

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

November 24, 2008

CHANGE NOTICE NO. 5
TO
CONTRACT NO. 071B4200280
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR		TELEPHONE 800-431-9025
Thomson Professional & Regulatory Inc. d.b.a. RIA 395 Hudson Street New York, NY 10014 sheila.duncan@thomsonreuters.com		Sheila Duncan
		BUYER/CA (517) 373-8622 Malynda Little
Contract Compliance Inspector: Adam Koenigsknecht, (517) 373-4555 On-Line and CD ROM Tax Research Subrogatel Services - Treasury		
CONTRACT PERIOD: From: July 1, 2004		To: June 30, 2009
TERMS	SHIPMENT	
N/A	N/A	
F.O.B.	SHIPPED FROM	
Destination	N/A	
MINIMUM DELIVERY REQUIREMENTS		
N/A		

NATURE OF CHANGE (S):

Effective immediately, the vendor contact is changed to:

Sheila Duncan
Thomson Reuters
117 E. Stevens Avenue
Valhalla, NY 10595
Phone: 800-431-9025
Email: sheila.duncan@thomsonreuters.com

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

AUTHORITY/REASON:

Per vendor request (email dated 07/07/08), agency request (email dated 11/07/08), and DMB/Purchasing Operation's approval.

CURRENT AUTHORIZED SPEND LIMIT REMAINS: \$156,200.00

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

August 15, 2008

**CHANGE NOTICE NO. 4
 TO
 CONTRACT NO. 071B4200280
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF VENDOR		TELEPHONE 800-846-1966
Thomson Professional & Regulatory Inc. d.b.a. RIA 395 Hudson Street New York, NY 10014 dave.horsting@thomsonreuters.com		Dave Horsting
		BUYER/CA (517) 373-8622 Malynda Little
Contract Compliance Inspector: Adam Koenigsknecht, (517) 373-4555 On-Line and CD ROM Tax Research Subrogatel Services - Treasury		
CONTRACT PERIOD: From: July 1, 2004		To: June 30, 2009
TERMS	SHIPMENT	
N/A	N/A	
F.O.B.	SHIPPED FROM	
Destination	N/A	
MINIMUM DELIVERY REQUIREMENTS		
N/A		

NATURE OF CHANGE (S): Effective July 1, 2008, this Contract is hereby:

- (1) EXTENDED until July 30, 2009, and
- (2) INCREASED by \$27,352.40.

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

AUTHORITY/REASON:

- Agency request dated 06/17/2008;
- DMB Purchasing approval dated 06/17/2008;
- Vendor agreement and concurrence dated 06/17/2008; and
- State Administrative Board approval dated 08/05/2008.

REVISED CURRENT AUTHORIZED SPEND LIMIT: \$156,200.00

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

June 19, 2008

CHANGE NOTICE NO. 3
TO
CONTRACT NO. 071B4200280
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR		TELEPHONE 800-8461966
Thomson Professional & Regulatory Inc. d.b.a. RIA 395 Hudson Street New York, NY 10014 dave.horsting@thomsonreuters.com		Dave Horsting
		BUYER/CA (517) 373-8622 Malynda Little
Contract Compliance Inspector: DeWayne Miller On-Line and CD ROM Tax Research Subrogatel Services - Treasury		
CONTRACT PERIOD: From: July 1, 2004		To: August 30, 2008
TERMS	SHIPMENT	
N/A	N/A	
F.O.B.	SHIPPED FROM	
Destination	N/A	
MINIMUM DELIVERY REQUIREMENTS		
N/A		

NATURE OF CHANGE (S):

Effective immediately, this Contract is hereby **EXTENDED** through **August 30, 2008**. Additionally, the DMB Buyer for this Contract is changed to **Malynda Little (517) 373-8622**. All other terms, conditions, specifications, and pricing remain unchanged.

AUTHORITY/REASON:

Per agency request, vendor concurrence and DMB/Purchasing Operations' approval dated **6/17/08**.

CURRENT AUTHORIZED SPEND LIMIT REMAINS: \$128,847.60

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

July 25, 2007

CHANGE NOTICE NO. 2
TO
CONTRACT NO. 071B4200280
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR		TELEPHONE 800-8461966 Dave Horsting
Thomson Professional & Regulatory Inc. d.b.a. RIA 395 Hudson Street New York, NY 10014		
		BUYER/CA (517) 241-1916 Jim Wilson
Contract Compliance Inspector: DeWayne Miller On-Line and CD ROM Tax Research Subrogatel Services - Treasury		
CONTRACT PERIOD: From: July 1, 2004 To: June 30, 2008		
TERMS	SHIPMENT	
N/A	N/A	
F.O.B.	SHIPPED FROM	
Destination	N/A	
MINIMUM DELIVERY REQUIREMENTS N/A		

NATURE OF CHANGE (S):

Effective immediately, this Contract is hereby **EXTENDED** until June 30, 2008, and **INCREASED** by \$26,037.60. All other specifications, terms, and conditions remain unchanged. **NOTE: The Buyer for this Contract is changed to Jim Wilson.**

AUTHORITY/REASON:

Per Ad Board approval on 7/17/07 and DMB/Purchasing Operations.

INCREASE: \$26,037.60

TOTAL REVISED ESTIMATED CONTRACT VALUE: \$128,847.60

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

June 14, 2007

CHANGE NOTICE NO. 1
TO
CONTRACT NO. 071B4200280
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR		TELEPHONE 800-8461966 Dave Horsting
Thomson Professional & Regulatory Inc. d.b.a. RIA 395 Hudson Street New York, NY 10014		
		BUYER/CA (517) 241-1916 Jim Wilson
Contract Compliance Inspector: DeWayne Miller On-Line and CD ROM Tax Research Subrogatel Services - Treasury		
CONTRACT PERIOD: From: July 1, 2004 To: July 30, 2007		
TERMS	SHIPMENT	
N/A	N/A	
F.O.B.	SHIPPED FROM	
Destination	N/A	
MINIMUM DELIVERY REQUIREMENTS N/A		

NATURE OF CHANGE (S):

Effective immediately, this Contract is hereby extended until July 30, 2007. All other specifications, terms, and conditions remain unchanged. NOTE: The Buyer for this Contract is changed to Jim Wilson.

AUTHORITY/REASON:

Per agency request (PRF dated 5/21/2007) and DMB/Purchasing Operations.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$102,810.00

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

July 14, 2004

**NOTICE
 TO
 CONTRACT NO. 071B4200280
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF VENDOR Thomson Professional & Regulatory Inc. d.b.a. RIA 395 Hudson Street New York, NY 10014	TELEPHONE 800-8461966 Dave Horsting
	BUYER/CA (517) 241-1646 Greg Faremouth
	Contract Compliance Inspector: DeWayne Miller On-Line and CD ROM Tax Research Subrogatel Services - Treasury
CONTRACT PERIOD: From: July 1, 2004 To: June 30, 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;">Destination</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	

The terms and conditions of this Contract are enclosed.

Estimated Contract Value: \$102,810.00

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

**CONTRACT NO. 071B4200280
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF VENDOR Thomson Professional & Regulatory Inc. d.b.a. RIA 395 Hudson Street New York, NY 10014	TELEPHONE 800-8461966 Dave Horsting BUYER/CA (517) 241-1646 Greg Faremouth
Contract Compliance Inspector: DeWayne Miller On-Line and CD ROM Tax Research Subrogatel Services - Treasury	
CONTRACT PERIOD: From: July 1, 2004 To: June 30, 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;">Destination</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	
MISCELLANEOUS INFORMATION: The terms and conditions of this Contract are enclosed. Estimated Contract Value: \$102,810.00	

THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the **ITB No. 07114001132**. A Prurchase Order Form will be issued only as the requirements of the Department of Treasury are submitted to Acquisition Services. Orders for delivery may be issued directly by the **Department of Treasury** through the issuance of a Purchase Order Form.

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

FOR THE VENDOR: <u>Thomson Professional & Regulatory Inc.</u> Firm Name <hr/> Authorized Agent Signature <hr/> Authorized Agent (Print or Type) <hr/> Date	FOR THE STATE: <hr/> Signature Greg Faremouth, Buyer Specialist Name Strategic Business Development Title <hr/> Date
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**ACQUISITION SERVICES
STATE OF MICHIGAN
CONTRACT #071B4200280
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A	PRICE PROPOSAL
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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 Acquisition Services to solicit quotations for services or commodities. The ITB 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.
Cancellation	Ending all rights and obligations of the State and Contractor, except for any rights and obligations that are due and owing.
Licensed Information	(i) All of the information and product data stored and contained in Contractor's product. Except for the limited license granted to State under this Contract, all product data provided by Contractor and/or other information suppliers in all languages, formats, and media throughout the world, including the programs, control information, and related software contained in the product, including those provided by Contractor, will continue to be the exclusive copyrighted property of Contractor and its various information suppliers.

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 outside of Licensed Information.
Treasury	Treasury means the Department of Treasury.
PC	PC means personal computer.



**SECTION I
CONTRACTUAL SERVICES TERMS AND CONDITIONS**

I-A PURPOSE

The purpose of this Contract is for on-line and CD-ROM tax research subscription services.

This Contract is a unit price Contract.

I-B TERM OF CONTRACT

The activities in this Contract cover the period July 1, 2004 through June 30, 2007 with the option to extend for two (2) one year 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), Acquisition Services, hereafter known as Acquisition Services, for the State of Michigan, Department of Treasury. Where actions are a combination of those of Acquisition Services and Department of Treasury, the authority will be known as the State.

Acquisition Services is the sole point of contact in the State with regard to all procurement and contractual matters relating to the services described herein.

Acquisition Services is the only office authorized to change, modify, amend, alter, clarify, etc., the prices, specifications, terms, and conditions of this Contract. Acquisition Services will remain the SOLE POINT OF CONTACT throughout the procurement process, until such time as the Director of Acquisition Services shall direct otherwise in writing. All communications concerning this procurement must be addressed to:

Greg Faremouth, Buyer

Technology and Professional Services Division

DMB, Acquisition Services

2nd Floor, Mason Building

P.O. Box 30026

Lansing, MI 48909

faremouthg@michigan.gov

517 241-1646

I-D CONTRACT COMPLIANCE INSPECTOR

Upon receipt at Acquisition Services of the properly executed Contract Agreement, it is anticipated that the Director of Acquisition Services 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 the Contract implies no authority to change, modify, clarify, amend, or otherwise alter the prices, terms, conditions, and specifications of this Contract. That authority is retained by Acquisition Services. The Contract Compliance Inspector for this Contract is:



DeWayne Miller
Michigan Department of Treasury
Tax Compliance Bureau
7285 Parsons Drive, Dimondale, MI 48821
Millerda1@Michigan.gov / (517) 636-4189

I-E PURCHASE ORDERS

Orders for delivery of commodities and/or services may be issued directly by the State Departments through the issuance of a Purchase Order Form referencing this Contract (Blanket Purchase Order) agreement and the terms and conditions contained herein. Contractor is asked to reference the Purchase Order Number on all invoices for payment.

I-F 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-G 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 anticipated 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-H NEWS RELEASES

News releases pertaining to this document or the services, 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-I DISCLOSURE

All information in the Contract is subject to the provisions of the Freedom of Information Act, 1976 Public Act No. 442, as amended, MCL 15.231, *et seq.*

I-J 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 10 business days request, to the State of Michigan, its designees, or the Michigan 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. Any such audit of said records shall be conducted during Contractor's normal business hours. If the State finds through the audit findinds a discrepancy of more than 10% of the difference between the billing and the actual fees agreed to by the parties within this agreement the cost of the audit will be bore by the Contractor.

I-K INDEMNIFICATION**A. General Indemnification**

To the fullest extent permitted by law, 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, provided Contractor is (i) promptly notified, (ii) given the reasonable assistance required and (iii) permitted to retain legal counsel of its choice and to direct the defense:

1. any claim, demand, action, citation or legal proceeding against the State, its employees and agents arising out of or resulting from 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 employees and agents arising out of or resulting from a 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 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 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 solely 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 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.

Notwithstanding any of the foregoing, Contractor shall have no liability for settlements or costs incurred without its consent.



B. Patent/Copyright Infringement Indemnification

To the fullest extent permitted by law, the Contractor shall indemnify, defend and hold harmless the State, its employees and agents from and against all losses, liabilities, 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 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, or the use or reproduction of any documentation provided with 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 provided Contractor is (i) promptly notified, (ii) given the reasonable assistance required and (iii) permitted to retain legal counsel of its choice and to direct the defense. 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 .. Notwithstanding any of the foregoing, Contractor shall have no liability for settlements or costs incurred without its consent.

C. Indemnification Obligation Not Limited

In any and all claims against the State of Michigan, or any of its agents or employees, 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 benefits acts, or other employee benefits 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 subclause.

D. Continuation of Indemnification Obligation

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

E. Limitation of Liability

The Contractor's liability for damages to the State shall be limited to 2x the value of the contract. The foregoing limitation of liability shall not apply to Contractor's indemnification obligations for infringement of any third party patents, copyrights, trademarks or [for misappropriation of](#) trade secrets as specified in Section I-K.1.;



to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor; to claims covered by other specific provisions of this Contract calling for liquidated damages; or to court costs or attorney's fees awarded by a court in addition to damages arising in connection with Contractor's indemnification obligations hereunder.

The State's liability for damages to the Contractor shall be limited to 2x the value of the contract.

The parties agree that neither the Contractor nor the State shall be liable to each other, regardless of the form of action, whether in contract, tort, strict liability, or otherwise, for consequential, incidental, indirect, or special damages including lost profits, sustained or incurred in connection with this Contract and whether or not such damages are foreseeable. The foregoing limitation of liability shall not apply to claims for infringement of any third party patents, copyrights, trademarks or [misappropriation of](#) trade secrets (as specified in Section I-K.1) or to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor

I-L 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-M 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 customization to the product performed by the contractor.

I-O 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:

For the Contractor:

Robert Horsting
Thomson – RIA
4117 El Camino Real West
Lakeland, FL 33813

For the State:

Greg Faremouth
Michigan Dept. of Management & Budget
Acquisition Services
Stevens T. Mason Bldg., 2nd Floor
Lansing, MI 48933

**I-P WORK PRODUCT AND OWNERSHIP**

1. N/A
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 and 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-Q 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-R 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-S CONTRACTOR'S LIABILITY INSURANCE

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

The Contractor waives all rights against the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents for recovery of damages to the extent these damages are covered by the insurance policies the Contractor is required to maintain pursuant to this Contract. The Contractor also agrees to provide evidence that all applicable insurance policies contain a waiver of subrogation by the insurance company.

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

The Insurance shall be written for not less than any minimum coverage herein specified or required by law, whichever is greater. All deductible amounts for any of the required policies are subject to approval by the State.

The State reserves the right to reject insurance written by an insurer the State deems unacceptable.

BEFORE THE CONTRACT IS SIGNED BY BOTH PARTIES OR BEFORE THE PURCHASE ORDER IS ISSUED BY THE STATE, THE CONTRACTOR MUST FURNISH TO THE DIRECTOR OF Acquisition Services, CERTIFICATE(S) OF INSURANCE VERIFYING INSURANCE COVERAGE. THE CERTIFICATE MUST BE ON THE STANDARD "ACCORD" FORM. THE CONTRACT OR PURCHASE ORDER NO. MUST BE SHOWN ON THE CERTIFICATE OF INSURANCE TO ASSURE CORRECT FILING. All such Certificate(s) are to be prepared and submitted by the Insurance Provider and not by the Contractor. All such coverage afforded under the policies WILL NOT BE CANCELLED, MATERIALLY CHANGED, OR NOT RENEWED without THIRTY (30) days prior written notice, except for 10 days for non-payment of premium, having been given to the Director of Acquisition Services, Department of Management and Budget. Such NOTICE must include the CONTRACT NUMBER affected and be mailed to: Director, Acquisition Services, Department of Management and Budget, P.O. Box 30026, Lansing, Michigan 48909.

The Contractor is required to provide the type and amount of insurance checked () below:



- 1. Commercial General Liability with the following minimum coverages:
 - \$2,000,000 General Aggregate Limit other than Products/Completed Operations
 - \$2,000,000 Products/Completed Operations Aggregate Limit
 - \$1,000,000 Personal & Advertising Injury Limit
 - \$1,000,000 Each Occurrence Limit
 - \$500,000 Fire Damage Limit (any one fire)

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSUREDS on the Commercial General Liability policy.

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

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSUREDS on the vehicle liability policy.

- 3. Worker's disability compensation, disability benefit or other similar employee benefit act with minimum statutory limits. NOTE: (1) If coverage is provided by a State fund or if Contractor has qualified as a self-insurer, separate certification must be furnished that coverage is in the state fund or that Contractor has approval to be a self-insurer; (2) Any citing of a policy of insurance must include a listing of the States where that policy's coverage is applicable; and (3) Any policy of insurance must contain a provision or endorsement providing that the insurers' rights of subrogation are waived. This provision shall not be applicable where prohibited or limited by the laws of the jurisdiction in which the work is to be performed.

- 4. For contracts providing temporary staff personnel to the State, the Contractor shall provide an Alternate Employer Endorsement with minimum coverage of \$1,000,000.

- 5. Employers liability insurance with the following minimum limits:

- \$100,000 each accident
- \$100,000 each employee by disease
- \$500,000 aggregate disease

- 6. Professional Liability Insurance (Errors and Omissions coverage) with the following minimum coverage:

- \$1,000,000 each occurrence and \$3,000,000 annual aggregate
- \$3,000,000 each occurrence and \$5,000,000 annual aggregate
- \$5,000,000 each occurrence and \$10,000,000 annual aggregate

- 7. Medical Professional Liability, minimum coverage

- \$100,000 each occurrence and \$300,000 annual aggregate



- \$200,000 each occurrence and \$600,000 annual aggregate
 \$1,000,000 each occurrence and \$5,000,000 annual aggregate.

I-T 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-U 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 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. Approvals Rescinded. The State may terminate this Contract without further liability or penalty 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 7. Termination may be in whole or in part and may be immediate as of the date of the written notice to Contractor or may be effective as of the date stated in such written notice.

I-V 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 Compliance Inspector 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-W 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, workaround plans or other means.

I-X ASSIGNMENT

Except for the Contractor's parent or affiliate, 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, which consent shall not be unreasonably refused. 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 Director of Acquisition Services.

I-Y 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 Director of Acquisition Services has given written consent to the delegation.

I-Z NON-DISCRIMINATION CLAUSE

In the performance of any Contract or purchase order resulting herefrom, the bidder 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 bidder further agrees that every subcontract entered into for the performance of any 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-AA WORKPLACE SAFETY AND DISCRIMINATORY HARASSMENT

In performing services for the State pursuant to this Contract, the Contractor shall comply with Department of Civil Service Rules 2-20 regarding Workplace Safety and 1-8.3 regarding Discriminatory Harassment. In addition, the Contractor shall comply with Civil Service Regulations governing workplace safety and discriminatory harassment and any applicable state agency rules on these matters that the agency provides to the Contractor. Department of Civil Service Rules and Regulations can be found on the Department of Civil Service website at www.michigan.gov/mdcs.

I-BB MODIFICATION OF SERVICE

The Director of Acquisition Services 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.

The 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.
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-CC 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: **Robert Horsting**
Thomson - RIA
4117 El Camino Real West
Lakeland, FL 33813

For the State: **Greg Faremouth**
Michigan Dept. of Management and Budget
Acquisition Services
Stevens T. Mason Bldg., 2nd Floor
530 W. Allegan St
Lansing, MI 48933



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

I-DD ENTIRE AGREEMENT

The Contract , the Contractor's bid proposal and clarifications 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-EE NO WAIVER OF DEFAULT

The failure of a party to insist upon strict adherence to the terms of the 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-FF 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-GG 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-HH 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-II 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-JJ 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-KK 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-LL YEAR 2000 SOFTWARE COMPLIANCE

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

The software design, to insure 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-MM CONTRACT DISTRIBUTION

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

I-NN STATE STANDARDS

- 1. EXISTING TECHNOLOGY STANDARDS.** The Contractor will adhere to all existing standards as described within the comprehensive listing of the State's existing technology standards at <http://michigan.gov/dit>.
- 2. PM METHODOLOGY STANDARDS.** 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, as well as the State of Michigan Project Management Methodology, from the Department



of Information Technology's website at <http://www.michigan.gov/projectmanagement>.

The contractor shall use the State's PPM 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 Contractor requires training on the methodology, those costs shall be the responsibility of the Contractor, unless otherwise stated.

3. ADHERENCE TO PORTAL TECHNOLOGY TOOLS. The State of Michigan, Department of Information Technology, has adopted the following tools as its Portal Technology development efforts:

- Vignette Content Management and personalization Tool
- Inktomi Search Engine
- e-Pay Payment Processing Module
- Websphere Commerce Suite for e-Store applications

The Contractor must use the Portal Technology Tools to implement web content management and deployment efforts for agencies. Tools used for web-based application development must work in conjunction with Vignette and Inktomi. The interaction with Vignette and Inktomi must be coordinated with the Department of Information Technology, Enterprise Application Services Office, e-Michigan Web Development team.

Under special circumstances that the Contractor is compelled to use alternate tools must submit an exception request to the Department of Information Technology, Enterprise Application Services Office, e-Michigan Web Development team, for evaluation and approval of each alternate tool prior to proposal evaluation by the State.

I-00 ELECTRONIC FUNDS TRANSFER

Electronic transfer of funds is available to State contractors. Vendors are encouraged to register with the State of Michigan Office of Financial Management so the State can make payments related to this Contract electronically at www.cpexpress.state.mi.us.

I- PP LIMITATIONS ON USE

(a) State must restrict access to the licensed information to State employees who require access in the performance of their employment duties.

(b) Instructional guides and materials are provided solely to support your authorized use of the licensed information. State may not use, copy, modify, or distribute these materials, or any copy, adaptation, transcription, or portion of them except as expressly authorized by Contractor by separate written agreement.

(c) Licensed Information or any part of it may not be used, in any manner, except as expressly permitted under this Contract. State may not reverse engineer, decompile, disassemble, or otherwise duplicate the program or any part of it. State may not sell, assign, disclose, furnish, or redistribute any Licensed Information to any other person, firm, corporation of entity.



(d) State may not use the CHECKPOINT software included with the Contractor Licensed Information with any other database(s), and State may not provide or allow access to the product data other than for the exclusive use of State employees.

(e) While this Agreement is in effect, State may not use, aid or permit any other party to use Contractor Licensed Information for any illegal purposes.



SECTION II WORK STATEMENT

II-A BACKGROUND/PROBLEM STATEMENT

The Department of Treasury (Treasury) must have a tax research subscription service to support the daily job functions of its staff. A complete reference library of federal and state tax information is required to maintain and supplement the expertise of staff members working with taxpayers, taxpayer representatives, attorneys, and Certified Public Accountants. Quick access to tax information is essential to the daily needs to Treasury staff. The initial service will require one hundred-ten (110) on-line users and two hundred-ten (210) CD-ROM users.

II-B OBJECTIVES

1. The Contractor shall provide on-line and CD-ROM tax research subscription services to Treasury in accordance with the provisions, terms and conditions specified herein.
2. The Contractor shall structure and or adapt the service to provide Treasury with Internet and CD-ROM access to federal, state, and local tax topics.
3. The Contractor must provide on-line and CD-ROM tax research services of which all products/services proposed must be generally available; i.e. not in beta or test; and currently in production.

II-C TASKS

The following are the major tasks/requirements of the Contract.

1. Requirements for Research Database:
 - a. The Contractor will provide a research database(s) available via the Internet and CD-ROM on tax topics for federal taxation and state taxation (includes all 50 states) that will include at a minimum the following tax types:
 1. Corporate Income, Franchise Tax and Single Business Tax
 2. Excise Tax
 3. Sales and Use Tax
 4. Motor Fuel Taxes
 5. Personal Income Tax
 6. Property Tax
 7. Withholding Tax
 8. Public Utilities Tax
 9. Special Local Taxes
 10. General Administration Provisions for Taxation
 11. Severance Tax
 12. Insurance Company Taxes
 13. Tobacco Tax
 14. Estate Tax
 15. Intangibles Tax.



The Contractor's service will include text, analysis, tax treatises, journals, comparisons of court ruling, legislative changes, issues, etc. related to the topics noted above as outlined in the Contractor's bid and clarification response.

- b. **Tax Codes:** The Contractor's database will include full text of the Internal Revenue Code with history and regulations and proposed Internal Revenue Codes and regulations. The database will also include full text of current state tax statutes/codes and regulations for all fifty (50) states.

The Contractor's database will include full text for tax issues on the following (Earliest dates of recorded tax topics are outlined in Contractor's bid and clarification response):

1. Congressional Committee reports
2. U.S. Supreme Court and Federal Court cases
3. State Supreme Court cases, all fifty (50) states
4. State Court of Appeals Cases, all fifty (50) states
5. State Trial Court cases, all fifty (50) states
6. Attorneys General opinions, formal and informal, federal and all fifty (50) states
7. IRS and Department of Revenue, all fifty (50) states, and/or state taxing authority rulings, releases, memoranda, notices, bulletins, etc.
8. Administrative Law Judge decisions issued in hearings before any Department of Revenue and/or taxing authority for all fifty (50) states
9. Boards of Tax Appeals (usually a state agency) decisions issued in hearings, for all fifty (50) states
10. Federal Treasury regulations: final, temporary, proposed, preambles, etc.
11. IRS revenue rulings, procedures, notices, announcements, etc.
12. IRS publications
13. IRS forms
14. IRS Practices
15. Michigan Forms and Forms Instructions
16. Michigan Letter Rulings and Revenue Administrative Bulletins
17. Michigan List of Approved Laws
18. Michigan Regulations and Rules
19. Michigan Annotations
20. State Newsletter
21. Michigan Legislative highlights
22. Tax Rates for all states.

The Contractor's database will compare the tax laws of all fifty (50) states, and provide links for a quick comparison.

The Contractor's database will include archived codes and regulations for previous years for both the IRS and the fifty (50) states.



- c. **Search Engine:** The Contractor's software, will have the ability to perform a variety of searches, including key word, language, text, and Boolean. The subscriber will be able to perform a search from a single main search screen. This screen will provide preference boxes for the type of tax, type of document and choice of State. The database will allow for the modification of a search by providing a search within results feature. The research service will also provide a mechanism for the retrieval of prior searches. Searches will produce results in chronological order.
- d. **Saving Documents and Folders (Archiving):** The Contractor's database will allow the saving of a maximum of 1000 documents per subscriber on the website. The database will also provide a folder system for the saving and subsequent retrieval of documents. The saved documents will be updated automatically for law changes, new regulations, etc.

Vendor Response to this Task:

2. **Accessibility/Support Services Requirements:**

- a. **Accessibility/Downtime/Backup Plan:** The on-line tax research databases as described herein will be accessible by end users twenty-four (24) hours a day, seven (7) days a week, including holidays. Downtime will be no more than five (5) hours per week and be limited to the hours of 10 p.m. to 5 a.m. The online subscription services will permit multiple users to access the online research databases simultaneously.

The Contractor will send prior written notices to end users notifying them of any scheduled downtime of the on-line system or the inability to create CD-ROMs. The Contractor will notify, via e-mail, the Contract Compliance Inspector of any scheduled downtime twenty-four (24) hours in advance for on-line services and by the last day of the month for any CD-ROM delays.

The Contractor utilizes redundant servers at multiple locations to ensure downtime is minimized. In the event CD-ROMs are delayed, the Contractor will expedite the shipment of the CD's at the Contractor's expense.

- b. **Support:** The subscription services will include on-line and toll-free telephone help in order to aid end users in using databases and services

The on-line service will be capable of being accessed from a variety of personal computers (PCs).

The on-line services/software will be compatible and operate at a minimum with Microsoft Office 97 components and higher, and the PC component must be capable of processing at a minimum on Windows NT, 95, 98, 2000, XP, and higher.

- a. The software will have the ability to cut, paste, link, print, and download files.



- b. The software will have imbedded linking capabilities for federal and state cases, state statutes and Internal Revenue Code sites.

The Contractor's on-line services/software will be compatible and operate with Microsoft Internet Explorer **5.0** and higher releases of Explorer.

The Contractor will provide all training necessary to operate the on-line system. Yearly on-site training will be provided..

- a. The Contractor's training will be provided on-site at a location provided by Treasury.
- b. The Contractor will provide a toll free help desk.
- c. The Contractor will provide an on-line instruction manual and should provide an on-line tutorial.

The Contractor's software does not allow the user to see unpurchased material.

3. License and Licensing Requirements:

The Contractor shall provide initial service for one hundred-ten (110) concurrent on-line users, located throughout the country and two hundred-ten (210) CD-ROMs. Updated CD-ROMs will be provided on a monthly basis. CD-ROMs will be updated the first Wednesday of each month and will be shipped no later than the first Wednesday of the following month.. The Contract Compliance Inspector will identify the shipping location of the CD-ROMs.

Treasury reserves the right to add/subtract the number of licenses and CD-ROMS. The Contract Compliance Inspector will notify the vendor via e-mail, by the end of the month, any license and/or CD-ROM changes. The vendor will reply to the Contract Compliance Inspector verifying the change to the number of licenses and/or CD-ROMs and indicating the current count of each via and Excel file. Treasury will notify the Contractor of any username and password changes by the 15th of each month for any changes necessary for the upcoming month.

II-D PROJECT CONTROL AND REPORTS

1. Project Control

- a. The Contractor will carry out this project under the direction and control of the Department of Treasury.
- b. Although there will be continuous liaison with the Contractor team, the Contract Compliance Inspector will meet quarterly by phone or in person if requested as a minimum, with the Contractor's project manager for the purpose of reviewing progress and providing necessary guidance to the Contractor in solving problems which arise.



- c. The Contractor will submit brief written quarterly summaries of progress which outline the work accomplished during the reporting period; work to be accomplished during the subsequent reporting period; problems, real or anticipated, which should be brought to the attention of the Contract Compliance Inspector; and notification of any significant deviation from previously agreed-upon work plans. A copy of this report will be forwarded to the named buyer in Acquisition Services.
- d. Within five (5) working days of the award of the Contract, the Contractor will submit to the Department of Treasury Contract Compliance Inspector for final approval a work plan. This final implementation plan must be in agreement with section IV-C subsection 2 as proposed by the bidder and accepted by the State for Contract, and must include the following:
 - 1) The Contractor's project organizational structure.
 - 2) The Contractor's staffing table with names and title of personnel assigned to the project. This must be in agreement with staffing of accepted proposal. Necessary substitutions due to change of employment status and other unforeseen circumstances may only be made with prior approval of the State.
 - 3) The project breakdown showing sub-projects, activities and tasks, and resources required and allocated to each.
 - 4) The time-phased plan in the form of a graphic display, showing each event, task, and decision point in your work plan.

II-E PRICE PROPOSAL

Appendix A contains pricing. All prices/rates quoted will be firm for the duration of the Contract. No price changes will be permitted.

II-F CONTRACT PAYMENT

All invoices must reflect actual work done. The Contractor will submit a monthly invoice of completed work accomplished during the reporting period which includes an itemized listing of tasks completed; furthermore, the invoice must list the contract number and/or purchase order number.

All invoices must be submitted to the following address (failure to do so may result in late payment):

**Michigan Department of Treasury
Attn: Finance and Accounting
430 West Allegan, 2nd Floor
Lansing, MI 48922.**



**APPENDIX A
PRICE PROPOSAL**



Michigan Department of Revenue Pricing Structure: Year 1

	Product Code	# Users	Monthly Amt.	Annual Amt.
Web	WSLC	110	State & Local Tax	
	WEB4	110	Federal Tax	
	WEBPD	110	Public Domain	
	WFCS	110	Bittker & Eustice	
	WTXD	110	Tax Dictionary	
	Checkpoint Subtotal			\$2,319.17
CD	PSMI	210	Michigan State & Local	
	PC4WX	210	Federal/State Forms	
	OnPoint Subtotal		\$536.67	\$6,440.00
Grand Total			\$2,855.83	\$34,270.00

