

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

CHANGE NOTICE NO. 8
 to
CONTRACT NO. 071B2001188
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
NIC Technologies 1477 Chain Bridge Road, Suite 101 McLean, VA 22101	Randall G. Bartlett	rbartlett@nicusa.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(703) 288-1470	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	MDOS	Evelyn Quiroga	517-335-2790	Quirogae1@michigan.gov
BUYER	DTMB	Mark Lawrence	517-241-1640	Lawrencem1@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: Campaign Finance Reporting – Department of State			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
December 5, 2001	December 4, 2006		December 31, 2013
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 type="checkbox"/> Yes <input checked="" 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"/>	3 Months	March 31, 2014
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$311,220.00		\$12,486,151.31		

Effective immediately, this contract is hereby EXTENDED 3 months to March 31, 2014 and is INCREASED by \$311,220.00. Price quote is attached.

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

Per vendor and agency agreement, DTMB Procurement approval and the approval of the State Administrative Board on December 17, 2013.

QUOTE

<i>NICECAST 2014 - Three Month Extension Pricing</i>	
<i>Service Area</i>	<i>January 1-March 31, 2014</i>
Base Support	\$ 187,238.00
Dedicated FTEs and Support Environment	\$ 99,232.00
<i>Total Base Support</i>	\$ 286,470.00
BOH Rate	\$ 198.00
Hours	125
<i>Bank of Hours (BOH)</i>	<u>\$ 24,750.00</u>
<i>Total Extension Price</i>	\$ 311,220.00

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

October 1, 2013

CHANGE NOTICE NO. 7
 to
CONTRACT NO. 071B2001188
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
NIC Technologies 1477 Chain Bridge Road, Suite 101 McLean, VA 22101	Randall G. Bartlett	rbartlett@nicusa.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(703) 288-1470	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	MDOS	Evelyn Quiroga	517-335-2790	Quirogae1@michigan.gov
BUYER	DTMB	Mark Lawrence	517-241-1640	Lawrencem1@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: Campaign Finance Reporting – Department of State			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
December 5, 2001	December 4, 2006		September 30, 2013
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 type="checkbox"/> Yes <input checked="" 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"/>	3 Months	December 31, 2013
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$311,220.00		\$12,174,931.31		

Effective immediately, this contract is hereby EXTENDED 3 months to December 31, 2013 and is INCREASED by \$311,220.00.

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

Per vendor and agency agreement, DTMB Procurement approval and the approval of the State Administrative Board on September 13, 2013.

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

CHANGE NOTICE NO. 6
 to
CONTRACT NO. 071B2001188
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
NIC Technologies 1477 Chain Bridge Road, Suite 101 McLean, VA 22101	Randall G. Bartlett	rbartlett@nicusa.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(703) 288-1470	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	MDOS	Evelyn Quiroga	517-335-2790	Quirogae1@michigan.gov
BUYER	DTMB	Mark Lawrence	517-241-1640	Lawrencem1@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: Campaign Finance Reporting – Department of State			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
December 5, 2001	December 4, 2006		June 30, 2013
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 type="checkbox"/> Yes <input checked="" 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"/>	3 Months	September 30, 2013
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$311,220.00		\$11,863,711.31		

Effective immediately, this contract is hereby EXTENDED 3 months to September 30, 2013. Contract is also INCREASED by \$311,220.00. A cost table is attached. Base Support, and Dedicated FTEs and Support Environment, shall be invoiced on a monthly basis.

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

DTMB Procurement approval and the approval of the State Administrative Board on June 18, 2013.



NIC Technologies, LLC.
A member of the NIG family of companies

4601 N. Fairfax Drive
Suite 1160
Arlington, VA 22203

7032281470 office
2028442270 fax
www.egov.com

May 23, 2013

Mark Lawrence
DTMB Procurement
530 W Allegan
Mason Building, 2nd Floor
Lansing, MI 48933

Dear Mr. Lawrence:

We have received your request for a further extension of our current ECAST contract with the Michigan Bureau of Elections. The State requested an extension of service from July 1, 2013 through September 30, 2013. We are pleased to support the BOE and are submitting this pricing quote, which includes the following:

- Dedicated base support and FTEs for three months at a fixed price of \$ 286,470
- ENR Project Support is excluded from this extension period as a separate cost item. If ENR assistance is desired it will be specifically requested and provided using the bank of hours (BOH).
- The number of hours for BOH provided will be 125 hours over the three month extension period at a rate of \$198.00. The hours are invoiced at 42 hours, per month.

These items results in the total fixed price of \$311,220.00. A detailed breakdown of this cost is provided below. NICT will invoice the extension services and hours on a monthly basis as requested.

Please do not hesitate to contact me if there are any questions at (703) 598-4937 or email at rbartlett@egov.com.

Sincerely,

Randall G. Bartlett

President

P. 1/2

<i>Service Area</i>	<i>NIC ECAST 2013 – Six Month Extension Pricing</i>
Base Support	\$ 187,238.00
Dedicated FTEs and Support Environment	\$ 99,232.00
<i>Total Base Support</i>	\$ 286,470.00
BOH Rate	\$ 198.00
Hours	125
<i>Bank of Hours (BOH)</i>	<u>\$ 24,750.00</u>
<i>Total Extension Price</i>	\$ 311,220.00

P. 2/2

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

CHANGE NOTICE NO. 5
 to
CONTRACT NO. 071B2001188
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
NIC Technologies 1477 Chain Bridge Road, Suite 101 McLean, VA 22101	Randall G. Bartlett	rbartlett@nicusa.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(703) 288-1470	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	MDOS	Evelyn Quiroga	517-335-2790	Quirogae1@michigan.gov
BUYER	DTMB	Mark Lawrence	517-241-1640	Lawrencem1@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: Campaign Finance Reporting – Department of State			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
December 5, 2001	December 4, 2006		December 31, 2012
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 type="checkbox"/> Yes <input checked="" 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"/>	6 months	June 30, 2013
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$622,439.00		\$11,551,957.31		

Effective December 4, 2012, this contract is hereby EXTENDED 6 months to June 30, 2013. Contract is also INCREASED by \$622,439.00. A cost table is attached. Base Support, and Dedicated FTEs and Support Environment, shall be invoiced on a monthly basis. Please also note that the buyer has been changed to Mark Lawrence. All other terms, conditions, pricing and specifications remain the same. Per vendor and agency agreement, DTMB Procurement approval and the approval of the State Administrative Board on December 4, 2012.

<i>Service Area</i>	<i>NIC ECAST 2013 – Six Month Extension Pricing</i>
Base Support	\$ 374,476
Dedicated FTEs and Support Environment	\$ 198,463
<i>Total Base Support</i>	\$ 572,939
BOH Rate	\$ 198.00
Hours	250
<i>Bank of Hours (BOH)</i>	<u>\$ 49,500.00</u>
<i>Total Extension Price</i>	\$ 622,439.00

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

December 23, 2009

CHANGE NOTICE NO. 4
TO
CONTRACT NO. 071B2001188
between
THE STATE OF MICHIGAN
And

NAME & ADDRESS OF VENDOR NIC Technologies 1477 Chain Bridge Road, Suite 101 McLean, VA 22101 rbartlett@nicusa.com	TELEPHONE (703) 288-1470 Randall G. Bartlett
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-3215 Steve Motz
Contract Compliance Inspector: Evelyn Quiroga Campaign Finance Reporting – Department of State	
CONTRACT PERIOD: From: December 5, 2001 To: December 31, 2012	
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>	

NATURE OF CHANGE (S):

Effective immediately the attached modified pricing table is included in this contract. This contract is hereby **INCREASED** by \$4,061,558.31 (\$766,500.00 for Election Night Reporting (ENR) project and \$3,295,058.31 for the exercising the three (3) remaining 1-year options years). All other terms, conditions, specifications and funding remain unchanged.

AUTHORITY/REASON:

Per Agency concurrence, Vendor Agreement and Ad Board approval on 12/15/2009.

INCREASE: \$4,061,558.31

TOTAL REVISED ESTIMATED CONTRACT VALUE: \$10,929,518.31



Ms. Evelyn Quiroga
 Disclosure Director
 Michigan SOS/BOE
 430 W. Allegan, 1st Floor
 Lansing, Michigan 48933

Re: Election Night Reporting Project

Dear Ms. Quiroga:

This letter responds to your request to provide information regarding the project outline, the cost of the Election Night Reporting (ENR) project, and ownership of the program and equipment.

The purpose of this project is to develop a reliable method to electronically gather and store precinct by precinct level vote totals for all offices on the ballot and for all elections in Michigan without the potential errors and extensive staff time required by hand keying precinct by precinct totals. The system in its entirety must be state owned and portable. The main objectives of the project are:

- Reduce or eliminate key entry
- Provide Clerks with reporting capabilities and reports needed to conduct elections
- Leverage the current QVF/E-Wizard system
- Expand the results currently being provided electronically from State Level "top of the ticket" only to all elected offices (State, Local and Judicial)
- Expand the elections included to all Michigan elections from even year General Elections to all elections
- Create a new web interface to display election results that can be accessed by the public.

The ENR application will provide database and website information as follows:

<u>Database</u>	<u>Website</u>
<ul style="list-style-type: none"> • Create separate database for ENR • Include all fields from E-Wizard • Meet all MDIT standards and security measures • Collect data to meet all canvassing (write ins/avcb/ pollbook totals) • Create official canvass reports for state and local election officials • Provide a searchable database • Provide ability for Bureau Staff to query database • Provide logic editing functions/reports (error checking/validation) • Provide reporting module • Provide ability to import statistical data from vender EMS systems to meet HAVA 	<ul style="list-style-type: none"> • Display official canvass reports • Provide state requested enhancements (change management) • Ensure performance of website meets standards • Provide ability to display results for all elections (statewide, primary and local elections)

<ul style="list-style-type: none"> performance standards • Provide a module to allow clerks to verify and change results 	
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The total cost for the ENR project would be \$766,500. This will be spread out over a three year period, with 60% of the cost expended in the first year, 20% expended in year two and the remaining 20% in year three. The 60% cost expended in the first year will be to cover the initial development of the ENR application and the purchasing of hardware and licenses to host the ENR application and support environment. If the cost of servers is less than anticipated, the Michigan Department of State (MDOS) will receive the benefit of the reduce costs. The following two years would consist of maintenance and development of the application. The expected cost schedule is provided below.

<i>Description</i>	<i>Required Funding</i>
Total ENR Project Investment (Staffing and Hardware)	\$ 450,000
Maintenance Year I (Ongoing Maintenance and Development)	\$ 158,250
Maintenance Year II (Ongoing Maintenance and Development)	\$ 158,250
TOTAL Enhanced System	\$ 766,500

Regarding ownership of the applications and servers: MDOS will own the ENR program as well as the contract defined equipment required to develop, deploy and support the BOE's ENR initiative.

Notwithstanding any provision to the contrary in the Contract including the State's right, title, interest, and ownership to all material provided under this Amendment shall be governed by the following:

With the exception of pre-existing intellectual property including without limitation all intellectual property owned by Contractor, and any third party products or software, the State shall own all original data, documentation, computer software (in both object code and source code form), products or system design specifications first produced and reduced to practice in writing or other tangible form delivered by the Contractor to the State pursuant to this Contract ("Work Product"). With respect to pre-existing material or intellectual property delivered by the Contractor to the State pursuant to this Contract, the Contractor grants to the State a nonexclusive, nontransferable, perpetual license to use or modify such pre-existing material or intellectual property solely for its internal business purposes. With respect to third party hardware, equipment, or software, the Contractor shall make commercially reasonable efforts to pass through to the State any license agreements relating to third party products that will be procured under the Contract by the Contractor for the State.

The Contractor and its subcontractors shall be free to use and employ their general skills, knowledge and expertise, and to use, disclose, and employ any generalized ideas, concepts, knowledge, methods, techniques or skills gained or learned during the course of performing the service under this Contract, so long as the Contractor or its subcontractors acquire and apply such information without disclosure of any confidential or proprietary information of the State, and without any unauthorized use or disclosure of any material that belongs to the State.

If you have any questions, please do not hesitate to contact me or Mr. David Freund. We look forward to assisting the Bureau in this important enhancement for Election Night Reporting and associated capabilities.

Sincerely,

A handwritten signature in black ink, appearing to read "R. G. Bartlett", with a long horizontal flourish extending to the right.

Randall G. Bartlett
President
NIC Technologies

Revised Annual Option Period Pricing

Service Area	NIC ECAST Annual Option Period Pricing			
	Option Period 1 (2Yr)	Option Period 2	Option Period 3	Option Period 4
	2008 & 2009	2010	2011	2012
Base Support	\$ 766,031	\$ 669,047	\$ 692,463	\$ 716,700
Dedicated FTEs and Support Environment	\$ 267,027	\$ 283,114	\$ 293,023	\$ 303,279
Total Base Support	\$ 1,033,058	\$ 952,161	\$ 985,487	\$ 1,019,979
BOH Rate	\$ 173.00	\$ 179.13	\$ 185.40	\$ 191.89
Hours	764	764	764	764
Bank of Hours (BOH)	<u>\$ 132,172</u>	<u>\$ 136,856</u>	<u>\$ 141,646</u>	<u>\$ 146,604</u>
Total Annual Price	\$ 1,165,230	\$ 1,089,017	\$ 1,127,133	\$ 1,168,582

Revised Total Annual Price (Per Change Notice#4) **\$1,098,352.77** **\$1,098,352.77** **\$1,098,352.77**

Note: Option Period 1 includes required technical replacement, and upgrade costs.

Revised Total Price for Option Periods 2-4 (Per Change Notice#4)

-----Original Message-----

From: Freund, David [mailto:dfreund@nicusa.com]

Sent: Thursday, April 02, 2009 12:20 PM

-----Original Message-----

From: Freund, David [mailto:dfreund@nicusa.com]

Sent: Thursday, April 02, 2009 12:20 PM

To: Quiroga, Evelyn

Cc: Bartlett, Randall

Subject: RE: NIC MS-75

As requested --

Without affecting the quality or level of service on future support, projects and development efforts, no reduction in BOH and to ensure we can meet the conditions of the existing SLA without incurring further project and/or contractual risks, we have reduced the overall cost of a 3-year contract agreement by \$87, 671.41, to make the new averaged yearly cost \$1,098,352.77 for the coverage period from 1/1/2010 - 12/31/12.

Dave

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

October 16, 2007

CHANGE NOTICE NO. 3
 TO
 CONTRACT NO. 071B2001188
 between
 THE STATE OF MICHIGAN
 And

NAME & ADDRESS OF VENDOR NIC Technologies 1477 Chain Bridge Road, Suite 101 McLean, VA 22101 rbartlett@nicusa.com	TELEPHONE (703) 288-1470 Randall G. Bartlett
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-3215 Steve Motz
Contract Compliance Inspector: Evelyn Quiroga Campaign Finance Reporting – Department of State	
CONTRACT PERIOD: From: December 5, 2001 To: December 31, 2009	
TERMS N/A	SHIPMENT N/A
F.O.B. N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	

NATURE OF CHANGE (S):

Effective immediately the attached modified pricing table is included in this contract. This contract is hereby **INCREASED** by \$2,330,460.00 and Option Period 1 (2 year extension through 12/31/2009) is exercised. All other terms, conditions, specifications and pricing remain unchanged.

AUTHORITY/REASON:

Per Agency concurrence, 9/18/07 and 10/16/07 Ad Board, and Vendor Agreement.

INCREASE: \$2,330,460.00

TOTAL REVISED ESTIMATED CONTRACT VALUE: \$6,867,960.00



October 2, 2007

Mr. Steve Motz
Procurement Manager
Michigan Department of Management and Budget

Dear Mr. Motz:

This letter is to confirm our acceptance of your request for NIC Technologies (NICT) to continue to support Michigan Bureau of Elections (BOE) for a period of two years, under the operating terms of the current ECAST Contract. This two year period will start January 1, 2008, and complete December 31, 2009. NICT is pleased to continue the ongoing and positive partnership we have with the BOE in serving the State of Michigan.

You have requested pricing for this two-year option period, as well as individual annual pricing for the option period years 2010 through 2012. Requested pricing is provided in the Attachment below. Please note the following regarding pricing shown:

1. The pricing for the two option years includes the expense of long delayed capital expenditures to enhance equipment, data base software, operating systems upgrades, security systems, and data storage at both Site 1 and Site 2. These investments address necessary and requested enhancements that will provide urgently needed improvements for BOE operations support, including high capacity bandwidth, up-to-date processing speeds and data storage capacity to meet needs for the 2008 Presidential Election and Campaign Finance filing year, and beyond.
2. The two-year option pricing is the annual price for each of the two years. As requested, the Bank of Hours (BOH) for the two year period will be 764 hours, annually. Also, the BOH is 764 hours in each of the additional option years. Please note that if the State were to combine the three single year options into one three year option, NICT could offer lower annual pricing, reflecting lower costs.
3. Normal equipment support, and maintenance, is assumed in pricing for each of the three individual option years. Pricing in these years includes an annual increase of 3.5% for inflation.

Please do not hesitate to contact me if there are any questions at (703) 598-4937 or email at rbarlett@nicusa.com.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Bartlett', with a long horizontal flourish extending to the right.

Randall G. Bartlett
President

Service Area	NIC ECAST Annual Option Period Pricing			
	Option Period 1 (2Yr)	Option Period 2	Option Period 3	Option Period 4
	2008 & 2009	2010	2011	2012
Base Support	\$ 766,031	\$ 669,047	\$ 692,463	\$ 716,700
Dedicated FTEs and Support Environment	\$ 267,027	\$ 283,114	\$ 293,023	\$ 303,279
Total Base Support	\$ 1,033,058	\$ 952,161	\$ 985,487	\$ 1,019,979
BOH Rate	\$ 173.00	\$ 179.13	\$ 185.40	\$ 191.89
Hours	764	764	764	764
Bank of Hours (BOH)	<u>\$ 132,172</u>	<u>\$ 136,856</u>	<u>\$ 141,646</u>	<u>\$ 146,604</u>
Total Annual Price	\$ 1,165,230	\$ 1,089,017	\$ 1,127,133	\$ 1,166,582

Note: Option Period 1 includes required technical replacement, and upgrade costs.

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

May 31, 2006

**CHANGE NOTICE NO. 2
 TO
 CONTRACT NO. 071B2001188
 between
 THE STATE OF MICHIGAN
 And**

NAME & ADDRESS OF VENDOR NIC Technologies 1477 Chain Bridge Road, Suite 101 McLean, VA 22101 rbartlett@nicusa.com	TELEPHONE (703) 288-1470 Randall G. Bartlett
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-3215 Steve Motz
Contract Compliance Inspector: Evelyn Quiroga Campaign Finance Reporting – Department of State	
CONTRACT PERIOD: From: December 5, 2001 To: December 31, 2007	
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>	

NATURE OF CHANGE (S):

Effective immediately this contract is hereby **INCREASED** by \$787,500.00 and **EXTENDED** through December 31, 2007 per the Optional Extension 1 (Revised) table below and vendor letters dated 4/19/06 and 2/3/06.

	Optional Extension 1 (Revised)	Optional Extension 1 (Replaced)	
	(YEAR 6)	(YEAR 6)	(YEAR 7)
Base Support	\$ 482,370.00	\$ 555,171.00	\$ 555,171.00
Dedicated Person and Support Environment	\$ 204,120.00	\$ 234,927.00	\$ 234,927.00
Total Base Support Price	\$ 686,490.00	\$ 790,098.00	\$ 790,098.00
Bank of Hours (BOH)	\$ 26,460.00	\$ 116,255.00	\$ 116,255.00
Extended Price	\$ 787,500.00 *see below	\$ 906,353.00	\$ 906,353.00
Bank of Hour Rate	\$ 132.30	\$ 152.00	\$ 152.00
Hours	200.00	763.00	763.00

*Includes 3 weeks of additional support services

PLEASE NOTE: The Buyer for this contract has been CHANGED to Steve Motz and the address and telephone number for the vendor has changed.

All other terms, conditions, specifications and pricing remain unchanged.

AUTHORITY/REASON:

Per vendor and agency agreement and DMB/ACQUISITION SERVICES approval.

INCREASE: \$787,500.00

TOTAL REVISED ESTIMATED CONTRACT VALUE: \$4,537,500.00



April 19, 2006

Mr. Steve Motz
Procurement Manager
Michigan Department of Management and Budget

Dear Mr. Motz:

This letter is provided as a follow up to our meeting last week. In the meeting you asked if NIC Technologies, Inc. (NICT) would be able to modify our proposal for the new one year extension contract (December 7, 2006 to December 31, 2007). You requested for NICT to add an additional 200 hours to the proposed Bank of Hours (BOH). The total requested BOH amount was 400 hours.

I have taken this request for change through our corporate review process. After several intense discussions, NIC has concluded to retain our proposed extension year BOH hours at 200, as originally proposed. There are a number of reasons for this, including operational considerations. Our original proposal was provided in good faith, with reasonable concessions for the requested extension.

However, I am aware of BOE concerns that the current contract bank of hours might not be fully used by contract end, and therefore lost. To address this concern, I offer to accept a "roll over" of any remaining bank of hours from the current contract, for use during the extension contract period. This will permit a measured approach for the use of these hours, and the ability for BOE to retain what ever level of hours they need for extension year support.

Therefore, this letter does modify our pervious proposal letter in that we additionally propose to: Take the ending base year contract BOH balance, and transfer it for use under the new extension year contract.

If you have any questions, please feel free to contact me at (703) 598-4937.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Bartlett', with a long horizontal flourish extending to the right.

Randall G. Bartlett
President, NIC Technologies, Inc.



February 3, 2006

Mr. Steve Motz
Procurement Manager
Michigan Department of Management and Budget

Dear Mr. Motz:

This letter is in response to your request for NIC Technologies, Inc. (NICT) to agree to the continued support of the Michigan Bureau of Elections (BOE) for the term of one year (December 7, 2006 to December 31, 2007), starting at the termination of the current contract (December 6, 2006). We understand that an ITB will be issued and the procurement completed this summer for a competed, long term support contract to begin after the one year extension. NICT, upon review of the request, is willing to provide the requested support year. However, for NICT to be able to do so, the following modifications to the terms of the current base year contract would need to be acceptable to Michigan:

1. The rate for the new support contract year will be the previous base contract's annual rate plus 5%. This will address increased costs to NICT, due to annual increases and due to the short term period of extension with suppliers/staff.
2. The Bank of Hours for the one year period will total 200.
3. Capital expenditures to enhance equipment (referred to as 'Tech Refresh' in original contract), will be delayed for performance under the ITB / competed contract (assuming NICT is successful). The very solid current infrastructure will, be maintained. As in the base contract, no transfer is allowed between bank of hours and infrastructure support dollars.
4. Resource Management Plan remains intact. This document simply provides NICT and the BOE more flexibility in allocating where and when the contractual resources (ie. MERTS HD) are most efficiently utilized.
5. The liquidated damages provisions in SLA document are deleted. Please note, we have met and exceeded the required performance levels in five years of service. NICT has been well within SLA provisions. Indeed, NICT was up and operating during regional blackouts, and when others were down. We are committed to continue NICT's outstanding uptime performance. This addresses a practical issue for NICT in operating under a relatively short term agreement.

The principle reason for NICT to pursue the extension is to help assure effective BOE operations during the Gubernatorial election year. NICT is offering this in good faith. We believe that these required terms are fair and in line with reasonable expectations for providing the requested support. We look forward to a positive reply.

Sincerely,

A handwritten signature in black ink, appearing to read "R. Bartlett", with a long horizontal flourish extending to the right.

Randall G. Bartlett
President, NIC Technologies, Inc.

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

August 20, 2002

CHANGE NOTICE NO. 1
TO
CONTRACT NO. 071B2001188
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR NIC Technologies 31225 La Baya Dr., Ste. 107 West Lake Village, CA 91362-4019	TELEPHONE (818) 865-1310 Randall G. Bartlett
	VENDOR NUMBER/MAIL CODE
	BUYER (517) 373-7396 Andy Ghosh
Contract Administrator: Evelyn Quiroga Campaign Finance Reporting – Department of State	
CONTRACT PERIOD: From: December 5, 2001 To: December 4, 2006	
TERMS N/A	SHIPMENT N/A
F.O.B. N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	
MISCELLANEOUS INFORMATION: The terms and conditions of this Contract are those of ITB #071I1000434, this Contract Agreement and the vendor's quote dated June 11, 2001. In the event of any conflicts between the specifications, terms and conditions indicated by the State and those indicated by the vendor, those of the State take precedence.	
Estimated Contract Value: \$3,750,000.00	

NATURE OF CHANGE (S):

The attached project plan moves the implementation date of project sites and was mutually agreed upon by the Bureau of Elections and the Contractor.

AUTHORITY/REASON:

Agency/contractor

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$3,750,000.00

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

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

**CONTRACT NO. 071B2001188
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF VENDOR NIC Technologies 31225 La Baya Dr., Ste. 107 West Lake Village, CA 91362-4019	TELEPHONE (818) 865-1310 Randall G. Bartlett VENDOR NUMBER/MAIL CODE BUYER (517) 373-7396 Andy Ghosh
Contract Administrator: Evelyn Quiroga <p style="text-align: center;">Campaign Finance Reporting – Department of State</p>	
CONTRACT PERIOD: From: December 5, 2001 To: December 4, 2006	
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: <p>The terms and conditions of this Contract are those of ITB #071I1000434, this Contract Agreement and the vendor's quote dated June 11, 2001. In the event of any conflicts between the specifications, terms and conditions indicated by the State and those indicated by the vendor, those of the State take precedence.</p> <p>Estimated Contract Value: \$3,750,000.00</p>	

THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the [ITB No. 071I1000434](#). A Purchase Order Form will be issued only as the requirements of the State Departments are submitted to the Office of Purchasing. Orders for delivery may be issued directly by the State Departments through the issuance of a Purchase Order Form.

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

FOR THE VENDOR:	FOR THE STATE:
Firm Name	Signature
Authorized Agent Signature	Name
Authorized Agent (Print or Type)	Title
Date	Date



STATE OF MICHIGAN

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DEFINITION OF TERMS

TERMS	DEFINITIONS
Contract	A binding agreement entered into by the State of Michigan resulting from a bidder's proposal; see also "Blanket Purchase Order."
Contractor	The successful bidder who is awarded a Contract.
DMB	Michigan Department of Management and Budget
RFP	Request For Proposal - A term used by the State to solicit proposals for services such as consulting. Typically used when the requesting agency requires vendor assistance in identifying an acceptable manner of solving a problem.
ITB	Invitation to Bid - A generic form used by the Office of Purchasing to solicit quotations for services or commodities. The RFP serves as the document for transmitting the RFP to interested potential bidders.
Successful Bidder	The bidder(s) awarded a Contract as a result of a solicitation.
State	The State of Michigan For Purposes of Indemnification as set forth in section I-J, State means the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents.
Blanket Purchase Order	Alternate term for "Contract" used in the State's Computer system (Michigan Automated Information Network [MAIN])
Expiration	Except where specifically provided for in the Contract, the ending and termination of the contractual duties and obligations of the parties to the Contract pursuant to a mutually agreed upon date.
Work Product	Work Product means any data compilations, reports, and any other media, materials, or other objects or works of authorship created or produced by the Contractor as a result of and in furtherance of performing the services required by this Contract.
MDOS	Michigan Department of State



DEFINITION OF TERMS (*con't.*)

TERMS	DEFINITIONS
BOE	Bureau of Elections
E-CAST	Elections Campaign Automation Support Technology
MERTS	Michigan Electronic Tracking and Reporting System



**SECTION I
CONTRACTUAL SERVICES TERMS AND CONDITIONS**

I-A PURPOSE

The purpose of this Contract is to obtain Elections Campaign Automation Support Technology (E-CAST).

Contract awarded is the following type:

- X - Lump sum/fixed price Contract for the original five year award
- X - Lump sum/price adjusted for cost-of-living for the three - two-year optional extensions

I-B TERM OF CONTRACT

The State of Michigan is not liable for any cost incurred by the contractor prior to signing of this Contract. The hosting and application support activities in the Contract cover the period from December 5, 2001 thru December 4, 2006 with three two-year extension options. The State fiscal year is October 1st through September 30th. The Contractor should realize that payments in any given fiscal year are contingent upon enactment of legislative appropriations.

I-C ISSUING OFFICE

This Contract is issued by the State of Michigan, Department of Management and Budget (DMB), Office of Purchasing, hereafter known as the Office of Purchasing, for the State of Michigan, Michigan Department of State. Where actions are a combination of those of the Office of Purchasing and the Michigan Department of State, the authority will be known as the State.

The Office of Purchasing is the sole point of contact in the State with regard to all procurement and contractual matters relating to the services described herein. The Office of Purchasing is the only office authorized to change, modify, amend, alter, clarify, etc., the prices, specifications, terms, and conditions of this Contract. The OFFICE OF PURCHASING will remain the SOLE POINT OF CONTACT throughout the procurement process, until such time as the Director of Purchasing shall direct otherwise in writing. See Paragraph II-C below. All communications concerning this Contract must be addressed to:

Andy Ghosh
 Technology and Professional Services Division
 DMB, Office of Purchasing
 2nd Floor, Mason Building
 P.O. Box 30026
 Lansing, MI 48909
 (517) 373-7396
 ghosha@state.mi.us



I-D CONTRACT ADMINISTRATOR

Upon receipt at the Office of Purchasing of the properly executed Contract Agreement, it is anticipated that the Director of Purchasing will direct that the person named below or any other person so designated be authorized to administer the Contract on a day-to-day basis during the term of the Contract. However, administration of this Contract implies no authority to change, modify, clarify, amend, or otherwise alter the prices, terms, conditions, and specifications of such Contract. That authority is retained by the Office of Purchasing. The Contract Administrator for this project is:

Evelyn Quiroga
 Michigan Department of State
 Bureau of Elections
 208 N. Capitol Ave.
 Lansing, MI 4891801700
 (517) 335-52790
 quirogae@state.mi.us

I-E COST LIABILITY

The State of Michigan assumes no responsibility or liability for costs incurred by the Contractor prior to the signing of this Contract. Total liability of the State is limited to the terms and conditions of this Contract.

I-F CONTRACTOR RESPONSIBILITIES

The Contractor will be required to assume responsibility for all contractual activities offered in this Contract whether or not that Contractor performs them. Further, the State will consider the Prime Contractor to be the sole point of contact with regard to contractual matters, including but not limited to payment of any and all costs resulting from the Contract. If any part of the work is to be subcontracted, the contractor must notify the state and identify the subcontractor(s), including firm name and address, contact person, complete description of work to be subcontracted, and descriptive information concerning subcontractor's organizational abilities. The State reserves the right to approve subcontractors for this project and to require the Contractor to replace subcontractors found to be unacceptable. The Contractor is totally responsible for adherence by the subcontractor to all provisions of the Contract.

I-G NEWS RELEASES

News releases pertaining to this Contract, study, data, or project to which it relates will 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 program are to be released without prior approval of the State and then only to persons designated.



I-H DISCLOSURE

All information in the bidder’s proposal and the Contract resulting from the RFP is subject to the provisions of the Freedom of Information Act, 1976 Public Act No. 442, as amended, MCL 15.231, *et seq.*

I-I ACCOUNTING RECORDS

The Contractor will be required to maintain all pertinent financial and accounting records and evidence pertaining to the Contract in accordance with generally accepted principles of accounting and other procedures specified by the State of Michigan. Financial and accounting records shall be made available, upon request, to the State of Michigan, its designees, or the Michigan Department of Auditor General at any time during the Contract period and any extension thereof, and for three (3) years from the expiration date and final payment on the Contract or extension thereof.

I-J INDEMNIFICATION

A. General Indemnification

Upon receipt of written notice, as required herein, the CONTRACTOR shall indemnify, defend and hold harmless the State, its departments, divisions, agencies, sections, commissions, officers, employees and agents from and against all losses, liabilities, penalties, fines, damages and claims (including taxes), and all related costs and expenses (including reasonable attorneys’ fees and disbursements and costs of investigation, litigation, settlement, judgments, interest and penalties), arising from or in connection with any of the following:

- (1) any claim, demand, action, citation or legal proceeding against the State, its departments, divisions, agencies, sections, commissions, officers, employees and agents for any negligence or wrongful acts arising out of or resulting from (1) the services and products provided or (2) performance of the work, duties, responsibilities, actions or omissions of the CONTRACTOR or any of its subcontractors under this CONTRACT;
- (2) any claim, demand, action, citation or legal proceeding against the State, its departments, divisions, agencies, sections, commissions, officers, employees and agents arising out of or resulting from a material breach by the CONTRACTOR of any representation or warranty made by the CONTRACTOR in the CONTRACT;
- (3) any claim, demand, action, citation or legal proceeding against the State, its departments, divisions, agencies, sections, commissions, officers, employees and agents arising out of or related to occurrences that the CONTRACTOR is required to insure against as provided for in this CONTRACT;
- (4) any claim, demand, action, citation or legal proceeding against the State, its departments divisions, agencies, sections, commissions, officers, employees and



agents arising out of or resulting from the death or bodily injury of any person, or the damage, loss or destruction of any real or tangible personal property, in connection with the performance of services by the CONTRACTOR, by any of its subcontractors, by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable; provided, however, that this indemnification obligation shall not apply to the extent, if any, that such death, bodily injury or property damage is caused by the negligence or reckless or intentional wrongful conduct of the State;

- (5) any claim, demand, action, citation or legal proceeding against the State, its departments, divisions, agencies, sections, commissions, officers, employees and agents which results from an act or omission of the CONTRACTOR or any of its subcontractors in its or their capacity as an employer of a person.

B. Patent/Copyright Infringement Indemnification

The CONTRACTOR shall indemnify, defend and hold harmless the State, its departments, divisions, agencies, sections, commissions, officers, employees and agents from and against all losses, liabilities, penalties, fines, damages (including taxes), and all related costs and expenses (including reasonable attorneys' fees and disbursements and costs of investigation, litigation, settlement, judgments, interest and penalties) incurred in connection with any action or proceeding threatened or brought against the State by a third party to the extent that such 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 such equipment, software, commodity or service, infringes any United States or foreign patent, copyright, trade secret or other proprietary right of any person or entity, which right is enforceable under the laws of the United States. In addition, should the equipment, software, commodity, or service, or the operation thereof, become or in the Contractor's opinion be likely to become the subject of a claim of infringement, the CONTRACTOR shall at the Contractor's sole expense (I) procure for the State the right to continue using the equipment, software, commodity or service or, if such option is not reasonably available to the CONTRACTOR, (ii) replace or modify the same with equipment, software, commodity or service of equivalent function and performance so that it becomes non-infringing, or, if such 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.

C. Indemnification Obligation Not Limited

In any and all 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 shall 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 subclauses, 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 subclauses.

D. Continuation of Indemnification Obligation

The duty to indemnify will continue in full force and effect notwithstanding the expiration or early termination of the contract with respect to any claims based on facts or conditions, which occurred prior to termination.

I-K NON INFRINGEMENT/COMPLIANCE WITH LAWS

The Contractor warrants that in performing the services called for by this Contract it will not violate any applicable law, rule, or regulation, any contracts with third parties, or any intellectual rights of any third party, including but not limited to, any United States patent, trademark, copyright, or trade secret.

I-L WARRANTIES AND REPRESENTATIONS

The Contract will contain customary representations and warranties by the Contractor, including, without limitation, the following:

1. The Contractor will perform all services in accordance with high professional standards in the industry;
2. The Contractor will use adequate numbers of qualified individuals with suitable training, education, experience and skill to perform the services;
3. The Contractor will use its best efforts to use efficiently any resources or services necessary to provide the services that are separately chargeable to the State;
4. The Contractor will use its best efforts to perform the services in the most cost effective manner consistent with the required level of quality and performance;
5. The Contractor will perform the services in a manner that does not infringe the proprietary rights of any third party;
6. The Contractor will perform the services in a manner that complies with all applicable laws and regulations;
7. The Contractor has duly authorized the execution, delivery and performance of the Contract;
8. The Contractor has not provided any gifts, payments or other inducements to any officer, employee or agent of the State;
9. The Contractor will maintain all equipment and software for which it has maintenance responsibilities in good operating condition and will undertake all



repairs and preventive maintenance in accordance with applicable manufacturer's recommendations;

- 10. The Contractor will use its best efforts to ensure that no viruses or similar items are coded or introduced into the systems used to provide the services;
- 11. The Contractor will not insert or activate any disabling code into the systems used to provide the services without the State's prior written approval;
- 12. A ninety (90) day warranty on all purchased and developed software, data conversion programs, and data and customization to the product performed by the contractor.

I-M TIME IS OF THE ESSENCE

The Contractor agrees that time is of the essence in the performance of the Contractor's obligations under this Contract.

I-N STAFFING OBLIGATIONS

The State reserves the right to approve the Contractor's assignment of Key Personnel to this project and to recommend reassignment of personnel deemed unsatisfactory by the State.

The Contractor shall not remove or reassign, without the State's prior written approval any of the Key Personnel until such time as the Key Personnel have completed all of their planned and assigned responsibilities in connection with performance of the Contractor's obligations under this Contract. The Contractor agrees that the continuity of Key Personnel is critical and agrees to the continuity of Key Personnel. Removal of Key Personnel without the written consent of the State may be considered by the State to be a material breach of this Contract. The prohibition against removal or reassignment shall not apply where Key Personnel must be replaced for reasons beyond the reasonable control of the Contractor including but not limited to illness, disability, resignation or termination of the Key Personnel's employment.

The State and the Contractor agree that the following personnel are Key Personnel for purposes of this Contract:

Name: Randall G. Bartlett

Title: Acting President, NIC Technologies

I-O WORK PRODUCT AND OWNERSHIP

- 1. Work Products shall be considered works made by the Contractor for hire by the State and shall belong exclusively to the State and its designees, unless specifically provided otherwise by mutual agreement of the Contractor and the State. If by operation of law any of the Work Product, including all related intellectual property rights, is not owned in its entirety by the State automatically upon creation thereof, the Contractor agrees to assign, and hereby assigns to the State and its designees the ownership of such Work Product, including all related intellectual property rights. The Contractor



agrees to provide, at no additional charge, any assistance and to execute any action reasonably required for the State to perfect its intellectual property rights with respect to the aforementioned Work Product.

2. Notwithstanding any provision of this Contract to the contrary, any preexisting work or materials including, but not limited to, any routines, libraries, tools, methodologies, processes or technologies (collectively, the “Development Tools”) created, adapted or used by the Contractor in its business generally, including any all associated intellectual property rights, shall be and remain the sole property of the Contractor, and the State shall have no interest in or claim to such preexisting work, materials or Development Tools, except as necessary to exercise its rights in the Work Product. Such rights belonging to the State shall include, but not be limited to, the right to use, execute, reproduce, display, perform and distribute copies of and prepare derivative works based upon the Work Product, and the right to authorize others to do any of the foregoing, irrespective of the existence therein of preexisting work, materials and Development Tools, except as specifically limited herein.
3. The Contractor and its subcontractors shall be free to use and employ their general skills, knowledge and expertise, and to use, disclose, and employ any generalized ideas, concepts, knowledge, methods, techniques or skills gained or learned during the course of performing the services under this Contract, so long as the Contractor or its subcontractors acquire and apply such information without disclosure of any confidential or proprietary information of the State, and without any unauthorized use or disclosure of any Work Product resulting from this Contract.

I-P CONFIDENTIALITY OF DATA AND INFORMATION

1. All financial, statistical, personnel, technical and other data and information relating to the State’s operation which are designated confidential by the State and made available to the Contractor in order to carry out this Contract, or which become available to the Contractor in carrying out this Contract, shall be protected by the Contractor from unauthorized use and disclosure through the observance of the same or more effective procedural requirements as are applicable to the State. The identification of all such confidential data and information as well as the State’s procedural requirements for protection of such data and information from unauthorized use and disclosure shall be provided by the State in writing to the Contractor. If the methods and procedures employed by the Contractor for the protection of the Contractor’s data and information are deemed by the State to be adequate for the protection of the State’s confidential information, such methods and procedures may be used, with the written consent of the State, to carry out the intent of this section.
2. The Contractor shall not be required under the provisions of this section to keep confidential, (1) information generally available to the public, (2) information released by the State generally, or to the Contractor without restriction, (3) information independently developed or acquired by the Contractor or its personnel without reliance in any way on otherwise protected information of the



State. Notwithstanding the foregoing restrictions, the Contractor and its personnel may use and disclose any information which it is otherwise required by law to disclose, but in each case only after the State has been so notified, and has had the opportunity, if possible, to obtain reasonable protection for such information in connection with such disclosure.

I-Q REMEDIES FOR BREACH OF CONFIDENTIALITY

The Contractor acknowledges that a breach of its confidentiality obligations as set forth in section I-Q of this Contract, shall be considered a material breach of the Contract. Furthermore the Contractor acknowledges that in the event of such a breach the State shall be irreparably harmed. Accordingly, if a court should find that the Contractor has breached or attempted to breach any such obligations, the Contractor will not oppose the entry of an appropriate order restraining it from any further breaches or attempted or threatened breaches. This remedy shall be in addition to and not in limitation of any other remedy or damages provided by law.

I-R CONTRACTOR'S LIABILITY INSURANCE

The Contractor shall purchase and maintain such insurance as will protect him/her from claims set forth below which may arise out of or result from the Contractor's operations under the Contract (Purchase Order), whether such operations be by himself/herself or by any subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable:

- (1) Claims under workers' disability compensation, disability benefit and other similar employee benefit act. A non-resident Contractor shall have insurance for benefits payable under Michigan's Workers' Disability Compensation Law for any employee resident of and hired in Michigan; and as respects any other employee protected by workers' disability compensation laws of any other State the Contractor shall have insurance or participate in a mandatory State fund to cover the benefits payable to any such employee.
- (2) Claims for damages because of bodily injury, occupational sickness or disease, or death of his/her employees.
- (3) Claims for damages because of bodily injury, sickness or disease, or death of any person other than his/her employees, subject to limits of liability of not less than \$300,000.00 each occurrence and, when applicable \$1,000,000.00 annual aggregate, for non-automobile hazards and as required by law for automobile hazards
- (4) Claims for damages because of injury to or destruction of tangible property, including loss of use resulting therefrom, subject to a limit of liability of not less than \$50,000.00 each occurrence for non-automobile hazards and as required by law for automobile hazards.



- (5) Insurance for Subparagraphs (3) and (4) non-automobile hazards on a combined single limit of liability basis shall not be less than \$300,000.00 each occurrence and when applicable, \$1,000,000.00 annual aggregate.

The insurance shall be written for not less than any limits of liability herein specified or required by law, whichever is greater, and shall include contractual liability insurance as applicable to the Contractor's obligations under the Indemnification clause of the Contract (Purchase Order).

BEFORE STARTING WORK THE CONTRACTOR'S INSURANCE AGENCY MUST FURNISH TO THE DIRECTOR OF THE OFFICE OF PURCHASING, ORIGINAL CERTIFICATE (S) OF INSURANCE VERIFYING LIABILITY COVERAGE. THE CONTRACT OR PURCHASE ORDER NO. MUST BE SHOWN ON THE CERTIFICATE OF INSURANCE TO ASSURE CORRECT FILING. These Certificates shall contain a provision that coverage's afforded under the policies will not be canceled until at least fifteen days prior written notice bearing the Contract Number or Purchase Order Number has been given to the Director of Purchasing.

I-S NOTICE AND RIGHT TO CURE

In the event of a curable breach by the Contractor, the State shall provide the Contractor written notice of the breach and a time period to cure said breach described in the notice. This section requiring notice and an opportunity to cure shall not be applicable in the event of successive or repeated breaches of the same nature 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.

I-T CANCELLATION

The State may cancel this Contract without further liability or penalty to the State, its departments, divisions, agencies, offices, commissions, officers, agents and employees for any of the following reasons:

1. Material Breach by the Contractor. In the event that the Contractor breaches any of its material duties or obligations under the Contract, which are either not capable of or subject to being cured, or are not cured within the time period specified in the written notice of breach provided by the State, or pose a serious and imminent threat to the health and safety of any person, or the imminent loss, damage or destruction of any real or tangible personal property, the State may, having provided written notice of cancellation to the Contractor, cancel this Contract in whole or in part, for cause, as of the date specified in the notice of cancellation.

In the event that this Contract is cancelled for cause, in addition to any legal remedies otherwise available to the State by law or equity, the Contractor shall be responsible for all costs incurred by the State in canceling the Contract, including



but not limited to, State administrative costs, attorneys fees and court costs, and any additional costs the State may incur to procure the services required by this Contract from other sources. All excess procurement costs and damages shall not be considered by the parties to be consequential, indirect or incidental, and shall not be excluded by any other terms otherwise included in the Contract.

In the event the State chooses to partially cancel this Contract for cause charges payable under this Contract will be equitably adjusted to reflect those services that are cancelled.

In the event this Contract is cancelled for cause pursuant to this section, and it is therefore determined, for any reason, that the Contractor was not in breach of contract pursuant to the provisions of this section, that cancellation for cause shall be deemed to have been a cancellation for convenience, effective as of the same date, and the rights and obligations of the parties shall be limited to that otherwise provided in the Contract for a cancellation for convenience.

2. Cancellation For Convenience By the State. The State may cancel this Contract for its convenience, in whole or part, if the State determines that such a cancellation is in the State's best interest. Reasons for such cancellation shall 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 Contract services no longer practical or feasible, and (c) unacceptable prices for additional services requested by the State. The State may cancel the Contract for its convenience, in whole or in part, by giving the Contractor written notice 30 days prior to the date of cancellation. If the State chooses to cancel this Contract in part, the charges payable under this Contract shall be equitably adjusted to reflect those services that are cancelled.

3. Non-Appropriation. In the event that funds to enable the State to effect continued payment under this Contract are not appropriated or otherwise made available. The 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 project. If funds are not appropriated or otherwise made available, the State shall have the right to cancel this Contract at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of cancellation to the Contractor. The State shall give the Contractor written notice of such non-appropriation or unavailability within 30 days after it receives notice of such non-appropriation or unavailability.

4. Criminal Conviction. In the event the Contractor, an officer of the Contractor, or an owner of a 25% or greater share of the Contractor, is convicted of a criminal offense incident to the application for or performance of a State, public or private Contract or subcontract; or convicted of a criminal offense including but not limited to any of the following: embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, attempting to influence a public employee to breach the ethical conduct standards for State of Michigan



employees; convicted under State or federal antitrust statutes; or convicted of any other criminal offense which in the sole discretion of the State, reflects upon the Contractor's business integrity.

5. Approval(s) Rescinded. In the event any final administrative or judicial decision or adjudication disapproves a previously approved request for purchase of personal services pursuant to Constitution 1963, Article 11, section 5, and Civil Service Rule 4-6. Cancellation may be in whole or in part and may be immediate as of the date of the written notice to the Contractor or may be effective as of the date stated in such written notice.

I-U RIGHTS AND OBLIGATIONS UPON CANCELLATION

1. If the Contract is canceled by the State for any reason, the Contractor shall, (a) stop all work as specified in the notice of cancellation, (b) take any action that may be necessary, or that the State may direct, for preservation and protection of Work Product or other property derived or resulting from the Contract that may be in the Contractor's possession, (c) return all materials and property provided directly or indirectly to the Contractor by any entity, agent or employee of the State, (d) transfer title and deliver to the State, unless otherwise directed by the Contract Administrator or his or her designee, all Work Product resulting from the Contract, and (e) take any action to mitigate and limit any potential damages, or requests for Contractor adjustment or cancellation settlement costs, to the maximum practical extent, including, but not limited to, canceling or limiting as otherwise applicable, those subcontracts, and outstanding orders for material and supplies resulting from the canceled Contract.

2. In the event the State cancels this Contract prior to its expiration for its own convenience, the State shall pay the Contractor for all charges due for services provided prior to the date of cancellation and if applicable as a separate item of payment pursuant to the Contract, for partially completed Work Product, on a percentage of completion basis. In the event of a cancellation for cause, or any other reason under the Contract, the State will pay, if applicable, as a separate item of payment pursuant to the Contract, for all partially completed Work Products, to the extent that the State requires the Contractor to submit to the State any such deliverables, and for all charges due under the Contract for any cancelled services provided by the Contractor prior to the cancellation date. All completed or partially completed Work Product prepared by the Contractor pursuant to this Contract shall, at the option of the State, become the State's property, and the Contractor shall be entitled to receive just and fair compensation for such Work Product. Regardless of the basis for the cancellation, the State shall not be obligated to pay, or otherwise compensate, the Contractor for any lost expected future profits, costs or expenses incurred with respect to Services not actually performed for the State.

3. If any such cancellation by the State is for cause, the State shall have the right to set-off against any amounts due the Contractor, the amount of any damages for



which the Contractor is liable to the State under this Contract or pursuant to law and equity.

4. Upon a good faith cancellation, the State shall have the right to assume, at its option, any and all subcontracts and agreements for services and materials provided under this Contract, and may further pursue completion of the Work Product under this Contract by replacement contract or otherwise as the State may in its sole judgment deem expedient.

I-V EXCUSABLE FAILURE

1. Neither party shall be liable for any default or delay in the performance of its obligations under the Contract if and to the extent such default or delay is caused, directly or indirectly, by: fire, flood, earthquake, elements of nature or acts of God; riots, civil disorders, rebellions or revolutions in any country; the failure of the other party to perform its material responsibilities under the Contract (either itself or through another contractor); 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 such party; provided the non-performing party and its subcontractors are without fault in causing such default or delay, and such 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. In such event, the non-performing party will be excused from any further performance or observance of the obligation(s) so affected for as long as such circumstances prevail and such party continues to use its best efforts to recommence performance or observance whenever and to whatever extent possible without delay provided such party promptly notifies the other party in writing of the inception of the excusable failure occurrence, and also of its abatement or cessation.

2. If any of the above enumerated circumstances substantially prevent, hinder, or delay performance of the services necessary for the performance of the State's functions for more than 14 consecutive 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 from an alternate source, and the State shall not be liable for payments for the unperformed services under the Contract for so long as the delay in performance shall continue; (b) the State may cancel any portions of the Contract so affected and the charges payable thereunder shall be equitably adjusted to reflect those services canceled; or (c) the Contract will be canceled without liability of the State to the Contractor as of the date specified by the State in a written notice of cancellation to the Contractor. 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 as a result of the excusable failure condition. Defaults or delays in performance by the Contractor which are caused by acts or omissions of its subcontractors will not relieve the Contractor of its obligations under the Contract except to the extent that a



subcontractor is itself subject to any excusable failure condition described above and the Contractor cannot reasonably circumvent the effect of the subcontractor's default or delay in performance through the use of alternate sources, workaroud plans or other means.

I-W ASSIGNMENT

The Contractor shall not have the right to assign this Contract or to assign or delegate any of its duties or obligations under this Contract to any other party (whether by operation of law or otherwise), without the prior written consent of the State. Any purported assignment in violation of this section shall be null and void. Further, the Contractor may not assign the right to receive money due under the Contract without the prior written consent of the State Purchasing Director.

I-X DELEGATION

The Contractor shall not delegate any duties or obligations under this Contract to a subcontractor other than a subcontractor named in the bid unless the State Purchasing Director has given written consent to the delegation.

I-Y NON-DISCRIMINATION CLAUSE

In the performance of this Contract or purchase order resulting herefrom, the contractor agrees not to discriminate against any employee or applicant for employment, with respect to their 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, marital status, physical or mental disability unrelated to the individual's ability to perform the duties of the particular job or position. The contractor further agrees that every subcontract entered into for the performance of this Contract or purchase order resulting herefrom will contain a provision requiring non-discrimination in employment, as herein specified, binding upon each subcontractor. This covenant is required pursuant to the Elliot Larsen Civil Rights Act, 1976 Public Act 453, as amended, MCL 37.2101, *et seq.* and the Persons with Disabilities Civil Rights Act, 1976 Public Act 220, as amended, MCL 37.1101, *et seq.* and any breach thereof may be regarded as a material breach of the Contract or purchase order.

I-Z MODIFICATION OF SERVICE

The Director of Purchasing reserves the right to modify this service during the course of this Contract. Such modification may include adding or deleting tasks that this service shall encompass and/or any other modifications deemed necessary.

This Contract may not be revised, modified, amended, extended, or augmented, except by a writing executed by the parties hereto, and any breach or default by a party shall not be waived or released other than in writing signed by the other party.

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. The Contractor shall provide a change order process and all requisite



forms. The State reserves the right to negotiate the process during contract negotiation. At a minimum, the State would like the Contractor to provide a detailed outline of all work to be done, including tasks necessary to accomplish the deliverables, timeframes, listing of key personnel assigned, estimated hours for each individual per task, and a complete and detailed cost justification.

1. Within five (5) business days of receipt of a request by the State for any such change, or such other period of time as to which the parties may agree mutually in writing, the Contractor shall submit to the State a proposal describing any changes in products, services, timing of delivery, assignment of personnel, and the like, and any associated price adjustment. The price adjustment shall be based on a good faith determination and calculation by the Contractor of the additional cost to the Contractor in implementing the change request less any savings realized by the Contractor as a result of implementing the change request. The Contractor's proposal shall describe in reasonable detail the basis for the Contractor's proposed price adjustment, including the estimated number of hours by task by labor category required to implement the change request.

Note: The term “mutually agreeable” as used throughout the document is intended to represent a process used by both the contractor and BOE staffs to come to a consensus on a topic, issue, or deliverable date. If after several good-faith meetings, the CA determines a consensus is not fourth coming, the CA will make the final decision which is binding on both the contractor and BOE.

2. If the State accepts the Contractor's proposal, it will issue a change notice and the Contractor will implement the change request described therein. The Contractor will not implement any change request until a change notice has been issued validly. The Contractor shall not be entitled to any compensation for implementing any change request or change notice except as provided explicitly in an approved change notice.
3. If the State does not accept the Contractor's proposal, the State may:
 - a) withdraw its change request; or
 - b) modify its change request, in which case the procedures set forth above will apply to the modified change request.

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

If the State requests or directs the Contractor to perform any services or functions that are consistent with and similar to the services being provided by the Contractor under the Contract, but which the Contractor reasonably and in good faith believes are not included within the scope of the Contractor's responsibilities and charges as set forth in the Contract, then prior to performing such services or function, the Contractor shall promptly notify the State in writing that it considers the services or function to be an



"Additional Service" 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 such services or functions. If the Contractor does so notify the State, then such a service or function shall be governed by the change request procedure set forth in the preceding paragraph.

IN THE EVENT PRICES ARE NOT ACCEPTABLE TO THE STATE, THE CONTRACT SHALL BE SUBJECT TO COMPETITIVE BIDDING BASED UPON THE NEW SPECIFICATIONS.

I-AA NOTICES

Any notice given to a party under this Contract must be written and shall be deemed effective, if addressed to such 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 (3rd) 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.

For the Contractor: **Randall G. Bartlett, Acting President**
NIC Technologies
31225 La Baya Drive, Suite 107
West Lake Village, CA 91362-4019

For the State: **Andy Ghosh, Buyer Specialist**
State of Michigan
Office of Purchasing
Mason Building, 2nd Floor
530 W. Allegan
Lansing, MI 48909

Either party may change its address where notices are to be sent giving written notice in accordance with this section.

I-BB ENTIRE AGREEMENT

The contents of this document and the vendor's proposal will become contractual obligations. Failure of the contractor to accept these obligations may result in cancellation of the award.

The Contract shall represent the entire agreement between the parties and supersedes all proposals or other prior agreements, oral or written, and all other communications between the parties relating to this subject.



I-CC NO WAIVER OF DEFAULT

The failure of a party to insist upon strict adherence to any term of this Contract shall not be considered a waiver or deprive the party of the right thereafter to insist upon strict adherence to that term, or any other term, of the Contract.

I-DD SEVERABILITY

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

I-EE 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 this Contract.

I-FF RELATIONSHIP OF THE PARTIES

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

I-GG UNFAIR LABOR PRACTICES

Pursuant to 1980 Public Act 278, as amended, MCL 423.231, 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 pursuant to 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. Pursuant to section 4 of 1980 Public Act 278, MCL 423.324, the State may void any Contract if, subsequent to award of the Contract, the name of the Contractor as an employer, or the name of the subcontractor, manufacturer or supplier of the Contractor appears in the register.

I-HH SURVIVOR

Any provisions of the Contract that impose continuing obligations on the parties including, but not limited to the Contractor's indemnity and other obligations shall survive the expiration or cancellation of this Contract for any reason.



I-II GOVERNING LAW

This Contract shall in all respects be governed by, and construed in accordance with, the laws of the State of Michigan. Any dispute arising herein shall be resolved in the State of Michigan.

I-JJ YEAR 2000 SOFTWARE COMPLIANCE

The vendor warrants that all software for which the vendor 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 year 2000 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.

I-KK CONTRACT DISTRIBUTION

The Office of Purchasing shall retain the sole right of Contract distribution to all State agencies and local units of government unless other arrangements are authorized by the Office of Purchasing.

I-LL STATEWIDE CONTRACTS

If the contract is for the use of more than one agency and if the goods or services provided under the contract do not meet the form, function and utility required by an agency, that agency may, subject to state purchasing policies, procure the goods or services from another source.

I-MM ADHERANCE TO PM METHODOLOGY STANDARD

The State has adopted a standard, documented Project Management Methodology (PMM) for use on all Information Technology (IT) based projects. This policy is referenced in the document titled "Project Management Methodology" – DMB Administrative Guide Procedure 1380.02 issued June 2000. Vendors may obtain a copy of this procedure by contacting the DMB Office of Information Technology Solutions.



The State of Michigan Project Management Methodology can be obtained from the DMB Office of Project Management’s website at <http://www.state.mi.us/cio/opm>.

The contractor shall use the State’s PMM to manage State of Michigan Information Technology (IT) based projects. The requesting agency will provide the applicable documentation and internal agency processes for the methodology. If the vendor requires training on the methodology, those costs shall be the responsibility of the vendor, unless otherwise stated.

I-NN TRANSITION ASSISTANCE

If this Contract is not renewed at the end of this term, or is canceled prior to its expiration, for any reason, the Contractor must provide for up to six months after the expiration or cancellation of this Contract, all reasonable transition assistance requested by the State, to allow for the expired or canceled portion of the Services to continue without interruption or adverse effect, and to facilitate the orderly transfer of such services to the State or its designees. Such transition assistance will be deemed by the parties to be governed by the terms and conditions of this Contract, (notwithstanding this expiration or cancellation) except for those Contract terms or conditions that do not reasonably apply to such transition assistance. The State shall pay the Contractor for any resources utilized in performing such transition assistance at the most current rates provided by the Contract for Contract performance. If the State cancels this Contract for cause, then the State will be entitled to off set the cost of paying the Contractor for the additional resources the Contractor utilized in providing transition assistance with any damages the State may have otherwise accrued as a result of said cancellation.

I-OO DISCLOSURE OF LITIGATION

1. The Contractor shall notify the State in its bid proposal, if it, or any of its subcontractors, or their officers, directors, or key personnel under this Contract, have ever been convicted of a felony, or any crime involving moral turpitude, including, but not limited to fraud, misappropriation or deception. Contractor shall promptly notify the State of any criminal litigation, investigations or proceeding which may have arisen or may arise involving the Contractor or any of the Contractor’s subcontractor, or any of the foregoing entities’ then current officers or directors during the term of this Contract and three years thereafter.
2. The Contractor shall notify the State in its bid proposal, and promptly thereafter as otherwise applicable, of any civil litigation, arbitration, proceeding, or judgments that may have arisen against it or its subcontractors during the five years preceding its bid proposal, or which may occur during the term of this Contract or three years thereafter, which involve (1) products or services similar to those provided to the State under this Contract and which either involve a claim in excess of \$250,000 or which otherwise may affect the viability or financial stability of the Contractor , or (2) a claim or written allegation of fraud by the Contractor or any subcontractor hereunder, arising out of their business activities, or (3) a claim or written allegation that the Contractor or any subcontractor hereunder violated any federal, state or local statute, regulation or ordinance. Multiple lawsuits and or judgments against the Contractor or subcontractor, in



any an amount less than \$250,000 shall be disclosed to the State to the extent they affect the financial solvency and integrity of the Contractor or subcontractor.

3. All notices under subsection 1 and 2 herein shall be provided in writing to the State within fifteen business days after the Contractor learns about any such criminal or civil investigations and within fifteen days after the commencement of any proceeding, litigation, or arbitration, as otherwise applicable. Details of settlements which are prevented from disclosure by the terms of the settlement shall be annotated as such. Semi-annually, during the term of the Contract, and thereafter for three years, Contractor shall certify that it is in compliance with this Section. Contractor may rely on similar good faith certifications of its subcontractors, which certifications shall be available for inspection at the option of the State.

4. Assurances - In the event that such investigation, litigation, arbitration or other proceedings disclosed to the State pursuant to this Section, or of which the State otherwise becomes aware, during the term of this Contract, causes the State to be reasonably concerned about:

- a) the ability of the Contractor or its subcontractor to continue to perform this Contract in accordance with its terms and conditions, or
- b) whether the Contractor or its subcontractor in performing services is engaged in conduct which is similar in nature to conduct alleged in such investigation, litigation, arbitration or other proceedings, which conduct would constitute a breach of this Contract or violation of Michigan or Federal law, regulation or public policy, then

the Contractor shall be required to provide the State all reasonable assurances requested by the State to demonstrate that: (a) the Contractor or its subcontractors hereunder will be able to continue to perform this Contract in accordance with its terms and conditions, (b) the Contractor or its subcontractors will not engage in conduct in performing services under this Contract which is similar in nature to the conduct alleged in any such litigation, arbitration or other proceedings.

5. The Contractor’s failure to fully and timely comply with the terms of this section, including providing reasonable assurances satisfactory to the State, may constitute a material breach of this Contract.

I-PP STOP WORK

1. The State may, at any time, by written stop work order to the Contractor, require that the Contractor stop all, or any part, of the work called for by this Contract for a period of up to 90 days after the stop work order is delivered to the Contractor, and for any further period to which the parties may agree. The stop work order shall be specifically identified as such and shall indicate that it is issued under this section. Upon receipt of the stop work order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of



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 shall either:

- a) Cancel the stop work order; or
 - b) Cancel the work covered by the stop work order as provided in the cancellation section of this Contract.
2. If a stop work order issued under this section is canceled or the period of the stop work order or any extension thereof expires, the Contractor shall resume work. The State shall make 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 the Contractor's costs properly allocable to the performance of any part of this Contract; and
 - b) The Contractor asserts its right to an equitable adjustment within 30 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 proposal submitted at any time before final payment under this Contract.
3. If the stop work order is not canceled and the work covered by the stop work order is canceled for reasons other than material breach, the State shall allow reasonable costs resulting from the stop work order in arriving at the cancellation settlement.
4. If a stop work order is not canceled and the work covered by the stop work order is canceled for material breach, the State shall not allow, by equitable adjustment or otherwise, reasonable costs resulting from the stop work order.
5. An appropriate equitable adjustment may be made in any related contract of the Contractor that provides for adjustment and is affected by any stop work order under this section. The State shall not be liable to the Contractor for loss of profits because of a stop work order issued under this section.

I-QQ LIQUIDATED DAMAGES

A. The State and the Contractor hereby agree to the specific standards set forth in this Contract. It is agreed between the Contractor and the State that the actual damages to the State as a result of Contractor's failure to provide promised services would be difficult or impossible to determine with accuracy. The State and the Contractor therefore agree that liquidated damages as set out herein shall be a reasonable approximation of the damages that shall be suffered by the State as a result thereof. Accordingly, in the event of such damages, at the written direction of the State, the Contractor shall pay the State the indicated amount as liquidated damages, and not as a penalty. Amounts due the State as liquidated damages, if not paid by the Contractor within fifteen (15) days of notification of assessment, may be deducted by the State from any money payable to the Contractor pursuant to this Contract. The State will notify the Contractor in writing of any claim for liquidated damages pursuant to this paragraph on or before the date the State deducts



such sums from money payable to the Contractor. No delay by the State in assessing or collecting liquidated damages shall be construed as a waiver of such rights.

- B. The Contractor shall not be liable for liquidated damages when, in the opinion of the State, incidents or delays result directly from causes beyond the control and without the fault or negligence of the Contractor. Such causes may include, but are not restricted to, acts of God, fires, floods, epidemics, and labor unrest; but in every case the delays must be beyond the control and without the fault or negligence of the Contractor.



SECTION II
Elections Campaign Automation Support Technologies (E-CAST)

WORK STATEMENT

II-A PROJECT SCOPE

Informational

The Michigan Bureau of Elections has several major areas of responsibility.

- Election Administration
- Qualified Voter File
- Casino Interest Registration
- Lobbyist Registration
- Campaign Finance

The primary focus of this Contract is to obtain hardware, software, and application support for the **Campaign Finance Reporting, Lobbyist Registration, and Election Results segments** of Bureau of Elections responsibilities. For additional information about the Bureau's responsibilities and services please see its Web site at the following URL: <http://www.sos.state.mi.us/election/elect.html>.

The minimal services required: (Item order doesn't imply importance)

- Hardware Hosting
- Hardware Configuration
- Capacity Planning
- Printing Services
- Disaster Recovery
- Redundant Data Centers
- Application Development (MERTS and the Back Office Systems)
- Application Support (MERTS and the Back Office Systems)
- Software Support
- Web Hosting
- CFR Internet Electronic Filing
- Help Desk Support (MERTS and the Back Office Systems)
- Telecommunications
- Remote Access
- Application Testing Environment (MERTS and the Back Office Systems)
- Application and System Documentation
- Training
- System Migration
- Performance Management
- Backup, Archival, and Restoration Services
- Security Procedures
- Capacity Planning
- Service Level Performance
- Service Level Reporting



- Data Confidentiality
- End of contract conversion process
- Appropriate Contractor Staffing
(The contractor is encouraged to add to this list)

Please see Appendix B Description of BOE’s Current Systems for additional system and application information.

CFR’s Automation History

In the late 1970s Bureau of Elections (BOE) started automating the Campaign Finance Reporting (CFR) functions to provide better access to the committee’s filing information for BOE staff. A major part of the automation effort was the construction of a centralized database, better known as the Back Office System, containing information about committees who fall under the rules and guidelines of the Campaign Finance Reporting legislation. The Back Office database contained basic information about the committee, when the committee is required to file reports, if the committee is exempt from filing requirement, and if the committee met its filing obligations. The information in the database was restricted to Lansing based Elections staff access only.

In the early 1980s the CFR automated system expanded to include some information from the actual committee reports. Elections and part time contract employees entered the data into the database. This allowed access to the report data by the public if they were willing to visit BOE’s Lansing office.

In November 1994, the Bureau posted the Elections results on the Michigan Department of State (MDOS) Gopher server for the first time. Since that time BOE has moved to Web technology for providing election-related information to the public. Please see the following URL for additional information about election results:
<http://www.sos.state.mi.us/election/electadmin/index.html>.

As the agency embraced Internet technology the committee’s Back Office database information was made available to the public via the MDOS Web site. Please see the following URL for additional information. http://www.sos.state.mi.us/election/cfr/cfr_onln.html With the advent of the Web site the public could retrieve information about any committee from their home or office.

In May 1998, the Secretary of State began posting campaign finance statements for all candidate, political, independent, political party and ballot proposal committees from the CFR database on its Internet web site at: www.sos.state.mi.us/cfr/cfonl.html.

The information posted on the Internet includes:

- Images of all campaign finance reports filed by existing committees from 1995 to the present;
- List of Michigan Campaign Committees;
- Searchable campaign statement analysis including expenditures made by political action committees (PACs) and contributions of \$100 or more received by candidate committees, starting with the 1997 calendar year.



In 1996, a contract programmer was engaged to complete the Back Office System and to prepare the system to accept MERTS' electronic filings. The programmer has worked very closely with SDR (now known as NIC) Technologies staff to integrate the MERTS filings into the CFR database and the development of the programs required for the creation of images from the electronic MERTS filings.

In 1997, the Michigan Department of State pioneered electronic filing of campaign finance reports, to better serve the public need for more information. BOE contracted with NIC to have committee PC based application software built. The Michigan Electronic Reporting & Tracking System (MERTS) was built to automate the committee's CFR filing requirements. MERTS application software was distributed to committees on a volunteer basis. A major feature of MERTS software is its ability to send and accept electronic filing of CFR reports via the Internet. Electronic filing of campaign finance information is voluntary. In January 2004 most committees will be required to file their CFR reports using the electronic filing feature of the MERTS software.

Please see the following URL for additional information.
http://www.sos.state.mi.us/election/cfr/e_file.html

Current Systems

Elections Campaign Automation systems consist of two major sub-systems, MERTS with Internet filing component and the CFR Back Office System:

MERTS is PC based application software designed to automate the committee's reporting requirements. A major feature of MERTS software is its ability to accept electronic filing of CFR reports via the Internet. The MERTS' electronic filing feature has a direct effect on Elections' Back Office system. The two systems work in tandem to accept electronic filings from the CFR committees. NIC Technologies built MERTS.

The **Back Office System** is the backbone of MDOS Elections' CFR automation. It contains the committee data required to accept, analyze, process, and publish filing information for each committee. Without the Back Office System the Elections staff would have to revert back to a paper process. Even ignoring the legislative mandate to accept electronic filing in the near future, it would impossible for existing Elections staff to handle the volume of paper filing within the mandated time frames.

II-B PROBLEM STATEMENT

Informational

The Michigan Department of State's Bureau of Elections (BOE) has established an aggressive vision of the future, which can only be achieved through extensive and flexible automation. BOE feels that an effective, integrated application system and a highly efficient and effective infrastructure are paramount to the success of the BOE vision. BOE 's vision establishes the need for substantial process changes and creates an environment that dictates a continuous escalating need for change over the coming years. Please see Appendix A Bureau of Elections Vision for additional information.



While BOE cannot fully define what automation will be required to support the vision beyond a few years, it has established a requirement to continually move forward as expeditiously as possible. There are significant issues that need to be addressed by automation and BOE must move forward aggressively to address them.

Changes the MDOS Information Systems organization must undertake are universal. Technology, application, culture and process must all be addressed if BOE is to successfully reach its vision.

MDOS seeks to acquire certain Data Processing Facilities and Services, which will support BOE's current and future business needs.

The overall purpose is to identify the most innovative, flexible, guaranteed, industry proven and cost effective solution that meets or exceeds BOE 's service delivery and financial expectations.

II-C OBJECTIVES

The Services provided pursuant to this Contract are expected to:

- 1) Reduce BOE 's Information Systems risk and increase Information Systems flexibility. This is accomplished by shifting the responsibilities of technological and application obsolescence and variable services demand from BOE to the contractor.
- 2) Improve service quality, work quality and overall productivity. This is accomplished by: accessing the contractor's advanced technological base; well-trained personnel; broad breadth of services; focused management systems; and focused customer services approach.
- 3) Provide BOE with more timely and cost effective access to modern software and hardware technologies than is currently possible.
- 4) Allow BOE to tighten its business focus. This is accomplished by shifting the responsibility for management of technology to the contractor. This will allow BOE to narrow its focus to core competencies and key business issues.
- 5) Reduce the cost of information systems services. This is accomplished by: disengaging BOE from costly, out-dated technological resources; reducing overhead requirements; leveraging the contractor's purchasing power; cost sharing the contractor's development expertise and equipment; and, through more extensive and automated resource management.
- 6) Allow BOE to effectively implement effective change and quality initiatives. This is accomplished by leveraging the Contractor's proven processes, procedures, expertise and experience.
- 7) Allow BOE improved access to more current information management tools, techniques, processes, expertise and capabilities.



- 8) Allow BOE to access a variable resource pool and reduce the cost associated with under-utilization of equipment sitting under utilized during off Elections cycles.

BOE is seeking innovative, industry proven solutions and pricing options that will allow the agency to move forward toward its vision in the most effective, efficient, timely and cost effective method possible. BOE has identified a minimum set of key requirements. It is not our intent to define a complete solution, or a design for a solution, but rather, to provide contractors with significant flexibility in describing how they would deliver the required products and services.

Contractors are expected to go beyond the documented requirements and define what the contractor considers as a complete solution. We expect that contractors experience will allow contractor to identify areas BOE did not include that are critical to the Agency’s success in the proposed environment. Contractors are expected to identify and detail any such oversights in their responses.

The scope of the work defined in the RFP, and in the Contract, is significant and essential to the success of BOE, Michigan Department of State and the State of Michigan in servicing it’s residents.

The contractor is expected to be financially able to assume responsibility as a Systems Integrator to provide all of the major categories of services. The responsibility for Systems Integrator cannot be subcontracted, as part of a joint venture, or partnership(s).

II-D DATA PROCESSING FACILITIES

The contractor will provide Data Processing Facilities and Services for BOE. The contractor is required to meet or exceed the specifications as outlined in Michigan Department of Management and Budget’s Procedure 1310.02. (Please see Appendix G for Procedure 1310.02)

The contractor will provide at a minimum the following:

Facilities (Data Centers)

Informational

Facilities Location

This Contract does not require the contractor’s processing facility serving BOE to be dedicated solely to BOE, or to be located in Michigan.

Facilities Operation

The contractor will be responsible for all aspects of systems operation including, but not limited to: Workload Scheduling, Performance Management, Capacity Management, Change Management, Problem Management, Service Level Management, Resource Accounting, End of Contract Exit Process, and Disaster Recovery.



Affirmational

The contractor will assume operation of the current BOE facilities operation within 30 days from the establishment of this contract. The 30 days will be used to familiarize staff with the current operations and gain a thorough understanding of the complexities of the current hardware, software, and supporting applications.

Deliverables

Proposed date for assuming operation of BOE’s current systems

Computer Hardware

Informational

BOE’s processing workload fluctuates significantly as measured on an hourly, daily, weekly, monthly or annual basis. The State’s Election Cycle primarily drives the workload and BOE must service the workload within acceptable service levels whenever it occurs. BOE is concerned that the contractor fully understands the fluctuating nature of this workload and the requirement to have adequate capacity available to handle the workload as it occurs. BOE requires a solution that provides adequate capacity as required with minimal disruption of service due to hardware capacity upgrades. Unanticipated and unplanned disruptions during peak periods must be avoided. Contractor should detail their understanding of BOE’s processing environment and BOE’s concerns, and should provide a detailed explanation of how capacity planning and capacity management disciplines will be used to provide the service BOE requires. Additionally, contractor should provide a description of the capacity that will be immediately available for BOE’s workload.

Refer to:
Appendix C for the current hardware description.

Affirmational

- 1) The contractor will be required to meet or exceed the specifications as required in DMB’s Procedure 1310.12. Please see Appendix Procedure 1310.12, Mainframe Computer Information Processing.
- 2) Contractor will provide the necessary hardware, including, but not limited to CPU, disk storage, tape, print, output distribution, Web hosting, Firewall/Security, and communication capabilities to be compatible with the requirements of, and to adequately meet specified performance goals for applications. (It is not necessary for such equipment to be dedicated to BOE.)
- 3) If any of the hardware proposed for use in any hardware category is different from the existing hardware BOE uses, detail the:
 - a) Reason for the recommendation;
 - b) Advantages and disadvantages of the proposed system hardware;
 - c) Conversion process;
 - d) Any additional work BOE will be required to perform in the conversion process;
 - e) Any additional work (that exceeds the work required to use the existing hardware) that BOE will need to undertake to use the hardware;
 - f) Any training contractor will offer BOE on the proposed products; and,
 - g) Any additional costs associated with conversion and training activities.
- 4) Contractor will provide any hardware or software required to support the current BOE network printers located in Lansing, without loss of any of the current network



capabilities. (Please see Appendix for detailed information regarding the Acceptable Use of the State Telecommunication Network.)

- 5) Contractor will provide adequate remote communication capacity to handle the BOE workload.

Deliverables

Description of the Hardware Solution

Hardware Configuration Diagram

Description of hardware solution.

Printer Configuration Diagrams

Configuration diagrams, that defines how BOE’s Lansing printer capabilities will be provided.

Communications Plan

Remote Access Configuration Diagrams

Configuration diagrams, that defines how remote capabilities will be provided.

Data Communication Capacity Plan

Configuration information used to size the initial remote and associated data communication configuration.

Connectivity to Contractor’s Facilities

Connectivity will be provided for processing transitions to contractor's facilities.

Operating Environment

Informational

The current operating environments are described in Appendix D

Affirmational

- 1) The contractor will be required to meet or exceed the specifications as required in DMB’s Procedure 1310.02. Please see Appendix G for detailed information.
- 2) Bidder will provide two (2) operating environments, which will be fully redundant and fully supported, but separated and secure from one another in different parts of the United States, preferably using two different tier-1 connectivity providers, one for each facility.
 - a) Each center must be capable of processing the total estimated amount of transactions for any given peak election cycle;
 - b) If either center should fail or lose Internet access the other center must be capable of assuming the transaction volume transparently to BOE staff or BOE’s customers;
 - c) During normal operation, the two centers should be able to load level BOE’s transaction volume transparently to BOE staff or its customers.
- 3) Contractor will provide production, test, development, and other operating environments that support software migration and future enhancements that are nearly identical to one another, subject to the particular function of each environment.
 - a) The test and development environment must be isolated from the production



- environment.
- 4) Contractor will provide a means to transition code from one operating environment to another in a smooth and controlled manner.
 - 5) Contractor will establish a reporting structure and process to keep the BOE informed concerning significant technical events or changes in any of the operating environments.
 - 6) Contractor will support all production application software, and all applicable production processing, to include on-line transaction processing, and all forms of production batch processing (e.g., transaction postings, end of period processing, election cycle processing, and standard reporting runs).
 - 7) Contractor will provide the necessary processing capacity, complete data center operational support, systems programming support, and systems software support required to support BOE's applications software.

Deliverables

Facilities Description

Description of the two separate operating environment requirement.

Testing and Development

Description of testing and development environment.

Technical Event Reporting Process

Description of reporting structure you will use to keep BOE informed of significant technical events or industry changes effecting BOE' operating environment.

Application Software and Production Support

Description of the process to be used to support application software, batch processing, and transaction processing.

Processing Capacity

Description of the process to be used to support the capacity required to support systems programming, systems software, and BOE's applications software.

Computer Operations

Affirmational

- 1) Contractor will coordinate and provide all resources necessary to carry out all aspects of operating the BOE data center.
- 2) Contractor will provide all necessary computer operations services to support the processing for the applications, such as, but not limited to:
 - a) Operation of computer hardware;
 - b) Hardware and data center maintenance activities;
 - c) Disk maintenance;
 - d) Web hosting services;
 - e) Control and operation of on-line systems;
 - f) Support of "on-request" jobs or reporting;
 - g) Support of "re-runs", when necessary;
 - h) Operation of applications at peak machine efficiency and in a manner conservative of site resources;
 - i) BOE staff and Public Help Desk(s)



- j) Daily coordination and communication between the CSR and CA;
 - k) Provision of data center operations activities not mentioned here, but which are relevant to processing for the applications.
- 3) Contractor will provide all necessary services to support BOE's needs, such as, but not limited to:
- a) Web Hosting Services;
 - b) Associated Peripheral Equipment;
 - c) Networking to BOE Facilities;
 - d) Public Help Desk;
 - e) BOE Staff Help Desk;
 - f) Systems Software for processing all of BOE 's current and future computer, and applications software needs.

Deliverables

Description of BOE's Data Center Resources

Description of the anticipated resources necessary to support the BOE data center.

Computer Operations Services

Description of operation services outlined in this section.

Job Scheduling And Production Control

Affirmational

- 1) The BOE will retain control over work/job scheduling.
- 2) Contractor will coordinate and provide all resources necessary to implement all aspects of production job scheduling and production control at data center.
- 3) Contractor will provide the necessary work/job scheduling and production control services to support the processing for the applications, including, but not limited to:
 - a) Data center standards and procedures enforcement;
 - b) Application software production migration procedures;
 - c) Job scheduling, to include "on-request" jobs and reporting;
 - d) Coordination with the CSR and CA to set up applications production job schedules;
 - e) Abnormal job termination and job restart;
 - f) Coordination with programming assistance (if required) in restarting failed jobs;
 - g) Job scheduling for "re-runs," as required;
 - h) Scheduled "down time", during non-production hours;
 - i) Control of reports (destinations, copies, etc.);
 - j) Measurement management and monitoring of service level agreements;
 - k) Archival, backup and recovery operations;
- 4) There should not be any degree of "delay" which contractor's operational procedures may impose on BOE. BOE periodically has certain ad hoc and emergency requests that because of legal or other requirements must be responded to in a required time frame. BOE recognizes that depending on the nature of a specific request, service level commitments may be jeopardized. In these situations, contractor must identify and provide BOE with an assessment of the potential service level impacts and any reasonable possible alternatives. Contractor must recognize the importance of these requests and agree to work in an expeditious manner to meet the service needs.



Deliverables

Scheduling and Production Procedures

Description of proposed procedures for handling typical job scheduling and production control functions. Select a set of procedures that you feel are most representative of procedures you will recommend for our use.

Description of Contractor’s Procedure Establishment Process

Description of process for establishing BOE specific procedures.

Ad Hoc and Emergency Procedure Overview

Contractor’s understanding of BOE’s concerns and an overview of procedures for handling BOE’s ad hoc and emergency requests. Copies of, relevant procedures that have been established for other customers. Copies of other customer procedures for handling several different types of ad hoc and emergency requests.

DATA STORAGE MANAGEMENT

Affirmational

- 1) Contractor will provide a comprehensive data storage management function designed to minimize data storage costs without impairing or curtailing data storage requirements.
- 2) Contractor will provide the necessary data storage management services to support the processing for the applications, such as:
 - a) Establishing the information flow and process by which the CA and CSR can make timely decisions regarding data storage improvements;
 - b) Providing the proposed data storage management reporting mechanisms.

Deliverables

Description of the Data Storage Management Approach

II-E PRODUCTION MIGRATION

Informational

In no more than 120 days from the establishment of this contract the contractor will migrate the BOE operations to the contractor supplied facilities.

Affirmational

- 1) Contractor will provide and support:
 - a) A user friendly but tightly controlled method for moving code from one operating environment to another;
 - b) A controlled process to allow the migration of applications software programs into the Production Environment only after they have been thoroughly tested, proven fully functional, and approved by BOE staff for production;
 - c) Formal version control services and tracking mechanisms to track a particular piece of code as it goes through various states and stages during the change and enhancement life cycle.
- 2) The formal version control process will include items such as review boards, quality assurance checks, standards enforcement at all levels, and user acceptance testing.
- 3) Contractor shall provide and support appropriate automated support tools to enhance and assist in the production migration process.



Deliverables

Description of Production Migration Approach

Description of production migration approach, including a project plan with tasks, milestones and a timeline. This project plan will be used by the Contract Administrator to monitor the contractor's migration status and progress. The contractor will be required to report project status along this project plan and timeline periodically as required by the Contract Administrator.

Proposed (Systems) Production Migration Date

In no more than 120 days from the establishment of this contract the BOE systems and data processing facilities must be moved to the contractor's data centers.

II-F MANAGEMENT PLANS

Informational

BOE 's workload is highly variable and is proportional to the State's Election cycles. The Data Processing Facilities and Services must be designed to be sufficiently flexible to accommodate any fluctuation dictated by the Election cycles. Additionally, over the next several years BOE intends to consider re-engineering opportunities dealing with its business processes and to implement any required applications redesign, redevelopment, modifications or enhancements as defined in the business process, legislative changes, and systems re-engineering efforts. The effect of these changes is unknown, but BOE must have an ability to accommodate whatever these changes may bring whether dictated by the State's Legislators, new security concepts, outcome from BOE business process re-engineering initiatives, and/or hardware/software improvements.

BOE desires to continue moving towards client/server computing, open standards, electronic filing via the Internet, and Web based graphical user interfaces. It is the intention of BOE to continue migrating appropriate application elements to these technologies as part of the systems re-engineering efforts. BOE must have the flexibility to effectively manage this transition from current technology and to integrate the new technology within the current environment.

BOE must establish an effective, continuous improvement Quality Management and Improvement process. Contractors are required to work with BOE to help define this process, mutually agree on the deliverables, and adopt all key elements of this plan. (Please see Appendix for Quality Assurance Procedure 1310.09)

Note: The term "mutually agreeable" as used throughout the document is intended to represent a process used by both the contractor and BOE staffs to come to a consensus on a topic, issue, or deliverable date. If after several good-faith meetings, the CA determines a consensus is not fourth coming, the CA will make the final decision which is binding on both the contractor and BOE.

Affirmational

The Information Systems changes must include the establishment of a significantly improved, highly reliable and responsive operating environment for its application systems. This reliability is to be achieved through the establishment of detailed planning and more effective systems management disciplines. The systems management



disciplines, which must improve through the application of automation and improved processes and procedures must include, at a minimum:

- 1) Managing the storage, retrieval, backup, restoration, archiving, and distribution of data.
- 2) Managing the print queues and devices.
- 3) Managing the timing, prioritization, and distribution of the work process.
- 4) Monitoring the system(s) for overload and resource conflicts and contentions. Tuning the system to ensure that response time to assure batch and online service levels are maintained.
- 5) Establishing, monitoring, and reporting service levels to provide quality service to users.
 - a) Managing the problem determinations, reporting and resolution processes.
 - b) Managing the addition, deletion, and modification of system resources.
 - c) Planning, distributing, and applying changes to systems, applications software and data files.

Deliverables

Data Management Plan

Managing the storage, retrieval, backup, restoration, archiving, and distribution of data.

Print Management Plan

Managing the print queues and devices.

Workload Scheduling Plan

Managing the timing, prioritization, and distribution of the work process.

Performance Management Plan

Monitoring the system(s) for overload and resource conflicts and contentions. Tuning the system to ensure that response time to assure batch and online service levels are maintained.

Service Level Management

Establishing, monitoring, and reporting service levels to provide quality service to users.

Problem Management

Description of the problem determinations, reporting and resolution processes.

Configuration Management

Description of how the contractor will manage the addition, deletion, and modification of system resources.

Change Management

Describe how the bidder will manage planning, distributing, and applying changes to systems, applications software and data files.



II-G SCOPE, ROLES AND RESPONSIBILITIES, AND LOCATION OF SERVICE

Informational

- 1) Use of the term "BOE Data Center" throughout this Work Statement refers to contractor facilities used to provide processing capacity and services described in this Work Statement.
- 2) BOE will continue to supply and control:
 - a) Personal computer (PC) hardware, standard PC packaged software, LAN's and LAN servers.
 - b) Internal State of Michigan telecommunications network (LMAN). (Please see Appendix for Procedure Acceptable Use of the State Telecommunication Network Policy) Excluding any required dedicated high-speed lines required to allow Elections' staff access to the contractor's Data Center locations must be in compliance with the Service Level Agreement.
 - c) All print operations using MDOS network printers.
- 3) Use of the term "batch process" throughout this Work Statement refers to BOE's process for accepting CRF filings via the Internet. The process of accepting filings includes but is not limited to the following:
 - a) Checking the filing for security and integrity;
 - b) Processing the file through the error-checking process;
 - c) Determining if the filing can be processed;
 - d) Loading the accepted file into BOE's data structure;
 - e) Confirming acceptance of the filing to the committee.

Affirmational

- 4) The Contract Administrator (CA) will manage the contract.
 - a) Contract management methods will include monitoring, reporting, periodic review, and problem identification and resolution procedures established by the CA that will use the service levels and other performance standards specified.
 - b) The CA will monitor and supervise the services provided by Contractor through procedures including, but not limited to the following:
 - i) Establishing the format and timing of the ongoing reporting requirements;
 - ii) Monitoring contractor's day-to-day performance;
 - iii) Monitoring and updating ongoing performance measure metrics;
 - iv) Monitoring the status and suitability of service level compliance and billings;
 - v) Coordinating the resolution of questions regarding the responsibility for correcting problems where there is disagreement as to whether the problem is an application or processing concern;
 - vi) Approving Corrective Action Plans to resolve problems;
 - vii) Monitoring the status and suitability of problem resolution;
 - viii) Assessing liquidated damages or service level credits where performance is not in compliance with the Contract;
 - ix) Approving services and facilities and related fees which are not included as base fee items in the Contract; and
 - x) Retaining control of and influencing strategic technology issues and directions.
- 5) Contractor's data processing facilities will be managed with appropriate staff using operational procedures and standards acceptable and agreed upon by BOE and will provide the following:
 - a) Location of facilities within the continental United States;



- b) Transparency of facility location to BOE users in Michigan (i.e., service and performance will be comparable).
- 6) Contractor shall provide all of the processing facility operational management services and personnel to support the applications, including, but not limited to the following services:
 - a) Disk storage;
 - b) Backup;
 - c) Data security;
 - d) Data transmission security;
 - e) Web hosting services;
 - f) BOE and User Help Desk(s)
 - g) Disaster recovery procedures and capabilities.
- 7) Contractor shall provide a management structure appropriate to oversee the contract with the ability to complete planned work on time and within agreed pricing, to provide the required functionality and service levels, and to adequately resolve problems in a timely manner.
- 8) Contractor shall provide a Customer Services Representative (CSR), to be permanently located in Lansing at the State Office facility, with sufficient staff (preferably in the Lansing area) to effectively manage and administer the services defined in this contract. The CSR (and his/her staff) shall be responsible for, but not limited to the following:
 - a) Be available the same hours as the prime shift (currently Monday through Friday, 8 a.m. to 5 p.m., local Lansing time, excepting State observed holidays), and otherwise as required to maintain service levels and resolve problems. During the conversion, certain subsequent applications implementation periods and for certain special projects, special availability may be required.
 - b) Coordinate Contractor services and access to contractor customer support staff.
 - c) Arrange for processing availability outside previously agreed to hours as requested by users and approved by the CA.
 - d) Monitor day-to-day service levels and billings.
 - e) Provide, on approval of the CA, processes, procedures and an automated tracking system to report problems, track and monitor outstanding problems and the length of time from report to resolution, and document problem resolution. This will be available to the CA, and coordinated with the MDOS Help Desk.
 - f) Develop and implement, with CA approval, problem escalation procedures, management reporting mechanisms, and resolution procedures.
 - g) Develop and use a Change Management Plan as approved in advance by the CA to obtain approval of all changes to all aspects of processing services and facilities prior to their implementation.
- 9) Contractor will provide skilled personnel with appropriate expertise and experience for the tasks to be performed.
- 10) Contractor shall provide adequate quality assurance standards and procedures for general processing facility services and for services provided specifically for the BOE. (Please see Appendix for Quality Assurance Policy)
- 11) Contractor will obtain advance approval from the CA for any management and control procedures, other than those previously agreed to, that are to be used. Contractor will inform designated BOE and other contractors' personnel of the implications of any management and efficiency procedure revisions.
- 12) Contractor will provide the CA with ongoing updated documentation on the data processing facilities and services as required by the CA.
- 13) Contractor shall provide adequate training to designated BOE and other Bidder personnel to enable them to monitor the data processing facilities and services, and related reporting mechanisms, both initially and as a result of any changes thereto, at no additional charge to the BOE.
- 14) BOE and contractor will agree in advance of contract signing on a problem identification, tracking, and resolution process to provide efficient and effective data processing facilities and services to BOE.



- 15) Contractor will cooperate with the BOE in providing the key data processing facilities and services.
- 16) Contractor will provide unrestricted access to work products and staff to fulfill the quality assurance process.
- 17) At a minimum, BOE's CA and contractor will meet monthly and will conduct periodic audits to meet the following goals:
 - a) Track and report on service level agreement performance.
 - b) Validate customer utilization statistics.
 - c) Help Desk utilization statistics.
 - d) Review issues and planned special processing needs; for example:
 - i) Special Election(s), CFR filing schedule, month-end, quarter-end, and year-end processing requirements.
 - ii) Peak Election cycles and/or special processing requirements.
- 18) Contractor shall provide BOE with the details of the management structure, corporate chain of command, problem notification and escalation procedures, and specific contact information for key contractor personnel. This information will be kept up to date throughout the term of the Contract.
- 19) All costs associated with any claim of services made by contractor in response to the RFP will be considered as fully included in the usage pricing matrices, conversion cost, transition cost, or end of contract exit costs as defined in contractor's Price Proposal.

Deliverables

Contract Administrator (CA) Duties

Description of understanding of the duties of a Contract Administrator.

Customer Services Representative (CRS) Duties

Description of understanding of the duties of a Customer Services Representative.

Data Center Standards

BOE has specified certain deliverables, such as data center standards, periodic capacity planning reports, problem reporting, etc. Elaboration and expansion of the list of deliverables is required.

Facilities Location

The location of the facilities from which services required by this Work Statement will be provided.

II-H GENERAL TECHNOLOGY AND CURRENCY REQUIREMENTS

SOFTWARE

Informational

- a) Two of the key technology objectives of this procurement are:
 - (i) To establish a Contract that provides BOE with the technology and with the technological flexibility that it requires, to meet both its current and future business needs, and;
 - (ii) To ensure that the cost of the technology that will be required during the life of the Contract:
 - (2) Will not increase, but may decrease, the price established in the initial Contract (assuming that the technology requirements are commercially reasonable extensions or progressions of BOE's initial requirements), or;
 - (3) Will be consistent with the pricing objectives established in the initial Contract (assuming that the technology requirements are significant and commercially uncharacteristic deviations from the initial requirements).



Affirmational

- 2) Contractor shall maintain all software which contractor provides BOE, at the most current release level (includes initial release and all maintenance and enhancement releases) no later than six (6) months after general availability of the release, with the following exceptions:
 - a) The current release will not properly function with other software products BOE requires;
 - b) That BOE is not prepared to authorize the contractor to modify application programs to function with the new release, and;
 - c) That contractor and BOE mutually agree to delay beyond the defined six (6) month requirement.

In the case of items (a) and (b) immediately above, contractor and BOE mutually agree to establish a specific and reasonable schedule for application of the release at the time contractor or BOE identifies that a conflict exists.

- 3) Contractor shall assure and maintain software compatibility with all hardware BOE currently utilizes.
- 4) Contractor shall establish and maintain a documented multi-year BOE specific technology plan that includes both hardware and system software technology. BOE agrees to work in concert with contractor and to provide business objectives, application plan and other related data. Contractor’s technology plan shall include an overview of the general technology plan for the data center providing Services to BOE.
- 5) Contractor shall establish the initial BOE specific technology plan as soon as it is reasonably possible after Contract execution, but no later than the date BOE transitions its processing to contractor's facility.
- 6) Contractor shall establish, on at least an annual basis, a detailed review of the technology plan and shall modify the plan as appropriate to meet BOE's business objectives.
- 7) Contractor shall use commercially reasonable efforts to continually evaluate and identify relevant software and hardware technologies advances and propose to the BOE options which contractor views as potentially advantageous to the BOE.
- 8) Contractor's data center facilities, and associated supporting systems used to provide Services to BOE, shall meet or exceed the best industry data center standards and practices. Contractor must be able to demonstrate that these standards and practices are commercially consistent with standards and practices which are used by the best practitioners in the industry for providing service for applications that require high reliability and high confidentiality. This responsibility includes, but is not limited to the following areas:
 - a) Facility support equipment (i.e. HVAC, Uninterruptible Power Systems, motor generators, turbines, communication facilities, etc.);
 - b) Maintenance practices;
 - c) Security equipment and practices (i.e. physical site security, software security, access control, etc.);
 - d) Safety equipment and practices (i.e. fire suppression, alarms, smoke detection, etc.), and;
 - e) Reliability and redundancy practices i.e. multiple power feeds, multiple communication facility routings, etc. (Please see Appendix G for Policy 1310.02)

Deliverables

Description of the Technology Deployment Requirements

Description of understanding of BOE’s hardware and software technology and currency requirements and provide a detailed description of the technology deployment strategy in support of the work defined in the RFP.



Description of the Data Center Standards and Practices

Description of understanding of BOE’s data center facilities requirements and provide a detailed description of the data center standards and practices of the data center(s) that will be used to support the work defined in the RFP.

BOE Multi-Year Technology Plan

Description of plans to develop a BOE specific technology plan.

Method for Maintaining BOE Technology Plan

Description of plans to maintain a BOE specific technology plan.

II-I GENERAL SYSTEM SOFTWARE REQUIREMENTS

Informational

See Appendix C for a list of existing System Software.

BOE uses a set of System and application Software that has generally been selected based on an evaluation that determined that the software provides the functionality that best satisfies the defined needs. BOE is generally satisfied with this software and the functionality it offers. BOE is concerned that acceptance of any alternative software, as proposed by Bidder, will result in decreased or insufficient functionality, which will require significant conversion effort, or that BOE will not be fully equipped to evaluate alternative recommendations.

It is the contractor’s responsibility to keep all operational and application software compatible with the newest established technology standards. If the hardware or software markets make significant changes and/or improvements which require modifications and/or rewrites of BOE’s applications, it is the contractor’s responsibility to keep BOE’s systems current with the latest technology advancements. The cost of such changes should be amortized over the life of the contract.

While contractor's Price Proposal includes the cost of all software, contractor will provide for use pursuant to the RFP, BOE is concerned with how contractor will price future changes to this software/application portfolio. BOE recognizes that the Change Authorization Process will define how future changes will be implemented, but BOE requires that contractors establish a formula that defines the maximum charges applicable for future software/application additions outside the scope of the RFP. BOE requires that the maximum charge for additional software/application should not exceed the lowest net price contractor pays for the software license plus 0% markup. Contractor is required to confirm that they will make a reasonable effort to reduce this additional software/application cost to the lowest possible level by means such as usage based licensing, shared cost, etc. Additionally, contractor is required to pass on any reasonable cost reductions due to discontinued usage of software previously in use pursuant to work defined in the RFP.



Affirmational

- a) Contractor will provide sufficient system/application software capabilities to adequately support all applications, and other application requirements.
- b) All system software and/or utilities provided by contractor will be provided consistent with the software terms described in this Work Statement.
- c) All system software provided by contractor will be a compatible release currently supported by the applicable hardware manufacturer or system software vendor.
- d) BOE, with contractor's assistance, will have access to the vendors of all system software and tools used by the BOE in support and problem resolution for these products and any others that are identified in contractor's software inventory submission.
- e) Contractor shall provide system software that is identical to, functionally equivalent to, or more functional than the system software that exists at BOE today.
- f) Contractor shall take whatever steps necessary to keep BOE's systems and applications compatible with the newest technology advancements.

Deliverables

List of Operating and Applications Software

Description of list of all the operating system and application software that Bidder propose to use to support BOE's data processing facilities and services.

Technology Advances Affecting BOE's Systems and Applications

Description of how the contractor will meet the requirement of keeping BOE's systems and applications compatible with the latest technology advancements.

List Proposed Software

If any of the software that you propose in any software category is different from the existing software BOE uses, detail the:

- (a) Reason for the recommendation;
- (b) Advantages and disadvantages of the proposed system software;
- (c) Conversion process;
- (d) Any additional work BOE will be required to perform in the conversion process;
- (e) Any additional work (that exceeds the work required to use the existing software) that BOE will need to undertake to use the software;
- (f) Any additional system resource utilization that the software will require that will result in increased usage charges;
- (g) Any training contractor will offer BOE on the proposed products; and,
- (h) Any additional costs associated with conversion and training activities.

Pricing Formula for Application and Software Changes

BOE requires that contractors establish a formula that defines the maximum charges applicable for future software/application additions outside the scope of the RFP.

II-J SYSTEM MANAGEMENT SOFTWARE

Affirmational

- 1) Contractor shall provide sufficient system management software, such as the operating system, tape management, performance monitors, and system tuning software to maintain and monitor the agreed upon service levels.
- 2) Contractor will use the system management software in the automation of data center operations to provide efficient, cost effective usage of data center resources.



Deliverables

List of System Management Software

Description of a detailed list of all the systems management software that contractor proposes to use to support BOE's data processing facilities and services.

II-K DATABASE SOFTWARE

Affirmational

- 1) Contractor will provide and maintain the current Database Management Software (Informix or approved alternative) in the release(s) required to support current and future applications.
- 2) Contractor will provide and support any other data access method(s) or DBMS(s) specified by the BOE as required by current and future applications.

Deliverables

List of Database Software

Description of a detailed list of all the database software that contractor proposes to use to support BOE's data processing facilities and services.

II-L REPORT MANAGEMENT AND DISTRIBUTION SOFTWARE

Affirmational

- 1) Contractor will provide report management and distribution software to support application reporting and distribution activities. The supplied reporting software will:
 - a) Be easy to learn and user friendly, allowing users to view reports on-line, and then print all or designated portions of the report;
 - b) Include self-use training materials, such as an on-line help feature and an on-line tutorial;
 - c) Allow reports to be routed to any BOE printer;
 - d) Support standard ongoing report printing and distribution patterns, as required.

Deliverables

List of Report Management and Distribution Software

Description of a detailed list of all the report management and distribution software that Bidder proposes to use to support BOE's data processing facilities and services.

II-M BACKUP, ARCHIVAL, AND RESTORE SOFTWARE

Informational

- 1) The contractor will be required to meet or exceed the specifications as required in DMB's Procedure 1310.02. Please see Appendix G for additional information.

Affirmational

- 1) Contractor will be responsible for providing all backup, archival, and restoration software.

Deliverables

List of Backup, Archival, and Restoration Software

Description of a detailed list of the entire backup, archival, and restore software that contractor proposes to use to support BOE's data processing facilities and services.



Description of Software Support

Description of contractor’s proposed level of software support in the areas of data backup, archival, and restore available at contractor's data center. Include at a minimum:

- (a) Operating system features and utility programs;
- (b) Access method features and utility programs;
- (c) Database features and utility programs that contribute to the overall solution of the backup, archival, and restore issue;
- (d) Backup features;
- (e) Archival features;
- (f) Restore and recovery features;
- (g) Batch and on-line backup and recovery features;
- (h) Database rollback features;
- (i) Data logging features;
- (j) Any other features or comments pertinent to this subject that Bidder feels would be helpful or relevant.

II-N SECURITY SOFTWARE

Informational

BOE desires to maintain control of all security management functions, particularly those with a direct impact on the application software and its data. Due to confidentiality requirements of State and federal laws, statutes and ordinances, BOE must employ controls and establish appropriate audit trails on all operating system and application files, user and operator IDs, tapes and network connections. The operating system environments must not share connections (direct, shared, chained or switch able) with any operating system environments not used by BOE without the direct and specific approval of the CA. The contractor will be required to meet or exceed the specifications as required in DMB’s Procedure 1310.02. Please see Appendix G for additional information.

Affirmational

- 1) Contractor will provide data center security software with the capability to protect items such as, but not limited to:
 - a) System level access;
 - b) On-line access;
 - c) On-line transactions;
 - d) Program libraries;
 - e) Datasets.

Deliverables

Description of Data Center Security Software

Description of the features and capabilities of your data center security software, plus any security and confidentiality features that are present in any other proposed system software; include whether or not the system is table-driven.

Description of Encryption Software

Description of the type of encryption that will be used, e.g. encryption of passwords is "two-way".

- (a) Describe security for the security log.
- (b) Describe the kind of reporting capabilities the proposed security system software possesses.



II-O VIRUS PROTECTION SOFTWARE

Affirmational

- 1) Virus protection software will be provided by Contractor to protect all software used in support of, or created pursuant to this contract.

Deliverables

Virus Protection Description

Description of virus protection approach;

- (a) Describe what virus software is used.
- (b) Describe how and how often checks are performed.
- (c) Describe procedures for logging/reporting located viruses.
- (d) Describe procedures for clean-up of any identified viruses.

II-P DATA PROCESSING SERVICES REQUIREMENTS

OPERATIONAL STANDARDS AND PROCEDURES

Affirmational

- 1) Contractor will deliver to the BOE a draft Data Center Standards and Procedures Manual (to be used in connection with its services) within eight (8) weeks of the effective date of the Contract.
- 2) This draft Manual will then be subject to a review and approval process to be conducted by the CA.
- 3) This review will be completed within thirty (30) business days following submission to the CA, and the resulting standards and procedures will be implemented upon approval of the Manual.
- 4) All contractor staff servicing the BOE account will be required to follow the approved operational standards.
- 5) Standards will be written in a clear and concise manner, as follows:
 - a) Standards shall plainly state whether the rule is rigid (must, shall, will), advisory (should), or permissive (may),
 - b) Standards shall clearly spell out exceptions. If none are given, then none shall be permitted.
 - c) Standards shall specify authority and responsibility.
 - d) Standards shall be consistent. One standard must never contradict or confuse another standard.
- 6) The Data Center Standards and Procedures Manual will have a periodic revision schedule and will be kept up-to-date by the contractor. Revisions will be submitted to the CA for review and approval. The following will be included:
 - a) Each standard will include an effective date and, once revised, a revision date.
 - b) The Manual shall include an index that lists the latest date for each standard.
 - c) Revised standards will be issued when major events affecting standards occur.
 - d) A cover memorandum describing the scope of the revision will be issued with each revision.
 - e) When a revision is issued, changed information will be identified. A vertical bar in the margin next to changed material will be used for this purpose.
- 7) The Data Center Standards and Procedures Manual will be available in electronic media format (MS Word or approved alternative), with normal document and text features, such as machine searches on key words and phrases.
- 8) All production migration procedures shall be included or reported in the Data Center Standards and Procedures Manual.



- 9) Contractor shall provide policies and procedures for security, including the management structure as well as the development, implementation, monitoring, evaluation, modification, and documentation of strategies for security management, as a part of the Data Standards and Procedures Manual.

Deliverables

Data Center Standards and Procedures Manual

Standards Procedures Manual will be written in a clear and concise manner.

Data Center Standards and Procedures Manual Revision Schedule

The Data Center Standards and Procedures Manual will have a periodic revision schedule.

II-Q SYSTEMS PROGRAMMING SUPPORT

Informational

- 1) The contractor will be required to meet or exceed the specifications as required in DMB’s Procedure 1310.06 and 1310.07. Please see Appendix (1310.06) and Appendix (1310.07) for additional information.
- 2) The contractor will be required to meet or exceed the specifications as required in DMB’s Procedure 1310.09. Please see Appendix for additional information.

Affirmational

- 1) Contractor will provide the necessary and requisite systems programming support required to keep the specified operating environments and application code functioning in good order.
- 2) Contractor shall keep all software on a compatible release currently supported by the applicable vendor.
- 3) Contractor will provide appropriate personnel trained in systems programming to meet the needs of BOE and to maintain a technologically current environment in BOE data center.
- 4) Contractor shall develop a Quality Assurance process to assure the development of quality programs. (Please see Appendix for Quality Assurance Policy)

Deliverables

Description of System Programming Support

Description of proposed system programming support.

Description of Technical Support for MDOS Staff

Description of the support contractor will provide the BOE application operational staff for technical application review, design specification assistance, etc.

Description of the Quality Assurance Plan

II-R BACKUP, RETENTION AND RECOVERY SERVICES

Informational

The Contractor will be required to meet or exceed the specifications as required in DMB’s Procedure 1310.02. Please see Appendix G for additional information.

Affirmational

- 1) Contractor will perform all backup, retention, and recovery procedures for the BOE in a manner that provides backup, retention and recovery services that meet or are better than



the State of Michigan standards as outlined in PROCEDURE 1310.02. Please refer to Appendix G for detailed information.

- 2) Contractor will provide a minimum of one daily backup of all active datasets and the retention of current copies of all applications software, as well as retention for extended periods as directed by the CA. Selected production dataset backups may be needed with greater frequency than daily. See the current Michigan Department of State backup schedule. Keeping an identical mirrored system including programs, software, and operational staff in a second location may possibly meet this requirement.
- 3) Contractor will maintain a transaction log to allow the restoration of all transactions processed since the last backup, including the option of the transmission of the transaction log to a remote site several times during the day.
- 4) The Contractor will provide a detailed plan for keeping the two data center's files synchronized providing data integrity.
- 5) Contractor will allow the BOE the option of downloading copies of the applications software and applicable datasets to a location it designates.
- 6) Contractor will provide the same standards of processing, storage, security, access, and data integrity for the backup copies as are provided for the BOE data center.

Deliverables

Description of the Backup, Recovery, and Retention Approach

Description of the File Synchronization Plan

Description of the Differences Between MDOS and Contractor's Backup/Restoration Procedures

Describe any differences in contractor's proposed backup and restore procedures from the existing BOE/MDOS procedures. Describe the advantages/disadvantages of any proposed procedures, which differ from existing BOE/MDOS procedures.

Description of Any BOE Specific Procedures

II-S SECURITY MANAGEMENT & RELIABILITY

Informational

The Contractor will be required to meet or exceed the specifications as required in DMB's Procedure 1310.02. Please see Appendix G for additional information.

Affirmational

- 1) Contractor will support the following security management requirements as agreed to by BOE:
 - a) BOE desires to maintain control of all security management functions, particularly those with a direct impact on the application software and its data. Due to confidentiality requirements of State and federal laws, statutes and ordinances, BOE must employ controls and establish appropriate audit trails on all operating system and application files, user and operator IDs, and network connections. The operating system environments must not share communications connections (direct, shared, chained or switchable) with any operating system environments not used by BOE without the direct and specific approval of the CA.
 - b) Contractor shall select and maintain the data processing facilities to provide low vulnerability of the location to natural disasters, such as flooding, earthquakes, damaging winds or other destructive events. (Please refer to Appendix G for detailed information.)



- c) Contractor shall provide and maintain a data processing facility, which minimizes the possibility of fire damage.
- d) Contractor shall prevent unauthorized persons from having physical access to the processing facilities and critical areas within the data center, to include power supply facilities.
- e) Contractor shall provide controls to limit physical access to communication devices and processes.
- f) Contractor shall provide reliable equipment and establish maintenance practices, including preventive maintenance and maintaining on-site spares, to ensure that service interruptions are minimal.
- g) Contractor shall provide controls for system access to limit access to only personnel specifically associated with applications, both during regular operations and in emergency conditions.
- h) Contractor shall provide program and data access change controls.
- i) Contractor shall provide security procedures for the protection of on-site and off-site application software and data storage and facilities.
- j) Contractor shall provide BOE staff access to the security loges upon request.
- k) Contractor shall provide BOE staff training required to interrupt the security logs.
- l) Contractor shall provide BOE staff a downloadable copy of the security logs in BOE's designated format.
- m) Contractor shall provide for replacement of key personnel who become incapacitated or whose services are otherwise suddenly and unexpectedly lost within 24 hours.
- n) Contractor shall provide procedures to detect and minimize the impact of hacking, security breaches, and physical damages, such as detection mechanisms, timely reactions to reduce the effect of detected problems, and recovery procedures; and to detect and prevent fraud.
- o) Contractor shall maintain a log of access attempts, utilization, and down time, and provide reporting and monitoring capabilities, including:
 - i) Logging to a remote and secure disk; and
 - ii) Providing a series of standard reports with the capability to sort on user-defined parameters or selected data, based on user-defined criteria (e.g. time period, level/type of employee, accessed programs and data, etc.).
- p) Contractor shall cooperate with the BOE to ensure that agreed upon security levels are met.
- q) Contractor will ensure the systems security at the backup processing facility (ies) performs at the same level as that required for Bidder's data center.

Deliverables

Description of Reliability Methods and Security Procedures

II-T DISASTER RECOVERY SERVICES

Informational

The contractor will be required to meet or exceed the specifications as required in DMB's Procedure 1310.02. Please see Appendix G for additional information.

Informational

The implementation of a complete disaster recovery system is an essential element of this project. BOE must be able to respond in an effective and timely manner to both minor and major disruptions in processing. BOE believes this can only be accomplished through the implementation of fully redundant data processing facilities providing effective service continuity and disaster recovery process.



Affirmational

- 1) Contractor will provide reliable systems protection, data protection, and disaster recovery for the applications that, at a minimum, will support the following requirements:
 - a) If one site has a disaster, the second site must take over full operation by providing full service to BOE and their users immediately without **any** loss of service.
 - b) Restore full processing within 48 hours after the declaration of a disaster; if both sites are involved in the disaster.
 - c) Provide process that requires declaration of disaster when the recovery time from the initial outage is projected to be greater than 24-hours. The 24 hour requirement can only be overridden upon the specific agreement of Contractor and CA for each specific outage;
 - d) Provide timely recovery of the applications system and information;
 - e) Permit an orderly and timely return to routine operations;
 - f) Provide long-term solutions for restoring damaged data processing facilities.
- 2) Contractor's disaster recovery service will meet, at minimum, the service levels defined in the Administrative Guide issued by the Department of Management and Budget.
- 3) Contractor will develop an overall BOE Disaster Recovery Plan. The Plan will be a detailed description of all strategies, standards, procedures, schedules, and resources required to complete the disaster recovery process. The document is a detailed work plan, which drives the disaster recovery effort. The objectives of the Disaster Recovery Plan must include, among other things:
 - a) Definition of roles and responsibilities;
 - b) Ease of implementation;
 - c) Quick restoration of operations; and
 - d) Currency and compatibility with normal operations.
- 4) The Disaster Recovery Plan will contain detailed descriptions of all strategies, standards, procedures, schedules and resources required to complete the disaster recovery process, including such elements as:
 - a) Step-by-step actions to be taken immediately and as part of a more detailed survey of damages to determine additional actions necessary;
 - b) Members of the disaster recovery team including names, titles, responsibilities under the plan and contact information for key team members;
 - c) Decision tree in a disaster situation;
 - d) Actions required by the BOE in a coordinated disaster recovery plan, and impacts on processing during the recovery process;
 - e) Security provisions at original, secondary, and recovery sites during recovery;
 - f) Backup provisions including off-site storage during recovery;
 - g) Periodic testing procedures, live and simulated, for the disaster recovery plan; and
 - h) Long-term planned solutions, such as rebuilding the data center.
- 5) The Disaster Recovery Plan will provide that the CA will make the ultimate decision as to whether to declare a disaster.
- 6) Contractor will develop an overall Disaster Recovery Manual. The Manual will be a detailed reference guide that provides technical specifications, telephone numbers, and addresses of key disaster recovery team members, special processing characteristics, and other system specific detailed reference material. The Disaster Recovery Manual serves as a supplement to the Disaster Recovery Plan.
- 7) Contractor, in conjunction with the BOE, will develop a Disaster Recovery Test Plan.
 - a) The BOE will retain overall responsibility for the Test Plan, but will expect the contractor to cooperate fully with all disaster recovery procedures.
 - b) The Test Plan will specify rigorous testing procedures, which are designed to certify the quality of the BOE Disaster Recovery Plan.
 - c) The test plan will define the goals, scope, and schedules for evaluating the quality of recovery test teams, data, computer equipment, and resources.
 - d) The goal of disaster recovery testing will be to evaluate the proficiency and competence of resources necessary to complete a disaster recovery implementation.



- e) The test plan will include each team member required to perform the actual implementation and describe his or her roles and responsibilities.
- f) The Disaster Recovery Test Plan will be executed at least once every twelve (12) months.
- g) Written evaluations of test results are to be used to improve disaster recovery procedures and refine the recovery plan.
- 8) Facilities which are used to backup the BOE hardware, software and data will continue to meet or exceed the agreed upon service levels, including those for processing, storage, security, access, and data integrity. Other backup site requirements include:
 - a) Contractor will plan, arrange, test and provide a backup site, which will not be affected by the declaration of a disaster at contractor's data center.
 - b) The backup-processing site shall be accessible by airports, major highways, and other public transportation, and located within the continental United States.
 - c) The backup-processing site will contain hardware and communications facilities, which are sufficient to handle normal processing loads.
 - d) The backup-processing site will be available six (6) days per year for testing, at twelve (12) month intervals, at no additional cost to BOE.
 - e) The backup-processing site will be available for BOE inspection at any time at the contractor's convenience, upon 12-hour notification.
- 9) In the event of a declaration of a disaster at the processing facility, contractor will provide all software, hardware, and expertise necessary to restore processing within 48 hours.
- 10) The CSR or a designated representative will be available 24 hours per day, 7 days per week in order to receive official notification of a disaster and to coordinate contractor's response to the disaster.
- 11) Contractor will maintain a complete and current backup copy of:
 - (1) All production application software;
 - (2) All production application data;
 - (3) All operating system software and other applicable system software; and
 - (4) All other files or software deemed necessary to restore BOE's operating environments to an alternate site, if need be.
- 12) Contractor will provide another complete and current backup copy of all files or software deemed necessary to restore the BOE's operating environments to an alternate site. This backup copy will be maintained by BOE.
- 13) Upon official declaration of a disaster by the CA, contractor shall immediately initiate and execute the procedures to satisfy its responsibilities as described and defined in the overall Disaster Recovery Plan.

Deliverables

BOE Disaster Recovery Plan

Disaster Recovery Manual

The Disaster Recovery Manual is due within 90 days from the contract's issuance.

Disaster Recovery Test Plan

The Disaster Recovery Test Plan is due within 90 days from the contract's issuance.

Definition of a Declared Disaster

Description of Disaster Recovery Services

II-U CAPACITY MANAGEMENT



Informational

The contractor will be required to meet or exceed the specifications as required in DMB’s Procedure 1310.02. Please see Appendix G for additional information.

Affirmational

- 1) Contractor will perform the necessary capacity management activities to ensure that the BOE will have the necessary computing resources available to meet the agreed-upon service levels, as detailed in the BOE Service Level Agreement (BOE-SLA).

Deliverables

Description of the Capacity Planning Process

Description of capacity planning by addressing how contractor will satisfy the following requirements:

- (1) Provide and support automated system-monitoring tools.
- (2) Regularly examine the data gathered from the automated system monitoring tools and use a systematic performance evaluation methodology to identify and correct technical configuration problems or bottlenecks.
- (3) Regularly perform workload and system resource balancing, and provide efficiency recommendations concerning the BOE applications, to tune the data center resource for maximum cost-effectiveness.
- (4) Provide meaningful capacity analysis reporting at various levels of interest, minimally to include CPU and disk storage, to range from the perspective of a technical capacity analyst through that of a project director or other manager or administrator (provide examples).
- (5) Work with the CA and other BOE officials designated by the BOE to accurately forecast future capacity requirements.
- (6) Provide BOE with direct access to capacity and performance monitoring tools and to all data required to support usage statistics.
- (7) Contractor shall provide a brief overview of the performance reports that contractor proposes to provide BOE.
- (8) Application hour utilization statistics compiled by operating environment, summarized by hour and by day, reported on a weekly basis.
- (9) Disk utilization statistics compiled by operating environment, summarized by hour and by day, reported on a weekly basis.

II-V SERVICE LEVEL MANAGEMENT / SERVICE LEVEL AGREEMENT

Informational

- 1) While BOE desires to maintain an ongoing, synergistic partnership with contractor, BOE requires liquidated damages to help assure contractor's performance.
- 2) Minimal service level requirements are defined later in this section.

Affirmational

- 3) Contractor will provide periodic service level reporting consistent with the priority and importance of the measured or monitored item and in accordance with the published BOE Service Level Agreement (BOE-SLA).
- 4) Contractor will ensure the reports are comprehensive, but will define exceptions by highlighting or reporting them separately. Exceptions will include all deficiencies, but may include indicators of superior performance as well.
- 5) Contractor, with BOE, will enter into a mutually agreeable Service Level Agreement that will:



- a) Explicitly describe the level of service that the BOE will receive for each item of service, in accordance with the Contract provisions.
- b) Will describe in detail exactly how each service level listed in the contract will be measured, monitored, and reported.
- c) Will explicitly describe the liquidated damages associated with non-performance for each item of service listed in the contract.
- 6) Service levels will be tied to clear and measurable performance requirements with associated liquidated damages for breaching these established performance guarantees.
- 7) BOE will use deficient service level incidents as the basis for liquidated damages.
- 8) Response to a deficient service level incident will be immediate and thorough.

Note: The term “mutually agreeable” as used throughout the document is intended to represent a process used by both the contractor and BOE staffs to come to a consensus on a topic, issue, or deliverable date. If after several good-faith meetings, the CA determines a consensus is not forthcoming, the CA will make the final decision which is binding on both the contractor and BOE.

Deliverables

Description of the Service Level Management

II-W DEVELOPMENT SOFTWARE AND SERVICES REQUIREMENTS

Informational

The contractor will be required to meet or exceed the specifications as required in DMB’s Procedure 1310.06 and 1310.07. Please see Appendix (1310.06) and Appendix (1310.07) for additional information.

Affirmational

- 1) Contractor will provide tools, and development support services, which include, but are not limited to, access to all current and future development tools required by applications development and support personnel.
- 2) Contractor shall provide development software that is more functional than the development software that exists at the BOE today.
- 3) The contractor will provide full and complete system and application documentation. BOE will provide all current documentation it has to the selected vendor. BOE doesn’t have full and complete documentation for all system and application processes. It will be the vendor’s responsibility to assure the documentation is complete and accurate within six (6) months from the establishment of the contact.
- 4) When the contractor makes changes to any of BOE’s systems or applications, it is the contractor’s responsibility to update or create new documentation. All modified or new documentation must be completed with 60 days (or sooner) of the change. All documentation must be approved by MDOS’s CA before the contractor’s responsibility will be considered completed. The CA will approve the format and software to be used to create the documentation.

Deliverables

Listing of Application Development Resources

- a) Interactive debugging tools
- b) File/database handlers
- c) File/data compression tools
- d) Test data generators
- e) Report generators and prototyping tools
- f) Program dump analyzers
- g) Optimizing compilers, program analyzers
- h) Project management and estimating tools



- i) On-line report viewing, distribution, and archiving tools
- j) Cooperative processing software and tools
- k) Program version control software
- l) Problem and change management software
- m) All other available tools (please specify)

Listing of Training and Documentation

Indemnification of training and documentation that will be provided by contractor for any software contractor proposes that BOE does not currently use.

Management Policy Statement

Affirmative management policy statement on contractor's commitment to maintaining a comprehensive "state-of-the-art" data center and independent development environment.

System and Application Documentation Standards

Complete System and Application Documentation

Plan to meet the six month requirement for the completion of the documentation.

II-X DATA PROCESSING FACILITIES AND SERVICES CONVERSIONS

Affirmational

Contractor will demonstrate to the CA's satisfaction that the system functions will operate at the agreed upon service levels before the BOE will acknowledge the conversion is complete.

Deliverables

Conversion Project Plan and Task List

Provision of a detailed conversion project plan, conversion test plan, and task list with Work Statement response. Target dates and responsibilities assigned to meet a conversion date. Provision of detailed steps for how and when at least the following milestones will be met:

- a) Transition to hardware and software at contractor facilities;
- b) Test Plan for the conversion accuracy;
- c) Conversion to BOE operating environment.

List of Conversion Activities

Conversion plan must identify any conversion activities that must be performed by BOE personnel. Time estimates must be provided by function (i.e. system programmer, application analyst, etc.). Duties to be performed by BOE staff must be kept to a minimum.

II-Y SERVICE LEVEL REQUIREMENTS

Informational

The contractor will be required to meet or exceed the specifications as required in DMB's Procedure 1310.09. Please see Appendix for additional information.

Affirmational

- 1) The critical nature of the BOE applications requires a system of high reliability, availability, and performance. The users and taxpayers expect this system to respond in the needed time frame, and with accuracy each time it is invoked. Contractor is expected



to work with the State in a spirit of cooperative harmony to ensure that the established standards of reliability, availability, and performance are maintained.

- 2) A decision to outsource BOE's processing facilities and services represents a certain level of risk from which the BOE must protect itself. Therefore, to provide the necessary protection, the BOE requires the establishment of an agreement of service levels to be provided by contractor. The agreed upon service levels are to be monitored and measured periodically. The detailed service level data from the measurement and monitoring effort are to be processed and summarized into clear and concise management reports that are consistent with and accurately support an assessment of the degree of compliance for each guaranteed service level. Generally, all service level monitoring, measurement, and reporting will be conducted by contractor personnel and validated and verified by the CA or a designated representative. However, the BOE must have independent access to all monitoring and measurement tools, and the BOE reserves the right to separately and independently conduct, either by BOE staff or designated representatives, service level auditing, monitoring, measuring, or reporting activities of any kind.
- 3) Service level reporting is to be done periodically, consistent with the priority and importance of the measured or monitored item and in accordance with the published service level requirements.
- 4) BOE recognizes that a formal Service Level Agreement may not be completely established without significant negotiation. This negotiation may not be completed by contract execution and may require a reasonable amount of time after contract execution. Until a mutually agreeable Service Level Agreement is formally established, the Service Level Objectives and liquidated damages established in this section will remain in effect.
- 5) While BOE requires contractor to accept the initial Service Level Agreement objectives defined in this section, BOE recognizes that a small number of transactions or applications are, by their design, incapable of being performed within the defined response objectives. BOE agrees to reasonably consider exclusion of those transactions or applications from the measurements when contractor is able to identify transactions or application that cannot be processed within the defined objectives, after reasonable tuning efforts have been undertaken. BOE will negotiate specific objectives for these transactions as they are identified.
- 6) Contractor must detail their understanding of these requirements and must recommend the formulas and algorithms that will be used to determine the service level performance, and the liquidated damages, together with the proposed measurement, monitoring, and reporting mechanisms necessary to gather the supporting data.
- 7) If there are other items not identified in this section, which lend themselves to service level agreements, then contractor is encouraged to include such items in this section, and to include them in the formal service level agreement process.
- 8) **FAST RESPONSE TIMES**
 - a) Fast response times are essential for BOE because long delays in system response result in inefficiency and low productivity for employees and results in poor service to the customers. The goal of the BOE is to deliver a transaction response time of no more than five (5) seconds on average for all, or at least 98% of the transactions. The five (5) second object is based on a three (3) second objective for internal CPU processing, and a two (2) second objective for delivery through the network (dedicated data line) to the BOE staff.
 - b) Transaction response time is defined here as the elapsed time from the moment the BOE staff transmits a message to the BOE Data Center's computer system(s) to the moment the respondent message is received on the BOE staff's PC.
 - c) BOE recognizes there cannot be any guarantees of transmission times when using the Internet as the communications transport. BOE will allow for different response times for the customers using the Internet to access BOE data. The goal of the BOE is to deliver a transaction response time of no more than three (3) seconds on average for all, or at least 98% of the transactions. The three (3) second time object is based on objective for internal CPU processing.



- d) For those people (non-BOE staff) accessing BOE data via the Internet, transaction response time is defined as the elapsed time from the moment the BOE Data Center's computer system(s) receives a request to the moment the respondent message is sent to the Intranet for delivery.
- 9) NORMAL AVAILABILITY SUMMARY
 - a) BOE Production 7 a.m. - 7 p.m. Monday through Friday.
 - b) Batch filling processing 24 hours/day Monday through Sunday.
 - c) All times are displayed as local Lansing, Michigan time.
 - d) Contractor must commit to the above listed normal availability summary. In addition, contractor's scheduling process must be flexible enough to allow for pre-planned schedule changes and emergency availability requests.
 - e) While BOE generally does not provide processing availability for its staff on official State of Michigan holidays, workload variations may require availability on holidays.

NOTE: Batch filling processing must be permitted during production on-line hours without degradation to the response time detailed in the Work Statement.

The term "mutually agreeable" as used throughout the document is intended to represent a process used by both the contractor and BOE staffs to come to a consensus on a topic, issue, or deliverable date. If after several good-faith meetings, the CA determines a consensus is not fourth coming, the CA will make the final decision which is binding on both the contractor and BOE.

Deliverables

Contractor's Understanding of the Service Level Requirements

Service Level Performance Formulas and Algorithms

Service Level Reporting

Fast Response Times

II-Z SERVICE LEVEL AGREEMENT AND LIQUIDATED DAMAGES

Affirmational

- 1) In consideration of it's processing requirements, BOE desires to establish formal Service Level Requirements with associated liquidated damages that are directly related to the impact of the failure on business objectives. As an example, the liquidated damages for the unavailability of a database could be directly related to the cost associated with overtime required to accomplish the work that could not be processed due to the unavailability of the database. As another example, committees unable to file CFR statements on the due date because of BOE's system being inaccessible are forced to pay penalties. Some of the failures are progressively more costly to the BOE the longer the problem continues. The liquidated damage structure should be progressive to reflect the increased impact of the failure.
- 2) BOE recognizes that establishing requirements and liquidated damages of this nature will take considerable time and negotiation but BOE wants contractors to understand that we fully intend to establish this approach for the formal Service Level Agreement.
- 3) Because these negotiations will not be completed before contract execution BOE has defined the liquidated damages as the initial requirements that contractor is required to minimally meet. These requirements will remain in effect until a formal Service Level



Agreement is executed. These requirements may be modified by mutual agreement through the Change Request process.

- 4) BOE views liquidated damages as extreme measures that we expect will seldom, if ever, be required. Rather, the liquidated damages are intended to serve as incentives to insure that performance remains well within the established Service Level Requirements and should emphasize the importance BOE places on the Service Level Requirements.
- 5) Contracts shall detail their understanding of BOE’s requirements and detail the process they propose to use to establish the formal Service Level Agreement. Contractor shall provide at least one example of a Service Level Agreement (for services which are generally similar to this project) they have negotiated and have executed with an existing customer. Contractors shall confirm their understanding and agreement to all of the requirements and procedures documented in this section.

Deliverables

Description of the Service Level Agreement Development Process

Contractors shall detail their understanding of BOE’s requirements and detail the process they propose to use to establish the formal Service Level Agreement.

Service Level Agreement Sample

Contractor shall provide at least one example of a Service Level Agreement (for services which are generally similar to this project) they have negotiated and have executed with an existing customer. Contractors shall confirm their understanding and agreement to all of the requirements and procedures documented in this section.

Service Level Agreement

Within 90 days of the establishment of this contract, the contractor will provide an agreed upon Service Level Agreement.

II-AA END OF CONTRACT EXIT PROCESS

Informational

1. The contractor will be responsible for the orderly transition of the outsource services back to BOE’s control at the end of the contract. The transition process will take no more than 60 days to complete and has to be completed 30 days before the end of the contract.
2. The contractor will be responsible for assuring that the ported systems function properly on the new hardware platform(s) and all functions are thoroughly tested and meet all performance standards.
3. The contractor will be required to migrate the BOE system(s) to the current MDOS hardware and software standards agreed upon system upgrade and capacity plans in place at the end of the Contract.

Affirmational

1. Within 90 days of the establishment of this contract, the Contractor will develop a plan for reestablishing Data Processing Facilities and Services needed to support BOE’s current business needs at a site under BOE or some other contractors control.
2. The contractor will be responsible for any services required for an orderly transition from the contractor’s site to a BOE controlled site.



3. The contractor will supply hardware, software, and communications specifications so new equipment can be purchased, at the State's expense, to assure the new facility can transition BOE's system's responsibilities without BOE staff or their customers knowing the transition is taking place.
4. The contractor will supply all application and systems documentation required for BOE or contractor's staff to maintain the current agreed upon service levels.
5. The contractor will supply staff to train BOE or contractor's staff on the proposed Data Processing Facilities and Services being transferred from the contractor to BOE or some other contractor.
6. Demonstrate to the CA's satisfaction that the application and system functions will operate at the agreed upon service levels once transferred, before BOE will acknowledge the conversion is complete.

Deliverables

Conversion Project Plan

Provision of a detailed conversion project plan and task list with the Work Statement response. Include target timeframes and responsibilities assigned to meet a conversion date. Also include detailed steps for how and when at least the following milestones will be met:

- (a) Estimate of the time required to purchase and implement hardware and software required to make the BOE facilities fully operational;
- (b) Installation of the applications in BOE operating environment.

Conversion Tasks

Conversion plan must identify any conversion activities that must be performed by BOE/new vendor personnel. Time estimates must be provided by function (i.e. system programmer, application analyst, etc.).

Conversion Time Line

The conversion back to BOE processing facility must be completed three (3) months before the end of this contract.

Note: The cost related to conversion back to BOE's site should be integrated into the total cost of the bid.

II-BB CONTRACTOR QUALIFICATIONS

Informational

The following section details general/specific background information:

Note: The words "you" or "your" in this section represents (a) the contractor and any sub-contractors; and (b) each individual who is or will be an owner, principal or signatory to the contract. Sub-contractor data should be listed independently.

Deliverables

Business Organization Chart

Business Organization. State the full name and address of your organization and, if applicable, the branch office or other subordinate element that will perform, or assist in performing the work defined in this contract. Indicate whether your firm operates as an individual or corporation. If as a corporation, include the state in which it is incorporated. State whether you are registered to do business with Michigan State Government.



Company History

Provide a brief history of your company. Include: (a) your mission and/or business purpose; (b) a discussion of why you chose to provide the type of services requested in this contract; and (c) a description of your level of commitment to the success of BOE and to the services and service levels requested.

Business Organization Profile

Provide a business organization profile, defined here as that portion of the organization's business plan that describes the company or organization. Include a list of principals and describe all associations such persons have with you. The first part of this response must provide your profile. The second part must provide a profile for each subcontractor, if any.

Product Line Description

Describe your "product line(s)." State the industries or types of clients you service and the associated mix percentages. Describe your customer base.

Work History

Provide proof that you do not have a history of providing substandard work.

Service Level Agreement History

Provide proof of your history of meeting agreed-upon Service Levels.

Business Activity Disclosure

Disclose all business activities that you either represent and/or in which you have any financial interests.

Financial History

Provide sufficient financial information to demonstrate your ability to perform the services defined in this contract at an acceptable level. Examples of documents that may be presented to satisfy this requirement include:

- 1) For a publicly held company, the last quarterly audited profit and loss statement and the previous three years audited financial statements.
- 2) For a privately held company, a written statement from the company's certified public accountant stating the financial condition, and debt to asset ratio; a five-year performance set of financial statements beginning with the current year.
- 3) If the specific information listed in sections a and b above is not available, you must state the reason for the unavailability and provide a substitute response that attempts to fulfill the intent of the originally requested item.

Note: When your firm is a subsidiary, supplying financial information for the consolidated entity is not sufficient unless the consolidated entity provides a guarantee of the work and responsibilities of your firm with respect to this contract. The State reserves the right to determine whether the substitute information meets the requirements for Financial Information.



Criminal Disclosure

Disclose all civil or criminal convictions, litigation, investigations, or proceedings for you, which are pending or were concluded within the last seven (7) years prior to the date of the RFP. You need only disclose items, which involve:

- a) Products and/or services similar to those to be provided to the State under this Contract;
- b) Any claim or written allegation of fraud arising out of their business activities;
- c) A claim or written allegation of a violation any State, federal or local statute, regulation, ordinance, or instruction;
- d) A dispute between you and its client or between the bidder and any of the bidder's subcontractors on a systems development or integration project for which the total price is \$250,000 or more; or
- e) A fine, penalty, payment of any type or other financial impact on you or your organization.

Debarment History

Have you ever been debarred by any federal, state or local entity? If so, please provide details.

Bankruptcy History

Have you ever filed for bankruptcy? If so, please provide details.

Description of the Process to Monitor Federal and State Regulatory Proposals

Describe how you propose to monitor federal and state regulatory proposals and mandates in order to identify required changes.

Number of Employees and Location

Indicate your total number of employees and their distribution by function and geographic location(s) - (city/state).

Legal Issues or Constraints

Describe any legal issues or constraints that could conceivably affect a relationship with BOE.

Description of Experience with Data Processing Services

Describe your experience with providing data processing services, including those of similar scope.

Description of System Migration and Conversions

Describe your experience with providing system migration and conversions.

Customer References

Provide a minimum of three (3) customer references that are comparable to, or larger than BOE in size, configuration, complexity and scope/type of services requested. In addition, provide three (3) references of customers, which are comparable or larger in size that receive other, more generic services. Include:

- 1. Customer name, address and current phone number



2. Contact name, title and phone number
3. Type of industry
4. Number of employees
5. Operating environment
6. Years established as customer
7. Specific Projects
 - a. Job (A)
 - b. Time Period Firm was on Project
 - c. Description of Major Duties/Responsibilities
 - d. Cost of the Project
 - e. Relevance to this RFP

Description of Experience with Elections Systems Analysis

Describe any experience with systems analysis and design work on any Elections Systems Services project(s).

1. Define the scope of the project.
2. Provide names, key contacts and phone numbers of customers who can substantiate the quality of work performed and the interaction with the Bidder.
3. Provide an overall evaluation of the success of the project.
4. Provide the name of the key contractor personnel assigned to the project and list their responsibilities on the project.

Description of Customer Impact of Scheduled Outages

Describe customer impacts of scheduled outages for system software support and hardware maintenance:

1. Historically, what have your scheduled outages been?
2. What are your planned outages for the next 18 months?
3. How are maintenance contention issues resolved between customer and Bidder?
4. What are your systems software and change control freeze periods?

Projected Capital Expenditures

Describe your projected capital expenditures for the next three (3) years in the following categories: (Note: if you are a subsidiary, you may NOT include your parent company's capital projections.)

1. Hardware by CPU and device types
2. System software
3. Development tools
4. Performance and tuning tools
5. Diagnostic tools

Description of Future Growth Plans

Describe your future growth plans related to providing Data Processing Facilities and Services.



II-CC CONFIDENTIALITY OF GOVERNMENT RECORDS

Affirmational

- A. The Department agrees to provide the contractor with TCP/IP addresses for hardware connected to the Department’s administrative network (LMAN) and all relevant network diagrams. In particular, TCP/IP addresses will be provided for the State’s Banyan Vines Servers and mini-computers.

- B. The contractor agrees that TCP/IP addresses and network diagrams are confidential records and that such records may not be copied or used for any purpose not directly connected with the contractor’s duties as stated herein without the express written permission of the Department. The Bidder shall notify all of its officers, employees, agents, sub contractors (and their officers, employees and agents), and other persons providing services for the contractor that TCP/IP addresses and network diagrams are strictly confidential and must not be copied or disseminated to unauthorized persons.

- C. The contractor agrees to indemnify and save harmless the State of Michigan, the Department, and their officers, employees and agents, from any claim of breach of privacy made by any person, firm or corporation, for an act committed by any officer, employee, agent, sub contractor, or other person providing services on behalf of the contractor.

- D. The contractor shall not sell, share or misuse BOE information, address or other personal information that is received, stored or processed through BOE’s data processing systems.

Deliverables

Confidentiality Agreement

The contractor must provide MDOS/BOE a Confidentiality Agreement detailing their agreement for keeping MDOS data as outline in the above section confidential.

Staff Notification Process

The contractor will provide BOE with a document describing the process used to inform staff and any subcontractor’s staff of the confidentiality requirements.



II-DD TABLE OF DELIVERABLES

Section Name	Deliverables	Due Date
II-D DATA PROCESSING FACILITIES		
	Proposed date for assuming operation of BOE's current systems	30 Days
	Description of the Hardware Solution	Due at Bid
	Hardware Configuration Diagram	
	Printer Configuration Diagrams	
	Communications Plan	
	Remote Access Configuration Diagrams	
	Data Communication Capacity Plan	
	Connectivity to Contractor's Facilities	
	Facilities Description	
	Testing and Development	
	Technical Event Reporting Process	
	Application Software and Production Support	
	Processing Capacity	
	Description of BOE's Data Center Resources	
	Computer Operations Services	
	Scheduling and Production Procedures	
	Description of Contractor's Procedure Establishment Process	
	Ad Hoc and Emergency Procedure Overview	
	Description of the Data Storage Management Approach	
II-E PRODUCTION MIGRATION		
	Description of Production Migration Approach	Due at Bid
	Proposed Production Migration Project Plan and Timeline, including final Migration Date	30 days
	Periodic Project Status Reports, mapped to the Production Migration Project Plan	As required by the contract Administrator
II-F MANAGEMENT PLANS		
	Data Management Plan	Due at Bid
	Print Management Plan	
	Workload Scheduling Plan	
	Performance Management Plan	
	Service Level Management	
	Problem Management	
	Configuration Management	
	Change Management	
II-G SCOPE, ROLES AND RESPONSIBILITIES, AND LOCATION OF SERVICE		
	Contract Administrator (CA) Duties	Due at Bid
	Customer Services Representative (CRS) Duties	Due at Bid
	Data Center Standards	60 Days
	Facilities Location	Due at Bid
II-H GENERAL TECHNOLOGY AND CURRENCY REQUIREMENTS		
	Description of the Technology Deployment Requirements	Due at Bid
	Description of the Data Center Standards and Practices	30 Days
	BOE Multi-Year Technology Plan	
	Method for Maintaining BOE Technology Plan	
II-I GENERAL SYSTEM SOFTWARE REQUIREMENTS		



	List of Operating and Applications Software	Due at Bid
	Technology Advances Affecting BOE's Systems and Applications	
	List Proposed Software	
	Pricing Formula for Application and Software Changes	
II-J SYSTEM MANAGEMENT SOFTWARE		
	List of System Management Software	Due at Bid
II-K DATABASE SOFTWARE		
	List of Database Software	Due at Bid
II-L REPORT MANAGEMENT AND DISTRIBUTION SOFTWARE		
	List of Report Management and Distribution Software	Due at Bid
II-M BACKUP, ARCHIVAL, AND RESTORE SOFTWARE		
	List of Backup, Archival, and Restoration Software	Due at Bid
	Description of Software Support	
II-N SECURITY SOFTWARE		
	Description of Data Center Security Software	Due at Bid
	Description of Encryption Software	
II-O VIRUS PROTECTION SOFTWARE		
	Virus Protection Description	Due at Bid
II-P DATA PROCESSING SERVICES REQUIREMENTS		
	Data Center Standards and Procedures Manual	120 Days
	Data Center Standards and Procedures Manual Revision Schedule	
II-Q SYSTEMS PROGRAMMING SUPPORT		
	Description of System Programming Support	Due at Bid
	Description of Technical Support for MDOS Staff	
II-R BACKUP, RETENTION AND RECOVERY SERVICES		
	Description of the Backup, Recovery, and Retention Approach	Due at Bid
	Description of the File Synchronization Plan	
	Description of the Differences Between MDOS and Contractor's Backup/Restoration Procedures	
	Description of Any BOE Specific Procedures	
II-S SECURITY MANAGEMENT & RELIABILITY		
	Description of Reliability Methods and Security Procedures	Due at Bid
II-T DISASTER RECOVERY SERVICES		
	BOE Disaster Recovery Plan	30 Days
	Disaster Recovery Manual	
	Disaster Recovery Test Plan	
	Definition of a Declared Disaster	Due at Bid
	Description of Disaster Recovery Services	
II-U CAPACITY MANAGEMENT		
	Description of the Capacity Planning Process	Due at Bid
II-V SERVICE LEVEL MANAGEMENT / SERVICE LEVEL AGREEMENT		
	Description of the Service Level Management	Due at Bid
II-W DEVELOPMENT SOFTWARE AND SERVICES REQUIREMENTS		
	Listing of Application Development Resources	Due at Bid
	Listing of Training and Documentation	
	Management Policy Statement	
	System and Application Documentation Standards	
	Complete System and Application Documentation	
II-X DATA PROCESSING FACILITIES AND SERVICES CONVERSIONS		
	Conversion Project Plan and Task List	30 Days
	List of Conversion Activities	



II-Y SERVICE LEVEL REQUIREMENTS		
	Contractor's Understanding of the Service Level Requirements	Due at Bid
	Service Level Performance Formulas and Algorithms	
	Service Level Reporting	
	Fast Response Times	
II-Z SERVICE LEVEL AGREEMENT AND LIQUIDATED DAMAGES		
	Description of the Service Level Agreement Development Process	Due at Bid
	Service Level Agreement Sample	
	Service Level Agreement	60 Days
II-AA END OF CONTRACT EXIT PROCESS		
	Conversion Project Plan	90 Days
	Conversion Tasks	
	Conversion Time Line	
II-BB CONTRACTOR QUALIFICATIONS		
	Business Organization Chart	Due at Bid
	Company History	
	Business Organization Profile	
	Product Line Description	
	Work History	
	Service Level Agreement History	
	Business Activity Disclosure	
	Financial History	
	Criminal Disclosure	
	Debarment History	
	Bankruptcy History	
	Description of the Process to Monitor Federal and State Regulatory Proposals	
	Number of Employees and Location	
	Legal Issues or Constraints	
	Description of Experience with Data Processing Services	
	Description of System Migration and Conversions	
	Customer References	
	Description of Experience with Elections Systems Analysis	
	Description of Customer Impact of Scheduled Outages	
	Projected Capital Expenditures	
	Description of Future Growth Plans	
II-CC CONFIDENTIALITY OF GOVERNMENT RECORDS		
	Confidentiality Agreement	Due at Bid
	Staff Notification Process	



II-EE PROJECT PHASES

The project phases are considered to be:

<p>Phase 1: Requirements Analysis</p>	<p>Phase 1 is complete when all of the following deliverables are provided to and deemed acceptable by MDOS:</p> <ol style="list-style-type: none"> 1) Project work plans and schedules. <ol style="list-style-type: none"> a) Hardware Development Plan b) Software Development Plan c) Change Control System d) Software Transition Plan e) Software Quality Plan f) Data Management Plan g) Print Management Plan h) Workload Scheduling Plan i) Performance Management Plan j) Service Level Management Plan k) Change Management Plan l) Configuration Management Plan m) Disaster Recovery Plan 2) Detailed description and location of the proposed BOE Data Centers. 3) Final system specifications documents <ol style="list-style-type: none"> a) Hardware Functionality Specification b) Interface Requirements Specification c) Software Requirements Specification d) Communications Requirements Specification 4) BOE Application Performance Standards. 5) BOE transaction response standards document. 6) Bidder Problem Resolution Procedures. <ol style="list-style-type: none"> a) A problem repair Tracking System b) A system for documenting performance problems 7) Inventory of Bidder and MDOS responsibilities. 8) Inventory of Bidder's project staff. 9) Key milestone dates. 10) Project Gantt chart.
<p>Phase 2: Design</p>	<p>Phase 2 is complete when all of the following deliverables are provided to, and deemed acceptable by MDOS.</p> <ol style="list-style-type: none"> 11) Final system Design Description documents. <ol style="list-style-type: none"> a) Software Design Description b) Database Design Description c) Interface Design Description d) Communications Design Description 12) Software Test Plan. 13) Software Test Description. 14) Incremental Expansion Schedule. 15) Points of Failure Listing. 16) Process flow charts. 17) Custom program diagrams.



	18) System flow charts. 19) Telecommunications requirement document.
Phase 3: Implementation	Phase 3 is complete when all of the following deliverables are provided to and deemed acceptable by MDOS: 20) Software Test Report. 21) Transaction data file purge program. 22) Method for securing data during transmission. 23) Detailed description of the proposed system. 24) Data Replication Concept/Catastrophic Event Plan. 25) A strategic counseling and management support plan. 26) Data purge/ archival systems(s). 27) Transaction Rollback system. 28) Security Audit.
Phase 4: Completion	Phase 4 is complete when all the following deliverables are provided to and deemed acceptable by MDOS: 29) Operation manuals. 30) Troubleshooting Manual 31) Parallel design and testing site. 32) Off-the-shelf software manuals (if appropriate). 33) BOE statistical reports. 34) Software Users Manuals. 35) Computer Programming Manual. 36) Firmware Support Manual. 37) Implement a fully redundant BOE Data Center.
Phase 5: Acceptance	Phase 5 is complete when: 38) Program source code.

We agree to allow the initial extension of no more than 45 days for these deliverables. If NIC finds it needs the additional 15 days BOE is open to discuss it further. However, these extensions do not relieve NIC from the 120 day deadline for migration of the system on page 29 section 2E of the contract.

BOE is willing to extend the transition period from 30 days to no more than 45 days. Again, the extension does not relieve NIC from the 120 day deadline for migration on page 29 section 2E of the contract.

Yes, BOE system support will be available during the transition period to the best of our ability.

BOE will commit system support resources for no more than 30 days from signing of the contract.

II-FF PRICE PROPOSAL

Prices/rates quoted are the maximum for a period of five years (1,825 days) from date contract becomes effective. Prices may be subject to revision at the end of the original five year contract.



Cost of living adjustments can be negotiated before entering into any of the three - two-year contract extensions. Such changes shall be based on general industry changes and supported by adequate detail to document same. Revisions may be either increases or decreases and may be requested by either party. The prices quoted after negotiations for each two-year (730 day) extension period shall be firm.

Negotiations for any of the three two-year extensions shall commence no less than six months before the end of the contract or extension. Requests for price changes shall be received in writing at least 6 months prior to their effective date, and are subject to written acceptance before becoming effective. In the event new prices are not acceptable, the Contract may be canceled.

II-GG CONTRACT PAYMENT

All invoices should reflect actual work done. Payment shall be made quarterly with the first quarterly payment due 15 days after the proposed Contract Agreement has been signed and accepted by both the Contractor and the Director of Purchasing, Department of Management & Budget.

The first invoice and payment should be adjusted to synchronize to the State fiscal quarters. Depending on the date the contract Agreement is signed the first payment may be more or less than a full quarter's payment, depending on if the quarter is more than 50% completed or not. If the quarter is less than half completed add the prorated days to the next quarter invoice. If the quarter is more than half completed, invoice the prorated time up to the next quarter.

- 1st Quarter – October 1 thru December 31
- 2nd Quarter – January 1 thru March 31
- 3rd Quarter – April 1 thru June 30
- 4th Quarter – July 1 thru September 30



**Appendix A
Bureau of Elections Vision**

**VISION STATEMENT
BUREAU OF ELECTIONS, DISCLOSURE DIVISION
CAMPAIGN FINANCE, LOBBY AND ELECTIONS MANAGEMENT SYSTEM
December 15, 2001**

The Bureau of Elections has a broad and flexible vision of the future. Our vision is in keeping with the stated mission of the Secretary of State focusing on constant improvement of our customer service. To do this we plan to apply state of the art technology to programs administered by the Bureau to meet the needs and demands of our customer base. The vision includes enhancing and extending the disclosure of campaign finance, elections and lobbyist data beyond Lansing. The Bureau of Election’s vision statement is to:

- Maintain and use the most current technology improvements, which balances cost, efficiency and convenience, to provide products and service to our customers.
- Provide the most secure environment for the acceptance, retrieval and storage of the Bureau’s data.
- Reduce duplication of key entry, both internally and externally, by utilizing the key entry at the source. This includes enhancing the ability for filers to use the data entered in a variety of ways and developing a campaign management component.
- Provide electronic filing and updating of Bureau records, which include the Statement of Organization, Late Contribution Reporting, Lobby Registration and correspondence.
- Create a transaction based program vs the current program which is a report based
- Provide cross-reference information for contributing PAC’s and Candidates. (Support Report)
- Provide statistical reports on line that are automatically updated with electronically filed information.
- Better communicate with our filers using the Internet and email as methods of delivering correspondence and notices.
- Provide all Bureau publications forms and manuals on the web and reduce the amount of storage of copies on site and at the warehouse.
- Eliminate manual scanning of documents by increasing electronic filings, creating correspondence forms, and converting our word-processed documents to an electronic form that can be automatically loaded to the Web.



- Provide additional tools the Disclosure Analysts that will enhance their ability to track committee's assigned to them. For example, clear and informative email notifications of electronic filings, which have been received or rejected by the server.
- Automate the review of electronically filed campaign statements.
- Eliminate the image replica of electronically filed data in the server.
- Develop Internet based forms where applicable.
- Provide electronic filing access and support to local candidates.
- Integrate the filings statewide by including the local candidate information, which can be accessed seamlessly by filing officials, filers and the public.
- Enhance the electronic filing software through the application of new technology, incorporating customer suggestions and staff suggestions. For example to allow PAC's to enter payroll deduction contributions with minimal effort and provide for networking of the software.
- Integrate the current systems (CFR, EMS and Lobby) with the Qualified Voter File and County Clerks to electronically receive election night county results and Precinct-by-Precinct results.
- Fully automate and integrate the Casino Registration Program into the system structure.



Appendix B
Description of BOE's Current Systems

Campaign Finance Reporting

[Committee Tracking Process Manual](#)

[LOG-IN Processing Manual](#)

[Scanning Process Manual](#)

[Password Assignment Manual](#)

[Reports Manual](#)

[Keying Screens Manual](#)

Lobby Registration

[Tracing Manual](#)

Elections

[Web Interface Manual](#)

[Elections Management System \(EMS\) Manual](#)

[Precinct Results System Manual](#)



Appendix C Current Hardware Description

Database Server

Hardware:

- SUN E3002 Enterprise Server

Operating System:

- SUN Solaris 2.7

Disk(s) Size:

- 4 - 18.2GB HD
- 4 - 2.1GB HD

Memory:

- 512MB memory

CPU:

- 2 - 336MHZ CPU's

Elections Staff Desk Top

Hardware:

- Dell OptiPlex (approximately 30 PCs)

Operating System:

- Windows 95 (soon to Windows 2000)

Disk(s) Size:

- 6 GB HD

Memory:

- 128 MB memory

CPU:

- 1 – 300/600 MHZ Pentium II

Image Workstation

Hardware:

- Compaq PCs with Kofax Image Processor Board KF9210 (3 each)
- Bell and Howell 3338A Scanners (3 each)

Operating System:

- Windows 95 (soon to Windows 2000)



Disk Size:

- Sun D-1000 StorEdge Array 166 GB (part of server C, dedicated for Images)

Memory:

- 1 – 300 – 600 MHZ Pentium II

CPU:

- 128 MB memory



**Appendix D
Current Operating Environment Description**

MICHIGAN CAMPAIGN FINANCE - Manuals

[BALLOT QUESTION COMMITTEE](#)

[POLITICAL PARTY COMMITTEE](#)

[FOR INDEPENDENT COMMITTEES AND POLITICAL COMMITTEES \(PACs\)](#)

MERTS PLUS SOFTWARE – Manuals

[GUBERNATORIAL CANDIDATE COMMITTEE](#)

[INDEPENDENT AND POLITICAL COMMITTEES \(PACs\)](#)

[BALLOT QUESTION COMMITTEES](#)

[POLITICAL PARTY COMMITTEES](#)

[CANDIDATE COMMITTEE MANUAL](#)

GUBERNATORIAL – Manuals

[INTRODUCTION](#)

[GUBERNATORIAL CANDIDATE COMMITTEE](#)

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Appendix E
Current Software Description

Database Server

- NCSA Web Server
- SUN Solaris 2.7 Operating System Software
- Database Software:
 - Informix Online 7.24.UC2
 - Informix SQL 6.03.UC1
 - Informix 4GL 6.03.UC1
 - Informix RDS 6.03.UC1

Elections Staff Desk Top

- Windows 95 (soon to be Windows 2000)
- Access 2.0
- Informix CLI 2.5
- Hummingbird NFS 6.11
- PaperBridge 2.0

Image Component:

- Drivers for Bell and Howell Scanner
- Driver for Kofax Board
- Access 2.0
- Informix CLI 2.5
- Hummingbird NFS 6.11
- PaperBridge 2.0
- Ghostscrip (used to convert TIF images to PDF)



**Appendix F
Estimate of Work Load Volume**

**ESTIMATED WORK LOAD VOLUMES
BUREAU OF ELECTIONS, DISCLOSURE DIVISION
CAMPAIGN FINANCE
MAY 2000**

The Bureau of Elections has implemented an electronic filing program. Currently the program is voluntary. Effective 2004, it will be mandatory for candidates that file at the state level to file electronically if their receipts or expenditures exceed \$20,000. Below are some work load estimates for the next four years.

	Actual Numbers	Percentages
Committees Required to File Reports	1669	100%
Estimated number of Committees who will be required to use Merts Plus (campaigns over \$20,000)	701*	42%

* This is the minimum number of committees that will be required to file electronically. We estimate that the actual number of committees opting to use the software will be much greater and exceed 1000.

Committees Registered for Merts Plus (includes campaigns over and under \$20,000)	413
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Estimated Report size in Paper in pages: 75 Originals and 35 Amendments
Estimated Number of Records per report: 300

Estimated number of Original Reports filed per 4 Year Cycle: 14,500
Estimated Number of Amended Reports filed per 4 Year Cycle: 7,100

Estimated 4 Year Cycle pages: 1,336,000
4 Year Cycle records: 6,480,000

Total size of space available for images: 166 GB
Total size of space available for data: 1 GB

Current size of space used for images: 50 GB
Current size of space used for data: 700 MB

We are estimating a growth in data space usage of 50% per year through the electronic filing mandate of 2004 and a 25% growth in space usage for images.



**Appendix G
Information Processing Security**



**Appendix H
Information Processing and System Development Methods**

PROCEDURE 1310.07

Issued January 1, 1994

SUBJECT:

Information processing and system development: methods.

APPLICATION:

Executive Branch Departments and Sub-units.

PURPOSE:

To provide the procedures and guidelines for developing effective information processing systems.

CONTACT AGENCY:

Department of Management and Budget (DMB) - Office of Information Technology Solutions (OITS), Standards and Planning Division.

TELEPHONE:

517/373-7326

FAX:

517/335-2355

SUMMARY:

Each Executive Branch Department and Sub-unit should follow established informational processing system methods.

Any selected method must encompass the following 5 phases:

- Project Definition.
- Design.
- Development.
- Installation.



- Post-Implementation Review.

The statewide Project management methodology (Procedure 1380.01) should be utilized.

APPLICABLE FORMS:

None.

PROCEDURES:

· Project Definition Phase:

- The primary objectives during this phase are to: define program objectives, determine major informational requirements and functions of the new system, evaluate system alternatives based on cost/benefit, risk and impact analysis, establish project plans for developing and implementing potential new system, and affirmation of management's commitment to the project.

-- Major Activities of Project Definition Phase:

--- Identify, review and evaluate existing hardware/software system. Develop cost/benefit analysis.

--- Review and identify strategic objectives of the Executive Branch Department and Sub-unit's major informational needs by determining a conceptual design for the proposed system, defining system functions, informational flow requirements and interfaces, and documenting project scope.

--- Document resource requirements by identifying software alternatives and costs, hardware requirements for system and project, development plans for staffing, acquiring specific skills, user participation, and training.

--- Complete system cost/benefit and risk analysis. Document assumptions, estimate expected benefits, assess potential risks, estimate development and operations costs.

--- Document economic impact analysis and organizational changes of and required by proposed system.

--- Develop implementation of work plans based on project assumptions, alternatives and scope.

--- Develop and identify project schedule, including milestone target dates, implementation steps and approaches as well as personnel requirements.

-- Key Products of the Project Development Phase:

--- A Feasibility Study Report (FSR).

· Design Phase:

- This phase begins with a closer look at specific informational requirements of the user environment and builds upon information gathered and refined during the Project Definition Phase. Once the detailed requirements are defined, a detailed design is produced which describes how the system will be structured to satisfy agency objectives. The Design Phase may be considered the most critical phase in the project. Errors corrected at this phase can substantially diminish time and costs associated with error correction in subsequent phases.



-- Major Activities of the Design Phase:

- Define detailed user requirements by: presenting a review of department's current mode of operation, conduct user interviews to identify functional, performance, and security requirements.
- Expand upon conceptual design. Define inputs, outputs (e.g., screens, reports), processing functions, and data requirements; create data models and define interfaces, develop preliminary functional specifications.
- Prepare detailed design. Design system processes, data bases, technical architecture, performance, security, and control processes, test data, conversion processes.
- Determine hardware and system software strategies. Develop selection criteria, identify and evaluate alternatives.
- Determine performance requirements. Define minimal and optimal performance requirements, project future processing volumes, identify key success factors and performance measures.
- Obtain user-management participation. Ensure that users are involved in developing functional and technical specifications, approving all design changes, developing user procedures and training plans, and developing testing strategies. Ensure that management reviews monthly progress reports.
- Refine cost/benefit analysis. Estimate installation and operations costs; document benefits.

-- Key Products of the Design Phase are:

- Functional specifications. A complete model of the system as the user will view it.
- Technical specifications. A detailed description of software and hardware requirements.
- Management Reports. Periodic reports of the Design Phase status.
- Plan for next phase.

· Development Phase:

- The Development Phase focuses on the development of the application. Tasks range from completing the detailed design to programming the software, to planning and conducting system tests.

Upon completing documentation of the detailed design, the project team will begin creation of program code for the reports, screens, forms, files, data bases, and records described in the detailed design. During this phase, it is essential to document program specifications with emphasis on coordination among team members. Planning and constructing the system test also take place during the Development Phase. It is essential that the system test be well thought out and that the system, as a whole, be fully tested before it is implemented.

-- Major Activities of the Development Phase

- Review the detailed design. Confirm that the scope and objectives have remained the same, complete technical design, complete data base design, perform design review, confirm cost/benefit figures.
- Plan and arrange for adequate facilities and realistic staffing. Ensure that necessary personnel and facilities for system development and



installation are available.

--- Develop and document program specifications. Document program descriptions, program and module changes; document on-line interactions via flow or action diagrams, schematics, screen descriptions and samples, function key tables, and terminal control procedures; document reports and forms; develop and document module logic and data requirements; develop and document calculation descriptions, coding structures, and validation rules.

--- Develop application software. Finalize work program steps, establish the programming schedule and change request procedures, develop work unit testing environment, establish central dictionary (if needed) and standards for its use, code work units, perform code reviews, prepare test data, establish testing standards, conduct unit tests, walk through all work units and resolve all open points.

--- Develop system test plan. Determine overall testing approach, determine testing conditions, cycles, and standards, develop detailed work plan steps, determine resource requirements for both integration and user tests, ensure adequate user participation, develop approach and procedures for test model development and operations.

--- Create system test model. Ensure that test data base is realistic, including sufficient volumes and types of data, develop a comprehensive testing cycle including period-end and year-end procedures that reflect actual business conditions, establish control procedures for modifying programs during system test.

--- Conduct system test(s). Conduct system integration test, check results of integration test, coordinate and perform user test, ensure that planned testing is fully complete, document all errors or discrepancies noted during test, evaluate users' understanding of and ability to use the system, evaluate ability of computer operations personnel to operate the system, clear all points with project and user management, implement corrections, test all corrections to ensure that previously tested functions still operate properly.

--- Develop installation plan. Determine overall approach, estimate installation costs, document critical path based on dates, tasks, and work steps (consider business cycles, holidays, etc.), determine resource requirements, develop contingency plans, arrange for preparation of site and service facilities and for delivery of software, hardware, and communications network, develop post-implementation review approach, review and finalize installation plan in detail.

- Key Products of the Development Phase are:

- Software. Programs that are accurate, reliable, and fully tested.
- Technical documentation. Thorough documentation of system software and hardware.
- System test documentation. Specifications and results of system testing.
- Installation plan. Schedule and resources required for installation of the system, including site preparation and site testing.

· Installation Phase:

- This phase focuses on the work required to transform the newly developed



system into a fully operational system. To ensure that the implemented system will be fully operational and accepted by the users and management, the project manager must determine that physical resources are complete and ready for conversion, users are trained so that they can understand and use the system, procedures are documented, the data is converted, and finally, system performance is monitored on a regular basis for a significant period of time.

The Installation Phase includes what may be 1 of the largest tasks of the project-system conversion. Every detail essential to the system's success must be ready on time.

-- Major Activities

--- Re-affirm management's commitment to the system. Ensure that agency management agrees on cost, resources, and time required to install the system and the costs and benefits of its ongoing operation, review overall conversion plan with user-management.

--- Develop and document user procedures. Develop system overview, document key features, transaction descriptions, and flow of transaction data, document general input/output schedule, document system functions, collect samples of and describe use of reports, screens, and forms, document system messages, develop glossary of field names.

--- Develop and document computer operations procedures. Document overall architecture and processing flow, document procedures for machine and equipment operation, production control, and computer scheduling, collect samples of and describe forms and logs, document job control listings, document performance, security, and control procedures, ensure that controls are developed for all files and transactions and are easy to use, document back-up and recovery procedures.

--- Develop and document maintenance procedures. Document key system objectives and functions, develop control list of all manuals, including their location, the individuals responsible, and procedures for updating, develop a library control list, including source and load libraries, test models and expected results files, and job control instructions, develop and document change requests and approvals, change implementation, and conversion procedures.

--- Develop and document management overview manual. Develop overview of system objectives, functions, and benefits, develop high-level functional design overview, develop high-level technical overview, develop index and summary of other system manuals and references.

--- Prepare users for installation of the system. Design training programs for user, operations, and management personnel, develop training materials to be used in conjunction with new procedures manuals, ensure that training includes a system overview, schedule, arrange, and conduct training for all personnel prior to system installation.

--- Establish ongoing operations and maintenance team. Identify individuals and involve them in site preparation and system conversion, ensure that they accept responsibility for system and establish an active



user-liaison role, communicate formal system processing schedule.
 --- Coordinate preparation of the physical environment and resources. Complete resource requirements section of installation plan, ensure that an adequate supply of new forms and stationery is produced and distributed, ensure that procedures manuals have been distributed, ensure that there is a contingency plan for late delivery or unavailability of physical resources, establish controls over access to equipment, install and test hardware, system software, and communications network.

--- Convert the system. Develop conversion plan, create conversion files, ensure that all opening balances are reconciled and ready, develop a formal processing schedule, including cut-off dates and times, arrange for adequate user participation in conversion, install system, monitor and document system operation, including response times, volumes, and delivery schedules, transfer system to ongoing operations team.

--- Update existing manuals and materials. Update manuals and materials to reflect changes made during conversion, complete remaining program and system documentation, including system overview, de-bugging and clerical procedures, and index of other manuals and materials, deliver updated manuals and materials and complete system documentation to appropriate personnel.

-- Key Products of the Installation Phase are:

--- Updated system documentation. User procedures, computer operations procedures, maintenance procedures, management overview of the system.

--- Training materials. Tutorials and procedures for system operations and maintenance.

--- Plans for ongoing system maintenance and training. Description of requirements for maintaining the system and ongoing training.

· Post-Implementation Review:

- In the State's information technology environment, the system development process concludes with the completion and approval of the Post-Implementation Evaluation Report.

-- Major Activities

--- The Post-Implementation Review Phase consists of evaluating the performance of the new system and ensuring that:

---- The system meets basic objectives (as determined in the FSR or updated during the project), provides the expected economic benefits, and realizes any projected reductions in personnel.

---- Users' understand all capabilities of the system.

---- User training has been sufficient.

---- Errors are reasonably low and are corrected on a current basis, only minor program modifications are outstanding, data bases balance, controls are maintained on a timely basis, and reports are prepared on time and balanced before distribution.

---- The computer operations team is operating effectively.

---- The system is fully and efficiently operational.



- Key Products of the Post-Implementation Review Phase:
 - Post-Implementation Evaluation Report. This consists of:
 - An assessment of the success and shortcomings of the new system in terms of anticipated benefits and costs.
 - Plans to address system deficiencies and/or inefficiencies.
 - Plans for the ongoing assessment of overall system performance.

OITS:

Upon selection, by agencies, of a SDLC which fulfills the minimum characteristics as stated above; and the submittal of SDLC documentation as stated in Procedure 1310.06, will review, comment upon and/or certify the chosen SDLC within 10 days of receipt of that documentation.

* * *

Procedure Update: 5-1-00
Procedure 1310.07



Appendix I
Quality Assurance

PROCEDURE 1310.09

Issued January 1, 1994

SUBJECT:

Quality assurance.

APPLICATION:

Executive Branch Departments and Sub-units.

PURPOSE:

To provide procedures and guidelines for use of quality assurance techniques which are required for the development of effective automated information systems.

CONTACT AGENCY:

Department of Management and Budget (DMB) - Office of Information Technology Solutions (OITS), Standards and Planning Division.

TELEPHONE:

517/373-7326

FAX:

517/335-2355

SUMMARY:

This procedure establishes QA requirements for information processing system development projects. It describes QA techniques which focus on critical success factors in the project's life cycle phases of: project definition, design, development, installation and post-implementation review.

APPLICABLE FORMS:

Project Assessment Worksheet (PAW).

PROCEDURES:

General Information:

QA is the exercise of disciplined techniques and the enforcement of standards requisite to the implementation of error-free automated information systems. The primary task of a QA staff is to ensure that project plans include provisions for the activities necessary to build quality into the system development process. QA is a management function which focuses on the process for producing automated systems, whereas system development focuses on the product.



Office of Information Technology Solutions Letter No. 8 describes a generic model of a system development life cycle methodology and the major activities and key products associated with each of the 5 major phases. In addition, each phase has critical success factors. The main purpose of the QA function is to monitor progress to ensure that each factor that is deemed critical for the success of the project has, indeed, been addressed adequately. Regular reports should be submitted to the project manager outlining all deficiencies, omissions or deviations from prescribed work plans.

Agency:

- Must establish QA techniques after an information processing system development project has been determined to be a "large scale automated information system" as described in Procedures 1310.06 and 1310.10. Will implement QA techniques in conjunction with an approved system development life cycle method (Procedure 1310.07) to develop and implement systems that:

- Meet defined needs and specifications.
- Are implemented on time.
- Avoid cost overruns.

- Includes the following critical QA related factors:

- Project Definition:

- All critical information needs have been identified and directly support the agency program.
- System alternatives have been identified and evaluated.
- Project definition should be completed to meet associated deadlines in the State's budget process.
- User, technical, and executive management are involved in and approve the products of the phase.

- Design:

- The members of the project team understand their responsibilities and time commitments.
- The users and the project team understand and are in agreement as to how the users will use the system. This includes the inputs that will be required, the outputs that will be available, and the ways that system operation will be controlled.
- The scope, objectives, and requirements of the system are clearly defined.



- Project resource requirements are accurately estimated.
- The skill levels and experience of the users have been considered.
- Interfaces with other systems (current and future) have been identified and addressed.
- All relevant issues have been resolved to user and executive management's satisfaction.
- Agency standards have been followed in analysis and design of the system.
- Design phase activities have been thoroughly documented.
- User, technical, and executive management have approved products of the design phase.
- Unit and system testing techniques and processes have been identified.

- Development:

- The users provide adequate input throughout the phase to ensure that the system meets needs and expectations.
- The software developed is accurate, reliable, and maintainable.
- Timely turnaround is arranged for work unit tests during programming.
- Each work unit of the software and the integrated software is fully tested.
- Management approval is obtained for any changes to program specifications.
- Project management approves the resolution of all open issues.
- Adequate contingency plans are established for any unforeseen occurrences during system testing.

- Installation:

- Management supports the system, agrees to the conversion approach, and commits adequate user resources throughout the phase.
- Sound procedures for using, operating, and maintaining the



system are developed and thoroughly documented.

-- The installation plan's critical path (the sequence of work steps that must be done and the minimum elapsed time required to do them) is clearly defined.

-- The hardware, system software, and communications network are fully operational prior to conversion.

-- Project activities and progress are continually monitored.

-- Adequate contingency plans are established.

-- Users are ready to convert to the new system and data is prepared for the conversion.

- Post-Implementation Review:

-- The system meets or exceeds expectations.

-- Potential changes are identified.

-- Formal procedures for accepting, prioritizing, approving, and making changes are established and followed.

-- An up-to-date copy of all system documentation is available.

In many cases, the QA activity fails because it takes on the appearance of a quality control function. That is, it concentrates on finding errors rather than preventing errors. The element of "prevention" must be constantly highlighted rather than the element of "detection."

OITS:

Will review the PAW and the determination that a project is or is not a "large scale automated information system" as described in Procedures 1310.06 and 1310.10. An affirmative determination results in the agency being required to follow the above techniques.

* * *

Procedure
Procedure 1310.09

Update:

5-1-00

Appendix J



Mainframe Computer Information Processing

PROCEDURE 1310.12

Issued October 4, 1993

SUBJECT:

Mainframe computer information processing.

APPLICATION:

Executive Branch Departments and Sub-units.

PURPOSE:

To provide procedures for agencies to efficiently operate and manage mainframe computer information processing resources.

CONTACT AGENCY:

Department of Management and Budget (DMB) - Office of Information Technology Solutions (OITS), Standards and Planning Division.

TELEPHONE:

517/373-7326

FAX:

517/335-2355

SUMMARY:

This procedure describes the requirements for computer resource management in agencies which have installed mainframe computer equipment.

APPLICABLE FORMS:

None.

PROCEDURES:

Agency:

- Those with mainframe computers installed are required to institute a computer resource management function directed at improving the ability of technicians, managers and administrators to:
 - Determine the upper limit of a system component to perform its intended task(s).
 - Assess attained levels of service and service level objectives in relationship to measured computer system performance.



- Determine resource requirements for new and changing workloads.
 - Minimize underutilization of resources.
 - Enable forecasting of system utilization.
 - Plan and evaluate performance improvement activities.
 - Enable evaluation of scheduling practices.
 - Provide an objective, quantitative basis for expansion or contraction of computer capabilities.
 - Fulfill Department of Management and Budget's (DMB's) reporting requirements.
 - Satisfy other appropriate needs as they evolve.
- A variety of techniques will be employed to satisfy the continuous measurement requirements of computer systems and telecommunication networks. Computer performance measurement will require a combination of the following techniques depending upon the processing environment:
- Hardware monitoring systems.
 - Software monitoring systems.
 - Operating control system logs.
 - Operations manual logs.
 - Performance management consulting services.
- The output from these tools will assist data installation management toward attainment of efficient and economical operation and fulfill requirements for periodic summary reporting.
- The decision to support specific computer resource management tools will be based upon needs appropriate to an information processing installation. Implementation responsibility rests with the management of the affected information processing installations.
- Acquisitions of consulting services, hardware monitors and software monitors are subject to applicable administrative procedures.
- Performance and utilization reports will be produced to accomplish objectives outlined above. As the need arises, specified reports will be submitted to OITS. These required reports will summarize hourly, daily and quarterly performance parameters and more detailed data depicting performance during critical periods. OITS will have access to all performance monitors and their outputs as the need arises.

OITS:



- Will request and review the outputs of required computer resource monitoring techniques as the need arises; e.g., upon the request for expanded computer resources.

* * *

Procedure Update: 5-1-00
Procedure 1310.12



Appendix K
Acceptable Use of the State Telecommunication Network

PROCEDURE 1310.16

Issued January 6, 1997

SUBJECT:

Acceptable Use of the State Telecommunication Network

APPLICATION:

Executive agencies and other non-executive branch entities which use the State data communication networks.

PURPOSE:

Provide procedures implementing the acceptable use of the State Telecommunications Network Policy and for all other resources connected to that inter-network.

CONTACT AGENCY:

Department of Management and Budget (DMB) - Office of Information Technology Solutions (OITS), Standards and Planning Division

TELEPHONE:

517/373-7326

FAX:

517/335-2355

SUMMARY:

APPLICABLE FORMS:

PROCEDURES:

State Network Users Responsibilities:

- Make a reasonable effort to inform themselves of and comply with the acceptable use policies of each system and external network they intend to access, prior to their attempting access.
- Respect the privacy and ownership privileges of other users. Unless authorized to do so, users shall not intentionally seek information on, obtain copies of, use, modify, or place on openly accessible information servers - files and other data which are exempt or excluded from public disclosure pursuant to the Freedom of Information Act (FOIA), PA 442 of 1976, as amended. Release, distribution and handling of FOIA documents and data must conform with Administrative



Procedure 2410.01, issued January 1, 1994 and applicable department procedures regarding denial of FOIA requests and other state and federal laws.

- Respect the legal protection provided by copyright and license to programs and data. No software copy is to be made by any user without a prior, good faith determination that such copying is, in fact, permissible and that the licensing restrictions have been met.
- Respect the integrity of passwords and/or authentication pass phrases by complying with state security policy. The exchanging of passwords or seeking the password of others is explicitly prohibited.
- Respect the integrity of computing systems by not intentionally taking actions or developing programs that either harass other users or obstruct a computer system. Users shall not damage, alter, or disrupt computers or maliciously use computer systems whose usage is protected by law, regulation, or administrative policy.
- Respect the integrity of connected computer systems by insuring that imported files are virus free.
- Not represent themselves electronically as others, either on state networks, or elsewhere, unless explicitly authorized to do so by those other users. Users must not circumvent established, system-specific policies defining eligibility for resource access.
- Be good network citizens by being cognizant of and conservative in the bandwidth demands their applications (especially those using video or image transmissions) make on the network.

Acceptable Uses of the Telecommunication Network:

- Communication and exchange directly relating to the mission, charter and work tasks of the state agency.
- Announcements of new state laws, procedures, policies, services or activities, but not commercial advertising
- Use for advisory, standards, research, analysis and professional society activities related to the user's state governmental duties.
- Use in applying for or administering grants or contracts for state government research or programs, but not for non-state government related fund raising or public relations activities.
- Communication and exchange for professional development, to maintain currency, or debate issues related to that user's assigned state governmental activities.

Prohibited Uses of the Telecommunication Network:

- Use which is illegal.
- Use which violates the security, privacy and confidentiality policies, practices and



laws of the state and release of material which is exempt from disclosure as listed in section 13 of the Freedom of Information Act (Public Act 442 of 1976 as amended).

- Use for access to, display of or distribution of: (a) indecent or obscene material (re US Supreme Court Miller v California 1973 and Ginsberg v New York 1968), (b) child pornography (re 18 US Code 2252) or (c) material in violation of Civil Service Rule 1-2.2 or departmental regulations prohibiting sexual harassment.
- Use for profit activities unless specific to the charter, mission and duties of the government agency.
- Use for private or personal business transactions, or for partisan or non-partisan political activities.
- Use for playing of games or non-business computer activities which generate traffic or consume bandwidth on any state network segment.

AGENCY:

- Agency Chief Information Officers or their delegated representative are responsible for compliance with provisions of this procedure and for investigating suspected non-compliance. These duties include
 - Investigation of alleged or suspected non-compliance with the provisions of this policy. These are to be conducted with due regard for the privacy rights of all persons and users involved.
 - Suspension of service to users when deemed necessary for the operation and/or integrity of the state communication infrastructure or connected networks. Use privileges, user accounts and/or password access may be withdrawn without notice.
 - When an instance of non-compliance is suspected or discovered in a computing system or network connected to the state network, the agency shall proceed in accordance with departmental and Civil Service rules. Internal discipline, up to and including discharge, may be appropriate in some cases of non-compliance with this policy. Criminal or Civil action may be initiated in appropriate instances.

DMB OFFICE OF INFORMATION TECHNOLOGY SOLUTIONS RESPONSIBILITIES:

- Maintain this procedure to be in conformance with relevant administrative directives, Michigan Laws and advances in technology.
- Disseminate changes in procedure to all departments and agencies as needed, but no less than annually.

* * *

Procedure Update: 5-1-00
Procedure 1310.16



Appendix L
Internet Domain Name Service and Naming Standard

PROCEDURE 1310.20

Issued January 6, 1997

SUBJECT:

Internet Domain Name Service and Naming Standard

APPLICATION:

Michigan State Government Agencies

PURPOSE:

Define State Agency Internet Domain Names

CONTACT AGENCY:

Department of Management and Budget (DMB) - Office of Information Technology Solutions (OITS), Standards and Planning Division

TELEPHONE:

517/373-7326

FAX:

517/335-2355

SUMMARY:

Michigan State Government is registered with the Internet Network Authority as the "state.mi.us" domain. This name, and the naming scheme described in this procedure, comply with Internet technical document Request For Comment (RFC) 1480, which prescribes conventions for naming state governments, counties, cities, libraries and other types of Internet domains located in the United States. The Domain Name System (DNS) is a hierarchical, distributed service used to assist in the location of resources, such as file servers, world wide web servers, E-mail services, etc. which are attached to the Internet. The DNS does its job by converting or resolving easier to remember resource names (midb.state.mi.us) into their equivalent 4 octet Internet address (167.240.251.34) which is actually used in the Internet routing process. The Network Operations Center (NOC) operates the primary DNS service for the State.

Agencies may choose to operate their own DNS and create sub-domains at the division or office level, provided they strictly comply with Internet standards. For more detailed information on DNS operation, agencies may refer to Internet RFC1034 and RFC1035. State agencies choose their own domain names. The list of agency domain names will be maintained by NOC and entered into the DNS when agency resources (files, etc) need to be accessed within State networks or via the external Internet. Agency domain names may be used in other naming conventions, for example, as prefixes for naming



files, GroupWise domains and local area network servers.

APPLICABLE FORMS:

None.

PROCEDURES:

AGENCY INTERNET DOMAIN NAMES

Michigan State Government

state.mi.us

Judicial

Jud.state.mi.us

Office on Aging

aging.state.mi.us

Supreme Court

sc.jud.state.mi.us

Agriculture

mda.state.mi.us

State Court Admin Office

sca.jud.state.mi.us

Attorney General

ag.state.mi.us

Child Support Enforcement

cses.jud.state.mi.us

Auditor General



audgen.state.mi.us

Labor

mcis.state.mi.us

Civil Rights

dcr.state.mi.us

Legislative Service Bureau

lsb.state.mi.us

Civil Service

mdcs.state.mi.us

Library of Michigan

libofmich.lib.state.mi.us

Commerce

commerce.state.mi.us

Lottery

msl.state.mi.us

Community Health

mdch.state.mi.us

Management and Budget

dmb.state.mi.us

Consumer & Industry Service

mcis.state.mi.us

Mich Emp. Security Comm.

mesc.state.mi.us

Corrections



corr.state.mi.us

Military Affairs

dma.state.mi.us

Education

mde.state.mi.us

Natural Resources

dnr.state.mi.us

Environmental Quality

deq.state.mi.us

Public Health

mdph.state.mi.us

Executive Office

migov.state.mi.us

Senate

senate.state.mi.us

Family Independence Agency

fia.state.mi.us

Senate Fiscal Agency

sfa.state.mi.us

House of Representatives

house.state.mi.us

Social Services

dss.state.mi.us

House Fiscal Agency



hfa.state.mi.us

State

sos.state.mi.us

Jobs Commission

mjc.state.mi.us

State Police

msp.state.mi.us

Transportation

mdot.state.mi.us

Treasury

treas.state.mi.us

* * *

Procedure
Procedure 1310.20

Update:

5-1-00



Appendix M
Information Processing and System Development

PROCEDURE 1310.06

Issued January 1, 1994

SUBJECT:

Information processing and system development: requirements.

APPLICATION:

Executive Branch Departments and Sub-units.

PURPOSE:

To provide the procedures and guidelines governing the development of effective automated information systems.

CONTACT AGENCY:

Department of Management and Budget (DMB) - Office of Information Technology Solutions (OITS), Standards and Planning Division.

TELEPHONE:

517/373-7326

FAX:

517/335-2355

SUMMARY:

This procedure establishes guidelines and requirements for information processing system development activities and methods. It establishes project management, quality assurance and project reporting functions which become requirements when a system development project qualifies as a large scale project. A project becomes "large scale" when a total score of 100 or greater results from various project characteristics being input into a Project Assessment Worksheet (PAW) algorithm. The PAW is described in Procedure 1310.10.

APPLICABLE FORMS:

- Feasibility Study Report (FSR).
- Project Assessment Worksheet (PAW).

PROCEDURES:

General Information:

This procedure is issued to provide guidance to agency management in the implementation and application of techniques and processes designed to improve their ability to deliver automated information systems which:



- Produce reliable systems which meet the needs of the agency.
- Are implemented on time.
- Avoid cost overruns.

Specifically, procedures are set forth for the use of:

- A system development life cycle method.
- Project management techniques.
- Quality assurance practices and procedures.

Additional policies are set forth for those automated information systems qualifying as large-scale projects.

Agency:

- Will adopt the use of a system development life cycle (SDLC) for automated information systems.
- Is free to select the SDLC method and, if appropriate, supporting computer-aided software engineering (CASE) tools that best suit their needs. The SDLC selected, however, must meet the following minimum standards:
 - Be comprised of a phased discipline addressing the entire scope of the project beginning with project initiation through post-implementation review.
 - Require that system objectives and information requirements be defined; that system alternatives be developed and evaluated; that complete project plans for development and implementation be established; and that the system's end-users be involved in all phases.
 - Require that a detailed design be produced which describes how the system will be structured to meet objectives.
 - Require that program specifications be documented and that a thorough systems test be developed and executed successfully prior to system implementation.
 - Require that, at the time of installation, all needed physical resources are available, end-users have been trained, data has been converted and system monitoring is in place.
 - Require completion of a system post-implementation review and evaluation.
- Upon selection of an SDLC method and CASE tools, will certify to DMB that they meet or exceed the minimum standards. Until such time as the agency selects its own SDLC method, SDM-70 will continue to be the State standard (See Procedure 1310.07 for detailed guidelines).
- Will adopt the use of project management techniques to assist the project manager in the ongoing assessment of resource consumption, allocation and administration (See Procedure 1310.08 for detailed guidelines).
- Will establish and institute quality assurance standards and guidelines for each phase of the SDLC (See Procedure 1310.09 for detailed guidelines).
- Automated information systems believed to be large-scale, as defined above, will be reviewed by the Office of Information Technology Solutions (OITS) for final determination. For purposes of this review, submits a Service Request and a Project Assessment Worksheet (PAW) to OITS (See Procedure 1310.10 for details). Barring unforeseen circumstances, OITS review of the PAW will be completed within 15 working days of receipt.
- An automated information system determined to be large-scale will be subject to the procedures that follow. All other automated information systems are not required to follow these procedures.



- Agency will prepare and submit a Feasibility Study Report (FSR) to OITS for review and approval (see Procedure 1310.10 for details). The purposes of the OITS review are to:

-- Ensure that appropriate processes are in place for systems development, project management and quality assurance.

-- Ensure that there is agreement among agency executive management, program management, and project management as to:

--- The nature, benefits, schedule, and costs of a proposed project.

--- Their respective management responsibilities over the course of the project.

-- Provide DMB with sufficient information to determine the nature and extent of project oversight requirements.

- Agency will identify a project manager who will be responsible for all activities associated with the development and implementation of the system and be accountable for the project. Identification by name, Civil Service classification, and organizational position is required.

Brief justification must also be provided for the named project manager. Such justification should demonstrate that the project manager has the knowledge and experience necessary to manage and control the project successfully.

- Agency will submit quarterly reports to OITS describing overall progress against published work plans. Particular emphasis should be placed on those factors which may affect the timely implementation of the system within the authorized funding allocation (see Procedure 1310.10 for details).

OITS:

Upon review of the selected agency system development method, will forward a written response with comments and/or approval within 10 days of receipt of descriptive documentation.

* * *

Procedure
Procedure 1310.06

Update:

5-1-00



**ESTIMATED WORK LOAD VOLUMES
BUREAU OF ELECTIONS, DISCLOSURE DIVISION
CAMPAIGN FINANCE**

MAY 2000

The Bureau of Elections has implemented an electronic filing program. Currently the program is voluntary. Effective 2004, it will be mandatory for candidates that file at the state level to file electronically if their receipts or expenditures exceed \$20,000. Below are some workload estimates for the next four years.

	Actual Numbers	Percentages
Committees Required to File Reports	1669	100%
Estimated number of Committees who will be required to use Merts Plus (campaigns over \$20,000)	701*	42%

* This is the minimum number of committees that will be required to file electronically. We estimate that the actual number of committees opting to use the software will be much greater and exceed 1000.

Committees Registered for Merts Plus (includes campaigns over and under \$20,000)	413
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Estimated Report size in Paper in pages: 75 Originals and 35 Amendments
Estimated Number of Records per report: 300

Estimated number of Original Reports filed per 4 Year Cycle: 14,500
Estimated Number of Amended Reports filed per 4 Year Cycle: 7,100

Estimated 4 Year Cycle pages: 1,336,000
4 Year Cycle records: 6,480,000

Total size of space available for images: 166 GB
Total size of space available for data: 1 GB

Current size of space used for images: 50 GB
Current size of space used for data: 700 MB

We are estimating a growth in data space usage of 50% per year through the electronic filing mandate of 2004 and a 25% growth in space usage for images.

CFR FILING SCHEDULE AND QUANTITIES

EVEN YEAR

ANNUALS- 600

- APRIL TRIANNUALS- 700
- JULY TRIANNUALS - 700
- OCTOBER TRIANNUALS - 700
- PRE PRIMARY CAMPAIGN STATEMENTS - 600
- POST PRIMARY CAMPAIGN STATEMENTS - 600
- PRE GENERAL CAMPAIGN STATEMENTS - 600
- POST GENERAL CAMPAIGN STATEMENTS -600



ODD YEAR

ANNUALS - 500
JANUARY TRIANNUALS -700
JULY TRIANNUALS - 700
OCTOBER TRIANNUALS - 700

LOBBY FILING SCHEDULE AND QUANTITIES

SUMMER – 2500
WINTER - 2500

Schedule of TASKS CFR

NOTICES OF FAILURE TO FILE

Singles: As needed, rare with batch processing
Batch: 4 BD after each major filing deadline

NOTICES OF LATE FILING FEE

ORIGINALS

Singles: daily
Batch: 20 BD after each major filing deadline

SECOND NOTICE OF LFF

SINGLE: VERY RARE

Batch: Weekly

HEARING NOTICE OF LFF

Single: Very rare
Batch: Weekly

NOTICES OF ERROR OR OMISSION

Singles: Daily

REFERRALS TO THE ATTORNEY GENERAL – FAILURE TO FILES

Batch: 9-12 BD after each major filing deadline or every other month which ever is earlier

REFERRALS TO THE ATTORNEY GENERAL – FAILURE TO FILE 2 or MORE REPORTS:

Twice a year in March and October

REFERRALS TO THE ATTORNEY GENERAL – ERRORS OR OMISSIONS

Batch: 9-12 BD after each major filing deadline or every other month which ever is earlier

REFERRALS TO TREASURY: Every other month

PAYMENT ADJUSTMENTS TO TREASURY: Every other month

ISSUING REFUNDS: As needed

WRITE-OFFS OF OLD DEBT TO TREASURY: Twice a year.

Schedule of Lobby

NOTICES OF FAILURE TO FILE

Singles: As needed, rare with batch processing
Batch: 4 BD after each major filing deadline

NOTICES OF LATE FILING FEE

ORIGINALS

Singles: daily
Batch: 30 daysafter each major filing deadline

SECOND NOTICE OF LFF

SINGLE: VERY RARE

Batch: Weekly

HEARING NOTICE OF LFF



Single: Very rare

Batch: Weekly

NOTICES OF ERROR OR OMISSION

Singles: Daily

REFERRALS TO THE ATTORNEY GENERAL – FAILURE TO FILES

Batch: 30 days after each major filing deadline or every other month which ever is earlier

REFERRALS TO THE ATTORNEY GENERAL – ERRORS OR OMISSIONS

Batch: 30 days after each major filing deadline or every other month which ever is earlier

REFERRALS TO TREASURY: Every other month

PAYMENT ADJUSTMENTS TO TREASURY: Every other month

ISSUING REFUNDS: As needed

WRITE-OFFS OF OLD DEBT TO TREASURY: Twice a year.



For planning and execution, NIC desires to perform bank of hour service the year in which it is budgeted. However, if hours are left over at the end of a performance year, they will roll into the next year. For example, if 100 hours in contract year one, remained at the end of the year, it would roll into the next year, and up to 870 hours could be used in the second contract year.

The bank of hours support is primarily professional staff time to support BOE directed special initiatives. This includes things such as:

- Consulting and advisory services related to special initiatives
- Management and administration related to special initiatives
- Requirements, design, development, testing, deployment and documentation support for special initiatives, as appropriate
- Any other purpose or support activity directed by BOE.

Please note that that additional support can be received by funding additional hours in the bank of hours at the rate of \$126 per hour. NIC believes that this provides a flexible vehicle for increased intensity or scope of special initiatives in a given period.

In order to provide further clarification, NIC considers the effort associated with upgrading the existing BOE imaging system a special directive that would bill against the bank of hours.

It is difficult to list all functions covered by the base and bank of hours areas. However, the following typifies the nature of the work included in each area.

The base support cost includes cost for hardware, operations/database software upgrade and maintenance networking costs, and applications operations support it also includes dedicated staffing for a Customer Service Representative and staff support from other NIC staff to accomplish outsourcing support services such as:

- Maintenance of existing systems
- Capacity monitoring and planning
- Help desk support and technical support.
- Ongoing support services related with day-to-day operations.
- Normal training of BOE staff and support of some end user training events.
- Management and administration of ongoing operations.
- Documentation of processes, equipment, and developed software.
- Hardware and operating support upgrades, replacement and maintenance
- Hosting support and dedicated and internet bases access
- Networking equipment
- Process monitoring and security

During the first year it also includes:

- Transition Planning and execution
- Host environment set up
- Conversion processes
- Documentation

- Operations setup

**TECHNICAL PROPOSAL
(EXCERPTS)**



I. BUSINESS ORGANIZATION

Organization and Subordinate Elements to Perform Work

National Information Consortium Technologies, Inc. (NIC Technologies)
 31225 La Baya Dr., Suite 107
 Westlake Village, CA 91362

A select team of NIC Ethics & Elections resources has been selected from our Sacramento, California and Washington, D.C. offices to perform the work described in this response.

Operating as a Corporation

NIC Technologies, Inc., is a wholly owned subsidiary of National Information Consortium, Inc. (NIC), a publicly held company. NIC’s common stock is traded on Nasdaq under the symbol “EGOV.”

Licensed to Operate in the State of Michigan

Upon award of contract, NIC Technologies will take all necessary steps to become licensed to operate in the State of Michigan.

Subcontractors

NIC Technologies proposes a solution that will not include the use of subcontractors.

II. MANAGEMENT SUMMARY

Narrative - Description of Proposed Effort

NIC Technologies (NIC) proposes to meet the needs of the Michigan Bureau of Elections (BOE) by providing a set of measured outsourcing support resources and services. NIC will work with BOE as a team plan and prepare a controlled process to understand, document current BOE systems and operations. We will work together to establish and execute plans to take over the day-to-day hosting operations for BOE. At the same time, NIC will develop two outsource hosting environments and work with BOE to perform a controlled cutover of operations from the BOE into NIC operations. Specifically, NIC proposes the following service areas that are detailed in the body of this proposal:

- Conduct an Initial Review of BOE Operations and Technical Infrastructure
- Provide Documentation and Planning Services and Deliverables
- Initial support of on-site BOE Operations after the first 30 day period
- Development of Two, sequenced outsource service centers to support BOE operations
- Transition of BOE data center processing to outsource support centers.
- Ongoing help desk services resource
- A set of technical operations support resources
- A set of system development support resources

NIC understands outsourcing. We have performed that function for the server operations of several states and provide major outsourcing support for the Federal Election Commission.



NIC understands the Ethics and Elections operating environment and are sensitive to the systems, concepts, processes, and timing associated with BOE's operations.



III.

Tasks	NIC Involvement (in Hours)	Estimated BOE Involvement (in Hours)
Project Start		
Project Kickoff Meeting	24	24
Phase I - Requirements Analysis and Planning		
Initial and Verification Interviews	94	70
Review of current Technical Infrastructure	24	15
Review current Systems Code/Data Structures	80	50
Review current Systems Operations	16	8
Develop Documentation/Planning Deliverables	135	0
Operations Transition	16	10
Phase I Complete		
Phase II - Transition Design and Planning		
Outsourcing and Hosting Implementation Design	40	20
Details of Web Hosting Environment	15	0
Finalize Web Hosting Operations	18	0
Hardware/OS/NetOS/RDBMS Selection	47	16
Deliver Design Deliverables	108	40
Phase III - Implementations		
Site One Configuration and Implementation		
Site One Configuration and Implementation	150	40
Finalize Hosting Operations	24	0
Hardware/OS/NetOS/RDBMS/Security Implementation	62	20
Transition of Data Base and Processing To Host Site 1	24	16
Backup and Recovery/replication design and planning	16	8
Testing and Acceptance	92	0
Site Operations Testing	80	30
Parallel Testing and Processing	154	0
Cutover to Host Site One Ops (MI Back)	47	20
Site Two Configuration and Implementation		
Site Two Configuration and Implementation	124	20
Finalize Web Hosting Operations	28	0
Hardware/OS/NetOS/RDBMS Selection	30	0
Transition of Data Base	80	0
Backup and Recovery Testing	90	0
Testing and Acceptance	181	0
Cutover to Host Site One with Two Backup	90	20
Decommission MI Operations	80	36
Deliver Detailed Operations Deliverables	210	60
Phase IV - Completion		
Post cutover review	42	32



Delivery of Manuals and Operations Deliverables	206	60
Delivery of Redundant BOE Data Center	72	40
Phase V - Support and Operations		
Ongoing Operational Support	3222	1000
Ongoing Technical Support	7326	1000
Ongoing Help Desk Assistance	7326	1000
System Development and Deployment Support	4879	1500



IV. Project Staffing

NIC is proposing an annual set of resource hours. However, the staffing represented in those resource hours possess significant talent, expertise and experience specific to the work needed by BOE. These professionals have many years of experience in outsourcing support management and operations. They include staff who are familiar with the coding and operating environment in Michigan.

The project is divided into several natural phases. The first year focuses on the transition to outsourced operations, and the smooth support for ongoing support of BOE. The team to address this phase comes from across NIC. It includes top executive attention, management focus and technical prowess. Tasks will be performed, across the NIC offices – where the most effective talent can address the issue. The majority of the time for the NIC team during the first several months will be spent on site in Michigan.

In the second and subsequent years, the focus changes to ongoing support for operations and enhancement of the hardware and software infrastructure for those operations. One person will be dedicated to the BOE operations, on site in Michigan. Other management resources will visit and support ongoing relations with BOE. The outsourced operations will take place in two locations: One in our support center in Lansing, and the other in our Data center in Herndon, Virginia.

Figure C1, BOE Project Staffing Matrix, provides a list of specific staff or staff slots that will be filled to support BOE transition and operations. In addition, other staff in NIC, and if needed, from our parent company can be called upon to address specific issues or cover needed tasks.

NIC is proud of the qualifications and experience in our project team. As the Staffing Matrix shows, each member has in-depth and critical skills. Each having the needed capabilities to support BOE.

The contracting agents must be able to staff a project team, which possesses talent and expertise in the relevant field. Include the number of executive and professional personnel by skill and qualification that will be employed in the work.

All of the individuals proposed support successful completion of the project. However there are two who will be key to project completion and ongoing operation. The project manager will provide dedicated time through project transition to outsourced operations. After that approximately one third of his time will be dedicated to ongoing support. The on-site professional will be dedicated 100% of the time. Our technical support / help desk person will be dedicated as needed from our tech support center in Virginia. Our hosting arrangements will provide 24X7 monitoring and support of hardware and software operations. If problems occur, our standard escalation procedures result in the calling and notifying of technical staff, and then management staff.



Other staff will be brought to bear on specific initiatives established in coordination with BOE. Design, development, upgrade and enhancement tasks will be address by the appropriate professionals for those tasks.

Resumes for the staff listed in the Staffing Matrix follow immediately. You will note that the dedicated staff person has not yet been selected. We propose to work with BOE in selecting and involving this key staff member. This position is important to the daily operations of BOE, and we believe it is critical the BOE be involved in the process of approving that person.



STAFF RESUMES

RANDALL G. BARTLETT
President (Acting)
NIC Technologies

EDUCATION:

BS, Business Administration, June 1973
 MBA, Economic & Finance, May 1978
 Certified Management Consultant (CMC)
 Certified Data Processor (CDP)
 Certified Systems Professional (CSP)
 Certified Pilot/Instructor

EMPLOYMENT HISTORY:

NIC Technologies, Washington, DC 2000 - Present, Acting President
 USAID, Telecommunications Review Team, Egypt 1999 - 2000, Chief of Party
 Health Cost Consultants, Reston, VA 1996 - 1999, President
 RGBA Inc., Fairfax, VA 1986 - 1996, President
 Bell Atlantic, Arlington, VA 1984 - 1986, Regional Manager
 Touche Ross & Co., Washington, DC 1979-1984, Manager
 USAF, USA 1973-1979, Captain, Pilot

SUMMARY OF EXPERIENCE:

Mr. Bartlett brings years of consulting, systems, and outsourcing support experience to this engagement. He is a results oriented leader providing strong positive results for NIC clients. His executive and consultative roles have built broad exposure across the technical spectrum. Mr. Bartlett has over ten years of experience in service the public sector and served on projects in over 25 states, 8 Agencies and numerous municipal governments.

HISTORY OF EXPERIENCE:

NIC Technologies, May 2000 – Present, President (Acting)

- Assure client satisfaction and success
- Manage resources for system development
- Managed and supported Federal Elections outsourcing contract
- Set and supported administrative and operational goals

USAID, Telecommunications Reveiw Team, Egypt, June, 1999 – April, 2000

- Lead team of professionals in independent assessment of Y2K readiness of the voice/data telecommunications infrastructure for the country of Egypt.
- Directed the review of 4000 switches and associated transmission facilities from six international manufacturers, and the management, billing, security and monitoring infrastructure for local, national and international traffic.
- Lead and supported political discussions and reviews by US Department of State agencies and the Egyptian Department of communication



- Assisted the Egyptian Telecommunications Company in communication of status with international bodies.
- Identified and supported action items to assure a smooth millennial transition.

Health Cost Consultants, May 1996 – September 1996, President

- Directed a 120 person health care software and services company
- Restructured company staffing and re-engineered corporate functions and skills
- Moved commercial applications from aging LAN networked technology to client/server internet capable solutions.
- Brought company to successful sale.

RGBA Inc. July 1986 – April 1996, President

- Founded and lead IS and Telecommunications consulting practice.
- Directed scores of consulting engagements for federal, state, local and international governments, as well as commercial organizations.
- Led system design, development, implementation, and quality assurance for data processing, data network and voice systems engagements e.g., assisted the City of Las Vegas to replace its voice services infrastructure for 40 locations and all city functions.
- Developed team of systems professionals and transitioned the company

Bell Atlantic, February 1984 – June 1986, Regional Manager

- Developed strategic plan for Centrex product line
- Initiated first competitive price/value analysis for Centrex
- Coordinated State product managers
- Developed

Touche Ross & Co., December 1979 – January 1984, Manager

- Ran, systems, and operations review engagements for mainframe and midframe multi-user systems
- Helped develop the telecommunications consulting practice of the office
- Developed, tested and supported strategic planning methods to diagnose strategic problems and resolve them.
- Lead teams of 2 to 25 for specific and national engagements.

USAF, May 1973 – November 1979, Pilot and Captain

- Strategic Air Command,
- Commercial and instructor
- Squadron Officer

HARDWARE AND SOFTWARE:

- Hardware/Operating Systems: Macintosh and IBM compatible, UNIX
- Office Automation / Software Languages/Application: Microsoft Word, Excel, PowerPoint, Project, Visio, Word Perfect, Corel, Front Page, Act, Delphi, Powerbuilder, Dbase 5, SQL, Timeline, One Write Plus, Quickbooks, Photoshop, Framemaker, Pagemaker, Videowave, MacDraw Pro, Filemaker Pro, Paradox,
- Design Tools/Middleware: Cloverleaf, Uppercase DB



- Development Methods: Object Oriented (Booch) and Structured methodologies. Waterfall and prototyping life cycles. Merant PVCS

SECURITY CLEARANCE:

Previous -- Top Secret

REFERENCES:

Bob Biersack, FEC 202-694-1248

PERSONAL DATA:

9239 Vernon Drive
 Great Falls, VA 22066
 (202) 694-1640
 (703) 298-1927
 (703) 288-1470
 (703) 757-5111
 Social Security: 529-64-5773
 13 July 13, 2001

Manuel Morales
Software Engineer

EDUCATION:

BS, Computer Science, George Mason University, June 2003

EMPLOYMENT HISTORY:

NIC Technologies, Washington, DC Engineer	1998 – Present. Software
Raytheon Systems Company, Falls Church, VA	1997 – 1998, Software Engineer CO-OP
USNR-R Inactive, NAF Washington DC	1988 – 1999, Aviation Electronics Tech.

SUMMARY OF EXPERIENCE:

- Full lifecycle developer
- Assistant DBA and assistant SA

HISTORY OF EXPERIENCE:

NIC Technologies, November 1998 – Present, Software Engineer

- Maintain an electronic filing, imaging and query system for financial disclosure
- Translated the imaging system for a variety of platforms and databases depending on client requirements
- Instrumental in the planning, design and upgrade implementation of all software and hardware for the electronic filing program due to mandated federal regulations for the year 2001

Raytheon Systems Company, June 1997 – November 1998, Software Engineer CO-OP



- Developed client/server applications using Sybase stored procedures, C and Motif
- Developed applications to interact with Network Information Systems (NIS+) tables for storing individual workstation settings
- Created scripts using Software Through Pictures for the generation of Software Development and Human Machine Interface Documents for the client

USNR-R, July 1988 – February 1999, Aviation Electronics Technician

- Collateral Duty Inspector
- Repaired and maintained a variety of airborne systems for an electronic warfare squadron
- Directed and supervised personnel in daily maintenance tasks on aircraft

HARDWARE AND SOFTWARE:

- Databases: Informix, Oracle, Access, Sybase, MS SQL Server
- Software Languages/Application: C, C++, VB, Unix Shell Script, ISQL, ESQL, ProC, SQL, SQL*PLUS, ODBC-ODBC Bridge 2000, CGI Scripting, JavaScript, HTML, UIM/X, Software Through Pictures
- Hardware/Operating Systems: Solaris 5.2, 5.7 and 5.8 for X86 and SPARC, LINUX 6.0, Windows 95, 98, NT

SECURITY CLEARANCE:

Secret (Shelved)

REFERENCES:

Jim Doucette, Chief Technical Officer, (818) 865-1310

PERSONAL DATA:

3256 Holly Hill Drive
Falls Church, VA 22042
(703) 280-0449
(202) 694-1294

CARLOS LUNA Technical Support Representative

EDUCATION:

Certification, UNIX System Administration, December 2001

EMPLOYMENT HISTORY:

NIC Technologies, Washington, DC Technical Support Representative
United States Naval Reserve, Suitland, MD Hospital Corpsman
Luna International Inc., Washington, DC Manager
Corning Clinical/Quest Diagnostic, Baltimore, MD Phlebotomist

SUMMARY OF EXPERIENCE:



- Provide technical support to resolve hardware and software issues.
- Organized various activities to boost moral and reinforce team spirit.
- Developed business specific spreadsheets.
- Physical Fitness Coordinator: Coordinate and prepare multiple units for the Physical Fitness Test.

HISTORY OF EXPERIENCE:

**NIC Technologies, May 2001- Present, Technical Support Representative
Federal Election Commission**

- Technically support software applications developed by NIC Technologies.
- Professionally answer technical support calls and appropriately redirect other calls accordingly.
- Track and log all calls.
- As System Administrator apprentice, assist with system troubleshooting.

**United States Naval Reserve, May 1989- Present, Hospital Corpsman
Med/Den 0166**

- Maintain computerized database and organization of the Physical Fitness Test.
- Handle software installation as well as configuration and wiring.
- Moral Petty Officer: Organize various activities to boost moral and reinforce team spirit.
- Physical Fitness Coordinator: Coordinate and prepare multiple units for the Physical Fitness Test.
- Preliminary Physical Exams: Communicate and interact with patients to maintain an even flow that minimize patient complaints.

**Luna International Inc., March 1989- Present, Manager
Mount Pleasant Branch**

- Developed money managing spreadsheet used to monitor three cash registers.
- Developed inventory spreadsheet used to monitor Phone Card supply and sales.
- Manage Video Rental and International Long Distant business.

**Corning Clinical/Quest Diagnostic, October 1996- January 2001, Phlebotomist
Annandale PSC**

- Repaired and maintained a variety of office equipment to include monitors, personal computers, printers, fax machines, and general wiring.
- Directed, supervised and assisted personnel in daily data entry and blood collecting tasks.
- Customer Service Representative: On daily bases solved various patient concerns.
- Expert blood collection of all types of patients.

HARDWARE AND SOFTWARE:

- Computers Used: IBM compatible
- Programming Languages Used: DOS 6.22, Windows (95, 98, NT) Studying Unix
- Software Used: MS Access, Power Point, Outlook, Office 2000, NIC Technology developed application

MISCELLANEOUS:



- Foreign Languages: Spanish and Portuguese

REFERENCES:

Manuel Morales, Software Engineer, (202) 694-1294
 Srimi Adhinarayan, Software Engineer, (202) 694-1641
 Edward Velez, Administrative Assistant, (202) 694-1306

PERSONAL DATA:

7225 Vistas Lane
 McLean, Virginia 22101
 H: (703) 917-1594
 W: (202) 694-1307
 F: (202) 219-0674

MALCOLM CUMMING
Regulatory e-Reporting Consultant

EDUCATION:

Lafayette College, Easton, PA (3 semesters of engineering study)
 BA, Political Science, University of Connecticut, Storrs, CT, 1973

EMPLOYMENT HISTORY:

Malcolm Cumming & Associates	2001 - Present, Sr. Consultant-Regulatory e-Reporting
SDR/NIC Technologies, Inc.	1997 - 2001, Sr. Software Analyst/Architect
Campaign Microsystems, Seattle, WA	1994 - 1997, President/Owner
King County Medical – Blue Shield, Seattle, WA	1981 - 1994, Sr. Systems Analyst
Mass. Mutual Life Ins. Co., Springfield, MA	1974 - 1980, Programmer, Systems Analyst

SUMMARY OF EXPERIENCE:

- Co-developed electronic filing formats in use at numerous state and federal agencies in the United States
- Written and maintain validation and data conversion software used at agency and filer ends of electronic filing systems
- Provide technical support to vendors and filers using electronic filing systems throughout the United States
- Conduct JAD and detailed analysis of front-end to agency electronic filing systems
- Developed and marketed campaign software (Campaign Aide) throughout the United States
- Provided ongoing support to users in US Senate, Congressional, and state-level campaigns
- Determined appropriate software mix and developed systems using combinations of online and batch processing, traditional and fourth-generation languages, mainframe and micro-computer hardware
- Performed software evaluations resulting in acquisition of software tools of benefit to both programming and user departments



- Worked closely with user department management in project analysis, system development and implementation, system support, and major enhancements
- Implemented, provided technical support and user interfaces for vendor-written payroll and accounting software
- Overhauled insurance underwriting system, significantly improving accuracy and operation and giving users more control over their data
- Extensive online programming for CICS and Intercomm mainframe insurance systems

HISTORY OF EXPERIENCE:

Malcolm Cumming & Associates, June 2001 - Present

Consulting and support services in the Regulatory e-Reporting industry.

SDR/NIC, Nov 1997 - May 2001, Senior Analyst/Architect

SDR, 1995 to Nov 1997, Consultant (Campaign MicroSystems)

- Electronic Filing systems for Hawaii, California, Washington, Michigan, Oklahoma, Missouri, FEC, Louisiana, Illinois, Texas, and British Columbia: Analyze forms and filing requirements – design filing formats – construct validation software – provide end-user support – provide ongoing maintenance and maintain documentation.
- Produce utilities in Micro Focus COBOL
- Write documentation – primarily for programmers and vendors
- Campaign MicroSystems, Apr 1994 – Nov 1997, President Owner
- Developed and marketed campaign software which included disclosure reporting capabilities for the FEC and numerous state agencies (including CA, IL, LA, NC, NY, & PA) in the United States
- Provided technical support to users of Campaign Aide

King County Medical Blue Shield, Jan 1981 – Mar 1994, Senior Systems Analyst

- Senior Analyst/Programmer on Underwriting Information System, 1981 – 1988 / overhauled legacy system
- Senior Analyst Accounting & Payroll Systems / implement vendor package systems and built online interfaces to those systems.
- Conducted classes for programmers and end users in use of SAS language; provided post-training, follow-up consulting.
- Introduced and provided technical assistance for programming tools, languages, utilities, data-processing standards and methods.

Massachusetts Mutual Life Insurance Co. July 1974 – Dec 1980, Programmer/Systems Analyst

- Agency/New Business Systems, 1974 – 1978 / Online programming in state-of-the-art system which provided agents in 50 states with ability to enter new contracts, automatically underwrite, and issue insurance contracts.
- Group Insurance Automated Systems, 1978 – 1980 / responsible for analysis of data requirements for all portions of group medical insurance contracts. Worked one-on-one with the head of Underwriting Dept.
- Wrote prototype online programs that were used as templates for all online programming done after 1978.



HARDWARE AND SOFTWARE:

Hardware: IBM mainframes beginning with 370's, Intel PC's

Operating Systems: OS, OS/MVS, DOS, Win/NT

Programming Languages Used: IBM COBOL/COBOL-II, Microsoft COBOL ,Micro Focus COBOL, Basic, SAS, TSO/Clists, TSO/Dialog, REXX, Easytrieve, DOS Batch

Software Used: JCL, UCC11, CICS, VSAM, SAS, TSO/ISPF, Data Expert, Panvalet

MISCELLANEOUS:

- CDP, Institute of Certified Computer Professionals – 1992
- Beta testing for Microsoft COBOL in late 1980s – determined and documented compiler and sort facility problems
- As a member of the Seattle/Bellevue SAS User Group, I presented the topic of “Installing the SAS system and providing access to the end-user”. (This was prior to the time when SAS had an online interface for end-users)

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Subcontractors

NIC Technologies proposes a solution that will not include the use of subcontractors.