

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

June 30, 2003

**CHANGE NOTICE NO. 45
 TO
 CONTRACT NO. 071B5000207
 between
 THE STATE OF MICHIGAN**

and

FAX (517) 885-3718

NAME & ADDRESS OF VENDOR Electronic Data Systems Corporation 905 Southland Street, Mail Stop 1023 Lansing, MI 48910 jeanne.alderson@eds.com	TELEPHONE: (517) 272-5803 Jeanne Alderson
	VENDOR NUMBER/MAIL CODE
	BUYER (517) 241-1218 Melissa Castro
Contract Administrator: Patty Bogard Program Administrator: Loren Hersey Development and Maintenance of the Retail Sales System (RSS) Department of Natural Resources	
CONTRACT PERIOD From: June 15, 1994 To: January 1, 2007	
TERMS Net 30	SHIPMENT N/A
F.O.B. N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS: N/A	

NATURE OF CHANGES:

Effective immediately, this contract is hereby **EXTENDED** through January 1, 2007, subject to the attached terms and conditions. The attached represents the governing terms for the extended contract period and supercedes all previous terms.

\$8,109,479.00 of the Ad Board approval dated 12/17/02 will fund this change notice.

The remaining \$2,285,337.03 will fund future projects on an as-needed basis.

AUTHORITY/REASON (S):

Per DMB/Acquisition Services.

CHANGE AUTHORIZATION REQUEST

Contract No. 071B5000207
Change Authorization Request No.2003-014

XXXIII. General

This Change Authorization Request is subject to all terms and conditions of the Retail Sales System (RSS) Contract between EDS and the State of Michigan. Except as expressly specified herein, all terms and conditions of the Contract shall remain in full force and effect upon execution of this request. This request is not valid until it is signed by all parties, a Contract Change Notice is issued by the Office of Acquisition Services, Department of Management and Budget, and a Purchase Order is issued by the Department of Information Technology "DIT" representing the Department of Natural Resources.

XXXIV. Description of Change

The purpose of this change is to extend the contract term to January 1, 2007, subject to the attached terms and conditions. The attached represents the governing terms for the extended contract period and supercedes all previous terms.

XXXV. Costs

\$8,109,479.00.

XXXVI. Impact on Contract

The contract shall be extended for 42 months to January 1, 2007 and incorporate the revised terms, conditions and price schedule.

XXXVII. Signatures

EDS
By: _____
Title: _____
Date: _____

DIT Contract Administrator
By: _____
Title: _____
Date: _____

DNR, Program Administrator
By: _____
Title: _____
Date: _____

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**MDNR Contract Extension
to 071B5000207**

**for the
Retail Sales System**

June 25, 2003

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SECTION I
GENERAL INFORMATION

I-A PURPOSE

The purpose of this contract is to obtain operations, maintenance, user support and enhancements to the Hunting and Fishing Licenses Retail Sales System.

This contract will be part lump sum and part fixed cost.

I-B ISSUING OFFICE

This contract is issued by Acquisition Services, State of Michigan, Department of Management and Budget (DMB), hereafter known as Acquisition Services, for the State of Michigan, Department of Natural Resources (DNR). Where actions are a combination of those of Acquisition Services and DNR, the authority will be known as the State.

Acquisition Services is the only office authorized to change, modify, amend, alter, clarify, etc., the specifications, terms, and conditions of this contract. All communications concerning contractual matters must be addressed to:

Melissa Castro, Buyer
DMB, Acquisition Services
2nd Floor, Mason Building
P.O. Box 30026
Lansing, Michigan 48909

I-C CONTRACT ADMINISTRATOR

The Director of Acquisition Services will direct that the person named below be authorized to administer the Contract on a day-to-day basis during the term of the Contract. However, administration of any contract implies no authority to change, modify, clarify, amend, or otherwise alter the terms, conditions, and specifications of the contract. That authority is retained by Acquisition Services. The Contract Administrator for this project is:

Patty Bogard
Department of Information Technology
Agency Services
Constitution Hall, 6th Floor South
525 W. Allegan Street
Lansing, MI 48933

The Program Administrator for this project is:

Loren Hersey
Department of Natural Resources
Grants, Contracts & Customer Systems
P.O. Box 30425
Lansing, MI 48909

I-D COST LIABILITY

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Total liability of the State is limited to the terms and conditions of this Contract. 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-E PRIME CONTRACTOR RESPONSIBILITIES

The Prime Contractor will be required to assume responsibility for all contractual activities offered in this 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 payment of any and all charges resulting from the anticipated contract. If any part of the work is to be subcontracted, the contractor must notify the State and identify a list of subcontractors, 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 Primary 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-F NEWS RELEASES

News releases pertaining to this Contract 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-G DISCLOSURE

All information contained herein and/or referenced is subject to disclosure under the provisions of the "Freedom of Information Act.", 1976 Public Act No. 442, as amended, MCL 15.231, *et seq.*

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SECTION II

CONTRACTUAL SERVICES TERMS AND CONDITIONS

The following are MANDATORY TERMS to which the Contractor MUST agree without word modification.

II-A CONTRACT INVOICING AND PAYMENT

Invoicing. All invoices should reflect actual work done. Invoices will be in accordance with the attached Monthly Billing Schedule.

Annual Fee Increases. The State agrees to evaluate an annual fee increase request to be effective January 1 each year...The amount of the annual increase will be determined using the average salary increase for exempt and executive-level system integration staff from the most recent Hewitt Associates Integration survey not to exceed 10% annually.

The State shall pay all such invoices in accordance with the State's standard payment procedure as specified in Public Act #279 of 1984.

II-B 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 expiration date and final payment on the contract or extension thereof.

II-C 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;

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- (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.

E. Indemnification Procedures

- 1) After receipt by the State of notice of the commencement or threatened commencement of any civil, criminal, administrative or investigative action or proceeding involving a claim in respect of which it will seek indemnification, the State shall notify the Contractor

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of such claim in writing. No failure to so notify the Contractor shall relieve it of its indemnification obligations except to the extent that it can demonstrate damages attributable to such failure. Within fifteen (15) days following receipt of written notice from the State relating to any claim, but no later than ten (10) days before the date on which any response to a complaint or summons is due, the Contractor shall notify the State in writing if the Contractor elects to assume control of the defense and settlement of that claim (a "Notice of Election").

- 2) If the Contractor delivers a Notice of Election relating to any claim within the required notice period, the Contractor shall be entitled to have sole control over the defense and settlement of such claim; provided, however, that: (1) the State shall be entitled to participate in the defense of such claim and to employ counsel at its own expense to assist in the handling of such claim and to monitor and advise the State about the status and progress of the defense; (2) the Contractor shall, at the request of the State, demonstrate to the reasonable satisfaction of the State the Contractor's financial ability to carry-out its defense and Indemnity obligations; (3) the Contractor shall periodically advise the State about the status and progress of the defense and shall obtain the prior written approval of the State before entering into any settlement of such claim or ceasing to defend against such claim, which approval shall not be unreasonably withheld; and (4) to the extent that any principles of Michigan governmental or public law may be involved or challenged, the State shall have the right, at its own expense, to control the defense of that portion of such claim involving the principle(s) of Michigan governmental or public law. Notwithstanding the foregoing, the State may retain control of the defense and settlement of a claim if the State, in its sole discretion, determines that it is in the best interest of the State to do so. Any determination relinquishing to the contractor the control over the defense and settlement of a claim may be rescinded by the State at any time during the defense and settlement of such claim, at which point the State shall assume the control of the defense and settlement of such claim. The Contractor's indemnification obligations under this Section II-C shall not extend to any losses, liabilities, damages or claims (including taxes), and all related costs and expenses that the Contractor can reasonably demonstrate would not have been incurred but for the State's election to retain or retake control over the defense and settlement of a claim.
- 3) If the Contractor does not deliver a Notice of Election relating to any claim of which it is notified by the State as provided above, the State shall have the right to defend the claim in such manner as it may deem appropriate, at the cost and expense of the Contractor. The Contractor shall promptly reimburse the State for all such costs and expenses.

II-D CONTRACTOR'S LIABILITY INSURANCE: LIMITATION OF LIABILITY

A. The Contractor shall purchase and maintain such insurance, or alternatively provide evidence satisfactory to the State of the Contractor's ability to self-insure, as will protect him 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 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.

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- (2) Claims for damages because of bodily injury, occupational sickness or disease, or death of his employees.
- (3) Claims for damages because of bodily injury, sickness or disease, or death of any person other than his employees, subject to limits of liability of not less than \$100,000 each occurrence and, when applicable \$300,000 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 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 \$100,000 each occurrence and when applicable, \$300,000 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 MUST FURNISH TO THE DIRECTOR OF THE OFFICE OF PURCHASING, 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 coverages afforded under the policies will not be cancelled until at least fifteen days prior written notice bearing the Contract Number or Purchase Order Number has been given to the Director of Purchasing.

B. Limitation of Liability

The liability of the Contractor for all damages arising out of or related to this Agreement, regardless of the form of action that imposes liability, whether in contract, equity, negligence, intended conduct, tort or otherwise, will be limited to and will not exceed, in the aggregate for all claims, actions and causes of action of every kind and nature, the sum of \$8,109,479.

In no event will the measure of damages include, nor will Contractor be liable for, any amounts for loss of income, profit or savings or indirect, incidental, consequential, exemplary, punitive or special damages of any party, including third parties, even if such Party has been advised of the possibility of such damages in advance, and all such damages are expressly disclaimed.

II-E CANCELLATION

- (a) The State may cancel the Contract for default of the Contractor. Default is defined as the failure of the Contractor to fulfill the obligations of the quotation or Contract. In case of default by the Contractor, the State may immediately and/or upon 30 days prior written notice to the Contractor cancel the Contract without further liability to the State, its departments, divisions, agencies, sections, commissions, officers, agents and employees, and procure the services from other sources, and hold the Contractor responsible for any excess costs occasioned thereby.
- (b) The State may cancel the Contract in the event the State no longer needs the services or products specified in the Contract, or in the event program changes, changes in laws, rules or regulations, relocation of offices occur, or the State determines that statewide implementation of the Contract is not feasible, or if prices for additional services requested by the State are not acceptable to the

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State. Except for the termination charges described in subsection (h) below, the State may cancel the contract without further liability to the State, its departments, divisions, agencies, sections, commissions, officers, agents and employees by giving the Contractor written notice of such cancellation 30 days prior to the date of cancellation.

- (c) The State may cancel the Contract for lack of funding. The Contractor acknowledges that, if this Contract extends for several fiscal years, continuation of this Contract is subject to appropriation of funds for this project. If funds to enable the State to effect continued payment under this Contract are not appropriated or otherwise made available, the State shall have the right to terminate this Contract without penalty at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of termination to the Contractor. The State shall give the Contractor written notice of such non-appropriation within 30 days after it receives notice of such non-appropriation.
- (d) The State may immediately cancel the Contract without further liability to the State its departments, divisions, agencies, sections, commissions, officers, agents and employees if 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 on the Contractor's business integrity.
- (e) The State may immediately cancel the Contract in whole or in part by giving notice of termination to the Contractor if 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.
- (f) The State may, with 90 days written notice to the Contractor, cancel the Contract in the event prices proposed for Contract modification/extensions are unacceptable to the State. The State shall pay the termination charges described in subsection (h) below.
- (g) The State shall have the option to take responsibility for operations and support services described in this Contract, by giving EDS 90 days written notice. Upon the date of cancellation, the State will discontinue payments to EDS for these services without liability (except as described in subsection h below) for any direct, indirect, incidental, consequential, or other damages as a result of the cancellation of this portion of the contract. In addition, EDS shall assist MDNR in an orderly transition of these services for 90 days after receiving written notice. If support for the transition is required beyond 90 days, MDNR will pay EDS for the additional transition services at a mutually agreed to fee.
- (h) Termination charges for cancellation under sub-sections (b), (f), or (g) above are as follows, and ownership will be determined as reflected in Section II-Q.

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Termination Fee Schedule					
Month	Date	Amount	Month	Date	Amount
1	Jul-03	\$325,156	19	Jan-05	\$157,933
2	Aug-03	\$315,866	20	Feb-05	\$148,643
3	Sep-03	\$306,576	21	Mar-05	\$139,353
4	Oct-03	\$297,285	22	Apr-05	\$130,062
5	Nov-03	\$287,995	23	May-05	\$120,772
6	Dec-03	\$278,705	24	Jun-05	\$111,482
7	Jan-04	\$269,415	25	Jul-05	\$102,192
8	Feb-04	\$260,125	26	Aug-05	\$92,902
9	Mar-04	\$250,835	27	Sep-05	\$83,612
10	Apr-04	\$241,544	28	Oct-05	\$74,321
11	May-04	\$232,254	29	Nov-05	\$65,031
12	Jun-04	\$222,964	30	Dec-05	\$55,741
13	Jul-04	\$213,674	31	Jan-06	\$46,451
14	Aug-04	\$204,384	32	Feb-06	\$37,161
15	Sep-04	\$195,094	33	Mar-06	\$27,871
16	Oct-04	\$185,803	34	Apr-06	\$18,580
17	Nov-04	\$176,513	35	May-06	\$9,290
18	Dec-04	\$167,223	36	Jun-06	\$0

II-F DELEGATION AND/OR ASSIGNMENT

1. ASSIGNMENT

The contractor shall not have the right to assign this Contract or to assign or delegate any of its duties or obligation 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 Director of Acquisition Services.

2. 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.

II-G NON-DISCRIMINATION CLAUSE

In the performance of any 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 handicap or disability. The Contractor 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 37.2201, *et seq*, and the Michigan Handicapper's 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.

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II-H 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. 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.

II-I SOFTWARE PERFORMANCE

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 accessing or using the RSS systems as of April 5, 2000 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.

With respect to the requirements of this Section II-I, Software Performance, the State acknowledges and agrees that the services do not include and that the Contractor will not be responsible for:

1. making changes, modifications, updates or enhancements to (a) any software or systems that are not part of the RSS software or systems, (b) any interfaces between (x) any software or systems that are not part of the RSS software or systems and (y) the RSS software or systems, (c) any software or systems for which the source code, copybooks, database definitions, JCL and documentation is unavailable, incomplete, missing or non-existent; or (d) any software or systems for which there are no commercially available tools to enable the Contractor to make changes, modifications, updates or enhancements to such software or systems;
2. any inaccuracies, delays, interruptions or errors (a) caused by interfaces between (x) any software or systems that are not part of the RSS software or systems and (y) the RSS software or systems, (b) occurring as a result of the Contractor receiving from any source, including the State, date data in a two digit year format, (c) occurring as a result of incorrect data or data from other systems, software, hardware, processes or third parties provided in a format that is inconsistent with the format and protocols established for RSS software or systems including date data in two digit format, even if such data is required for the operation of the RSS software or systems, (d) occurring as a result of incorrect data or data which does not conform to required input formats, (e) caused by software or systems provided by any third parties interfacing or doing business with the State that the Contractor is required to interface with in the Contractor's performance of the services, (f) occurring as a result of incorrect data or data from telecommunication hardware or systems, or (g) caused by changes, modifications, updates or enhancements made to the software or systems by parties other than by the Contractor (including the State);

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3. any inaccuracies, delays, interruptions or errors caused by software or systems for which the State has provided or approved specifications which do not include an appropriate solution for such software or systems to avoid errors in processing related to dates; and
4. with respect to which the third party vendor refuses or fails to collaborate with the Customer or EDS, or both, to make them year 2000 compliant, EDS shall not be required to take any action with respect to third party items where there are any legal constraints (such as, but not limited to, a software license or copyright law rendering analysis or decompilation legally invalid or illegal).

II-J RIGHT TO OWNERSHIP

All tangible deliverables, consisting of data, materials, documentation, source code, prototypes, tables, application files, registry entries, application executable files, software libraries, and final custom software deliverables prepared or developed by the CONTRACTOR under this Contract shall belong exclusively to the State. The CONTRACTOR agrees to assign and hereby does assign to the State of Michigan all rights, title, ownership and interest in such tangible deliverables.

All Contractor software and documentation used in the performance of this Contract will be and remain Contractor's property, and the State will have no rights or interest therein. However, upon expiration or termination of this Contract, the Contractor will grant to the State a perpetual (subject to compliance with the applicable license), nontransferable, nonexclusive license to use, after the expiration date or the effective date of termination by the State, whichever is applicable, the object code form of any application software programs (including existing documentation) of the Contractor software (if any) then being used by the Contractor in performing the Services (other than those items of Contractor software being used at one or more Contractor data centers as part of the services) solely for the purpose of the State (or a third party provider assuming the obligations of the Contractor hereunder) performing the RSS/OLS services previously performed by the Contractor hereunder (the "Licensed Programs"), subject to the Contractor and the State entering into an agreement, in form and substance reasonably satisfactory to the Contractor and the State, containing such terms and conditions as may be appropriate. Notwithstanding anything to the contrary in this Contract, such license will not include the right to use any software changes with respect to the Contractor software other than those in use at the time the license is granted.

All third party software used by the Contractor in the performance of this Contract will be and remain the property of the applicable third party vendor(s), and, as between the Contractor and the State, any software changes made by the Contractor thereto will be owned by the Contractor.

Notwithstanding anything to the contrary in this Section II-J, the Contractor, its personnel and its subcontractors shall be free to use and employ its and their general skills, know-how and expertise, and to use, disclose and employ any generalized ideas, concepts, know-how, methods, techniques or skills gained or learned during the course of performing services under the Contract, so long as it or they acquire and apply such information without disclosure of any confidential or proprietary information of the State and without any unauthorized use or disclosure of work product developed in connection with this Contract.

The STATE will not transfer the Retail Sales System nor any component thereof to any other organization, governmental agency or person for independent use by that organization, governmental agency or person.

Data created or obtained through the use of the Retail Sales System and the On-Line System shall be the property of the State. Contractor, its Subcontractors and employees will not modify, obtain, or make use of these data except as necessary in the execution of their duties under this contract. The Contractor will be responsible for maintaining positive policies and procedures for safeguarding the security of such data and may be liable civilly for negligent release of such information.

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II-K MODIFICATION OF SERVICES

1. The Director of Acquisition Services reserves the right to modify this service during the course of the contract. Any changes in pricing proposed by the contractor resulting from possible modifications are subject to acceptance by the state.

If the State requests or directs the Contractor to perform any service or function that is consistent with and similar to the services required under this Contract, but which the Contractor reasonably and in good faith believes is not included within the scope of the Contractor's responsibilities and charges as set forth in this Contract, then, prior to performing such service or function, the Contractor shall promptly notify the State in writing that it considers such service or function to be an "Additional Service" for which the Contractor should receive additional compensation, specifying the basis for such claim. 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 service or function. If the Contractor seeks to claim compensation from the State for additional unanticipated costs incurred by it as a result of providing substantial lost efforts in support of fulfilling its contractual obligations because of the State's failure to perform its material responsibilities under this Contract, then the Contractor shall first provide to the State written notice of any such claim of performance failure by the State promptly after the occurrence of the event (performance failure) giving rise to the claim and prior to the Contractor incurring any additional costs for substantial lost efforts for which additional recompense from the State will be sought. If the Contractor does not timely notify the State, the Contractor shall have no right or entitlement to additional compensation from the State for any such unproductive, wasted or Additional Services, functions or the like arising out of or resulting from lost efforts or incurred prior to the submission of such notice.

Any disagreements between the parties arising under this Section II-K shall be resolved in accordance with the dispute resolution procedures in this Contract.

II-L GENERAL

The following constitutes the complete and exclusive statement of the agreement between the parties as it relates to this transaction:

- A. State terms and conditions
- B. Contractor's Hosting proposal (by reference only)

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.

Personnel Resources

MDNR will provide and make available to EDS appropriate management and technical personnel of MDNR who will work with EDS and will perform, on a timely basis, those activities referenced in this Work Statement, the responsibility for which is required therein to be assumed by MDNR. In addition, MDNR will cooperate with EDS through making available such personnel, management decisions, information, authorizations, approvals and acceptances in order that EDS' performance of the EDS Services may be properly, timely and efficiently accomplished. MDNR's approval will be consistent with EDS' proposal and MDNR's approval will be timely and not be unreasonably withheld.

Third Parties

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MDNR is responsible for ensuring that MDNR's business partners, including but not limited to MDNR buyers, supplier and application providers, complete their responsibilities in a timely manner.

Contract Changes

This contract may not be 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.

Severability

Each provision of this 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.

Applicable Law

This contract shall in all respects be governed by, and construed in accordance with, the laws of the State of Michigan.

II-M DISPUTE RESOLUTION

1. Informal Dispute Resolution

Any claim, counterclaim, or dispute between the State and Contractor arising out of or relating to the Contract shall be resolved as set forth herein. Any claim not timely submitted by the Contractor within the deadlines provided in the Contract, or if such deadline is not otherwise provided, more than ten days from the occurrence of the event which gives rise to the dispute, shall be deemed waived.

A claim is a properly and timely written demand or assertion by the State or the Contractor seeking an adjustment in Contract Price and or payment of monies due, an extension or shortening of Contract Time, the adjustment or interpretation of Contract terms, or any other relief arising under or relating to the Contract, which can only become a dispute after a determination by the State under the appropriate provision of the Contract.

For all Contractor claims seeking an increase in Contract price or adjustment to the Contract schedule, the Contractor shall submit an affidavit executed by Contractor's Project Manager, certifying that the claim is made in good faith, the amount claimed accurately reflects the adjustments in Contract price or schedule for which the Contractor believes the State is liable, and covers all costs of every type to which the Contractor is entitled from the occurrence of the claimed event, and supporting cost and pricing data are current, accurate, complete and represent the Contractor's best knowledge and belief.

- a. If the Contractor's Project Manager and the Master Contract Administrator are unable to resolve disputes, the Contractor, upon the written request of a party, will appoint a designated representative(s) who does not devote substantially all of his or her time to performance under the Contract, whose task it will be to meet with the Master Contract Administrator or his successor for the purpose of endeavoring to resolve such dispute.
- b. If the Master Contract Administrator or his successor and the designated Contractor representative(s) are unable to resolve the dispute, the Contractor's designated representative(s) will meet with the Master Contract Administrator and with the Director of Purchasing or his designee for the purpose of endeavoring to resolve such dispute.

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- c. The Contractor designated and State representative(s) shall meet as often as the parties reasonably deem necessary in order to gather and furnish to the other all information with respect to the matter in issue which the parties believe to be appropriate and germane in connection with its resolution. The representative(s) shall discuss the problem and negotiate in good faith in an effort to resolve the dispute without the necessity of any formal proceeding.
- d. During the course of negotiations, all reasonable requests made by one party to another for non-privileged information, reasonably related to the Contract, will be honored in order that each of the parties may be fully advised of the other's position.
- e. The specific format for the discussions will be left to the discretion of the designated State and Contractor representatives, but may include the preparation of agreed-upon statements of fact or written statements of position.
- f. Formal proceedings for the resolution of a dispute may not be commenced until the earlier of:
 - (1) The designated representatives concluding in good faith that amicable resolution through continued negotiation of the matter does not appear likely; or
 - (2) Thirty (30) days after the initial request to negotiate the dispute; provided, however, that this provision will not be construed to prevent a party from instituting formal proceedings earlier to avoid the expiration of any applicable limitations period, or to preserve a superior position with respect to other creditors.

2. Formal Dispute Resolution

If the State and Contractor are unable to resolve any controversy relating to or arising under the Contract as contemplated by Paragraph 1, then either party shall have recourse in the Michigan State Courts as set forth herein. In the case of an action initiated by the Contractor against the State, such action shall be submitted to the Michigan Court of Claims; while in the case of an action by the State against the Contractor, such action shall be initiated in the applicable Michigan District or Circuit Court; provided however that the State reserves, as its sole option, the right to require that any particular claim for damages, whether it is initiated by the Contractor or the State, be submitted to mandatory and binding arbitration. Prior to commencing any action against the State in the Court of Claims, the Contractor shall request the State to inform the Contractor whether the controversy shall be resolved through litigation in the Court of Claims or by mandatory and binding arbitration. If the controversy is to be resolved by arbitration, then the following procedures shall apply:

a. Selection of Arbitrator

The party submitting the controversy to arbitration (the Disputing party) shall notify the American Arbitration Association in Detroit, Michigan ("AAA") and the other party in writing describing in reasonable detail the nature of the dispute (the "Dispute Notice"), and shall request that AAA furnish to the parties a list of nine (9) possible arbitrators who shall be licensed to practice law in the United States, who shall not have any conflict of interest, and who shall have at least five (5) years of experience in end user computing and data processing matters. Each party shall have fifteen (15) days to reject three (3) of the proposed arbitrators. If three (3) individuals have not been so rejected, they shall serve as arbitrators; if four (4) or more individuals have not been so rejected, the AAA shall select the three (3) arbitrators from those individuals.

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b. Conduct of Arbitration

Arbitration will be conducted by the arbitrators selected pursuant to Subparagraph (a) above with respect to the dispute described in the Dispute Notice and any other disputes related to the Contract between the parties to the Contract (A) pending at the inception of such arbitration and not otherwise being arbitrated under this Paragraph or (B) arising during the pendency of such arbitration, in accordance with the Commercial Arbitration Rules of the AAA, except as specifically provided otherwise in this Paragraph. The arbitrators will allow reasonable discovery as otherwise set forth pursuant to the Michigan Rules of Court, except that the arbitrators may limit or extend the time limits and/or extent of said discovery consistent with the purposes and nature of the specific arbitration at issue. The arbitrators will have no power or authority, under the Commercial Arbitration Rules of AAA or otherwise, to amend or disregard any provision of the Contract. The arbitration hearing shall be limited to not more than ten (10) hearing days, with each of the parties being allocated one-half of the time for the presentation of its case. Unless otherwise agreed to by the parties, an arbitration hearing shall be conducted on consecutive business days.

c. Replacement of Arbitrator

Should an arbitrator refuse or be unable to proceed with arbitration proceedings as called for by this Paragraph, the arbitrator shall be replaced by an arbitrator selected from the other arbitrators originally proposed by AAA and not rejected by the parties, if any, or if there are no remaining proposed arbitrators who have not been rejected, by repeating the process of selection described in Subparagraph (a) above. If an arbitrator is replaced pursuant to this Subparagraph (c), then a rehearing shall take place in accordance with the provisions of this Paragraph and the Commercial Arbitration Rules of AAA.

d. Findings and Conclusions

The arbitrator rendering judgment upon disputes between the parties to the Contract shall, after reaching judgment and award, prepare and distribute to the parties a writing describing the findings of fact and conclusions of law relevant to such judgment and award and containing an opinion setting forth the reasons for the giving or denial of any award. The parties agree that the arbitrator's opinion shall be a confidential document subject to the confidentiality obligations contained in the Contract.

e. Place of Arbitration Hearings

Arbitration hearings shall be held in Lansing, Michigan.

f. Time of the Essence

The arbitrators are instructed that time is of the essence in the arbitration proceeding, and that the arbitrators shall have the right and authority to issue monetary sanctions against either of the parties if, upon a showing of good cause, that party is unreasonably delaying the proceeding. The arbitrators shall render their judgment or award within fifteen (15) days following the conclusion of the arbitration proceeding. The judgment or award of the arbitrators shall be final and binding on the parties, and judgment thereon may be entered or enforced in any court having jurisdiction thereof or having jurisdiction over either of the parties or their assets.

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3. Injunctive Relief

The only circumstance in which disputes between the State and the Contractor will not be subject to the provisions of Paragraph (1) above is where a party makes a good faith determination that a breach of the terms of the Contract by the other party is such that the damages to such party resulting from the breach will be so immediate, so large or severe and so incapable of adequate redress after the fact that a temporary restraining order or other immediate injunctive relief is the only adequate remedy.

4. Continued Performance

The Contractor agrees to continue performing its obligations under the Contract while any dispute is being resolved unless and until the termination or expiration of the Contract terminates such obligations.

5. Governing Law

The provisions of the Contract shall be construed in accordance with the substantive laws of the State of Michigan without regard to its choice of law rules.

6. Jurisdiction

The Contractor irrevocably consents to the exclusive jurisdiction of the Court of Claims and to venue in Ingham County, Michigan, and irrevocably waives any objections it may have to such jurisdiction on the grounds of lack of personal jurisdiction of such court or the laying of venue of such court or on the basis of forum nonconveniens or otherwise. The Contractor agrees to appoint agents in the State of Michigan to receive service of process.

II-N AUDIT RIGHTS

1. General. Employees of the State who agree in writing to the security and confidentiality obligations and procedures reasonably required by the Contractor will be provided with reasonable access to any facility at which the services under this Contract are being performed to enable them to conduct audits of the Contractor's performance of the services and other matters relevant to this Contract, including (i) verifying the accuracy of the Contractor's charges to the State and (ii) verifying that the services are being provided in accordance with this Contract.
2. Procedures. Such audits may be conducted once a year during reasonable business hours; provided, however, that the Parties may agree to more frequent audits as deemed reasonably necessary. The State will provide the Contractor with prior written notice of an audit. The Contractor will cooperate in the audit, will make the information reasonably required to conduct the audit available on a timely basis and will assist the designated employees of the State. If the State requests resources beyond those resources then assigned to the account team who are able to provide reasonable assistance of a routine nature in connection with such audit, such resources will be provided as additional service at the Contractor's then current commercial billing rates for any such services. Notwithstanding anything to the contrary in this Contract, the Contractor will not be required to provide access to the proprietary data of the Contractor or other customers of the Contractor. All information learned or exchanged in connection with the conduct of an audit, as well as the results of any audit, shall be treated as confidential and shall not be disclosed to any third party unless required under FOIA.
3. Results. Following an audit, the State will conduct an exit conference with the Contractor to discuss issues identified in the audit that pertain to the Contractor, and the State will give the Contractor a copy of any portion of the audit report pertaining to the Contractor. The Parties will review each Contractor audit issue and will determine (i) what, if any, actions will be taken in response to such audit issues, when and by whom and (ii) which Party will be responsible for the cost of taking the actions necessary to resolve such issues. Any such determination will be based on the following criteria: (A) who the owner of the original deficiency is; (B) who has contractual responsibility for the improvement of internal

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controls; and (C) who owns the standards against which the audit is done. The Contractor will not be responsible for the cost of an audit, unless otherwise agreed to in writing by the Parties.

EDS will support a SAS 70 audit performed by a third-party firm after Phase 4 at a time mutually agreed to by the State and EDS. The audit will be performed on the operational environment supporting the RSS application. This is the normal activity for a SAS 70 audit. The State will bear the cost of any third party audits. Note that EDS performs SAS 70 audits on its total SMC hosting environment on a periodic basis and these reports are available to the State at no cost

II-O FORCE MAJEURE

Neither party will be liable to the other or be deemed to be in breach of this Contract for any failure or delay in rendering performance arising out of causes beyond its reasonable control and without its fault or negligence.

Such causes may include, but are not limited to, acts of God or the public enemy, fires, floods, epidemics, quarantine restrictions, strikes, freight, embargoes and unusually severe weather. If the Contractor's failure to perform is caused by the default of a subcontractor, and if such default arises out of causes beyond the reasonable control of both the Contractor and subcontractor, and without the fault or negligence of either of them, the Contractor shall not be liable for any excess costs for failure to perform, unless the equipment or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit the Contractor to meet the required delivery schedule.

Dates or times of performance will be extended to the extent of delays excused by this Section, provided that the party whose performance is affected notifies the other promptly of the existence and nature of such delay.

II-P LIQUIDATED DAMAGES

It is agreed by the State and Contractor that:

If the Contractor does not provide or perform the requirements referred to or listed in this Contract, damage to the State will result.

Proving such damages will be costly, difficult, and time consuming;

The damage amounts listed in this section represent a good faith effort to quantify the range of harm that could reasonably be anticipated at the time of the making of the contract.

Nothing in this provision shall be construed as relieving the Contractor from performing all contract requirements whether listed herein or not, nor as diminishing the State's right to enforce or to seek other remedies from failure to perform any other contract duty.

The Department will monitor Contractor performance and determine liquidated damage claims based on the Contractor's development project plans and status reports and on data in the Retail Sales System.

Once the Department has determined that liquidated damages are to be assessed, the Contract Administrator shall notify the Contractor of the assessment (or assessments). Any liquidated damages assessment may be collected, at the Contract Administrator's discretion, by withholding the funds from any payment (or payments) due the Contractor (under this contract) after the date of assessment or by directing the Contractor to make payment of the assessment to the Department. If payment is directed, the Contractor shall pay the assessment within thirty (30) calendar days of receipt of the assessment notice.

If the Contractor wishes to appeal a liquidated damages assessment, the Contractor must deliver that appeal in writing to the Department's Contract Administrator and the Director of Purchasing within 15 calendar days of receiving notice of the assessment. The Director of Purchasing shall be sole judge of such appeal and will make determination of the issue within 14 calendar days of

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receiving the appeal. If the Director of Purchasing determines that any damage was caused in part by the State, the Contract Administrator shall reduce damage assessment against the Contractor proportionately. Financial settlement, by either party, of appealed liquidated damages assessments will be made within thirty calendar days of the Director of Purchasing's decision concerning the appeal.

Once the Contract Administrator has assessed liquidated damages for a persistent or recurrent problem, the State will withhold disputed payment to the Contractor or receive payments from the Contractor monthly for damages occurring in the preceding month, until the condition is corrected. As determined appropriate by the Contract Administrator, the Contractor may obtain relief from the continued assessment of liquidated damages under the following conditions:

Except as waived by the Contract Administrator, no liquidated damages imposed on the Contractor shall be terminated or suspended until the Contractor has issued a written notice of correction to the Contract Administrator verifying the correction of condition(s) for which liquidated damages were imposed, and all the Contractor corrections have been subjected to system testing, documentation, or other verification at the discretion of the State's Contract Administrator.

If any portion of this liquidated damages provision is determined to be unenforceable in one or more of its applications, all applications not determined to be invalid that are severable from the invalid applications remain in effect. If any portion of this liquidated damages provision is determined to be unenforceable in total, the other portions of this provision shall remain in full force and effect.

Liquidated damages shall not be assessed due to the following circumstances: scheduled downtime; services during any disaster recovery period; any suspensions of service mutually agreed to by the State and the Contractor; and any other factors outside the reasonable control of the Contractor.

There shall be no concurrent applications of liquidated damages resulting due to cascading failures resulting from a single failure; in the event of cascading Contractor failures resulting from a single failure, the State will be entitled to assess the highest single liquidated damage amount only, not to exceed \$1,000 per day, and the maximum amount of aggregated liquidated damages payable by the Contractor over any twelve (12) month period is one hundred thousand dollars (\$100,000).

The following conditions will result in assessment of liquidated damages:

1. POS Uploads:

Condition: All installed store-and-forward POS terminals that are operational and connected to a working phone line are unable to poll and upload sales data within 24 hours following the date of the scheduled poll time. If such data are successfully retrieved but not fully processed, this condition does not apply. Note that this condition does not apply to failures of individual terminals. Damages will not be assessed if store-and-forward operations fail due to common-carrier telephone system failure or utility failures beyond control of the Contractor, or hardware failure that is the responsibility of MDNR

Damage: No damages shall be assessed for the first 24 hours after Retail Sales System's failure to complete store-and-forward operations. After such 24 hour period has run, for each day or fraction thereof, the Retail Sales System is unable to complete store-and-forward operations, the Contract Administrator may assess liquidated damages of a minimum of \$100 per day up to a maximum of 1/365 of the then current rate of return on the State's common cash fund times the total sales amount within the delinquent upload files.

The intent is to ensure that POS software ensures that the terminal polls periodically consistent with the scheduled poll time. Liquidated damages shall not be assessed should an agent prevent the terminal from polling that is not the fault of the contractor.

Performance can be determined by a query comparing the terminal's scheduled polling time on terminal_polling_schedule table to the actual time of upload on the session_log table. MDNR contract administrator does not require a daily report to prove compliance. A report can be generated once a known problem exists to document non-compliance duration and amount.

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2. POS Host Authorizations:

Condition: The Retail Sales System is unable to respond to POS terminals that communicate to complete on-line host authorizations, void requests and replacement requests.

Damage: Excluding any scheduled down time and schedule maintenance windows, the Contract Administrator may assess liquidated damages of a minimum of \$100 per day up to a maximum of 1/365 of the then current rate of return on the State's common cash fund times the total sales amount of on-line host authorization required sales from the POS on the same date of the previous year. No damages shall be assessed for the first 5 hours that RSS is unable to complete on-line host authorizations. Damages will not be assessed if online transactions fail due to common-carrier telephone system failure or utility failures beyond control of the Contractor, or hardware failure that is the responsibility of MDNR.

Performance can be determined by a query of the authorization_log table for POS terminal keys. EDS will implement a 'fake' host authorization process, so that a POS terminal will perform an authorization every 15 minutes. If there is a period where there is not an authorization logged within a 15 minute period, it will indicate the period of time where on-line host communication was disrupted. MDNR contract administrator does not require a daily report to prove compliance. A report can be generated once a known problem exists to document non-compliance duration and amount.

3. E-License Host Authorizations:

Condition: The E-License is unable to perform host authorizations during the normal service window of the Retail Sales System.

Damage: Excluding any scheduled down time and schedule maintenance windows, the Contract Administrator may assess liquidated damages of a minimum of \$100 per day up to a maximum of 1/365 of the then current rate of return on the State's common cash fund times the total sales amount of on-line host authorization required sales from E-License on the same date of the previous year. No damages shall be assessed for the first 24 hours after E-License's inability to perform such host authorizations. Damages will not be assessed if host authorizations fail due to common-carrier telephone system failure or utility failures beyond control of the Contractor, or hardware failure that is the responsibility of MDNR.

Performance can be determined by a query of the authorization_log table for E-License terminal keys. EDS will implement a 'virtual' host authorization process, so that E-License will perform an authorization every 15 minutes. If there is a period where there is not an authorization logged within a 15 minute period, it will indicate the period of time where on-line host communication was disrupted. MDNR contract administrator does not require a daily report to prove compliance. A report can be generated once a known problem exists to document non-compliance duration and amount.

4. POS Sales transactions processed in RSS:

Condition: The RSS is unable to process and record the POS sale, void, and replacement transactions from successful upload files within 48 hours of the time of the successful upload of the sales transactions.

Damage: No damages shall be assessed for the first 48 hours after the successful file has been uploaded to the Communication Server. No damages shall be assessed for the first 72 hours during peak sales periods if the volume of sales transactions surpasses 90,000 sales for one day. After such delinquent period has run, for each day or fraction thereof, the Retail Sales System is unable to process the upload file, the Contract Administrator may assess liquidated damages of a minimum of \$100 per day up to a maximum of 1/365 of the then current rate of return on the State's common cash fund times the total sales amount within the delinquent upload files. Damages will not be

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assessed if host authorizations fail due to common-carrier telephone system failure or utility failures beyond control of the Contractor, or hardware failure that is the responsibility of MDNR.

Performance can be determined by a query comparing the process_start_time with the session_start_time on the job_control table. This will show the elapsed time from the time the upload file was recorded to the time the transactions in the file were processed. MDNR contract administrator does not require a daily report to prove compliance. A report can be generated once a known problem exists to document non-compliance duration and amount.

5. E-License Sales transactions processed in RSS:

Condition: The RSS is unable to process and record the E-License sales transactions within 24 hours of the transaction time on E-License.

Damage: No damages shall be assessed for the first 24 hours after the successful nightly transfer of E-License sales data to RSS. After such 24 hour period has run, for each day or fraction thereof, the Retail Sales System is unable to process the E-License sales transactions, the Contract Administrator may assess liquidated damages of a minimum of \$100 per day up to a maximum of 1/365 of the then current rate of return on the State's common cash fund times the total sales amount within the delinquent upload files. Damages will not be assessed if a processing failure is beyond the control of the Contractor, or a failure is due to a hardware malfunction that is the responsibility of MDNR.

Performance can be determined by a query comparing the transaction_timestamp (records when the transaction was logged in RSS) on license_issued table and the transaction_date (when the transaction was sold) on license_issued. This will show the elapsed time from the time the E-License batch of sales were transferred to the time the transactions in the batch were processed. MDNR contract administrator does not require a daily report to prove compliance. A report can be generated once a known problem exists to document non-compliance duration and amount.

6. E-License Print file created:

Condition: The RSS is unable to create a print file for the E-License sales transactions within 24 hours of the transaction processing time on RSS.

Damage: No damages shall be assessed for the first 24 hours after the successful processing of E-License sales data into RSS. After such 24 hour period has run, for each day or fraction thereof, the Retail Sales System is unable create the E-License print file, the Contract Administrator may assess liquidated damages up to the total amount of sales amount of the delinquent transactions that were to be printed. Damages will not be assessed if a processing failure is beyond the control of the Contractor, or a failure is due to a hardware malfunction that is the responsibility of MDNR.

Performance can be determined by a query comparing the transaction_timestamp (records when the transaction was logged in RSS) on license_issued table and the batch_key date on the OLS_print_detail table. This will show the elapsed time from the time the E-License batch of sales were logged as processed to the time the transactions in the batch were written to the file. MDNR contract administrator does not require a daily report to prove compliance. A report can be generated once a known problem exists to document non-compliance duration and amount.

7. Retail Sales System Funds Collection

Condition: The Retail Sales System is unable to create an electronic funds report according to planned schedules.

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Damage: There will be no liquidated damages assessed for the first seven days after which the Contractor is unable to create an EFT report and misses a scheduled EFT date. After the first seven days of a missed EFT date, the Contract Administrator may assess liquidated damages per day of 1/365 of the then current rate of return on the State's common cash fund times the uncollected amount. Damages will not be assessed if a processing failure is beyond the control of the Contractor, or a failure is due to a hardware malfunction that is the responsibility of MDNR.

Performance can be determined by a query comparing the date_stamp on the process_log table (recording the successful run of the batch job that creates the EFT) to the scheduled run date. MDNR contract administrator does not require a daily report to prove compliance. A report can be generated once a known problem exists to document non-compliance duration and amount.

8. E-License Continuity of Operations:

Condition: E-License System is not available and functioning as designed.

Damage: The Contract Administrator may assess liquidated damages of \$100.00 per day if the E-License System is not available for use within the application availability percentage reflected in Section IV-C(12). This excludes E-License Host-authorizations which are covered in Condition 3. This also excludes any Verisign service downtime which would prohibit credit card authorizations. No damages shall be assessed for the first 24 hours after E-License's inability to provide such service. Damages will not be assessed for failures due to common-carrier telephone system failure or utility failures beyond control of the Contractor, or hardware failure that is the responsibility of MDNR. Performance can be determined by viewing the Web statistics generated by *myhosting-eds.com* client portal.

9. RSS Unauthorized Software/Hardware Modifications:

Condition: The Contractor shall not modify any software or equipment without the prior written consent of the Contract Administrator or his designee pursuant to the Change Management procedure described herein. The Contractor shall not violate the data security provisions of this contract.

Also any change made by Contractor where consent is not granted by the MDNR should be viewed on a case-by-case basis. Should the change be negative to RSS, system operation or MDNR, the intent of the change would need to be identified to determine if it was a malicious act or merely an accidental error.

Software shall be subject to a formal release process which documents all software changes and requires MDNR sign-off. Any on-the-fly changes to the software needed to correct a problem will be subject to an informal e-mail exchange by the Contract Administrator and the EDS Project Manager. All changes will be documented by the MDNR Contract Administrator.

Damage: The Contract Administrator may issue a written order that the change or modification be removed within seven days and the system restored to its previous operating condition and that any consequent data errors be corrected at the Contractor's expense. Further, the Contract Administrator may assess liquidated damages up to the amount of \$10,000 per violation to compensate the State for the extra costs of supervising the Contractor which it expects to incur as a result of this condition. Assessment of liquidated damages under this provision will be in addition to any damages for discontinuity of operations or other conditions provided herein.

10. Faults in Retail Sales System or Online License System Integration or Custom Software:

Condition: A fault in system integration, system enhancement or custom software development is discovered by the Contract Administrator or Contractor.

Damage: The Contract Administrator may issue a written order that the fault be corrected and that

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any consequent data errors be corrected within an agreed to time period at the Contractor's expense. Further, the Contract Administrator may assess liquidated damages up to the amount of \$5,000 per violation to compensate the State for the extra costs of supervising the Contractor which it expects to incur as a result of this condition. Assessment of liquidated damages under this provision will be in addition to any damages for discontinuity of operations or other conditions provided herein.

II-Q TITLE

Title to the equipment, accessories and devices leased or purchased under this Contract shall remain with the Contractor until the State makes the final payment; at that time title will pass to the State. The State will be responsible for paying all return shipping expenses.

II-R KEY PERSONNEL

The State of Michigan reserves the right to approve substitutions to the proposed staffing table. Replacements must meet or exceed the qualifications of the replaced personnel. This approval will not be unreasonably withheld.

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**SECTION III
WORK STATEMENT
RETAIL SALES SYSTEM**

III-A PROBLEM STATEMENT

The Purpose of this agreement is to extend the relationship between Electronic Data Systems ("EDS") and the State of Michigan Department of Natural Resources ("MDNR") for the continued maintenance, operations, support and enhancement of the MDNR retail sales system, which includes E-License/On-Line Licensing System ("OLS") developed under contract #071B5000207. Collectively, the MDNR retail sales system and OLS are referred to as the Retail Sales System ("RSS"). This agreement supports the establishment of a Production and Model Office/Disaster Recovery ("MO/DR") hosting environment that is secure, managed and monitored 24x7x365. EDS, itself, and through its direct and indirect wholly owned subsidiaries, will provide these services to the State as more fully described in this Statement of Work.

RSS has been used by the DNR since November 7, 1994 and utilizes two different applications to manage and issue licenses. The RSS client server application is used by the MDNR to manage 100+ different licenses and uses a network of over 1,500 License Agents. These License Agents use over 1,700 Point of Sale ("POS") terminals throughout Michigan, five surrounding States and Ontario. The POS terminals consist of two printers, a credit card style terminal, and a PC keyboard which connect to the RSS client by toll-free dial-up through a MCI X.25 network.

RSS System Release 3.9.2 is the basis for the current services being provided to the MDNR by EDS.

III-B OBJECTIVES

The objectives include the following:

1. Continue current operations in the areas of maintenance, operations, user support and enhancements to RSS
2. Upgrade RSS and migrate to an EDS hosting environment
3. Provide ongoing RSS support on a 24x7x365 basis

Attachment C provides a complete project schedule for the establishment of a Production and Model Office/Disaster Recovery ("MO/DR") hosting environment that is secure, managed and monitored 24x7x365.

The implementation of RSS into EDS's hosting environment will be conducted in four phases and three physical implementations.

- Phase 1 implementation will involve setting up the networking hardware and the two E-License web servers in the new AOPS hosting environment. During this phase, E-License and EZ-License will be upgraded to run on Windows 2000 and SQL 2000. The T1 circuit for transferring E-License data to RSS will be extended to the new environment.
- Phase 2 implementation will involve implementing the rest of the networking hardware to allow for high-availability, and implementing the full RSS/OLS environment, independent of the Phase 1 E-License production servers. Two load balanced web servers, two POS communication servers with new EICON cards, a single RSSINQ database server, and two RSSDB/OLS clustered database servers will be implemented and fully tested independently of MDNR's current RSS production environment in Lansing and E-License environment in Plano. The VPN service to connect MDNR's staff with their RSS system in Plano will also be

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established and tested in Phase 2. The Phase 2 implementation will be fully tested before cutting off RSS in Lansing and Phase 1 E-License in Plano.

- Phase 3 implementation will involve moving the two Phase 1 E-license servers to the MO/DR hosting environment and completing the build with the networking hardware and a single POS communication server.
- Phase 4 will consist of additional system enhancements as explained in the following section.

System Enhancements

There are several system enhancements that will be accomplished during all four phases of the hosting implementation.

- Phase 1 – E-License and EZ-License will be upgraded to operate on Windows 2000 OS and SQL 2000 database. Prior to implementing the hardware in Plano AOPS, EDS will create a duplicate development environment in Lansing and fully test the Web applications on Windows 2000 and SQL 2000.
- Phase 2 – RSSWIN, RSS Batch and the Communication server applications will be upgraded to operate on Windows 2000 OS and SQL 2000 database. The Communication server application will also be upgraded to use new EICON Cards. Prior to implementing the hardware in Plano AOPS, EDS will create a duplicate development environment in Lansing and fully test the RSSWIN, RSS Batch and the Comserver applications on Windows 2000 and SQL 2000, as well as the new Eicon Card. During this phase we will also develop and test RSS changes needed for database server consolidation and clustering. RSS file processing and batch processes will be changed to consolidate all files onto the RSSINQ server. EDS will then conduct an extensive system test in AOPS to validate system functionality, including all RSS communications. Finally, MDNR will conduct User Acceptance Testing (UAT) to validate the new production environment. Once the new environment is fully tested and accepted by the MDNR, EDS will complete final migration of RSS production data, then go live with the new site.
- Phase 3 – Model Office/DR will be implemented. Also, a disaster recovery plan will be created. After the DR plan is accepted, options for testing the DR will be provided and the contract shall be amended for any additional services mutually agreed to.
- Phase 4 – We will complete the remaining system enhancements. A virtual host authorization process will be developed to allow 24x7x365 application monitoring. Ashwin Batch scheduler will be replaced by a supported scheduling package (possibly CA Autosys scheduler) and the RSS batch processes will be tested in Model Office. Also, the active data archiving process will be enhanced to include license-issued and customer data.

III-C TASKS

1. System Operations, Maintenance, and User Support

a. Operations and Maintenance Service Hours and Service Request Procedure

- 1) Operational Hours. EDS will provide normal operational support for RSS from Monday through Friday, 8 A.M. to 5 P.M. (Primary Service Window), except any day that is an official State of Michigan holiday. These operational hours are in effect until such time that RSS goes into full production in the EDS hosting environment. EDS will support the State's dedicated servers in EDS' hosting environment on a 24x7x365 basis. Until such time that RSS goes into full production in the EDS hosting facility, EDS will exercise commercially reasonable efforts to provide occasional support, as needed, outside of the Primary Service Window, unless MDNR specifically requests special event coverage in which case EDS and MDNR will mutually agree beforehand to such coverage and to any additional fees, if any, for such services.
- 2) Service Request Procedure. EDS will respond to a service request within one hour when the call is placed during the Primary Service Window. A mutually agreed to code will be

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used to identify the call as a MDNR service request. The MDNR Contractor or designee(s) will use the following steps when making the call:

- Page the EDS Systems Operator (primary contact person)
- If there is no response after 15 minutes, page again
- If there is no response after 15 minutes, page the EDS Operations Manager (secondary contact person)
- If there is no response after 15 minutes, page again.
- If there is no response after 15 minutes, call or page the EDS Account Manager

b. Operation and Maintenance Responsibilities

Client Infrastructure Services

Client Infrastructure Services are those Services directly related to the management of the physical environment within the EDS Data Center location.

Facilities and Asset Management

Facilities management provides services to manage facilities owned by EDS.

EDS Responsibilities

EDS will perform the following tasks:

1. Maintain engineering design and facility environmental systems and manage all aspects of the Data Center, consisting of supervision of all subcontractor maintenance activities
2. Provide for and maintain adequate facility environmentals, consisting of floor space, power, electrical, air conditioning, uninterruptible power supply (UPS), and diesel generator backup facilities to meet agreed upon Web hosting environment requirements
3. Maintain physical security of the Data Center

MDNR Responsibilities

MDNR will perform the following tasks:

1. MDNR or MDNR representative(s) will conform to EDS security policies during all site visits or audits

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Managed Network Services

This Section describes Services to support the dedicated network infrastructure. The dedicated network infrastructure is the set of network devices that are deployed in the Client Compartment (e.g., switches, load balancers, firewalls and/or remote access devices). Managed Network consists of the following:

- Dedicated Network
- Dedicated Fractional T-1
- Bandwidth
- DNS Management

Dedicated Network

Dedicated Network describes the Managed Network Services required to support the dedicated network infrastructure between the EDS Data Center and the Internet and consists of monitoring and troubleshooting Services.

EDS Responsibilities

EDS will perform the following tasks:

Implementation Services

1. Install and configure EDS supported network infrastructure with default configurations and connect to EDS Data Center network
2. Provision public IP addresses for use in MDNR Web sites and applications
3. Provision private IP addresses for server networks
4. Configure all necessary server virtual local area networks (VLANs)
5. Setup virtual IP address(es) and perform virtual IP address changes, including additions, modifications, and deletions to network devices
6. Extend fractional T-1 from Web Vault to AOPS and re-home the link for these services

Managed Services

1. Monitor availability and performance of network connection from EDS Data Centers to neighboring Internet Service Provider (ISP) peers
2. Monitor EDS network and EDS-managed network devices
3. Monitor Router for fractional T-1 line
4. Respond to and repair problems on EDS-managed network devices
5. Respond to and repair connectivity problems over EDS network, MDNR compartment, and the Internet
6. Update network device OS as necessary
7. Conduct Capacity planning for EDS network and network devices

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MDNR Responsibilities

MDNR will perform the following tasks:

Implementation Services

1. Review and approve the architecture that EDS will deploy

Managed Services

1. Submit a change request as needed to add or remove hardware

Bandwidth Service

Bandwidth Service provides Internet connectivity between the Client Compartment and the Internet.

EDS Responsibilities

EDS will perform the following tasks:

Implementation Services

1. Provision bandwidth from EDS' ISPs to EDS Data Centers. The amount of bandwidth provided to MDNR is 5 Mb/s. Answer to question #15
2. Set up connection from Client Compartment to EDS network in Data Center

Managed Services

1. Provide MDNR bandwidth utilization reports through myhosting-eds.com portal
2. Monitor bandwidth and routing between EDS Data Center and its ISPs
3. Respond to and repair problems between EDS Data Center and its ISPs

MDNR Responsibilities

MDNR will perform the following tasks:

Implementation Services

1. No additional responsibilities

Managed Services

1. No additional responsibilities

Intranet / Internet VPN Service

Managed Virtual Private Network (VPN) Service is a site-to-site solution for secure

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communications over a private (intranet) or public (Internet) network that consists of a connection between two networking devices, router-to-concentrator and firewall-to-concentrator.

EDS Responsibilities

EDS will perform the following tasks:

Implementation Services

1. Provide Network Design and Implementation services. Network Design defines the network architecture and associated details required to meet MDNR data communications requirements

Managed Services

1. Provide proactive network management for the detection, isolation and restoration of network faults
2. Perform Configuration Management for all WAN network devices consisting of configuration changes necessary because of moves, adds and changes
3. Establish security privileges, maintain passwords and control who and what level of access is allowed to MDNR network and network devices
4. Provide service coordination and management of third-party service providers of MDNR consisting of exchange carriers, hardware providers and software providers
5. Administer and coordinate the physical and logical configuration of the VPN
6. Provide planning, engineering, installation and maintenance support for the Managed VPN Service
7. Serve as the single-point-of-contact (SPOC) for install, move, add and change as well as fault notification and resolution for the communications network components
8. Provide integration support for new network security management solutions
9. Monitor for capacity, performance and capability
10. Provide centralized monitoring of the VPN circuit capacity, network performance, network availability and configuration management
11. Provide Virtual Private Network fault isolation, ownership, trouble ticket generation and management of the recovery of network-related problems, consisting of interface with carrier and other client vendors for circuits, firewall, modems and routers for the EDS-controlled and managed portion of the VPN tunnel
12. Respond to security alerts for VPNs and routers based on pre-set thresholds according to SMC guidelines
13. Provide Virtual Private Network installation of router software "patch or fix" upgrades as determined by EDS
14. Perform Virtual Private Network change requests in accordance with the mutually agreed change request process jointly defined by MDNR and EDS

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MDNR Responsibilities

MDNR will perform the following tasks:

Implementation Services

1. MDNR is responsible for the expense associated in acquiring the hardware and performing the work required to establish the State's end of the VPN tunnel Answer to question #17
2. Provide the IP address and TCP port for server-to-server connectivity at MDNR site

Managed Services

1. Manage the VPN hardware at the State end of the VPN tunnel
2. Notify EDS before moving any communications-related equipment or devices
3. Failure to notify EDS before the movement of any such equipment or devices will not count against the EDS service levels
4. Make certain that communications products are used as intended
5. Financial liability resulting from inappropriate use of this product is the responsibility of MDNR
6. Maintain responsibility for MDNR owned, embedded premises wiring, optical or coaxial cabling and wireless hardware
7. Assume liability for damages to assets
8. Provide a list of authorized approvers to request changes to the documented services

Domain Name Service (DNS) Management

DNS – Domain Name Service is the Service to direct Internet traffic to the MDNR 's hosted web site by managing MDNR domains on EDS domain name servers.

EDS Responsibilities

EDS will perform the following tasks:

Implementation Services

1. No additional responsibilities

Managed Services

1. Monitor and maintain primary and secondary DNS servers
2. As necessary, inform MDNR of IP or name changes for primary and secondary DNS servers
3. As requested, redirect traffic from one Web address to another within the EDS environment

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4. Renew domain(s) registration
5. Update names and IPs for EDS DNS servers as necessary or required
6. Register domain(s) with InterNIC, including names and IPs for EDS DNS servers

MDNR Responsibilities

MDNR will perform the following task:

Implementation Services

1. No additional responsibilities

Managed Services

1. No additional responsibilities

Managed Server Services

Managed Server provides MDNR with a foundation on which to build its site. The Service consists of the ongoing monitoring and management Services for the hardware and OS.

EDS Responsibilities

EDS will perform the following tasks:

Implementation Services

1. Install and configure hardware that is procured through EDS. MDNR is not responsible for providing or shipping any hardware to the hosting environment. Answer to question 7
2. Integrate hardware into EDS monitoring environment (fault level analysis only – ICMP, CPU, disk, hardware components)
3. Install cables between devices
4. Provision the infrastructure specific OS that has been certified and packaged for use by EDS)
5. Install Opware™
6. Define and configure OS monitoring to (1) monitor network connectivity, network devices, or server hardware and (2) gather performance data
7. Perform security review prior to site launch
8. Configurations and settings check during initial server build
9. Audit of password integrity
10. Server hardening:

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- a. Install only required OS components
 - b. Install EDS recommended vendor security patches
 - c. Set passwords and access control
 - d. Disable unnecessary network and system services
 - e. Limit network services that run as root
11. Enable account management
 12. Set up MDNR administrator accounts

Managed Services

1. Monitor server hardware
2. Repair faulty server hardware; if necessary, reinstall and restore the OS and associated patches
3. Upgrade operating systems as required by OS software vendors to maintain version currency and ongoing OS vendor support at no additional expense.
4. Apply patches as required to maintain version currency and ongoing OS vendor support at no additional expense.
5. Notify MDNR of monitored OS-related events where it appears that the OS is the root cause of the problem (OS troubleshooting is not included)
6. OS security patch management
7. Monitor relevant vendor and industry bulletins for security-related patch alerts
8. Evaluate need for patches
9. Get MDNR approval before proceeding with any service-affecting changes, except when a security hole is urgent or must be patched in a timely manner (for example, Code Red Worm)
10. Add, delete, and change EDS accounts and update passwords
11. Perform one automated, scheduled reboot per server per month.
12. As necessary, perform unscheduled reboots of production servers at no additional cost.
13. As requested, adjust level of log creation to either increase or decrease granularity of data collection
14. As requested, move logs from production to staging servers
15. As requested, modify job scheduling on a server, such modifications consist of addition, change, or deletion of tasks

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MDNR Responsibilities

MDNR will perform the following tasks:

Implementation Services

1. Review and approve architecture that EDS will deploy

Managed Services

1. Respond to EDS inquiries regarding patch issues within one business day of notification
2. Responsible for additions, deletions, and changes to MDNR accounts using the account management tool
3. Notify and consult with EDS concerning the desire to use application software
4. Respond to EDS' request for input regarding issues of services management

Managed Database Services

The Managed Database Services consist of installation and configuration and monitoring and issue resolution of the MDNR database servers on a 7x24x365 basis.

EDS Responsibilities

EDS will perform the following tasks:

Implementation Services

1. Install and license the database application
2. Setup database instances
3. Provision storage
4. Configure fault monitoring
5. Configure back-ups
6. Create database
7. Perform as many as three database imports
8. Implement database security per EDS standards
9. Create users
10. Make necessary schema changes
11. Configure space management
12. Configure and set the scheduled jobs
13. Provide documentation for database setup procedures

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14. Configure clustered, High Availability (HA) environment
15. Verify that MDNR development environment database software levels match EDS environment. The MDNR development environment architecture should mirror the EDS environment
16. Migrate existing database to suitable format for import into EDS environment
17. Perform functional testing and correct bugs in the site that impact site stability or integration with EDS Services
18. Perform database fail-over testing
19. Develop and test all MDNR database content on MDNR development environment

Managed Services

1. Monitor faults
2. Monitor space availability
3. Monitor connectivity to the database
4. Monitor significant exceptions in the alert logs
5. Monitor latency of the standby database (if MDNR has a fail-over site)
6. Respond to and repair problems
7. Notify MDNR of problems using myhosting-eds.com
8. Provide access to database statistics using myhosting-eds.com
9. Backup database
10. Recover database if necessary to correct problems; MDNR induced-errors resulting in recoveries are not included
11. Apply software security patches and major bug fixes

MDNR Responsibilities

MDNR will perform the following tasks:

Implementation Services

1. Freeze all database changes eight business days prior to Go Live Date to allow for EDS testing

Managed Services

1. Respond to EDS inquiries regarding patch issues within one business day of notification

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2. Follow EDS change management procedures for promoting code and content changes
3. Verify changes are tested in model office environment prior to pushing to production

Managed Backup/Restore Services

Managed Backup and Restore Services provide operational support and management processes to meet OS and related system software requirements for data availability, accessibility, retention, and restoration. Services are designed to support the file system and specialized applications/databases such as Oracle, SQL Server, Lotus Notes, Microsoft Exchange, SAP and other client-specific backup requirements.

Backup/Restore

Backup/Restore consists of a combination of daily incremental file system backups and full database backups. Three database backups are performed each week. MDNR will be charged for each restore requested.

File System Backup

File system backups consist of both the initial backup of the contents of the file system and incremental changes to the file system.

EDS Responsibilities

EDS will perform the following tasks:

Implementation Services

1. Install and configure backup agents
2. Add system IDs to backup server
3. Scheduled backups
4. Test backup/restore
5. Verify hardware and network

Managed Services

1. Manage operational support processes for performing operating system and related system software backup and recoveries and any tape mount requirements as required by the service levels
2. Maintain the tape library, media, and expendable file system backup
3. Conduct a full backup the first time a MDNR file system is backed up. Thereafter, only daily incremental backups occur
4. Retain file system data within the EDS Data Center for (14, or MDNR specific) days and ship data offsite to a secure facility for (14, or MDNR specific) days

MDNR Responsibilities

MDNR will perform the following tasks:

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Implementation Services

- 1. No additional responsibilities

Managed Services

- 1. No additional responsibilities

Database Backup

Database backups consist of both the initial backup of the data contained within the database and incremental changes to the data.

EDS Responsibilities

EDS will perform the following tasks:

Managed Services

- 1. Provide three full database backups per week (Hot backups utilize specific software to pull backups of data without interruption to a database that may be in use). Cold backups can only be made when the database is not being used or accessed, so this is not applicable to RSSDB. Answers #12
- 2. Retain database data within the EDS Data Center for 14 days and ship tape offsite to a secure facility for 14 days. Backup tapes are cycled back into the Production environment according to the retention cycle
- 3. Retain six full weekly database backup copies offsite
- 4. Retain monthly database copy off-site three current plus last two months
- 5. Archive Log Backup retained offsite for 16 days

MDNR Responsibilities

MDNR will perform the following tasks:

Implementation Services

- 1. No additional responsibilities

Managed Services

- 1. No additional responsibilities

Restore

Restore Services consist of the services required to restore file system and/or database content, upon request by MDNR.

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EDS Responsibilities

EDS will perform the following tasks:

Managed Services

1. File restores as requested allows MDNR to request restoration of a file on the internal disk to the server to any point in time on a 24 x7 basis.
2. MDNR requested File restores will be charged to MDNR on a time and material basis. In order to keep MDNR (and all clients') costs down, we charge nothing automatically for these types of on-dem and services – billing only those clients who take advantage of them. To accommodate individual clients' requests for allowing a limited number of free occurrences of these services implies the establishment and maintenance of a system/process to track these individual histories, so we'd know who had reached what limits on which services at any given time. Tracking activity would introduce an extra cost which no one pays now, but which all would have to pay some part of if we were to offer that. It is cheaper overall, and fairer to each client, to bill for each ad hoc service as requested – and only as requested.
3. Full restores as requested allows MDNR to request the full restoration of a disk environment to a point in time (within the granularity of the backup schedule)

MDNR Responsibilities

MDNR will perform the following tasks:

Implementation Services

1. No additional responsibilities

Managed Services

1. No additional responsibilities

Mail Services – Outbound Mail

Outbound Mail Service enables MDNR to send Simple Mail Transfer Protocol (SMTP) mail messages to other mail systems on the Internet. Mail relay servers are part of the shared environment, segregated by a firewall from the dedicated Client Compartment. The servers route SMTP messages throughout the Internet.

EDS Responsibilities

EDS will perform the following tasks:

Implementation Services

1. Setup and configure MDNR servers to deliver outbound mail to mail relay servers
2. Test mail relay

Managed Services

1. Monitor mail relay servers

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2. Troubleshoot as necessary – either EDS initiated or MDNR initiated

MDNR Responsibilities

MDNR will perform the following tasks:

Implementation Services

1. No additional responsibilities

Managed Services

1. No additional responsibilities

Security Services

EDS Security Services for MDNR consist of the following services:

- Digital Certificates
- Intrusion Detection
- Server Vulnerability

Digital Certificates

EDS will order digital certificates, register MDNR servers, and install and configure certificates to enable SSL communication.

EDS Responsibilities

EDS will perform the following tasks:

Implementation Services

1. Order digital certificates and register MDNR server accordingly
2. Install certificates to enable SSL communications on MDNR 's server

Managed Services

1. Process and implement certificate renewals prior to expiration on an annual basis

MDNR Responsibilities

MDNR will perform the following tasks:

Implementation Services

1. Provide required information in a timely fashion to enable EDS to order certificates

Managed Services

1. No additional responsibilities

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Intrusion Detection Services - Network

Intrusion Detection is implemented at the AOPS network level. Intrusion Detection capability enables EDS to protect valuable information assets connected to the Internet and the intranet from unauthorized access and intrusion. Intrusion Detection controls access to critical data and increases system and communications availability, data integrity and confidentiality. EDS has an outbound security policy that imposes limitations on the traffic headed out to the internet.

EDS Responsibilities

EDS will perform the following tasks:

Managed Services

1. Monitor inbound network traffic for attack signatures
2. EDS responds immediately to investigate any detected intrusion. Internal AOPS processes determine risk and then trigger appropriate corrective action based upon the severity of the intrusion
3. Work to mitigate security risks associated with intruders entering through the Internet
4. Respond to console alarms when security incidents occur

Server Vulnerability

System Level Vulnerability detection is the preventive process of examining, prioritizing and resolving vulnerabilities on system hosts.

EDS Responsibilities

EDS will perform the following tasks:

Managed Services

1. Perform vulnerability checks through pre-defined scan policies to identify violations to the EDS established security policies. Current scan policies calls for scans to be done twice a year, at no additional charge to the customer. Results are used internally by EDS to access and improve our security process. This proposal includes an additional service of monthly scans done on every production server with reports provided to MDNR.
2. Maintain a vulnerability correction process to resolve any vulnerability detected through server scanning
3. Review government and vendor bulletins (CERT, CIAC, SANS, NIPC) and take action to mitigate risk

MDNR Responsibilities

MDNR will perform the following tasks:

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Implementation Services

1. No additional responsibilities

Managed Services

1. Review and respond in writing, as to actions that will or will not be taken to respond to any conditions found in the managed server environment that are within MDNR control and do not meet EDS audit compliance standards
2. Communicate to EDS any changes in personnel authorized to approve logon IDs and file access requests

Security Enhancements – Service Conditions

1. Information security is a dynamic area. MDNR acknowledges that not all threats and vulnerabilities are currently understood or identified, that any security solution is subject to being compromised or circumvented in a variety of manners, and that new and unexpected threats and vulnerabilities can be expected to arise in the future. MDNR understands that as a provider of information security services EDS does not provide a guaranteed identification of all possible threats and vulnerabilities or guaranteed protection against all risks, threats and vulnerabilities.
2. It is understood and agreed that EDS is not assuming responsibility for any losses that may occur as a result of the failure to identify all possible threats or vulnerabilities, that EDS is not acting in the capacity or taking on the responsibility of an insurer and is not charging a price that would allow it to do so, and that it is the responsibility of MDNR to obtain insurance, if any, covering damages to MDNR or third parties.
3. MDNR is responsible for obtaining any consent necessary for EDS to access the systems as required to perform these security Services, prior to EDS commencing performance.

Client Services

EDS Client Services provides MDNR with 7x24x365 support, dedicated account management and key technical resources for support of MDNR's operations. MDNR also will receive training and access to myhosting-eds.com portal, to provide MDNR visibility and control over its operations.

myhosting-eds.com Client Portal

MDNR will receive access to the client portal as part of the services being provided by EDS. The portal is utilized for system reporting, operational ticket initiation/review, ordering Technical Support Services and viewing site documentation.

EDS Responsibilities

EDS will perform the following tasks:

1. Provide LSC and MDNR access to the myhosting-eds.com portal
2. Provide LSC with administrative privileges and the ability to create user accounts
3. Perform myhosting-eds.com training that is not to exceed five hours per year

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MDNR Responsibilities

MDNR will perform the following tasks:

1. Designate the individuals to be trained as well as the one individual who will be designated to have administrative privileges

Automated Operations Center Support

The EDS Automated Operations Center is the entry point for resolving system-related problems, and initiating change within MDNR's environment. The Automated Operations Center also serves as the front line of technical support – in effect, this center provides both initial documentation of problems and their resolution.

EDS Responsibilities

EDS will perform the following tasks:

1. Provide Help Desk Services to respond to requests for assistance related to the Services
2. Facilitate the receipt and processing of valid requests
3. Receive, track, and own the request to closure
4. Accept and respond to authorized submitters, trouble requests that relate to the selected EDS Services or the related system configurations
5. Enter information obtained as a service request or trouble ticket into the request management system
6. Use a comprehensive problem management process to track and escalate all in-scope problems with systems, processes, and procedures from identification through closure

MDNR Responsibilities

MDNR will perform the following tasks:

1. Provide in writing a list of authorized submitters that are mutually agreed on by MDNR and EDS
2. Provide an ongoing updated list of primary and backup contacts for interaction with EDS
3. Provide such information as requested by EDS in order to perform the Services
4. Annually review the list of authorized request submitters and change approvers so that authorized MDNR representatives approve all changes performed by EDS

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Service Levels

The following service levels apply:

Description	Coverage	Service Level
<p>Level 1: Critical Impact Serious failures that cause MDNR Web site to be offline.</p> <p>Examples: failure of EDS operated routers, system disk failures in non-replicated server, and so on</p>	24x7x365	Estimated time to repair EDS Services will be provided to MDNR or its designee within 30 minutes of identification of a problem.
<p>Level 2: Major Impact Faults where users may notice a degraded system performance.</p> <p>Examples: failures in EDS access lines to the Internet, EDS operated routers, failed disk in array, and so on</p>	24x7x365	Estimated time to repair EDS Services will be provided to MDNR or its designee within 30 minutes of identification of a problem.
<p>Level 3: Moderate Impact Faults that MDNR may not notice and cause little disruption of service.</p> <p>Examples: Rebooting a server or router, memory short-runs and restarting aborted processes.</p>	24x7x365	Estimated time to repair EDS Services will be provided to MDNR or its designee within 1 hour of identification of a problem.
<p>Level 4: Minor Impact Non-outage situations and are usually requests for information.</p> <p>Example: Request for the version of software on a server.</p>	Regular Business Hours 8 a.m. – 5 p.m. Central Standard Time, Monday - Friday	MDNR or its designee will be contacted within 8 business hours of the initial request.

Service Conditions

The following service conditions apply:

1. Although the service or problem may be referred to second-level support groups, third-party maintainers, or the MDNR in-house application help desk for resolution, the Automated Operations Center, as the owner of the issue, is responsible for coordinating problem resolution until the problem is resolved
2. A complete, authenticated request will be considered received once it has been logged into the request management system and assigned
3. A request is not considered complete unless all information has been provided and appropriate authorizations and all prerequisite activities are complete

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Site Outage Reporting

EDS provides automated reporting if MDNR 's site experiences an outage.

EDS Responsibilities

EDS will perform the following tasks:

1. AOPS will alert LSC using an alert from the ticketing system if an outage occurs

MDNR Responsibilities

MDNR will perform the following tasks:

1. No additional responsibilities

Online and Batch Services

EDS will provide the following online and batch application support services:

1. Investigate and provide software 'fixes' for RSS production application issues from code in Release 2.1 or greater
2. Process daily upload files
3. Process daily financials
4. Process weekly EFT's on the weekend
5. Process daily EFT returns from MDNR's bank
6. Process E-License print files
7. Correct and process failed files and failed transactions due to application error, not agent error
8. Establish and maintain schedule of batch jobs
9. Implement PostalSoft monthly releases
10. Archive database records and system files
11. Maintain interfaces with third parties: SOS, FIA, Data entry contractors, MNB, LAW, Wildlife
12. Provide ad-hoc reporting
13. Develop and maintain the following user and system documentation in electronic format:
 - Operator Guide
 - Procedural Guide
 - Communication Server Utilities and System Test Configuration
 - POS Terminal Application Functional Document
 - POS DLL document
 - User Help Files
 - Entity Relationship Diagram
 - Analysis documents
 - Business Design documents
 - Technical Design documents
 - Unit Test cases
 - System Test cases
 - External/Internal file layouts

Note: Users will be given the opportunity to provide suggestions and recommendations for improving user and system documentation content. All documents will be updated during system releases and subsequently provided to the MDNR.

EDS will provide the following user support services:

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1. Develop estimates for Customer Service Requests that are fixes
2. Provide help-desk support for user assistance to DNR during normal business hours
3. Assist DNR in software release planning
4. Provide business process consulting and requirements definition
5. Provide assistance in User Acceptance Testing for software releases
6. Document, maintain, and report on database of Customer Service Requests ("CSR")
7. Assist MDNR in developing database queries

c. Application and Integration Maintenance

1. Purpose. The primary purpose of software and integration maintenance is to assure continuous and accurate system operation. EDS shall be dedicated to the concept of continuous quality improvement throughout the term of the Contract.
2. Monitoring, Notification and Reporting. EDS shall make provision for (i) random monitoring of RSS and (ii) for notification of EDS personnel if substantial system failures occur within the Primary Service Window. In addition, EDS and MDNR will work together to collect, share and mutually agree on the pertinent information that reflects the then current system performance prior to submitting such information to the Department Contract Administrator for review. This information may generate recommended changes in equipment, software, operations, or preventive maintenance schedules that could lead to reduced system costs or improved system quality. Any mutually developed and agreed upon recommendations for improved system specifications shall be addressed through provisions of the System Enhancement portion of this contract.
3. Quality Improvement. EDS shall apply a Customer Service Request (CSR) program and software quality assurance method to measure and improve the quality of RSS software throughout the contract.
4. Fault Identification and Correction. EDS is responsible for correcting all faults in RSS software discovered subsequent to the Effective Date of Change Notice No. 11. Any faults or system failures believed to have occurred on or prior to the effective date of Change Notice No. 11 and on or prior to the effective date of RSS System Release 2.0 (including POS Release M1Rel310) but discovered after the Effective Date, will be corrected by mutual agreement of EDS and MDNR and paid from the Development Pool or Enhancement funds.
5. Commercial Software Faults. Any fault which is diagnosed as a failure within commercial software integrated into RSS is nonetheless the responsibility of EDS. With approval of the Contract Administrator, EDS may obtain corrective services from the software manufacturer, replace the software with an alternate product or custom software, or design and implement a work-around. A list of the current commercial software is listed in Attachment A of this Work Statement.
6. Right to Use Third-Party Software. MDNR will provide, or cause to be provided, to EDS the right to access MDNR-owned software (including any Deliverables) and software licensed to MDNR or a customer of MDNR by a vendor if such is required for EDS to perform the EDS Services, but for no other purpose. EDS will assist MDNR in determining whether MDNR will need to obtain any consents, licenses or other rights from vendors as contemplated by this Section. MDNR will be responsible for obtaining any such consents, licenses or other rights and for finding an alternative solution in the event a vendor refuses consent.
7. Fault Reporting. EDS is obligated to report to the Contract Administrator any apparent fault discovered by EDS, its personnel or sub-contractors. These faults will be reported immediately upon discovery. Likewise, the Contract Administrator shall

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upon discovery notify EDS of faults discovered by State personnel or retail agents. Upon notification of an apparent fault, EDS shall diagnose and correct such fault within the timeframe mutually agreed upon by EDS and MDNR based upon C, 4 above.

8. CSR Priority. MDNR shall determine the priority of all Customer Service Requests (CSR's) and advise EDS of the order in which it desires such CSR's to be addressed by EDS utilizing the existing pool of EDS maintenance staff for faults considered fixes to Releases 2.1 and greater, or enhancements to Releases 2.0 or below.
9. Enhancements. Under license from the MDNR in Contract #G71B6000653, EDS may use RSS or sell RSS to other customers. If EDS enhances or corrects custom software used in RSS for its own use or for another customer, EDS must use its best effort to obtain the right for MDNR to have such improved software incorporated into RSS. The integration and testing of such enhancement will be treated as an enhancement under III-C,2, (b).
10. EDS must notify the Contract Administrator of such an update of custom software within thirty (30) days of completion of such update. Upon request of the Contract Administrator, EDS shall install the update within thirty (30) days. EDS will be responsible for successful installation and will be subject to liquidated damages for any failure conditions which arise as a result of installing the update.

d. Hardware Maintenance and Support

MDNR will continue to have sole responsibility for hardware maintenance, as outlined in Change Notice No. 11, from the present until such time that RSS goes into full production in the EDS hosting environment. Both parties agree, however, that EDS will be responsible for diagnosing system faults brought to EDS' attention by EDS or MDNR personnel and will report in writing the results of such diagnostics to the Contract Administrator. If EDS determines that a system fault is the result of an RSS application problem, it will correct the fault using maintenance pool funds. If EDS determines that a system fault is the result of a hardware problem, it will communicate such diagnosis to the Contract Administrator and the Contract Administrator will notify EDS if MDNR wishes to have EDS participate in a corrective action and both parties will mutually agree on how the corrective action will be funded.

EDS will be responsible for ongoing support after RSS goes into production in the EDS hosting facility.

MDNR will be responsible for the maintenance and support of all operating system software, network software, and non-RSS application software, from the present until such time that RSS goes into full production in the EDS hosting facility, after which EDS and MDNR will assume their respective software support responsibilities as reflected in Attachment A of this Work Statement,

Note: EDS will be responsible for maintaining the EDS-owned development, quality assurance, and test server platforms for the RSS application.

e. Data Communication Responsibilities

EDS will provide the following POS data communication and network management services:

1. Maintain the POS network including the daily monitoring of communication servers
2. Investigate and resolve MCI communication problems
3. Obtain and analyze MCI reports as requested
4. Monitor communication server lines randomly during the primary service window to identify and resolve problems

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5. Investigate and resolve communication server problems including Eicon technology diagnostics and problem resolution
6. Collaborate with MDNR to incorporate changes to the communication server code at the design, coding, testing and implementation phases of enhancements
7. Support the Model Office communication server

MDNR will be responsible for the following tasks from the present until such time that RSS goes into full production in the EDS hosting facility:

1. Local switch access (currently contracted to Ameritech)
2. Maintaining and supporting all communication service hardware. MDNR and EDS will work together in good faith to resolve any problems that will disrupt service

2. System Enhancements

a. General

1. **Development Pool.** EDS will establish a dedicated pool of two information analysts (I/A Development Pool) to perform additional system development and documentation for RSS and OLS in accordance with MDNR priorities. The MDNR will have the option to increase or decrease the number of I/A's in the I/A Development Pool effective at the beginning of a monthly billing period upon 45 days prior written notice to EDS.
2. **Enhancements and Changes.** Additional support for system enhancements and changes, and additional I/A's for the I/A Development Pool, will be available to the MDNR at a rate as described in Section II-A (a)..
3. **Commercial Software Updates.** Upon receipt of an update or correction notice from the commercial vendor, EDS will evaluate the update's compatibility with RSS and recommend adoption or deferral of the update. Such recommendation shall be in the form of a System Enhancement Proposal as described below. The Contract Administrator will ultimately determine which updates or corrections will be obtained and installed. Obtaining and installing such an update will be considered a System Enhancement.
4. **Integration of Components.** RSS requires integration of EDS-supplied components with a number of other data processing facilities and applications (i.e. Department of State and banks servicing the State of Michigan), and others by mutual agreement of the parties). Some of these systems may change during the course of this Contract. State Enterprise Security prefers that output data files created by RSS for State agencies, are left on the RSSINQ server, where third parties may request their data – as opposed to EDS/RSS initiating sessions with remote State computers, then pushing the data. MDNR will be responsible for engaging entities (e.g., agencies, banks, etc.) that create or receive RSS input/output and communicating necessary changes in their processes to EDS. These entities will be responsible for changing their file processing to receive their RSS output file from RSSINQ server, or write their RSS input file to the RSSINQ server. They must also be involved in system testing.
5. **Scope Documents.** EDS will develop Scope documents for all software releases in accordance with Section b below.
6. **Cost Savings.** In the event that EDS is able to enhance system performance to a level that provides the opportunity for (i) significant cost savings or (ii) an increase in operational scope, EDS will communicate and discuss such opportunities with

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MDNR and both parties will mutually agree to any contract changes, if any, that reflect the benefits of such system performance improvement opportunities.

b. Enhancement Proposals

EDS or the MDNR may from time to time identify and propose system enhancements or extensions to the RSS application. In addition, third-party application software vendors may issue updates that the Contract Administrator may determine should be incorporated into RSS.

In the event that an enhancement is proposed by EDS or the MDNR, the following procedure will be completed before work can begin:

1. MDNR will provide a written Customer Service Request detailing high-level requirements, required implementation date, implementation priority, and fix/enhancement status.
2. EDS will prepare a System Enhancement Proposal which will provide pertinent information such as, but not limited to:
 - Description of the enhancement
 - Scope
 - Benefits
 - Effects on current design
 - Effects on completed system components
 - Cost
 - Effects on hardware and software
 - Effects on DMDNR staffing and skills requirements
 - Project schedule
3. EDS will obtain approval for the System Enhancement from the MDNR Contract Administrator and receive a Purchase Order prior to commencing work.

IF PRICES FOR THE PROPOSED ENHANCEMENT ARE NOT ACCEPTABLE TO THE STATE, THEN THE NECESSARY MODIFICATIONS OR ADDITIONAL WORK SHALL BE SUBJECT TO COMPETITIVE BIDDING EVEN IF FIRST PROPOSED BY EDS, BUT EDS SHALL NOT BE HELD LIABLE FOR ANY DAMAGES RESULTING FROM THE WORKMANSHIP OR PERFORMANCE OF ENHANCEMENTS SUBSEQUENTLY PROVIDED BY THIRD-PARTY CONTRACTORS

THE STATE WILL NOT PAY FOR ANY WORK ON PROPOSED ENHANCEMENTS UNTIL BOTH (i) THE DEPARTMENT'S APPROVAL HAS BEEN OBTAINED AND (ii) THE PROPER DOCUMENTS HAVE BEEN ISSUED BY THE OFFICE OF PURCHASING.

c. Work and Management Standards

All management and work standards contained in this Contract with respect to systems development and integration will apply to any system enhancements. Liquidated damages will apply to any conditions which arise as a result of Systems Enhancement activity by EDS.

d. Software Development Team Certification

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EDS will provide an EDS software development team with a minimum System Engineering Institute (SEI) Capability Maturity Model (CMM) rating of Level 2. EDS will notify MDNR of any changes in this certification level.

e. Additional System Enhancement Services

1. Develop project plans and schedules for all analysis, design, construction, testing and implementation phases of each software release
2. Develop Business and Technical Designs for all software releases
3. Develop Release Notes for all software releases
4. Perform database changes
5. Perform analysis, design, construction, unit testing, system testing, model office testing, and implementation for all software releases
6. Develop and implement changes to Eltron license forms
7. Update user and system documentation
8. Provide temporary increased system capacity for Leftover Sales

3. Content Acquisition, Management and Use

The MDNR is responsible for all content and any post-implementation content refresh or changes to the web site and for any and all content acquisition costs incurred during the life of the project.

The MDNR is responsible for ensuring all materials used on the Web site are legally obtained through the appropriate methods of licensing, royalties, usage rights and copyrights.

4. Critical dependencies

The MDNR will provide a single operational point of contact and responsibility for this project.

Changes in scope will be submitted in writing to the Client Delivery Executive.

The MDNR will warrant that all materials supplied are Year 2000 compliant.

The MDNR will be responsible for shut down fees associated with the early termination of this contract as per Section II-E (h) of this Contract. Fees are based on the remaining under-appreciated value of the equipment and software as well as any charges for the return of the equipment to MDNR.

The State represents and warrants the following:

- That the computer systems that are the subject of the services to be performed by EDS under this agreement are either owned by the State or under the State's legal control, that the State has the legal right to perform the Services on the computer systems, as well as the authority to delegate to EDS the right to do so.
- That the State maintains no contracts or agreements with third parties that would prohibit EDS from performing the Services and that the State has obtained in writing all permissions from third parties, including but not limited to the State's employees, vendors of leased equipment that are necessary to permit EDS to perform the Services.
- That the information, data, representations, and materials furnished by the State on which EDS based the description of the information security services and negotiated the price therefor were current, accurate, and complete in all

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material aspects; that no material changes have occurred up through the date of execution of this Agreement; and that the State will immediately notify EDS of any material changes to such information, data, representations and materials, or to the representations made.

5. Acceptance Criteria

MDNR will approve the installation prior to EDS' activation of the web hosting environment based upon the following criteria:

- The EDS environment is configured in accordance with the project plan.
- The required software has been installed and is operational.
- The EDS environment has power access, Internet access, and communication access.

6. Credit Card Processing

The MDNR will maintain a merchant account and is responsible for any Credit Card processing costs, including transaction cost.

IV-E REPORTING

1. Project Control

- a. The contractor will carry out this project under the direction of the Michigan Department of Natural Resources.
- b. Although there will be continuous liaison with the contractor team, the MDNR project director will meet bi-weekly 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 monthly 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 client agency's project director; and notification of any significant deviation from previously agreed-upon work plans.

2. Reports

EDS will provide quarterly reports that are reasonably available to the MDNR for the purpose of monitoring system performance. These reports will be used by the Contract Administrator to determine the current status of the Retail Sales System from both a hardware and software perspective. These reports should include;

- Uptime report generated by the data produced from the virtual host authorization application monitoring process (activated during Phase 4)
- Hardware performance issues.
- Software performance issues.
- Batch Schedule adherence.
- Suggestions from EDS to improve overall system performance and or business processes that will benefit MDNR/EDS and lead to reduce cost or increased performance.
- Detail breakdown of maintenance fixes.

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Attachment A - Associated RSS Software Products

Server Software

Server	Software	Purpose of Software Requested	Software Provider	Owner of Software	Configuration of Required SW (I.e. Load-Balancing,)
Production Web/App	IIS	Web Server	EDS	EDS	Load Balancing 128-bit Certificate
	E-License App	License Application Software	EDS	MDNR	
	ASP Image	E-License Print Image Formatting	EDS	EDS	
	Terminal Services	Remote Server Control	EDS	EDS	
Production RSS/E-License DB	MS SQL Enterprise	RSS/E-License DB	EDS	EDS	
	Windows 2000 Advanced Server	O/S feature extension to support clustering	EDS	EDS	
	Postal Soft	Standardizes addresses within the RSS database	MDNR	MDNR	
	Batch Scheduler	Schedules the RSS batch jobs	EDS	EDS	
	VeriSign Pay Flow Pro Plus	License for credit card authorization process within E-License	MDNR	MDNR	
	RSS Win	RSS custom windows applications for viewing and managing RSS data	EDS	MDNR	
	RSS Batch	RSS custom batch applications for processing RSS data	EDS	MDNR	
	Terminal Services	Remote Server Control	EDS	EDS	
Production Inquiry DB	MS SQL Enterprise	Inq DB	EDS	EDS	
	Terminal Services	Remote Server Control	EDS	EDS	

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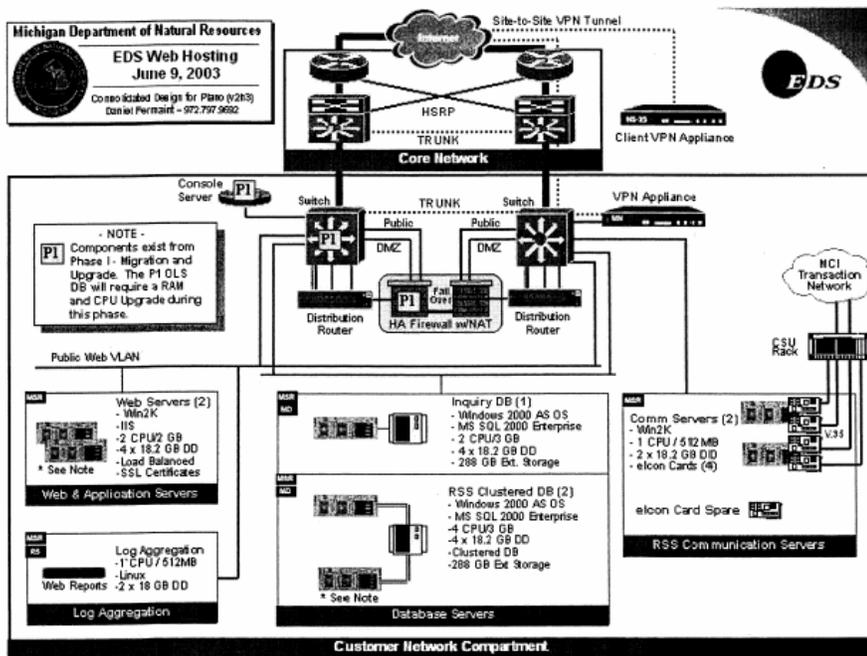
Server	Software	Purpose of Software Requested	Software Provider	Owner of Software	Configuration of Required SW (i.e. Load-Balancing,)
Production RSS Comm. Servers	RSS Communications Server App	Manage POS Calls	EDS	MDNR	
	Terminal Services	Remote Server Control	EDS	EDS	
MO/DR Web/App	IIS	Web Server	EDS	EDS	128-bit Certificate
	E-License App	License Application Software	EDS	MDNR	
	ASP Image	E-License Print Image Formatting	EDS	MDNR	
	Terminal Services	Remote Server Control	EDS	EDS	
MO/DR DB	MS SQL Enterprise	MO DB	EDS	EDS	
	Postal Soft	Standardizes addresses within the RSS database	MDNR	MDNR	
	Batch Scheduler	Schedules the RSS batch jobs	EDS	EDS	
	VeriSign Pay Flow Pro Plus	License for credit card authorization process within E-License	MDNR	MDNR	
	RSS Win	RSS custom windows applications for viewing and managing RSS data	EDS	MDNR	
	RSS Batch	RSS custom batch applications for processing RSS data	EDS	MDNR	
	Terminal Services	Remote Server Control	EDS	EDS	
MO/DR RSS Comm. Servers	RSS Communications Server App	Manage POS Calls	EDS	MDNR	
	Terminal Services	Remote Server Control	EDS	EDS	

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Attachment B - System Configuration & RSS Hardware Descriptions

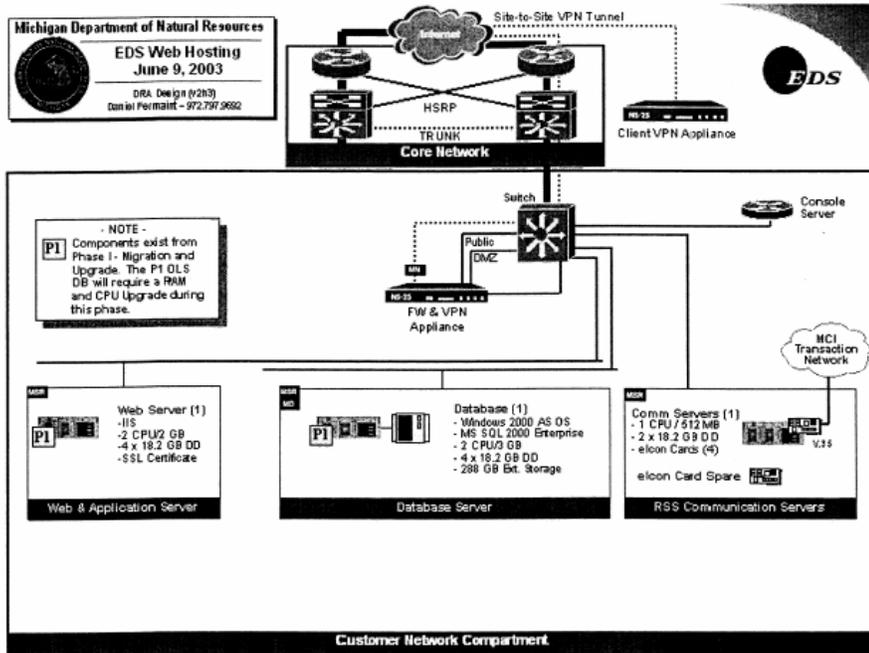
EDS Plano Production Architectural Diagram



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MO/DR Architectural Diagram



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MDNR Web Hosting Servers

Server	Description
Production Web/App	This is a set of two load-balanced servers that run the production E-License Web application, which sells hunting and fishing licenses to the end-customer over the Public Internet.
Production RSS/E-License DB	This is a set of two clustered active/passive database servers that manage both the E-License sales transactions and control tables, and the entire active RSS database and archive RSS database in the production environment.
Production Inquiry DB	This is a database server in the production environment that contains an up to date copy of both the active RSS database and the archive RSS database. MDNR staff run ad-hoc queries against these databases on this server, which isolates them from the production databases. This server will also contain all the RSS input and output files (e.g., EFT files, SOS files, etc.) that will be accessible by the MDNR staff.
Production RSS Comm. Servers	These two servers receive and manage the calls and data from the POS terminals in the production environment.
Model Office/DR Web/App	This is a server that runs the Model Office E-License Web application, which sells hunting and fishing licenses to the end-customer over the Public Internet. It will be used for User Acceptance Testing. In the case of a disaster in the production environment, it will be used as the production Web application server.
Model Office/DR RSS/E-License DB	This is a database server that manages both the E-License sales transactions and control tables, and the entire active RSS database and archive RSS database in the Model Office environment. It also serves as the repository for all the RSS input and output files (for example: EFT files, SOS files, etc.) that will be accessible by the MDNR staff in the model office environment. In the case of a disaster in the production environment, it will be used as the production database server and input/output file server.
Model Office/DR RSS Comm. Server	This server receives and manages the calls and data from the POS terminals in the model office environment. In the case of a disaster in the production environment, it will be used as the production Communications Server.

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Phase 1 E-License Migration from Web Vault Server/Environment Configuration Table

Description	Tier	Devices	Hardware	Software	Services
Network					
Dedicated Network	N/A	N/A	FE 24-port Switch Single 515e Firewall Console Server Fractional T-1 Router and Circuit from WebVault	N/A	Managed Network
Servers					
Web Server	Web	1	Windows 2000 OS 2 CPU, .2GB RAM 4 x 18.2 GB DRIVES	Windows2000 OS IIS SSL Cert	Managed Server
Database Server	DB	1	Windows 2000 AS OS 4 CPU's, 3GB RAM; 4X18.2 GB Drives	Windows2000 Advanced Server OS MS SQL 2000 Enterprise Edition	Managed Server
Storage					
N/A					
Backup					
Level 2	2	1	Centralized Backup Server	NA	Level 2
Service Enhancements					
SSL Cert	128	1			SSL encryption
Client Services					
Client Services			Standard		
Additional Network Devices					
Router for T-1			Router from WebVault		

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Phase 2 RSS Consolidation Server/Environment Configuration Table

Description	Tier	Devices	Hardware	Software	Services
Network					
Existing Profile with addition of			2 nd of 2 FE 24-port Switches 2 HA Load Balancers 2 nd of HA Firewall Pair VPN Devices for Plano and Lansing. Console Server from Phase 1 MCI WAN Network		
Servers					
New Web Server	Web	2	Windows 2000 OS 2 CPU, .2GB RAM 4 x 18.2 GB DRIVES	Windows2000 IIS SSL Cert	Managed Server
New Database Servers	DB	3	Windows 2000 AS OS 4 CPU's, 3GB RAM; 4X18.2 GB Drives	Windows2000 Advanced MS 2000 Enterprise Edition	Managed Server
New Comms Servers	App	2	Windows 2000 OS 1 CPU, .512MB RAM 2 x 18.2 GB DRIVES	Windows2000	
Log Aggregator / Web Reports Server	App	1	COE Build for Log Server	NA	NA
Storage					
Attached Storage Array		2 x 288 GB	Standard Offering 1 Storage Array for the Inquiry DB and 1 Storage Array for the RSS Cluster.		
Backup					
Level 2	2	1	Centralized Hardware	NA	Level 2
Service Enhancements					
SSL Certs	128	2	For Web Servers	NA	SSL encryption
Client Services					
Client Services			Standard		
Additional Network Devices					
Eicon Cards	DMZ	5	Eiconcard S91 - P/N - 310205	RSS COMM	N/A

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Phase 3 MO/DR Server/Environment Configuration Table

Description	Tier	Devices	Hardware	Software	Services
Network					
Dedicated Network			1 FE 24-port Switch 1 Firewall w/VPN Console Server MCI WAN Network		
Servers					
Transfer one Existing Web Server	Web	1	Windows 2000 OS 2 CPU, .2GB RAM 4 x 18.2 GB DRIVES	Windows2000 IIS SSL Cert	Managed Server
Transfer one Existing Database Server	DB	1	Windows 2000 AS OS 4 CPU's, 3GB RAM; 4X18.2 GB Drives	Windows2000 Advanced MS SQL2000Enterprise Edition	Managed Server
New RSS Comm Server	App	1	Windows 2000 OS 1 CPU, .512MB RAM 2 x 18.2 GB DRIVES	Windows2000	Managed Server
Storage					
Attached Array		288GB	Standard Offering		
Backup					
Level 2	2	1	Centralized Hardware	NA	Level 2
Service Enhancements					
Additional SSL Certs	128	1			SSL encryption
Client Services					
Client Services			Standard		
Additional Network Devices					
Elcon Cards	DMZ	2	Eiconcard S91 – P/N - 310205	RSS COMM	N/A

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Attachment C – Project Schedule

	Task Name	Start Date	Finish Date
1	RSS Hosting	06/16/03	07/28/04
2	MDNR Sign-off of Contract	07/01/03	07/01/03
3	Start Project	07/01/03	07/02/03
4	Order Hardware/Software all Phases	07/01/03	07/02/03
5	Define Project Process	07/01/03	07/02/03
6	Create Project Schedule	07/01/03	07/02/03
7	Plan Project Work - Reviews	07/01/03	07/02/03
8	Phase 1 Migration of E-License	06/16/03	10/24/03
9	Application Development	06/16/03	09/23/03
10	Refine and Analyze Requirements	06/16/03	06/25/03
11	Acquisition of Dev Environment	06/16/03	06/17/03
12	Design Application	06/16/03	07/23/03
13	Develop System Test for E-Lic, RSSWIN, RSSBatch, SQL	06/16/03	07/23/03
14	Produce Application	06/16/03	09/23/03
15	Develop Implementation Plan	09/15/03	09/23/03
16	Develop Different OLS server change Cis	06/26/03	06/27/03
17	Set Up Phase 1 Development Environment at LSC	06/16/03	09/23/03
18	Set up NT4.0 Domain, DB and Web Servers – Wk2, SQL7	06/16/03	06/27/03
19	Test NT 4.0 Domain (full system test)	07/23/03	07/30/03
20	Upgrade W2000 Domain	07/30/03	08/19/03
21	Test W2000, SQL7.0 (full system test)	08/19/03	08/26/03
22	Upgrade OLS - SQL 2000E	09/08/03	09/09/03
23	Test OLS SQL 2000E	09/15/03	09/23/03
24	Application Implementation	07/01/03	10/24/03
25	Phase 1 Production Environment Implementation	07/01/03	10/24/03
26	Procure and install hardware/OS/Database	07/01/03	08/26/03
27	Setup of Prod Environment	08/26/03	09/10/03
28	Set up Old RSSDB at Mason building for T1 connection test	07/01/03	07/02/03
29	Temp setup & test T1 connection from Lansing to Plano	07/02/03	07/21/03
30	Web Server Install IIS 5.0, EZ & E-License, Appl Security	09/23/03	09/30/03
31	OLS DB Server Install SQL, Migrate Data from Prod	09/23/03	09/26/03
32	System Integration Test (OLS testing, few windows RSS Win)	09/30/03	10/14/03
33	Client User Acceptance Testing	10/15/03	10/23/03
34	Phase 1 Implementation	10/23/03	10/24/03
35	P1 – GO Live	10/24/03	10/24/03
36	Phase 2 Consolidation of RSS into AOPS	06/16/03	01/21/04
37	Application Development	06/16/03	11/14/03
38	Refine and Analyze Requirements	06/16/03	09/03/03
39	Set Up Phase 2 Development Environment at LSC	07/01/03	07/02/03
40	SQL2000 Enterprise for clustering	07/09/03	09/03/03
41	Data Consolidation to RSSINQ	08/18/03	08/22/03
42	Analyze changes for Com Server W2000, Eicon	06/16/03	07/24/03
43	Design Application	07/01/03	09/12/03
44	Develop System Test Plan: SQL2000E, INQ data file, COM server	07/25/03	09/10/03
45	Design SQL 200E, INQ data consolidation, Comserver	07/25/03	09/12/03
46	Produce Application	07/01/03	11/14/03

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	Task Name	Start Date	Finish Date
47	Produce Appl - SQL 200E, INQ data consolidation, Comserver	08/19/03	10/17/03
48	Develop Implementation Plan	10/07/03	10/17/03
49	Cluster - RSS & OLS DBs and load databases	08/21/03	09/05/03
50	System Integration Test - Complete ALS system	09/30/03	10/17/03
51	Test Implementation - Dry Run	10/17/03	11/14/03
52	Application Implementation in production Phase 2	07/01/03	01/21/04
53	Acquisition of Prod Environment	07/01/03	09/10/03
54	Setup of Prod Environment	09/10/03	09/24/03
55	Setup Servers - software Web(2), Cluster DBs, INQ DB, COM(2)	11/14/03	11/25/03
56	Communication changes - MCI	09/03/03	10/01/03
57	Communication changes - MDNR	09/03/03	10/01/03
58	Move Data & Applications	11/25/03	12/09/03
59	System Integration Test	12/09/03	01/05/04
60	Client User Acceptance Testing	01/05/04	01/12/04
61	Implement	01/12/04	01/21/04
62	P2 - GO Live	01/21/04	01/21/04
63	Phase 3 MO/DR	07/01/03	06/09/04
64	Application Development	07/01/03	06/09/04
65	Acquisition of MO/DR Com Server	07/01/03	09/10/03
66	Shutdown Migration Environment	01/28/04	02/11/04
67	Ship Migration Servers to MO/DR Site	02/11/04	02/18/04
68	Setup of MO/DR environment	02/18/04	03/03/04
69	Refine and Analyze Requirements	01/28/04	01/29/04
70	Refine and Analyze Requirements - Summary	01/28/04	01/29/04
71	Produce Application	01/28/04	06/09/04
72	Create Implementation Plan	01/29/04	02/09/04
73	Create DR Plan	04/30/04	06/09/04
74	Setup Servers - software -- Web, DBs, COM	01/29/04	03/08/04
75	Move Data & Applications	03/08/04	03/24/04
76	System Integration Test	03/24/04	04/07/04
77	Application Implementation	04/07/04	04/15/04
78	Implement Application	04/07/04	04/15/04
79	Client User Acceptance Testing	04/07/04	04/14/04
80	Implement	04/14/04	04/15/04
81	P3 - GO Live	04/15/04	04/15/04
82	Phase 4 Monitor, Schedule, Archive	04/15/04	07/28/04
83	Application Development	04/15/04	07/20/04
84	Refine and Analyze Requirements	04/15/04	05/18/04
85	Analyze Virtual Host Auth Monitoring, Archive, Scheduling	04/15/04	05/18/04
86	Design Application	04/15/04	05/13/04
87	Design Virtual Host Auth Monitoring, Archive, Scheduling	04/19/04	05/13/04
88	Produce Application	04/15/04	07/20/04
89	Produce Virtual Host Auth Monitoring, Archive	04/26/04	05/31/04
90	Produce Scheduling Software Upgrade	05/18/04	07/06/04
91	System Integration Testing	07/06/04	07/20/04
92	Application Implementation	07/20/04	07/28/04
93	Implement Application	07/20/04	07/28/04
94	Client User Acceptance Testing	07/20/04	07/27/04

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	Task Name	Start Date	Finish Date
95	Implement	07/27/04	07/28/04
96	P4 - GO Live	07/28/04	07/28/04

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