation Mtg - 1	0.5 days	Sep 12 '11	Sep 12 '11	109	HTC,MDE
112	Requirements Confirmation Mtg - 2	0.5 days	Sep 14 '11	Sep 14 '11	111	HTC,MDE
113	Requirements Confirmation Mtg - 3	0.5 days	Sep 19 '11	Sep 19 '11	112	HTC,MDE
114	Requirements Confirmation Mtg - EEM Interface	0.5 days	Sep 12 '11	Sep 12 '11	109,111	HTC,MDE
115	Requirements Confirmation Mtg - MEGS+ Interface - 1	0.5 days	Sep 14 '11	Sep 14 '11	112	HTC,MDE



ID		Task Name	Duration	Start	Finish	Predecessors	Resource Names
116		Requirements Confirmation Mtg - MEGS+ Interface - 2	0.5 days	Sep 19 '11	Sep 19 '11	113,115	HTC,MDE
117		Requirements Confirmation Mtg - CMS Interface	0.5 days	Sep 20 '11	Sep 20 '11	113	HTC,MDE
118		Requirements Confirmation Mtg - MEIS Interface	0.25 days	Sep 20 '11	Sep 20 '11	117	HTC,MDE
119		Business Requirements Document	13 days	Sep 20 '11	Oct 7 '11		HTC
120		Prepare Requirement Confirmation Document	10 days	Sep 20 '11	Oct 4 '11	110	HTC
121		Prepare Requirements Traceability Matrix	3 days	Oct 4 '11	Oct 7 '11	120	HTC
122		Prepare Business / Process Workflow	2 days	Sep 20 '11	Sep 22 '11	110	HTC
123		Prepare Uses Cases	5 days	Sep 22 '11	Sep 29 '11	122	HTC
124		Business Requirements Review & Approval	13 days	Oct 7 '11	Oct 26 '11		
125		Review Business Requirements	5 days	Oct 7 '11	Oct 14 '11	119	MDE
126		Incorporate MDE feedback	3 days	Oct 14 '11	Oct 19 '11	125	HTC
127		Final Review Business Requirements	5 days	Oct 19 '11	Oct 26 '11	126	MDE
128		Business Requirements Approval	0 days	Oct 26 '11	Oct 26 '11	127	MDE
129		Application Design	67.75 days	Aug 22 '11	Nov 23 '11		
130		Design Specifications	49.75 days	Aug 22 '11	Oct 28 '11		HTC
131		Prepare Technical Design Specifications	10 days	Oct 7 '11	Oct 21 '11	119	HTC
132		Create Screen and Report Layouts	5 days	Aug 22 '11	Aug 26 '11		HTC
133		Create Data Dictionary	5 days	Oct 7 '11	Oct 14 '11	119	HTC
134		Update Traceability Matrix	2 days	Oct 26 '11	Oct 28 '11	128,131	HTC
135		Design Specifications Review	18 days	Oct 28 '11	Nov 23 '11		MDE,HTC
136		Review Design Specifications	10 days	Oct 28 '11	Nov 11 '11	130	MDE
137		Incorporate MDE Feedback	3 days	Nov 11 '11	Nov 16 '11	136	HTC
138		Final Review of Design Specifications	5 days	Nov 16 '11	Nov 23 '11	137	MDE
139		Design Specifications Approval	0 days	Nov 23 '11	Nov 23 '11	138	MDE
140		Development	77.25 days	Oct 28 '11	Feb 14 '12	130	HTC
141		Create GEMS Project Development Environment	2 days	Oct 28 '11	Nov 1 '11		HTC
142		GEMS Development	55 days	Nov 1 '11	Jan 17 '12		HTC
143		Master Setup, Workflow, Security and Rules	20 days	Nov 1 '11	Nov 29 '11	130,141	HTC
144		Team Creation, Schedule Generation	15 days	Nov 29 '11	Dec 20 '11	139,143	HTC



ID	Task Name	Duration	Start	Finish	Predecessors	Resource Names
145	Review & Update of Information	20 days	Dec 20 '11	Jan 17 '12	144	HTC
146	Reports	20 days	Dec 20 '11	Jan 17 '12	144	HTC
147	Interface to ECM, MEGS+, CMS, MEIS	15 days	Dec 20 '11	Jan 10 '12	144	HTC
148	System Testing - HTC	77.25 days	Oct 28 '11	Feb 14 '12		
149	Create Installation Guide / Manual	5 days	Nov 23 '11	Nov 30 '11	139	
150	Create GEMS Project Test Environment	1 day	Nov 23 '11	Nov 24 '11	139	HTC
151	Test Planning	3 days	Oct 28 '11	Nov 2 '11	128	HTC
152	Preparation of Test Cases	10 days	Nov 23 '11	Dec 7 '11	139,151	HTC
153	Updation of Tracebility Matrix	3 days	Dec 7 '11	Dec 12 '11	152	HTC
154	User Acceptance Test Plan	5 days	Oct 28 '11	Nov 4 '11		HTC
155	Sample review data for System Testing	5 days	Nov 23 '11	Nov 30 '11	139	MDE
156	Master Setup, Workflow, Security and Rules	3 days	Dec 7 '11	Dec 12 '11	143,152	HTC
157	Team Creation, Schedule Generation	3 days	Dec 20 '11	Dec 23 '11	144,152	HTC
158	Review & Update of Information	5 days	Jan 17 '12	Jan 24 '12	145,152	HTC
159	Reports	3 days	Jan 17 '12	Jan 20 '12	146,152	HTC
160	Interface to ECM, MEGS+, CMS, MEIS	3 days	Jan 10 '12	Jan 13 '12	147,152	HTC
161	Bug Fixes based on System Testing	15 days	Jan 25 '12	Feb 14 '12	158	HTC
162	Approve for Release to MDE	0 days	Feb 14 '12	Feb 14 '12	161	HTC
163	Test - MDE	48.75 days	Jan 17 '12	Mar 26 '12	142	
164	Set up Issue Tracking System for GEMS	1 day	Jan 17 '12	Jan 18 '12	155	HTC
165	Create / Set up Test Environment at MDE	5 days	Jan 17 '12	Jan 24 '12	155	MDE,HTC
166	Deploy GEMS application & Interfaces to MDE Test environmen	2 days	Feb 15 '12	Feb 16 '12	162	HTC
167	Provide User Acceptance Test Plan, Test Cases to MDE	0 days	Feb 14 '12	Feb 14 '12	162	HTC
168	Test Kick-Off Meeting	0.5 days	Feb 17 '12	Feb 17 '12	166,167	DTMB,MDE,HTC
169	UAT Training	1 day	Feb 17 '12	Feb 20 '12	168	DTMB,MDE,HTC
170	UAT Training Sign-Off	0 days	Feb 20 '12	Feb 20 '12	169	DTMB,MDE
171	Functional Testing	12 days	Feb 20 '12	Mar 7 '12	170	
172	Functional & Integration Testing	5 days	Feb 20 '12	Feb 27 '12	169	MDE,HTC,DTMB
173	Bug fixes based on Functional & Integration Testing	5 days	Feb 27 '12	Mar 5 '12	172	HTC



ID	Task Name	Duration	Start	Finish	Predecessors	Resource Names
174	Final Functional & Integration Testing	2 days	Mar 5 '12	Mar 7 '12	173	HTC,MDE,DTMB
175	Performance & Stress Test	2 days	Mar 7 '12	Mar 9 '12	174	HTC,DTMB,MDE
176	Tuning based on Performance & Stress Test	2 days	Mar 9 '12	Mar 13 '12	175	HTC,DTMB,MDE
177	Full System Test	5 days	Mar 13 '12	Mar 20 '12	176	HTC,DTMB,MDE
178	Bug Fixes based on Full System Test	2 days	Mar 20 '12	Mar 22 '12	177	HTC,DTMB,MDE
179	Updation of Requirements Traceability Matrix	2 days	Mar 22 '12	Mar 26 '12	178	HTC
180	Test Report to MDE	0 days	Mar 26 '12	Mar 26 '12	174,176,179	HTC
181	Approve for Deployment to MDE UAT and Test Environment	0 days	Jan 17 '12	Jan 17 '12		DTMB,MDE
182	Training	35.75 days	Jan 17 '12	Mar 7 '12		
183	Prepare Training Plan	5 days	Jan 17 '12	Jan 24 '12	142	HTC
184	Review Training Plan	5 days	Jan 24 '12	Jan 31 '12	183	DTMB,MDE
185	Incorporate MDE feedback in Training Plan	2 days	Jan 31 '12	Feb 2 '12	184	HTC
186	Training Plan Approval	0 days	Feb 2 '12	Feb 2 '12	185	DTMB,MDE
187	Prepare Training Materials	10 days	Feb 15 '12	Feb 28 '12	148	HTC
188	Deploy GEMS, Online Help FAQ to Training environment	1 day	Feb 2 '12	Feb 3 '12	181,186	DTMB,MDE,HTC
189	Initial Training to MDE staff	0.5 days	Feb 29 '12	Feb 29 '12	188,187	MDE,HTC
190	Initial Training to non-MDE staff	0.5 days	Feb 29 '12	Feb 29 '12	187,188,189	Pilot non-MDE,HTC
191	Refine Training materials based on training feedback	2 days	Mar 1 '12	Mar 2 '12	189,190	HTC
192	MDE User Training	2.5 days	Mar 5 '12	Mar 7 '12		
193	Session - 1	0.5 days	Mar 5 '12	Mar 5 '12	191	MDE,HTC
194	Session - 2	0.5 days	Mar 5 '12	Mar 5 '12	193	MDE,HTC
195	Session - 3	0.5 days	Mar 6 '12	Mar 6 '12	194	MDE,HTC
196	Session - 4	0.5 days	Mar 6 '12	Mar 6 '12	195	MDE,HTC
197	Session - 5	0.5 days	Mar 7 '12	Mar 7 '12	196	MDE,HTC
198	Non-MDE User Training	1.5 days	Mar 5 '12	Mar 6 '12		
199	Session - 1	0.5 days	Mar 5 '12	Mar 5 '12	191	non-MDE,HTC
200	Session - 2	0.5 days	Mar 5 '12	Mar 5 '12	199	non-MDE,HTC
201	Session - 3	0.5 days	Mar 6 '12	Mar 6 '12	200	non-MDE,HTC
202	Training Sign-Off	0 days	Mar 7 '12	Mar 7 '12	197,201	MDE



ID	Task Name	Duration	Start	Finish	Predecessors	Resource Names
203	User Acceptance Testing (UAT)	123.75 days	Jan 17 '12	Jul 9 '12		
204	Deliver User Acceptance Plan	0 days	Jan 17 '12	Jan 17 '12	181	HTC
205	MDE User Acceptance Testing	15 days	Mar 7 '12	Mar 28 '12	202	MDE
206	Refinements based on UAT	5 days	Mar 28 '12	Apr 4 '12	205	HTC
207	UAT Sign-Off	0 days	Apr 4 '12	Apr 4 '12	206	MDE,DTMB
208	Communication to ISD,LEA, etc	2 days	Apr 4 '12	Apr 6 '12	207	
209	Deploy to Production Environment	2 days	Apr 4 '12	Apr 6 '12	207	MDE,DTMB,HTC
210	Sanity Check & Verify Production system	1 day	Apr 6 '12	Apr 9 '12	209	HTC,MDE
211	GO LIVE	0 days	Apr 9 '12	Apr 9 '12	210	MDE
212	Warranty	65 days	Apr 9 '12	Jul 9 '12	211	HTC
213	Documentation	74.25 days	Nov 23 '11	Mar 6 '12		HTC
214	Create User Manual	15 days	Feb 15 '12	Mar 6 '12	162	HTC
215	Create Procedures Manual	3 days	Feb 15 '12	Feb 17 '12	162	HTC
216	Create System Administration Manual	5 days	Feb 15 '12	Feb 21 '12	162	HTC
217	Create Database Administration Manual	5 days	Nov 23 '11	Nov 30 '11	139	HTC
218	Create Operations Manual	2 days	Feb 15 '12	Feb 16 '12	162	HTC
219	Create Developer Reference Manual	5 days	Jan 17 '12	Jan 24 '12	142	HTC
220	Deliver Documentation to MDE	0 days	Mar 6 '12	Mar 6 '12	214,215,216,217,	HTC
221	Knowledge Transfer	18 days	Mar 5 '12	Mar 28 '12		
222	Knowledge Transfer Plan	3 days	Mar 5 '12	Mar 7 '12	191	HTC
223	Knowledge Transfer Plan Review & Approval	5 days	Mar 8 '12	Mar 14 '12	202,222	DTMB,MDE
224	Knowledge Transfer & Evaluation Report	10 days	Mar 15 '12	Mar 28 '12	223	HTC,DTMB,MDE
225	Knowledge Transfer Report	0 days	Mar 28 '12	Mar 28 '12	224	HTC
226	Knowledge Transfer Sign-Off	0 days	Mar 28 '12	Mar 28 '12	225	DTMB,MDE
227	Project Closeout	5.5 days	Apr 9 '12	Apr 16 '12		
228	Update Project Documentation, Lessons Learnt	5 days	Apr 9 '12	Apr 16 '12	211	HTC
229	Project Closeout meeting	0.5 days	Apr 16 '12	Apr 16 '12	228	DTMB,MDE,HTC
230	Project Sign-Off	0 days	Apr 16 '12	Apr 16 '12	229	MDE
231	Maintenance and Support	775 days	Jul 9 '12	Jun 29 '15	212	



ID		Task Name	Duration	Start	Finish	Predecessors	Resource Names
231	i	Maintenance and Support	775 days	Jul 9 '12	Jun 29 '15	212	
232	↻	Performance & System Maintenance	761 days	Jul 27 '12	Jun 26 '15		HTC
269	↻	Management Reporting	773.63 days	Jul 9 '12	Jun 26 '15		HTC
317		Contract Closeout Meeting	0.5 days	Jun 29 '15	Jun 29 '15	232	MDE,DTMB,HTC



Grants Electronic Monitoring System (GEMS)

Project Management Plan

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Grants Electronic Monitoring System (GEMS)

Introduction

The Michigan Department of Education (MDE) is required by law to monitor implementation of Federal and State programs at the local level to ensure funds and other resources are spent or used appropriately in accordance with State and Federal law and Education policy. The oversight or monitoring activity includes conducting of “Reviews” of fiscal and programmatic activity. Certain aspects of the Review are conducted “at the desk” of the MDE Reviewer while other aspects require the MDE Reviewer to go “on site” at the local level (district or school). The Review results in a Findings Report and, as necessary, triggers a Corrective Action Plan (CAP) so the local level can address any gaps and become compliant with the fiscal or program requirements. The local level will provide updates to the CAP as well as evidence to indicate the problem area has been corrected..

Currently, grant information is managed through manual operations and the MDE uses Microsoft Office suite (MS Word and Excel) to perform some of the grant monitoring activities. With a view to leverage technology With a view to leverage technology, MDE is looking to automate the Grants Monitoring System.

The scope of the project involves automation of program and fiscal review process for the various programs.



Project Identification

Project Code	MDE-GEMS
Project Name	Grants Electronic Monitoring System
Project Manager	Joseph Rodrigues
Client Project Manager	<MDE Project Manage Name>
Client Name	Michigan Department of Education 608 West Allegan Street, Hannah Bldg Lansing MI
Start Date	08-22-2011
End Date	06-30-2012
Maintenance Support	Until 06-30-2015

Project Goals and Objectives

The objectives of the GEMS project are to

- i. Implement a web-based, secure and scalable solution that will manage all aspects of the grant review cycles thus requiring minimal manual intervention for repeatable and predefined activities.
- ii. Provide a solution that is user-friendly, scalable and flexible to easily adapt to changing business needs.
- iii. Provide training that enables MDE staff to manage GEMS on an ongoing basis
- iv. Provide an interface to
 - a. The statewide authentication system – Michigan Education Information System
 - b. Education Entity Master
 - c. Michigan Electronic Grants System +
 - d. Cash Management System
- v. Adhere and comply with State of Michigan Enterprise IT Policies, Standards and Procedures for web applications

Organizational Objectives

The organizational objectives for the GEMS project are to

- i. Meet customer / projects expectations in terms of schedule and quality objectives.
- ii. Proactively monitor the project and follow the base-lined schedule to avoid any schedule delays.
- iii. Demonstrate HTC's capability in all aspects of project deliverables.

Project Deliverables

HTC would provide GEMS with the following deliverables during the implementation life cycle of the project.

Srl	Deliverable	Scheduled	Actual	Approval
1.	Project Plan & Project Schedule	09-13-11		
2.	Requirements Confirmation Documentation	10-07-11		
3.	Design Specifications	10-28-11		
4.	Traceability Matrix	10-28-11		
5.	GEMS software for System & Integration Testing	02-15-12		
6.	Training	03-01-12		
7.	Documentation	03-06-12		
8.	GEMS User Manual	12-31-10		
9.	Knowledge Transfer	03-28-12		
10.	Deploy to Production – GO LIVE	04-09-12		
11.	Warranty	07-09-12		
12.	Maintenance & Support	06-30-15		



Project Methodology

HTC will follow the Rapid Application Development (RAD) methodology for the software development life cycle of the GEMS project.

Success Measurement

Based on the current market trends, the project would be considered successful, if all of the below are achieved:

- i. Delivered software meets all the functionality as identified in the RFP and documented in the Requirements Confirmation document.
- ii. Deliverables as per the agreed project schedule
- iii. Delivered software can seamlessly interface with the identified external systems
- iv. Delivered software can withstand the required number of concurrent users without degradation to performance.
- v. The project is planned effectively to minimize MDE program staff involvement during peak / black-out dates.
- vi. Transfer of knowledge to DTMB / MDE staff for Setup and Administration of GEMS to enable them change / add business rules.

Critical Success Factors

The following are the critical success factors for this project.

- i. Timely approvals on deliverables from DTMB, MDE
- ii. Regular communication from HTC to report progress, issues, queries and immediate corrective action / escalation
- iii. Effective training mechanisms to MDE and non-MDE personnel to effectively use the system

Assumptions

Planning Assumptions

- i. HTC has developed the project schedule based on their current understanding of MDE requirements. The schedule may be impacted if there is a major change in the planned versus actual requirements.

Technical Assumptions

- i. DTMB / MDE will provide all the required technical details related to the existing systems (MEIS, MEGS+, EEM, CMS) to facilitate the interface and user authentication development.
- ii. The application will be tested on MDE test servers.
- iii. MDE will provide HTC with sample review data as test data for System testing

Estimating Assumptions

- i. The estimation for the project is done using expert judgment technique assuming an expert skill level of resources for all activities during the life cycle of the project.

Constraints

- i. MDE staff may have blackout dates due to their normal workload. The project needs to be planned around the blackout dates to avoid any scheduling conflicts.

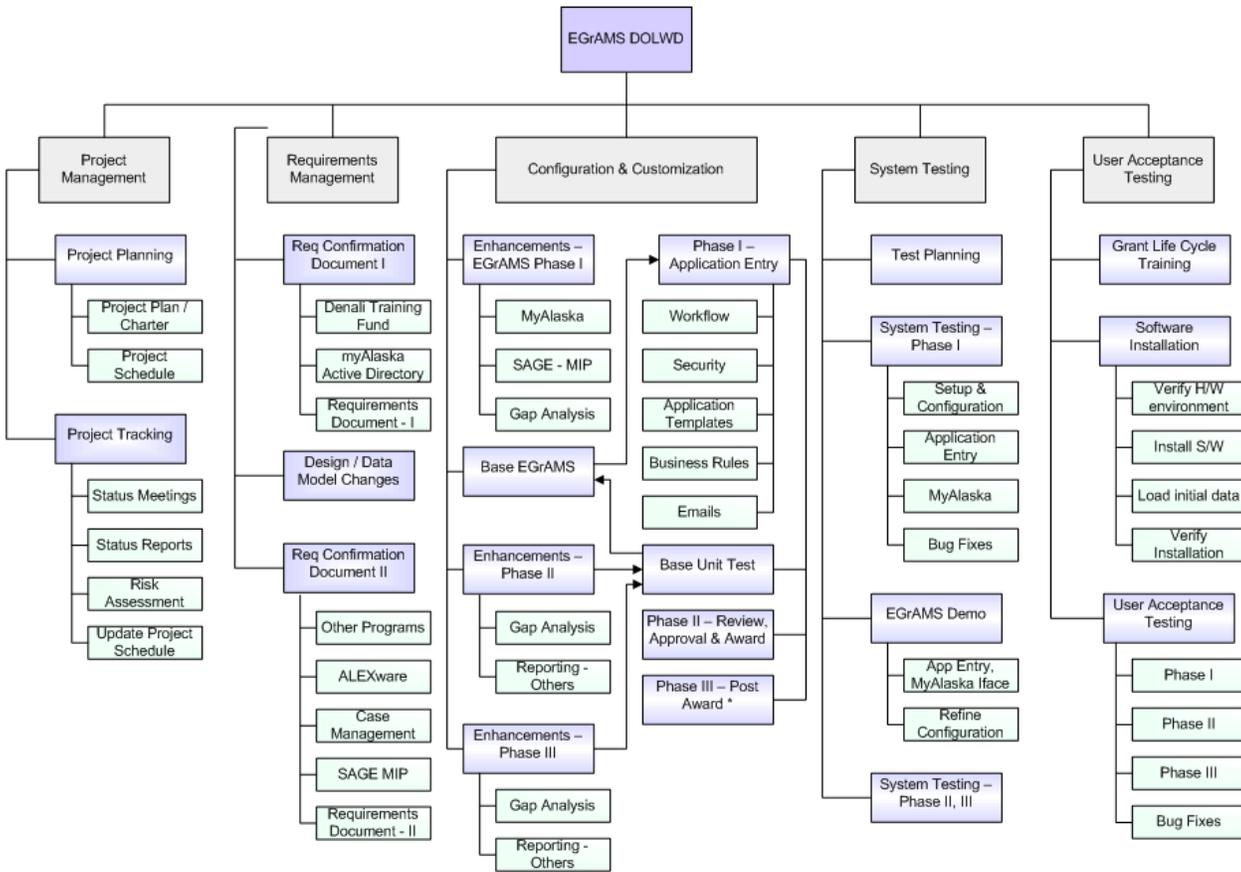


Project Scope Definition

The scope of the project includes automation of ...<details to be provided at a later date).

Sample Work Breakdown Structure

Work Breakdown Structure for EGrAMS-DOLWD Implementation



* Post Award – Operational Advances, Expense Reporting, Progress Reports, Payments & Amendments

Functional Decomposition

GEMS will be a configurable application that manages the entire review life cycle. In order to provide an overview of the application, closely associated activities have been grouped together and named as a module. The purpose of this functional decomposition section is to provide a high-level overview of the features supported in each module.

The high level functional decomposition of each module is listed below.

Setup

As with any application, prior to using the application, there are a number of parameter and validation tables that need to be set up. Most of the information is set up initially when the system is installed and maintained for any changes, as applicable. The following sections describe the various sub-modules under 'Setup'. The GEMS Application Administrator manages most of the functionality in the 'Setup' module. However, other roles may be assigned to manage specific sub-modules, as applicable.



Listed below is a high-level description of the various sub-modules under the Setup module.

Srl	Sub-Module	Description
1.	Application Administration	The Application Administration sub-module is used to define the various application level parameters and business rules required by GEMS. (Email Message Types, Error Messages, Login Rules, Miscellaneous Text, Online Query Tool, etc).
2.	Master Configuration	This sub-module is used to define various master and validation lookup information used by GEMS. (Document Types, Email Messages, Workflow Stages, etc).
3.	Master Codes	This sub-module is used to define various master and validation lookup information used by GEMS. (Designation, Educational Levels, Ethnic Minorities, Unit of Measure, etc)
4.	Demographic	This sub-module is used to define various demographic validation lookup information used by GEMS. (State Codes, Regions, Political District Classification, etc).
5.	Security	This sub-module is used to define various screens and role-based security information in GEMS. (Application Screens, Roles, Role Access Permissions, etc).
6.	User Administration	This sub-module is used to manage the User information in GEMS. (Security Questions, Users, User Status, etc)
7.	Workflow Configuration	This sub-module is used to define various workflow templates and workflow related permissions in GEMS. (Workflow Templates, Stage Status Permissions).
8.	Reports	This sub-module is used to generate reports of Email Text, Workflow templates, Roles & Access and Workflow based Access.

<Addition Module Descriptions>

To be provided later>

Technical Environment

GEMS will be built on the following platform.

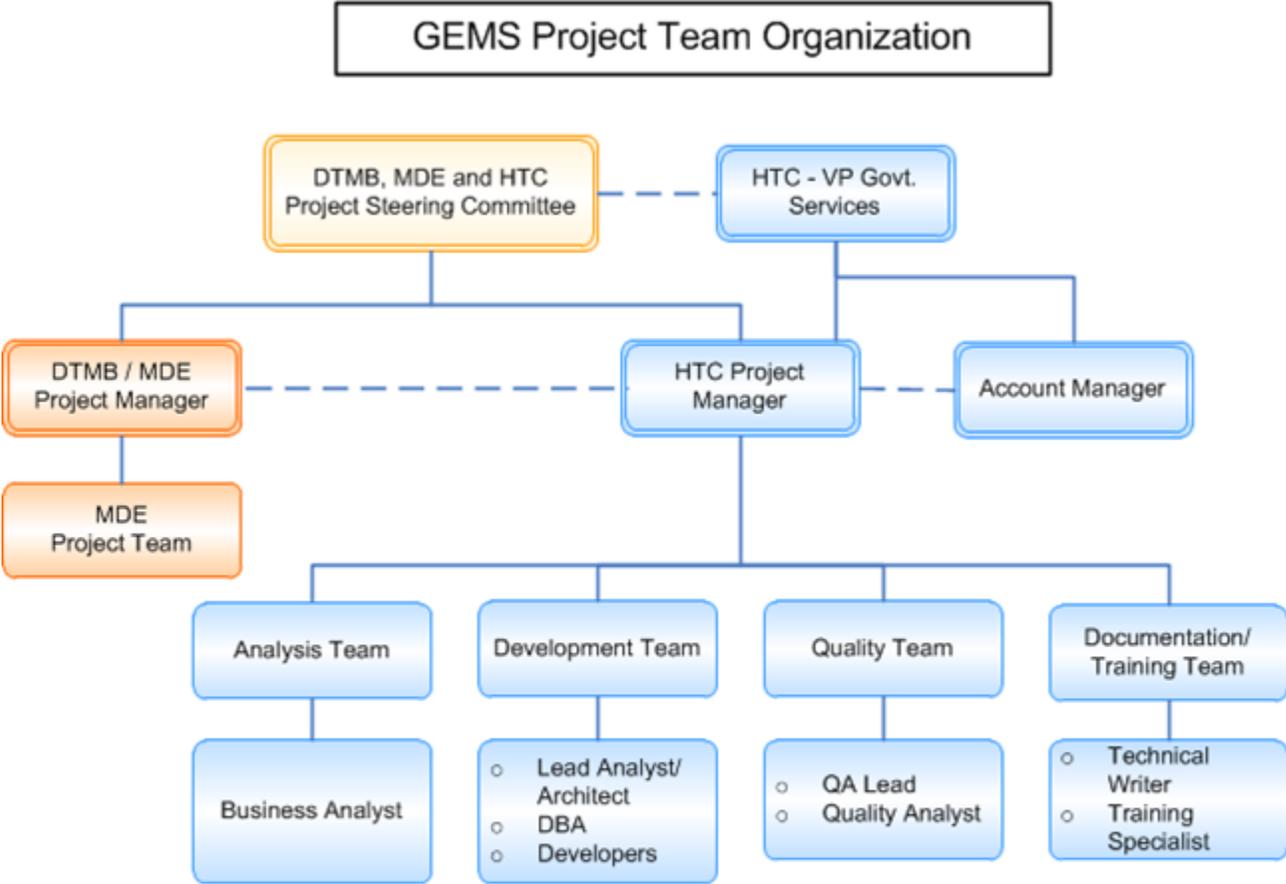
Application Server	Windows 2003 Server
Web Server	IIS 6.0
Database	MS SQL Server 2000 & above
Development Environment	Visual Studio.NET 3.5, ADO.NET, XML iText library for PDF report generation
Operating System	Windows 2003 Server
Automated Test Tools	Manual Testing
Browser	Internet Explorer v 6.5 and above Mozilla Firefox v2.0 and above Safari v2.04 and above



Resource Management Plan

The project will primarily use the offsite model for the execution of the GEMS project. The objective of this section is to define the project organization, skill requirements and the roles and responsibilities of the project team and identify the project team members.

Project Organization



DTMB – Department of Technology, Management and Budget
 MDE – Michigan Department of Education
 HTC – HTC Global Services, Inc.



Roles and Responsibilities – MDE

Srl	Role	Description
1.	MDE Sponsor	<ul style="list-style-type: none"> • Oversight for the project from MDE • Sign-off work products and deliverables • Approve & sign-off any change requests • Escalation point for issues • Work with vendor sponsor to resolve issues
2.	DTMB / MDE Project Manager	<ul style="list-style-type: none"> • Primary day-to-day contact for HTC & MDE • Responsible for vendor management • Review & Approve project deliverables • Obtain approvals / sign-offs, as applicable • Coordinate various meetings • Escalate issues, as applicable
3.	MDE Program Staff	<ul style="list-style-type: none"> • Participate in program related Requirements Confirmation • Provide timely feedback and comments • Provide relevant sample data as requested • Review deliverables and recommend for sign-off • Conduct User Acceptance Testing for program requirements

Roles and Responsibilities – HTC

Srl	Role	Description
1.	HTC Sponsor (VP – Government Solutions)	<ul style="list-style-type: none"> • Overall responsibility for the success of the project • Escalation point for issues • Facilitate issue resolution • Relationship Management
2.	HTC PMO	<ul style="list-style-type: none"> • Project governance and oversight • Compliance to PM practices • Support project team for resource allocation • Assist issue resolution • Project Performance & Metrics reporting
3.	HTC Project Manager	<ul style="list-style-type: none"> • Single Point of Contact for MDE for all project activities • Manage & Oversee all aspects of the project (project management and technical) • Plan and coordinate timely and quality deliverables • Monitor and report progress to client • Anticipate, evaluate & minimize risk • Escalate issues as applicable • Oversee ongoing support activities
3.	Business Analyst	<ul style="list-style-type: none"> • Understand MDE business processes • Conduct Requirement Confirmation meetings • Requirements Confirmation Document & Gap Analysis • Interface Requirement Specifications • System Testing • Assist in Project Management activities
4.	Project Lead / Configuration Specialist	<ul style="list-style-type: none"> • Understand MDE business processes • Design Specifications • Responsible for development & enhancements • Manage day-to-day development team activities • Ensure schedule & quality of deliverables
5.	Development Team	<ul style="list-style-type: none"> • Understand Requirement, Data Model, Design changes • Coding of the assigned classes / methods • Unit Testing of the developed code • Communicating to the Configuration Controller check-in of the developed code • Fixing of bugs as reported by the Test team
6.	Quality Analyst	<ul style="list-style-type: none"> • Test Planning • Testing of GEMS system



Srl	Role	Description
		<ul style="list-style-type: none"> Review of Training and User documentation
7.	Technical Writer & Training Specialist	<ul style="list-style-type: none"> Training Materials User Manual & other documentation

Skills and Experience Needs

In order to meet the project objectives, the minimum skill and resource requirement is listed below.

Srl	Roles	Qty	Team Skills Inventory					
			Project Management	Functional	Requirements	Design	.NET	SQL Server
1.	Project Manager	1	E	E	E	W	F	F
2.	Business Analyst	1	W	E	E	W	W	W
3.	Project Lead	1	W	W	W	E	E	E
4.	Development Team	2	N	N	F	W	E	E
5.	Quality Analyst	1	N	E	E	N	W	W
6.	Technical Writer	1	N	W	W	N	N	N

Skill Codes	
E	Experienced
W	Working Knowledge
F	Familiar
N	No Experience Required
T	Trained

Staffing Requirements

Listed below are the staffing needs and allocated resources for the GEMS project.

Srl	Roles	Qty	From	To	Remarks	Phone # (248) 786 2500	email
1.	Project Manager	1	08-22-11	07-31-12	Joseph Rodrigues	x 154	joseph.rodriques@htcinc.com
2.	Business Analyst	1	09-01-11	03-31-12	Arvind Srinivasan	x 274	arvind.srinivasan@htcinc.com
3.	Project Lead	1	10-01-11	06-30-12	Shibu Madhavan	x 213	shibu.madhavan@htcinc.com
4.	Development Team	2	11-01-11	03-31-12	PMO Resource – to be loaded as required		
6.	Quality Analyst	1	02-01-12	03-31-12	PMO Resource		
7.	Technical Writer	1	01-01-12	03-31-12	PMO Resource		
8.	Training Specialist	1	03-01-12	03-31-12	Theresa Christner		



Configuration Management Plan

This section defines the Configuration Management (CM) Plan for the GEMS project. The Configuration Management plan consists of the set of activities performed to identify and organize software components and related documents, and to control their modification and release. The objectives are

- i. Maintain clear identification of versions
- ii. Maintain adequate control on changes
- iii. Maintain distinct development, testing and HTC released environments
- iv. Maintain adequate user access privileges

Configuration Management Tasks

#	Configuration Management Task	Responsibility	Remark
1.	Prepare, Review and Update CM Plan	HTC	
2.	Setup and Maintain CM Library	HTC	
3.	Set up Change Control procedures	HTC	
4.	Maintenance of Traceability Matrix	HTC	
5.	Check in / Check out mechanisms	HTC	

Configuration items are broadly classified into

- i. Project Documents
- ii. Code

Project Documents

#	Configuration Item	Responsibility	Version	Remarks
1.	Project Management Plan	Joseph Rodrigues	1.0	
2.	Configuration Management Plan	Joseph Rodrigues		Section in Project Management Plan
3.	Risk Management Plan	Joseph Rodrigues		Section in Project Management Plan
4.	Project Schedule	Joseph Rodrigues	1.0	
5.	Estimation Sheet	Joseph Rodrigues	1.0	(Internal Document)
6.	Requirement Confirmation Document	Samit Taneja		
7.	Interface Specifications	Samit Taneja		
8.	Design Changes	Joseph Rodrigues		(Internal Document)
9.	Minutes of Meetings	Joseph Rodrigues	N.A	As applicable



Development

Sr I	Configuration Item	Responsibility	Versio n	Remarks
1.	Hardware	HTC		
2.	Operating Software	HTC		
3.	Software Components	HTC		

Configuration Library

Project documents are maintained in a Windows environment whereas software components are maintained in the appropriate source code control environment. Following is a directory structure of the respective environments.

Project Documents

The home directory for all GEMS project documents is Z:\-Projects\MDE-GEMS. The sub directories are as follows

SrI	Directory	Configuration Item	Description	Type	Ver
1.	Planning	GEMS_PAN.doc (Internal document)	Project Authorization Note	MS-Word	1.0
		GEMS_PMP v1.0.doc	Project Plan	MS-Word	1.0
		GEMS_Schedule v1.0.mpp	Project Schedule	MS-Project	1.0
		GEMS Project Estimation.xls (Internal document)	Project Estimation Sheet (Effort / Resource & Cost)	MS-Excel	1.0
		GEMS Project Actual Cost.xls (Internal document)	Project Actuals Sheet (Effort / Resource & Cost)	MS-Excel	1.0
		GEMS Project Summary.xls (Internal document)	Project Summary – Estimate v/s Actuals & Variance	MS-Excel	1.0
2.	Requirement Confirmation	GEMS_Req- v1.0.doc	Requirements Confirmation Document	MS-Word	1.0
3.	Design Specifications	GEMS_Tech_Design- v1.0.doc	Technical design Specifications	MS-Word	1.0
4.	Status Reports	GEMS Status <mmddy>.doc	Weekly Status Reports where <mmddy> denotes the week ending on	MS-Word	NA
		GEMS_Time.xls (Internal document)	Actual Time – By Resource / Activity	MS-Excel	NA
5.	Test Logs	<nn.sss> Build Feedback.doc	System testing Feedback to developer by build logged into SourceSafe.	MS-Excel / MS-Word	NA
6.	Bug Reports	GEMS_Issue_Log_<mmdd>.xls	GEMS Issue Log from MDE Acceptance Test Team where <mmdd> denotes the month / date	MS-Excel / MS-Word	NA



All email communication on the GEMS project is under \Public Folders\All Public Folders\Projects\GEMS – MDE(GEMS). Listed below are the various sub folders.

Srl	Directory	Configuration Item	Description	Type	Ver
1.	HTC-Inbox		All Incoming emails from within HTC	Email	NA
2.	HTC-Sent		All emails sent within HTC	Email	NA
3.	Inbox		All Incoming emails from MDE	Email	NA
4.	Sent		All emails sent to MDE	Email	NA
5.	Status Reports		Weekly Status Reports	Email	NA
6.	Z-Pending Action		Any email that requires action and is pending	Email	NA

Software Components

The implementation for MDE will use the generic component base software. Any changes that are required and are specific to MDE will be branched out of the base SourceSafe repository and maintained as a separate version. Any changes required for MDE that would enhance generic component functionality will be maintained within the base SourceSafe repository.

Srl	Directory	Configuration Item	Description	Type	Ver
1.					
2.					

Change Control

The change control process will be used for requesting and managing changes to the GEMS project work products created or maintained by the project team members. This process will facilitate communication about requested changes among the stakeholders of this project, provide a common process for resolving requested changes and reported problems, and also reduce the uncertainty around the existence, state and outcome of a change that has been requested in a work product.

Any stakeholder of this project will be able to report problems / issues with GEMS on the production and test systems.

Any stakeholder of this project will be able to submit / recommend the following types of changes to the appropriate GEMS Project Manager. On review and if deemed necessary, the request can be forwarded to HTC for consideration:

- Requests for requirement changes (additions, deletions, modifications, and deferrals) in product currently under implementation.
- Requests for enhancements in the production systems (in the future)
- Requests for new product development initiatives (in the future)



Risk Management Plan

This section presents only the most significant risks for this project. The Risk Management Plan is a “living” section and is expected to change during the course of the project

Risk Management Tasks

Risk Id	Perceived Risks	Responsibility
1.	MDE program staff may have blackout dates during the project life cycle of the GEMS implementation. The project will be planned around the blackout dates to avoid schedule conflicts. However, even minor delays from HTC may have a major impact on the review and approval cycles from MDE staff	HTC / MDE
2.	GEMS needs to interface with 4 external systems – MEIS, MEGS+, EEM & CMS. Non availability of SMEs may have an impact on the GEMS interface requirements may impact the scope and scheduled timelines	HTC

Risk Summary

The following presents a risk summary table and detailed information on the significant project risks to be managed.

Risk Id	Risk Description	Risk Impact			
		Probability	Project	Schedule	Effort
1.	Blackout Dates	2	4	4	1
2.	Finalization of Interface details to External Systems	3	2	3	4

Probability of Occurrence %	Probability Factor
Low (1 – 24)	1
Moderate (25 – 49)	2
Significant (50 – 74)	3
High (75 – 99)	4

Project, Schedule, Effort	Impact Factor
Low – Will cause little or no impact	1
Moderate – Will cause an impact that can be absorbed by the project	2
Significant – Will cause an impact that MDE will need to absorb	3
High – Will cause an major impact leading to cost, schedule and effort adjustments	4



Mitigation Plan

The following presents a mitigation plan on the risk summary.

Risk Id	Risk Description	Threshold		Measures	
		Measure		Preventive	Corrective
1.	Blackout Dates	Deliverables overlap with blackout dates		Get blackout dates prior to planning Plan the project / MDE involvement around the blackout constraint dates	Work with MDE to accommodate critical tasks / activities during blackout dates Re-plan, if schedule cannot be managed
2.	Finalization of Interface Requirements	Required interface information not available		Identify interface development requirements ahead of schedule Plan interface development & deployment to be loosely coupled with Phase rollout Follow-up with PM for required information	Re-plan, if schedule cannot be managed



Quality Management Plan

All work products will be reviewed along the way and verified by team members per the Quality Review schedule shown below. Changes will be documented and performed per the accepted Change Management Plan. Product testing will also be accomplished per the Quality Review Schedule.

This section contains the roles, procedures and measurements to be used during the life cycle of this project. This goal of the Quality Plan is to enable the project team to create a quality product within the allotted cost and schedule.

Listed are the Quality responsibilities of the HTC project manager and technical lead.

Srl	Role	Responsibility	Team Member Name
1.	Project Manager	Ensure that all deliverable reviews are scheduled, performed as scheduled and as per the laid down standards Ensure that delivered work product meets the quality standards laid down by the client.	Joseph Rodrigues
2.	Project Lead / Architect	Perform random code reviews to ensure coding standards are followed to any enhancements carried out	Shibu Madhavan Arvind Srinivasan

Quality Assurance Activities

Listed below are the recommended quality activities on the various project work products.

#	Work Product	Review	Author	Reviewer	Approver	Acceptance
1.	Project Authorization Note	Review	Project Manager	PMO	VP - Govt Solutions	NA
2.	Project Plan	Review	Project Manager	PMO	VP Govt Solutions	MDE Sign-off
3.	Requirement Confirmation Document	Review	Business Analyst	Project Manager, Project Lead / Architect	Project Manager	MDE Sign-Off
4.	Design Specifications	Review	Technical Lead	Project Manager, Project Lead / Architect	Project Manager	MDE Sign-Off
5.	Development of GEMS Software components	Code Review Grant Life Cycle Test	Development Team	Project Lead / Architect	Test Engineer	MDE Sign-Off
6.	Documentation (Training, User, Installation Manuals)	Review	Technical Writer	Project Lead / Architect	Project Manager	MDE Sign-Off
7.	Delivery / Rollout of GEMS	User Acceptance Testing	MDE Staff	MDE Project Manager	N/A	MDE Sign-Off

Project Metrics

This section contains metrics that will be collected by the PMO Quality team and used by project management to monitor and improve project performance.

Srl	Metric Name	Description	Frequency	Threshold Level
1.	SPI	Schedule Performance Index	Monthly	
2.	CPI	Cost Performance Index	Monthly	
3.	CV	Cost Variance	Monthly	
4.	SV	Schedule Variance	Monthly	
5.	Methodology Template Compliance	% Adherence to accepted formats for a deliverable		98 %
6.	Number of Defects	Accepted defects in a deliverable		2 %
7.	Amount of Re-work	Accepted Amount of Re-work in terms of effort		10 %
8.	Estimation Accuracy	Effort Estimate v/s Actual	At end of project	+/- 20%



Communication Management Plan

This section describes the process to ensure timely generation, collection, dissemination and disposition of project information.

Communication Planning (HTC & MDE)

Listed below is a summary of communication activities between HTC and MDE.

Srl	Type	Purpose	Frequency	Responsibility	Audience	Format
1.	Status Reports	Communicate project progress, issues, action items and upcoming activity	Weekly (Every Friday)	HTC Project Manager	DTMB / MDE Project Manager, HTC VP Govt Solutions	Written As per Status Report format
2.	Project Status Review Meeting	Issue resolution, progress summary, decision making	Bi-Monthly (Every other Monday starting 9/1)	DTMB / MDE / HTC Project Manager	MDE Program staff, MDE / HTC Project Manager	Meeting
3.	Issue Resolution	To resolve any issues, queries, clarifications	As and when required	DTMB / MDE / HTC Project Manager	HTC Project Team, MDE Project Team	Meeting
4.	Requirement Confirmation Document	To communicate the 'Denali Training Fund' Business Requirements	By Phase	HTC Project Manager	MDE staff (Reviewers, Consultants, DTMB staff)	Written

Communication Planning (HTC Project Team)

Listed below is a summary of communication activities between HTC Project Manager and the MDE Project Team.

Srl	Type	Purpose	Frequency	Responsibility	Audience	Format
1.	Team Meetings	Issue resolution, general administration	Weekly	Project Manager	HTC Project Team	Meeting
2.	Status Reports	Communicate project progress, issues, action items and upcoming activity	Weekly	HTC Project Team	HTC Project Manager	Written As per Status Report format
3.	Issue Resolution	To resolve any issues, queries, clarifications	As and when required	Project Manager	GEMS Project Team	Meeting
4.	Requirement Confirmation Document	To communicate the project Business Requirements	By SDLC Phase	Business Analyst	Project Team	Written
5.	Design Specifications	To communicate the technical design of GEMS	By SDLC Phase	Project Lead	Project Team	Written
6.	GEMS Code	Inspection of critical components	By SDLC Phase	Project Lead	Project Team	Peer Review



Acceptance Plan

GEMS Completion Criteria

Completion criteria will be based on deliverables conforming to the requirements and according to the agreed standards. Every phase in the software development life cycle has completion criteria as applicable.

Any changes to approved work products will be evaluated on a case-by-case basis. The change may not be accepted if it would have an impact on the schedule. However, any changes will be considered as increase in project scope and would be charged on a time and material basis.

Reviews and Approvals

All Requirement documents will have to be reviewed and approved by DTMB / MDE. The schedule will identify the duration of the review and approval timeline. In the event that HTC does not receive any communication from DTMB / MDE within a week after the scheduled approval date, HTC will escalate the matter to the Department's Information Services Manager for resolution. Any issues with the deliverables need to be communicated to HTC prior to the approval date. DTMB / MDE should provide the necessary sign-off as soon as HTC has resolved the issue.

Acceptance Testing

DTMB / MDE staff will review and test the application against the requirements to ensure that the delivered application meets the defined requirements. The activity will be carried out independently by DTMB / MDE personnel. HTC may assist DTMB / MDE to answer any queries and fix any problems. The schedule will identify the duration of acceptance test in the timeline. If DTMB / MDE finds any problems / issues with the application, the problems need to be reported into HTC's Online Issue Tracking Tool and sent to HTC Project Manager.

Warranty Support

HTC will provide warranty support as stipulated in the project schedule. DTMB / MDE will be responsible to communicate any problems / issues with the GEMS application. Issues should be reported to the HTC using their web-based Issue Tracking System. HTC will provide two user names and passwords for DTMB / MDE access and to report issues in the Issue Tracking System.

On receipt of the issues, HTC will analyze the issue and assign them to the appropriate personnel for resolution. On completion, the issue will mark the issue as completed with an email communication to the DTMB / MDE staff.



Training Plan

HTC will conduct up to 5 Train-the-Trainer sessions for MDE staff and up to 3 Train-the-Trainer sessions for MDE staff.

Train-the-Trainer

<Details to be provided later>



Appendix – GEMS Contact List

Srl	Name	Position	Organization	Phone #	e-mail



Appendix G – Cost Tables

Table G-1: Project Summary of Cost

#	Cost Components	Detailed in Table	Cost Custom Dev	Comments
1	Custom Develop or Modifications to COTS; interfaces and associated deliverables	G-2	\$148,000	Includes all requirements specified in Appendix A & Appendix B. The price provided in the original proposal was already discounted @ 35% of the original price of \$225,153
2	Recurring Software Maintenance & Support (M&S Years 1-2)	G-3a (row 2)	\$ 32,000	Includes maintenance for Years 1-2. The price provided in the original proposal was already a discounted @57% of the original price of \$75,000
3	Licensing Fees (M&S Years 1-2)	G-3a (row 3)		Not Applicable
	Total Minimum Contract		\$180,000	Total maximum contract was already a discounted price @40% of original price of \$300,153
4	Recurring Software Maintenance & Support (M&S Year 3-7)	G-3b (row 2)	\$ 150,000	Includes maintenance & Support for Years 3 -7. The original proposal included a discount @ 6% of the original price. Contractor has provided an additional discount @20% of the original cost of \$187,500
5	Licensing Fee (Years 3-7)	G-3b (row 3)		Not Applicable
6	Cost of Reserved Bank for Enhancements	G-4	\$ 125,000	Contractor has provided an additional discount @8.75% of the original cost of \$137,000
7	Optional Requirements	G-5	\$ 0	The Contractor included these in the base price at no additional cost and are included in Table G-2.
	Grand Total		\$ 455,000	



Table G-2: Details of “Custom Development or Modifications to COTS; Interfaces and Deliverables”

#	Cost Components Based On Phase and Deliverables	Estimated Hours	Cost
A	Initiation and Planning		
A1	• Project Plan	24	\$1,150
A2	• WBS/Project Schedule	24	\$1,150
AT	Total	48	\$2,300
B	Business Requirements		
B1	• Updated Documents or “As Is” Acceptance	180	\$8,700
BT	Total	180	\$8,700
C	Hardware		
C1	• Confirmation of Hardware List	60	\$2,900
CT	Total	60	\$2,900
D	Software		
D1	• Updates to any documents	60	\$2,900
DT	Total	60	\$2,900
E	Application Design		
E1	• Technical Design Document	60	\$2,900
E2	• Lists and layouts of reports and screens/pages	60	\$2,900
E3	• Updated documentation including Data Dictionary, Project Plan and RTM	60	\$2,900
ET	Total	180	\$8,700
F	Application Development		
F1	• Updated software including interfaces	600	\$29,000
F2	• Updated documentation	60	\$2,900
FT	Total	660	\$31,900
G	Test		
G1	• Test Plan	60	\$2,900
G2	• Test Cases/Scripts	60	\$2,900
G3	• Implementation of Test Environment & Tools	120	\$5,800
G4	• Completion of Contractor Tests (such as System, Performance, and Stress) including Defect Correction & Reports	180	\$8,700
G5	• User Acceptance Test including Defect Correction & Reports	120	\$5,800
G6	• Updated documentation	60	\$2,900
GT	Total	600	\$29,000
H	Implementation		
H1	• Installation Guide	60	\$2,900
H2	• Implemented System	120	\$5,800
H3	• 90-Day Warranty Period including Resolution of Issues & Weekly Reports	120	\$5,800
HT	Total	300	\$14,500
I	Training		
I1	• Training Plan	60	\$2,900
I2	• Training System	120	\$5,800
I3	• Training Material including on-line support material	120	\$5,800
I4	• Completion of training	120	\$5,800
IT	Total	420	\$20,300
J	Documentation		
J1	• On Line Help	40	\$1,900
J2	• Procedures Manual	40	\$1,900



#	Cost Components Based On Phase and Deliverables	Estimated Hours	Cost
J3	• User Manual	40	\$1,900
J4	• Developer Reference	40	\$1,900
J5	• Logical/Physical Data Model	40	\$1,900
J6	• System Administration Manual	40	\$1,900
J7	• DB Administration Manual	40	\$1,900
J8	• Operations Manual	40	\$1,900
JT	Total	280	\$15,200
M	Knowledge Transfer/Transition		
M1	• Knowledge Transfer Plan	60	\$2,900
M2	• Execution of KT including Transfer Evaluation Reports	180	\$8,700
MT	Total	240	\$11,600
	Totals (Hours and Costs) for Custom Development or Modifications to COTS; Interfaces and associated Deliverables	3,028	\$148,000

Notes:

- Hours and costs reflect Contractors including any subs
- Hours and costs reflected in the totals represent “M” (mandatory) requirements and “O” (optional) requirements.
- “Cost” Totals for each phase are carried to Table G-1
- Sections 1.104 K and L are covered under “Maintenance and Support”

Table G-3a Cost by Time

#	Cost Component	Initiation through Warranty	M&S Year 1	M&S Year 2	Total Minimum Contract
1	Custom Development of Modification to COTS; interfaces and associated deliverables (See Table G-2)	\$148,000			\$148,000
2	Recurring Software Maintenance and Support (M&S) (See Table G-3)		\$ 16,000	\$ 16,000	\$ 32,000
3	If COTS solution, Licensing Fees		\$ 0	\$ 0	
	Total Costs	\$148,000	\$ 16,000	\$ 16,000	\$180,000

Notes:

- Maintenance and Support (M&S) starts after 90-day warranty period. Whatever year the “modification including warranty” completes, the M&S would reflect remainder of the year.
- This particular cost summary does not reflect:
 - Reserved Bank for Enhancements



Table G-3b Cost by Time

#	Cost Component	M&S Year 3	M&S Year 4	M&S Year 5	M&S Year 6	M&S Year 7	Total M&S Years 3-7
1	Custom Development of Modification to COTS; interfaces and associated deliverables (See Table G-2)						
2	Recurring Software Maintenance and Support (M&S) (See Table G-3)	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 150,000
3	If COTS solution, Licensing Fees	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
	Total Costs	\$ 30,000	\$ 150,000				

Notes:

1. This particular cost summary does not reflect:
 - a. Reserved Bank for Enhancements
 - b. Total costs of optional requirements



Table G-4: Details of Labor Rates and Cost of Reserved Bank for Enhancements

#	Cost Component	Estimated Hours	Hourly Rate	Extended Price	Comments
1	Project Manager	300	\$ 90	\$ 27,000	
2	Business Analyst	250	\$ 80	\$ 20,000	
3	System Analyst	200	\$ 70	\$ 14,000	
4	Developers	700	\$ 50	\$ 35,000	
5	Database Administrators	50	\$ 70	\$ 3,500	
6	Q/A Manager	50	\$ 60	\$ 3,000	
7	Security Specialist	50	\$ 70	\$ 3,500	
8	Testers	250	\$ 40	\$ 10,000	
9	Technical writers	50	\$ 40	\$ 2,000	
10	System Architects	50	\$ 80	\$ 4,000	
11	Training Specialists	50	\$ 60	\$ 3,000	
Totals (Hours and Costs)		2,000		\$ 125,000	

Notes:

1. This table is used for 1.104 (1) (N) – Reserved Bank for Enhancements
2. The State intends to establish funding for reserved bank of hours for the contract, 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. Hourly rates quoted are firm, fixed rates for the duration of the contract. Travel and other expenses will not be reimbursed. “Estimated Hours” and “Extended Price” are non-binding and will be used at the State’s discretion. The State will utilize the fully loaded hourly rates detailed above for each staff that will be used as fixed rates for responses to separate statements of work “Cost”
4. Totals for each phase are carried to Table G-1 Project Summary of Cost for comparison purposes