

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

May 5, 2010

CHANGE NOTICE NO. 4
TO
CONTRACT NO. 071B5200370
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Starlims Corporation 4000 Hollywood Boulevard, Suite 515 South Hollywood, FL 33021-6755 RichLane@starlims.com		TELEPHONE Richard Lane (610) 687-1119
		VENDOR NUMBER/MAIL CODE (001)
		BUYER/CA (517) 241-3215 Steve Motz
Contract Compliance Inspector: Sara Williams Infectious Disease LIMS – Department of Community Health		
CONTRACT PERIOD: From: August 30, 2005 To: August 31, 2010		
TERMS N/A	SHIPMENT N/A	
F.O.B. N/A	SHIPPED FROM N/A	
MINIMUM DELIVERY REQUIREMENTS N/A		

NATURE OF CHANGE(S):

Effective immediately this contract is hereby **INCREASED** by \$34,600.00. The CCI is also changed to Sara Williams. All other terms, conditions, specifications, and pricing remain the same.

AUTHORITY/REASON(S):

Purchasing Operations request and the approval of the State Ad Board on 5/4/2010.

INCREASE: \$34,600.00

TOTAL REVISED ESTIMATED CONTRACT VALUE: \$1,026,600.00

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

November 5, 2009

CHANGE NOTICE NO. 3
 TO
 CONTRACT NO. 071B5200370
 between
 THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF VENDOR		TELEPHONE Richard Lane (610) 687-1119
Starlims Corporation 4000 Hollywood Boulevard, Suite 515 South Hollywood, FL 33021-6755 RichLane@starlims.com		VENDOR NUMBER/MAIL CODE (001)
		BUYER/CA (517) 241-3215 Steve Motz
Contract Compliance Inspector: Mary Ladd (517) 335-4082 Infectious Disease LIMS – Department of Community Health		
CONTRACT PERIOD: From: August 30, 2005		To: August 31, 2010
TERMS	N/A	SHIPMENT N/A
F.O.B.	N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS		
N/A		

NATURE OF CHANGE(S):

Per Executive Directive 2009-3, the vendor has offered the following price concessions to the State of Michigan:

Effective immediately this contract is hereby **EXTENDED (12 months)** to 8/31/2010. For the remaining option year, the maintenance pricing is reduced by 10% per the attached Contractor correspondence, which will result in a savings of \$8,000.00 dollars. All other terms, conditions, specifications, and pricing remain the same.

AUTHORITY/REASON(S):

Purchasing Operations request.

DECREASE: \$8,000.00

TOTAL REVISED ESTIMATED CONTRACT VALUE: \$992,000.00



Mail Properties Personalize

From: DMB-Purchasing Operations-Reductions2009

10/1/2009 12:03 PM

To: Motz, Steve

Subject: Fwd: RE: State of Michigan Contract Reduction Request

>>> Nofar Tako <Nofar.Tako@starlims.com> 10/1/2009 11:25 AM >>>
To Whom it may concern,

STARLIMS Corporation understands that our national and state economies are under enormous financial pressure, and would like to take an active role helping as much as we can.

STARLIMS Corporation appreciates and values the relationship we have established with the State of Michigan, and therefore would like to offer a 10% reduction to our Maintenance Agreement.

Currently The State of Michigan's Maintenance Agreement totals at \$80,000. With a 10% reduction, the total amount will be deducted to \$72,000.

If you have any questions, please don't hesitate to contact us.

Sincerely,

[cid:image001.gif@01CA4286.0EDE48E0] <<http://quest.cvent.com/i.aspx?5S,M3,92ba6b58-09d0-4ffe-8c72-9eb8583d9e47>>

Nofar Tako |

STARLIMS Corporation
4000 Hollywood Blvd., S515S
Hollywood, FL, 33021, USA
Tel: 954-416-1576 (US EST)
Fax: 954-964-8113 (US EST)
nofar.tako@starlims.com <<mailto:menahem.shikhman@starlims.com>>

Forum2010, February 23-26, Orlando, Florida <<http://quest.cvent.com/i.aspx?5S,M3,92ba6b58-09d0-4ffe-8c72-9eb8583d9e47>>



Message



STARLIMS
Vendor Wor...

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

September 9, 2008

**CHANGE NOTICE NO. 2
 TO
 CONTRACT NO. 071B5200370
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF VENDOR		TELEPHONE Richard Lane (610) 687-1119	
Starlims Corporation 4000 Hollywood Boulevard, Suite 515 South Hollywood, FL 33021-6755		VENDOR NUMBER/MAIL CODE (2) 65-0234123 (001)	
		BUYER/CA (517) 241-3215 Steve Motz	
Contract Compliance Inspector: Mary Ladd (517) 335-4082 Infectious Disease LIMS – Department of Community Health			
CONTRACT PERIOD:		From: August 30, 2005	To: August 31, 2009
TERMS	N/A	SHIPMENT	N/A
F.O.B.	N/A	SHIPPED FROM	N/A
MINIMUM DELIVERY REQUIREMENTS			
N/A			

NATURE OF CHANGE(S):

Effective immediately this contract is hereby EXTENDED (12 months) to 8/31/2009. The attached letter modifies Appendix No. 1 effective September 5, 2006. All other terms, conditions, specifications, and pricing remain the same.

Overview of Optional Extension

<input checked="" type="checkbox"/>	Option CN2	(9/1/08 – 8/31/09)
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Overview previously exercised optional extensions

None

Overview of Remaining Optional Extension

<input type="checkbox"/>	Option	(9/1/09 – 8/31/10)
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AUTHORITY/REASON(S):

Agency request and Vendor agreement.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$1,000,000.00

**Agreement to Exercise One-Year Optional Extension of
Contract No. 071B5200370**

The State of Michigan (SOM), Department of Information Technology, and Starlims Corporation hereby request to exercise a one-year optional extension under the same terms and conditions as stated in the contract dated August 31, 2005. Said optional extension is for the period September 1, 2008 through August 30, 2009.

This request is in accordance with Article 2, Section 2.004 Contract Term as follows:

"The term of this Contract will be for Three (3) years and will commence with the issuance of a Contract. This will be approximately (8/30/2005 through (8/30/2008).

Option. The State reserves the right to exercise Two (2) one-year options, at the sole option of the State. Contractor performance, quality of products, price, cost savings, and the contractor's ability to deliver on time are some of the criteria that will be used as a basis for any decision by Acquisition Services to exercise an option year.

Extension. At the sole option of the State, the contract may also be extended. Contractor performance, quality of products, price, cost savings, and the contractor's ability to deliver on time are some of the criteria that will be used as a basis for any decision by Acquisition Services to exercise an option year.

Written notice will be provided to the contractor within 60 days, provided that the State gives the contractor a preliminary written notice of its intent to extend at least 60 days before the contract expires. The preliminary does not commit the Government to an extension. If the Government exercises this option, the extended contract shall be considered to include this option clause."

Accepted and Agreed to:

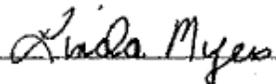
Starlims Incorporation

By: 
Name
Printed: Lev Bobovitch, Ph.D.

Title: Director, Professional Services

Date: 02/28/2008

**State of Michigan
Department of Information Technology**

By: 
Name
Printed: Linda Myers

Title: Manager, Health Systems

Date: 3/13/08

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

April 16, 2007

**CHANGE NOTICE NO. 1
 TO
 CONTRACT NO. 071B5200370
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF VENDOR Starlims Corporation 4000 Hollywood Boulevard, Suite 515 South Hollywood, FL 33021-6755		TELEPHONE Richard Lane (610) 687-1119
		VENDOR NUMBER/MAIL CODE (001)
		BUYER/CA (517) 241-3215 Steve Motz
Contract Compliance Inspector: Mary Ladd (517) 335-4082 Infectious Disease LIMS – Department of Community Health		
CONTRACT PERIOD: From: August 30, 2005 To: August 31, 2008		
TERMS N/A	SHIPMENT N/A	
F.O.B. N/A	SHIPPED FROM N/A	
MINIMUM DELIVERY REQUIREMENTS N/A		

NATURE OF CHANGE(S):

Effective immediately, the buyer for this contract is changed to Steve Motz.

AUTHORITY/REASON(S):

Purchasing Operations request.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$1,000,000.00

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

August 31, 2005

**NOTICE
 OF
 CONTRACT NO. 071B5200370
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF VENDOR Starlims Corporation 4000 Hollywood Boulevard, Suite 515 South Hollywood, FL 33021-6755		TELEPHONE Richard Lane (610) 687-1119
		VENDOR NUMBER/MAIL CODE (001)
		BUYER/CA (517) 2005 Lisa Morrison
Contract Compliance Inspector: Mary Ladd (517) 335-4082 Infectious Disease LIMS – Department of Community Health		
CONTRACT PERIOD: From: August 30, 2005 To: August 31, 2008		
TERMS N/A	SHIPMENT N/A	
F.O.B. N/A	SHIPPED FROM N/A	
MINIMUM DELIVERY REQUIREMENTS N/A		

The terms and conditions of this Contract are those of [REQ #084R5201141](#), this Contract Agreement and the vendor's quote dated [07/13/2005](#). In the event of any conflicts between the specifications, terms and conditions indicated by the State and those indicated by the vendor, those of the State take precedence.

Estimated Contract Value: \$1,000,000.00

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

CONTRACT NO. 071B5200370
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Starlims Corporation 4000 Hollywood Boulevard, Suite 515 South Hollywood, FL 33021-6755	TELEPHONE Richard Lane (610) 687-1119 VENDOR NUMBER/MAIL CODE (001) BUYER/CA (517) 2005 Lisa Morrison
Contract Compliance Inspector: Mary Ladd (517) 335-4082 Infectious Disease LIMS – Department of Community Health	
CONTRACT PERIOD: From: August 30, 2005 To: August 31, 2008	
TERMS <p style="text-align: center;">N/A</p>	SHIPMENT <p style="text-align: center;">N/A</p>
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	
MISCELLANEOUS INFORMATION: The terms and conditions of this Contract are those of REQ #084R5201141, this Contract Agreement and the vendor's quote dated 07/13/2005. In the event of any conflicts between the specifications, terms and conditions indicated by the State and those indicated by the vendor, those of the State take precedence. Estimated Contract Value: \$1,000,000.00	

THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the [REQ No. 084R5201141](#). Orders for delivery may be issued directly by the [Department of Community Health](#) through the issuance of a Purchase Order Form.

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

FOR THE VENDOR: Starlims Corporation _____ Firm Name _____ Authorized Agent Signature _____ Authorized Agent (Print or Type) _____ Date	FOR THE STATE: _____ Signature Elise Lancaster _____ Name Deputy Director, Acquisition Services _____ Title _____ Date
--	---



(Infectious Disease LIMS)

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Article 1 – Statement of Work (SOW)

1.0 Project Identification

1.01 PROJECT REQUEST

This project is to purchase a Commercial Off The Shelf laboratory information management system (LIMS) with customization, implementation, maintenance and support. The contractor will provide a comprehensive LIMS system, including transition from the current system, for a period of Three (3) years with two optional one-year extensions.

1.02 BACKGROUND

Since the *Bacillus anthracis* (Anthrax) attack in the Fall of 2001, the Federal Government has been working towards updating the Public Health infrastructure of the United States. Public health laboratory reporting technologies were lagging behind other related technologies by ten to twenty years. Public Health entities such as CDC, PHIN, APHL, NEDSS and CLSI, funded by the federal government, have worked collaboratively with the public health community to develop requirements and regulations to insure that LIMS could meet today's reporting and data exchange needs. These new standards set forth by the agencies and institutions have further enlightened the federal government and public health to update the infrastructure of laboratory reporting. To do so it is necessary to obtain a LIMS that meets these requirements, since our present LIMS (Epic Cohort for Public health) was purchased in 1992 and is missing the functionality to be compliant with these mandates.

The modern LIMS will allow interoperability between computer systems. This interoperability will allow real time, secure electronic transfers of data via intranet and/or internet to other public health departments and/or agencies. Disease surveillance systems, like the Michigan Disease Surveillance System (MDSS) and CDC, will receive data from the LIMS and report laboratory results to public health officials almost immediately. The LIMS will receive data from medical laboratories, local health and hospitals to provide demographic and related data, which will be matched with incoming specimens without excessive manual data entry. The LIMS will export laboratory reports in real time, via fax and secure networks to submitters using PHIN compliant methods and technologies.

A new LIMS is essential to the required functions of Laboratory test processing; test scheduling; specimen and sample tracking/chain of custody; media, reagent, stains, control manufacturing; inventory control; general laboratory reporting; statistical analysis and surveillance; billing and laboratory services; contract and grant management; training, education and resource management; lab certifications/licensing; customer concerns/suggestions; quality control and quality assurance management, and laboratory mutual assistance/disaster recovery.

MDCH Bureau of Laboratories is replacing a laboratory information management system (LIMS) due to federally mandated interoperability functionality that is not present in the existing LIMS. Epic Cohort for Public Health will be replaced with a Commercial off-the-Shelf (COTS) LIMS that complies with the required Centers for Disease Control (CDC), Public Health Information Network (PHIN), Association of Public Health Laboratories (APHL), National Electronic Disease Surveillance System (NEDSS), Clinical Laboratory Improvement Amendments (CLIA), Environmental Protection Agency (EPA), and Clinical and Laboratories Standards Institute (CLSI) (formally NCCLS) guidelines, requirements and regulations. These guidelines, requirements and regulations have been federally mandated to insure that public health laboratories can respond and can exchange health information with other public health partners at the local, state and federal level to protect citizens during a public health crisis brought about by outbreaks and/or Bio-terrorism. The new LIMS will be utilized by eight state wide laboratories to provide real time reporting of laboratory reports to hospital, local, state and federal health officials in order to prevent illness, disease and deaths.



The Bureau of Laboratories will phase out existing outdated and non-compliant LIMS and replace those systems with one LIMS that contains the previously listed functionality and interoperability requirements. The new LIMS will allow more efficient workflow by decreasing data entry, decreasing manual documentation, improving specimen distribution, increasing the laboratorians' efficiency, limiting the number of systems to maintain and operate, and speeding up, while decreasing the cost of the result reporting process. The new LIMS will contain the required functionality to pass future inspections and will allow future funding from regulating agencies and institutions in the form of Grant monies. Most importantly the new LIMS will offer a laboratory reporting system that better protects the citizens of Michigan by securing a strong link between other public health systems, all meant to prevent the spread of illness, disease and bio-terrorism related agents.

1.1 Scope of Work and Deliverables

1.101 IN SCOPE

STARLIMS will provide the Bureau of Laboratories with a laboratory information system that will be compliant with regulating agencies and institutions such as the CDC, PHIN, APHL, College of American Pathologists (CAP), CLIA, EPA and CLSI. STARLIMS meets the LIMS standards published by ISO, CAP, NEDSS, National Environmental Laboratory Accreditation Conference (NELAC) and CLSI. As has been shown with the other public health laboratories referenced above, STARLIMS is interacting electronically using PHIN compliant methods and technologies with other public health computer systems providing public health workers the data that is needed to protect the public from illness, outbreaks and Bio-terrorism related agents. STARLIMS is capable of adding specific additional functionality needed by MDCH BOL after requests and change orders have been processed. These changes can be performed by STARLIMS implementation engineers and by MDCH BOL / MDIT personnel. STARLIMS currently supports fourteen of the sixteen business processes and all sixteen are planned to be supported in the next version of Sunrise, the STARLIMS Public Health specific offering.

Business Processes:

The following is a summary of Business Processes that are needed.

Laboratory Test Processing (Clinical and Environmental)

OBJECTIVE: Securely deliver correct and complete test result reports to the submitting customer and other mandated recipients.

STARLIMS will securely deliver correct and complete test result reports to the submitting customer and other mandated recipients through a number of mechanisms including HL7 using the embedded Rhapsody engine from Orion.

Test Scheduling

OBJECTIVE: Optimize the use of laboratory personnel and instruments in order to maximize the use of resources available to the laboratory and be able to adapt to sudden surges in a specific test request volume.

In addition to the prioritization performed in receiving, the contractor's LIMS must allow each Regional Lab and its internal lab(s) the ability to schedule its workload by specific instrument or bench. Scheduling factors include "rush" test requests, the length of time a test takes, and holding/storage time requirements. In general, test requests are processed in the order in which they are received except during an event prioritization.

Proactive Specimen/Sample Collection (Prescheduled Tests)

OBJECTIVE: Receive prescheduled specimens/samples in an efficient and timely manner.



The STARLIMS Customer Relationship Manager allows for the creation of specimen and sample collection schedules for each submitter. This allows for the distribution and receipt of kits and specimens in an efficient and timely manner.

Specimen and Sample Tracking/Chain of Custody

OBJECTIVE: Create accurate and timely specimen and sample tracking and chain of custody documentation.

STARLIMS allows for the storage of manual chain of custody forms that arrive at the laboratory along with the specimens and samples. These forms which detail the chain of custody outside of the laboratory can be scanned into STARLIMS and stored as a retrievable document with the appropriate specimen or sample. Once the specimen or sample is registered within STARLIMS the Chain of Custody function will monitor the entire lifecycle of the entity and record where the specimen or sample was, when and with whom, if applicable. Locations can be identified down to the shelf and box and specimens and samples can be transferred through the use of a barcode, if available, ensuring the accuracy of the Chain of Custody report. STARLIMS also has the ability to track and store information from temperature control sheets in that they can be associated with specimens and samples that were stored in the freezer during the date range of the chart. The inventory control system of STARLIMS also allows media, reagents and other control materials into and out of storage thereby creating a Chain of Custody for these items also.

Media, Reagent, Stains, Controls, etc. Manufacturing

OBJECTIVE: Efficiently prepare media and other materials for use in Michigan Department of Community Health, Bureau of Laboratories (MDCH BOL) or for sale to other laboratories and ensure they will work as intended.

STARLIMS can be configured so that different users of the system log in to different environments in order to perform specific workflows related to their business processes. Therefore, using the same system as for the Clinical and Environmental sections, users may log in to a Manufacturing environment within STARLIMS. This type of user will have access to many different pieces of instrumentation, tests and specifications. These users will be able to have samples logged for QC tests, be able to create skip lot testing on finished products and create Certificates of Analysis that will be shipped to the customer. Different customers may also have different specifications based on their own limits and different Certificates of Analysis based on their own formats. STARLIMS will be able to create quotes for business and then invoice and bill the respective customers as orders are received and distributed. The Inventory Management function of STARLIMS allows for levels of material to be monitored so that if raw materials or even, finished products fall below user-defined levels STARLIMS will notify the user that replenishment of the item is required.

Inventory Control Including Kits & Forms Management

OBJECTIVE: Manage appropriately all items inventoried by a MDCH BOL.

All reports can be sent to a distribution list of agencies, individuals and other entities and can be sent through multiple mechanisms including a HL7 structured message, fax and email.

General Laboratory Reporting

OBJECTIVE: Create timely and efficient general laboratory reports addressing all MDCH BOL external obligations and internal management needs.

The STARLIMS public health projects have, so far, identified and formatted 484 different reports that can be re-used and / or modified by the MDCH BOL. The core STARLIMS system has approximately thirty reports that can be used and / or modified by the MDCH BOL for local purposes. All reports can be formatted using the Crystal Reports report writing tool and can include any information from the STARLIMS database.



The content of any report is determined by a STARLIMS Query that can be created by users and saved for future use. STARLIMS engineers will be responsible for the creation of ten additional reports above those that are supplied with the base system and these can include the general business management type reports.

Statistical Analysis and Surveillance

OBJECTIVE: Create appropriate statistical analysis, surveillance outputs, and reports needed internally and supplied to external partners for statistical and surveillance purposes.

STARLIMS is able to store and manage all types of non-test data including meta-data from many environments for both clinical specimens and environmental samples. This data can be used to identify trends and patterns in the data and to alert agencies of any specific health hazards or concerns that arise. The meta-data when combined with the actual test data can be used by other national agencies such as the CDC and when combined with other state data can be a powerful tool for predicting and analyzing STARLIMS also allows for the overlaying of environmental and clinical data in order to make decisions and identify possible reasons for an outbreak or a health hazard.

Billing for Laboratory Services

OBJECTIVE: Collect and record billing revenue.

STARLIMS is able to track all work done in the laboratory and invoice each submitter or individual appropriately based on the tests requested and performed. This is an automated function within STARLIMS so that as soon as a test request is complete, or even requested, then an invoice will be created. The costs of the tests are entered into STARLIMS in multiple price lists, different ones can be used for different types of institutions or sample types. STARLIMS will also create invoices for the kits that are sent to each submitter based on a testing schedule and for the kits that are shipped not based on a schedule. Additionally laboratory certification and proficiency testing is also a part of STARLIMS and these laboratories can be billed for their certification, for a site visit and / or for each subsequent visit or proficiency test analysis.

Contract and Grant Management

OBJECTIVE: Accurately manage contracts and grants per agreement requirements.

The requirements for the APHL Business Process for Contract and Grant Management (BP # 10) are currently being investigated for inclusion in to the STARLIMS Public Health offering, Sunrise, version 3, scheduled for release by the end of the calendar year. The nature of STARLIMS relationship with the Public Health sector is based on an ongoing commitment to this partnership, assuring that new functionality and content developed for one PHL is accessible to all STARLIMS based PHL partners. The collaboration was initiated by the public health departments of Arkansas, Iowa, Kentucky and Virginia focusing on defining common use, design and implementation methodologies to adhere to the general standard provided by the APHL. Contract and Grant Management is one of the business processes that will be developed, along APHL guidelines, and included in the core STARLIMS and made available to all public health customers. These four states plus many others that now form the collaboration will help to define the requirements and will aid in the testing and roll out of the business process. It is expected that this functionality will be available sometime after the summer of 2005. The recent Public Health Information Network (PHIN) conference (May 2004, Atlanta, GA) revealed a set of collaborative projects undertaken by STARLIMS Corporation and public health departments at county, state and federal levels. The project is aimed at creating "out of the box" configurable functionality to support a wide range of multidisciplinary processes consistent with guidelines set forth by the Association of Public Health Laboratories (APHL) and the Centers of Disease Control (CDC). This functionality incorporated within STARLIMS, presents an enterprise level information system that brings together all public health laboratory activities into a single platform, offering comprehensive reporting, surveillance, and networking capabilities compatible with national and international standards.



Michigan will have the opportunity to participate in this collaboration and offer valuable experience and technical assistance during the investigation, development and roll out of the APHL Contract and Grant Management Business Process. It should be noted that if this requirement is mandatory and needed urgently, the development of it will be in tandem with the MDCH BOL project plan and will not depend on the time line of the collaborative efforts of STARLIMS and its PHL partners. There is, however, some functionality in the core STARLIMS that will support Contract and Grant management today.

Training, Education and Resource Management

OBJECTIVE: Provide appropriate staff and customer training and education, and manage overall personnel resources.

Resource Management within STARLIMS encompasses a number of functions including the management of training courses and schedules, the management of instrumentation, the management of materials, the management of individuals and the management of departments / locations. Training courses can be configured within STARLIMS for methods and tests within the system as well as for general training such as health and safety. Users can participate and can mark the training for tracking and usefulness purposes. The training and education can be used to ensure that only certified users are able to perform specific tests on specific instruments. Instrument management allows each instrument to be monitored for preventative maintenance, calibrations and all methods run on the instrument. Instrument interfacing and parsing rules are created for each instrument in the Resource Management of STARLIMS. Instrument maintenance schedules can be used to ensure that only those instruments that are maintained will be able to have tests assigned to them. Methods are assigned to tests and tests to instruments and users can be certified for methods and tests. Using this information STARLIMS can be configured to prevent assignment of tests to both users and instrumentation based on training and maintenance records.

Lab Certifications/Licensing

OBJECTIVE: Fulfill state and other regulatory certification and licensing responsibilities.

STARLIMS Laboratory Certification and Proficiency Testing module allows authorized users to manage assessment activities by certifying laboratories based on site visits, documentation and proficiency testing. Laboratories can be re-inspected and re-tested on a periodic basis and depending upon the findings of the review the Laboratory will be issued a license and a certificate to perform certain tests and methods. Technicians at each laboratory can be individually certified also. Any deficiencies can be corrected and the corrective actions that fixed the problems are noted in the module.

Customer Concerns/Suggestions

OBJECTIVE: Provide appropriate follow up, reporting and resolution of concerns and suggestions received from customers and employees.

The ability to record and classify concerns and complaints is not a part of the current core system. However, this functionality will be included with the release of the Customer Concerns / Suggestions Business Process that will be made available to the MDCH BOL upon release of Sunrise version 3, scheduled for the end of this calendar year.

Quality Control (QC) and Quality Assurance (QA) Management

OBJECTIVE: Provide appropriate QC and QA services.

STARLIMS enables traceability and defensibility of results through the capturing of key data during the lifecycle of specimens and samples. Part of that captured data is the QC data that is stored with each sample and specimen and is generated on a per method, per instrument basis.



The data can be used to automatically disqualify results based on the QC limits that have been set or to ensure and validate the accuracy of results. For each stored test result, the associated QC results are also stored and are easily accessible from the test result for review and inclusion on a report. Templates can be created by authorized users to include QC standards for every batch run. QC reports can be generated and distributed with the final test results and other QC information can be associated by attaching a document to a result that can also be viewed easily from the test result. For QA, STARLIMS can measure and determine the data sources available for supporting each measure, capture QA measures, and analyze trends and institute corrective actions when necessary.

Laboratory Mutual Assistance/Disaster Recovery

OBJECTIVE: Process test request surges without compromising turnaround times and quality.

The requirements for the APHL Business Process for Laboratory Mutual Assistance / Disaster Recovery (BP # 16) are currently being investigated for inclusion in to the STARLIMS Public Health offering. The nature of STARLIMS relationship with the Public Health sector is based on an ongoing commitment to this partnership, assuring that new functionality and content developed for one PHL is accessible to all STARLIMS based PHL partners. The collaboration was initiated by the public health departments of Arkansas, Iowa, Kentucky and Virginia focusing on defining common use, design and implementation methodologies to adhere to the general standard provided by the APHL. Laboratory Safety and Accident Investigation is one of the business processes that will be developed, along APHL guidelines, and included in the core STARLIMS and made available to all public health customers. These four states plus many others that now form the collaboration will help to define the requirements and will aid in the testing and roll out of the business process. It is expected that this functionality will be available sometime after the summer of 2005. The recent Public Health Information Network (PHIN) conference (May 2004, Atlanta, GA) revealed a set of collaborative projects undertaken by STARLIMS Corporation and public health departments at county, state and federal levels. The project is aimed at creating "out of the box" configurable functionality to support a wide range of multidisciplinary processes consistent with guidelines set forth by the Association of Public Health Laboratories (APHL) and the Centers of Disease Control (CDC). This functionality incorporated within STARLIMS, presents an enterprise level information system that brings together all public health laboratory activities into a single platform, offering comprehensive reporting, surveillance, and networking capabilities compatible with national and international standards. Michigan will have the opportunity to participate in this collaboration and offer valuable experience and technical assistance during the investigation, development and roll out of the APHL Laboratory Mutual Assistance/Disaster Recovery Business Process. It should be noted that if this requirement is mandatory and needed urgently, the development of it will be in tandem with the MDCH BOL project plan and will not depend on the time line of the collaborative efforts of STARLIMS and its PHL partners. This functionality can be configured within STARLIMS and the proposal includes the necessary time and costs. There is, however, some functionality in the core STARLIMS that will support Laboratory Mutual Assistance/Disaster Recovery today.

General System Requirements

OBJECTIVE: There are a number of general requirements that are not business process specific, but are important from the perspective of overall system functioning.

LIMS System Access and Navigation

Security

- Control for system access by authorized users
- HIPPA compliant passwords
- Forced password changes
 - Should track Password changes
- Termination of login screen after determined number of login failures
- Automatically log off idle workstations
- Return a user to the screen after an automatic log off when the user logs back in
- Ability to limit workstations from which a given user can log on and whether or not they can access the system from a remote site.



- Limit the number of workstations a user can be logged onto at the same time
- Limit hours (time frames) for individual user access
- Complete audit trail of users
- Meet HIPPA security conditions

User Rights and Privileges

- Create groups and assign rights and privilege based on individual users
- Create unique user rights based on functions and screen displays
- Control which users have the right to update specific data sets and track the data updated.
- Lock specific records at some specified point after creation.
- Assign add/delete/edit /read only rights to specific users.

Screen Access and Navigation

- User ability to access any allowed function from any workstation on the system.
- Users need ability to access various screens through the use of menus and appropriate icons on various screens.
- User should be able to move easily from one screen to another utilizing screen appropriate icons of function keys.
- Users need ability to have remote access to read only fields or portions of the -Web LIMS for data entry and barcode generation.
- Specific users need ability to query specific records based on key data fields.
- Specific users need ability to perform name searches utilizing soundex approaches.
- User access to query function screens from screens where it would be logical to do so rather than returning to the main menu.
- User needs ability to query for any specific test request and/or test status.

Field Entry Editing and System Table Maintenance

Field Value Entry and Editing: Any field containing a coded value rather than text should include the following:

- Complete result checking.
- Mandatory fields that are marked by highlights that require entry before one can exit the entry screen.
- Dual entry of fields with separate verification pass prior to accepting the data set.
- Complete audit trail of edits

Other field editing:

- Apply alpha/numeric edits
- Test for valid numeric range
- Perform selected correlation edits between fields
- Edit valid dates and reasonable date ranges
- Insert default values for any code or non-code field
- Default for current date and time in appropriate fields that are generated from the system clock, but allow user over-ride

System Maintenance

- Control access to the system tables by authorized administrative personnel
- Update code tables directly from any screen where the field appears (by authorized users)
- Maintain the value sets for any table
- Time-stamp any table where changes are only valid starting on a specific date.

Reporting and Data Transfer

General Reporting

- Provide workload reports for various time periods
- Provide reports that differentiate between client-ordered tests and tests done in house as part of a testing protocol or study
- Provide work time reports for calculating turn around time.
- Provide Quality assurance reports
- Provide Quality Control reports



- Provide submitter usage reports (tests submitters request per time frame)
- Provide Reportable Disease Report (reports listing all reportable diseases based on laboratory testing with flexibility to add, change, and/or delete tests as necessary)
- Provide test log reports
- Fax test results with monitoring and acknowledgements to ensure faxes reached their proper destination.

Report Generation Strategy (Internal and Export)

- Provide a reports menu from which the user can select and run standard system reports
- Schedule the production of reports for non-peak system usage or nighttime
- Create user query reports utilizing a standard query tool compatible with the LIM system data base architecture.
- Limit the scope of query reports
- Select and export data sets for more intensive analysis on a workstation in a format compatible with appropriate desktop database products and statistical analysis packages.

Web Front End

- Provide secure internet site for the exchange of laboratory data sets that comply with HIPPA and PHIN standards and recommended architecture
- Support user input screens for test request submission and specimen/sample collection
- Allow external users to pick up test reports and files as well as general purpose data files
- Provide second tier authentication for data access

Miscellaneous General Requirements Specifications

General Barcode usage

- Support a variety of barcode labels for different uses that contain use-specific codes
- Print barcode labels on a variety of printers
- Print user-defined number of copies of barcodes
- Support multiple barcode standards
- Add additional standards and alert system as to which barcode standard is being scanned

Data Archiving

- Construct logical parameters for selecting data sets to be archived
- Support multi-tiered archiving with a progression of movement from the system hard drive to other forms of data storage
- Find and retrieve specific archived data sets
- Delete archived data sets at end of specified holding periods
- Strip off patient identifiers for statistical evaluation of result data.

Standards and Regulatory Compliance

- Comply wherever feasible with all data processing requirements of CLIA, the College of American Pathologists (CAP), NCCLS, EPA (water), FDA and NELAC, as well as other applicable standards
- Comply with CDC PHIN standards and applicable HIPPA regulations pertaining to privacy/security and medical transactions containing personal health information.

Major LIM System Interfaces:

The Contractors LIMS will be able to Interface with submitter database systems, interface with instruments, interface with submitter data sets and data user's databases creating enriched data sets, and interface via the web for submitters and data users. All of these interfaces will meet the standards that have been put in place by regulating agencies and institutions.

LIM System Technical Support

The contractor of the LIMS will provide system and user support to the administrators of the system. The hours of operation and access methods will be documented and compatible with the use and operation of the LIMS. The contractor's support personnel will be knowledgeable and have adequate training and experience to provide needed support.



The contractor will have a mechanism for logging problems and keep a complete history of the problems, resolutions, fixes and preventative measures to keep the problems from occurring again. The contractor will provide proper training for the system administrator(s) for any on site systems maintenance and/or fixes that he or she will be required to do and/or perform on the system. The contractor will provide initial user training to insure staff can perform general tasks essential to daily workflow and result reporting. There will be an established allowance for the amount of downtime that can be endured and it will have to meet with the operations of the bureau and the time allowed by regulating agencies and grants. The contractor will provide timely updates and/or new versions to enhance the system and keep up with required functionality as determined by regulating agencies and institutions. The LIMS must be accompanied by a complete up-to-date set of manuals in an electronic, searchable format that can be printed and this documentation must cover all user and administration activities.

1.102 OUT OF SCOPE

- MDCH BOL modification of an existing system in order to meet the SOW requirements.
- Development of a system that does not presently exist to meet the SOW requirements
- Purchasing of, or use of alternate software packages and/or functionality that is not part of, and/or is not supported by a contractor's preferred installation of their certified LIMS product. (For example: software and functionality that is not certified with the LIMS and/or not supported by the contractor such as faxing software, Report writers, etc.)
- Contractor hosting of LIMS application.

1.103 TECHNICAL ENVIRONMENT

Following is a list of technical requirements the system must meet:

- The system must be capable of performing Data Integrity as part of normal maintenance and after restoration of data files.
- The system must allow on-site administrator access for configuration of the system.
- The system must allow the administrator to support the system remotely.
- The contractor must respond to support calls within 30 minutes, 24X7X365 and provide a toll-free number.
- The system must allow 24X7X365 user and administrative access and use to meet the requirements set by CDC and regulating agencies and/or institutions.
- All upgrades, releases, and fixes need to be fully tested at the contractor site with a comparable system.
- The contractor will provide support for upgrades, releases, etc to ensure an operational production environment.
- The contractor must provide the number of releases scheduled per year.
- The contractor must provide the date of the next major release and provide the cost to configure a major release based on historical data.
- All scheduled releases must be delivered to the State BOL within three months of the scheduled release date.

Service Level Agreement : If the release is not received within three months and 14 calendar days from the scheduled release date, there will be a \$500 penalty imposed in the form of a credit to the maintenance costs.



- The system must be able to support separate laboratory environments on a central database system in order to accommodate the eight (or more) state wide regional labs.
- The system must be able to support the processing of 500,000 specimens a year with the ability to handle additional specimens in the future and/or for surge capacity.
- The system must accommodate the number of users on the present system. The Contractor will need to make adjustments for the increased number of users based on the additional Web based functionality. The Present system has a 64 concurrent user license with approximately 250 users.
- The system must be able to limit the user access from one laboratory environment to another.
- The System must allow the transfer of specimens between laboratory environments and keep complete audit trails.
- The system must not require an entire license for each user accessing the system via the web for requisition entry and patient lookup.
- The system must have the ability to handle "surge capacity" in times of emergency and crisis, without the shutdown of the system and/or limitation of users due to license usage, number of specimens, etc. (temporary addition of licenses and/or specimens, etc to be billed later)
- The system must have a means of "journaling" to insure that data is not lost from the time of the last backup to the time the system failure occurred.
- The system must meet all the interfacing specifications set by PHIN.
- The system must keep a complete audit trail of all entries and edits within the system. This includes but is not limited to; specimens, reports, tests, database items, etc.
- The system must have a robust solution for the distribution of reports via fax.
- The system must be fully compliant with CDC, PHIN, APHL, NEDSS, CLIA, CLSI, EPA, CAP, ISO, NELAC, regulations, standards, requirements, guidelines and grants, as well as comply with all Federal and State government, laws, regulations, requirements, guidelines and grants.
- The contractor will be required to propose an option for purchase and installation of the server(s) and associated software for the new MDCH BOL LIMS. The State may accept this option, or purchase the equipment through state contracts.
- The Contractor will provide the equipment and supplies to support efficient communication with the State from the contractor's office. (This should be based on the need of no downtime, which would likely require mirrored servers and a staging (test) server.)
- The backup / restore software needed for use with the COTS LIMS, must be based on mirrored servers and a single staging server.

1.1.04 WORK AND DELIVERABLE

STARLIMS Corporation is ISO 9001 certified. Our certification covers design and development operations as well as implementation and support operations. Our design and development operations conform to IEEE guidelines for software development life cycle (SDLC). In this respect, all STARLIMS projects are managed in a manner congruent with the Project Management Institute's (PMI) Project Management Body of Knowledge (PMBOK) and are documented using Microsoft Project. The following sections describe the STARLIMS Corporation's approach to the implementation and delivery of STARLIMS, a Laboratory Information Management System.



The resources that will be needed to facilitate a successful delivery are described. Although the process of implementing a complex software solution like a LIMS requires committed effort, it does not have to be difficult or complicated. Using this process, success can be realized.

Solution Overview

The solution is

- a configurable version of STARLIMS engineered and delivered by STARLIMS Corporation
- to be tested, validated, and configured by in collaboration with STARLIMS Corporation
- for use by lab employees to facilitate critical laboratory and business processes

The solution consists of software created by STARLIMS Corporation for use by laboratory personnel to facilitate critical laboratory and business processes. The “Process” for the delivery of this solution is described. Process Overview

The Process whereby this solution will be developed and the scope of this solution’s functionality will be outlined by this document.

This development Process:

- is a collaboration between STARLIMS Corporation a client
- will be illustrated by milestones,
- involves exchange of deliverables at certain milestones,
- is scheduled and metered by a project timeline.

Project Steps

The project has high level milestones that define its progress. These are:

- Project Inception
- Iterative Development
- Project Closure

Project Inception

This step involves a kickoff meeting where the project participants meet to discuss the goals of the project and to familiarize team members with STARLIMS. Iterative Development The iterative development step of the project, addresses the project requirements through incremental enhancements of the solution.

This step is broken down into multiple phases, each of which contains their own processes.

Project Closure

A project closure meeting is held and the solution becomes support based. Participation in the STARLIMS user community allows keeping the solution and its users up to date with advances in STARLIMS’ technology. Deliverables

The deliverables facilitate the process’ progress and success metrics. The deliverables are defined within this document. Their creation, refinement, validation, and approval are scheduled within the project timeline. The requirements that the solution fulfills are compiled into a document called User Requirement Specifications (URS) which is jointly approved by the client and the STARLIMS Corporation team. The fulfillment of the requirements, point by point, is demonstrated in a document called a Traceability Matrix.

This document is central to the development and validation process. The scope of the solution’s functionality is referenced by the Traceability Matrix in a

document called Functional Requirement Specifications (FRS). A Project Timeline, easiest managed through use of Microsoft Project, allows affirmation of resources that will be allocated during the project. Its deadlines and time windows are often used as the metrics of success in addition to the Traceability Matrix. A Phase Statement of Work (SOW) includes the Traceability Matrix and is a mutually accepted definition of scope affirmed at the completion of the Definition stages of the project.

A Quality Issue List allows communication of project issues. STARLIMS Corporation creates a Factory Acceptance Test (FAT) to validate the solution.

A Site Acceptance Test (SAT) is used to validate the solution deployed.

Solution Prototypes are sent throughout the process for comments, testing, and validation until the creation of a complete Installation Package.

System or Role Based Training Materials are developed. Progress Reports communicate the progress of the project. Iterative Development Approach - Phases

Phases are used to break the project’s development into manageable units. The process of development of the total solution involves several phases, each with internal stages.



Phase I
Project Initiation Microbiology BT / BM
Phase II
Microbiology
Phase III
BT / BM
Lansing Saginaw

Phase I
Project Initiation Microbiology BT / BM
Phase II
Chemistry & Toxicology
Phase III
Microbiology

These stages are:

- Definition
- Development
- Testing/Validation
- Approval
- Deployment

Stage Descriptions and Deliverables

Definition

The definition stage includes listing of the project goals and requirements, by creating or validating the User Requirement Specifications (URS). This stage involves detailing critical business and laboratory challenges. This process also involves a response by STARLIMS Corporation to each requirement. The scope of the project is mutually determined. Once the URS is validated, the (FRS) collection process can be completed. The FRS leads to the development of the solution.

- User Requirement Specifications (URS)
- Factory Acceptance Test (FAT) Input Request
- Statement of Work (SOW)
- Traceability Matrix
- Functional Requirements Specification (FRS)
- Project Schedule
- Progress Report

Development

The development process executes the FRS. Interfaces and functionality are exposed for testing and validation in prototype form.

- Task List
- Phase Prototype
- Quality Issue List
- Progress Report

Testing/Validation

Both STARLIMS Corporation and the organization perform testing and validation. STARLIMS Corporation employs the FAT to validate the solution. The client validates through the performance of a Site Acceptance Test (SAT).

- Installation Package
- Factory Acceptance Test (FAT)
- Site Acceptance Test (SAT)
- Progress Report

Approval

An Approval is an acknowledgement that the solution fulfills its goals through meeting its requirements. Upon completion of the final phase, a final approval will mark the completion of the project.

- Factory Acceptance Test (FAT) Validation
- Site Acceptance Test (SAT) Validation
- Approval

Deployment

The deployment stage involves the client distributing the solution to their users. The end users are trained, typically with project specific materials representing the client's requirements for use of the solution.



- User Guides
- User Training
- Change Orders

Changes to a project can be approved through the exchange of an Approval Form. Change Orders may be required, at the discretion of the escalation team if a requirement grows beyond its initial definition or is added after the Definition stage.

The State requires the system ready for rollout no later than September 30, 2006. In order to meet these objectives the following project milestones must be met.

- Requirements Validation, Design Document and Project Plan – September 30, 2005
- LIMS Software Delivered to MDCH/MDIT, Installation and Configuration in Staging Environment – December 31, 2005
- Testing and Test Results for LIMS Software - March 31, 2006
- User Training – June 30, 2006
- Acceptance Testing – July 31, 2006
- Documentation – September 1, 2006
- Installation and Configuration in Production Environment and Eight Regional Labs – September 1, 2006. A 120 day warranty will commence after the installation in Production Environment and all eight regional labs.
- Maintenance will commence after the final acceptance 120 day Warranty for the duration of the contract.

A. **Requirements Validation**

- a. The contractor will be required to confirm the requirements listed in Section 1.101 In Scope and further detailed in Appendix 2. This process does not include a complete re-determination of the requirements. It does include a joint review with the state users on the functionality required to support each of the technical requirements. This review needs to focus on any alternate processes supported by contractor's system to meet specific state requirements. Elements in the deliverable include:
 - i. Approach to validation of requirements-how to get to potential problem areas.
 - ii. Schedule of meetings and participants
 - iii. Outliers identified and proposed strategy for covering the requirement
 - iv. Format of the results validation write-up to be delivered as part of the Final Project Plan Design Document.

B. **LIMS Software Delivered to MDCH/MDIT, Installation and Configuration in Staging Environment**

- a. The contractor shall install and configure in Lansing, Michigan all hardware purchased through them. If the State uses the option of using their own purchasing to obtain hardware, it shall be an MDIT responsibility to install and configure according to contractor specifications and in accordance with the project schedule.
- b. The contractor shall customize, deliver LIMS software to MDCH/MDIT, and install all software on site in Michigan. If the contractor wishes to install the software via a remote link, the proposed method must be approved by and implemented in conjunction with MDCH/MDIT.
- c. Hardware and/or software provided by the contractor must be installed and maintained by the contractor. If a modular approach is used for installation, each module (unit) will be acceptance tested at that time.
- d. Transfer of generic necessary data from the current MDCH BOL LIMS shall be part of the configuration. The Contractor must commit to producing a comparable array of tests, reports, automatic report reporting schedules, agencies, physicians, submitters, cities, counties, security classes, results, users, batch types, quality control materials, inventory management (components and subcomponents), interfaces, and resulting mnemonics (if applicable) to those supported by the current MDCH BOL LIMS, since all of these items are necessary for the operation of the system.



If the above cannot be performed entirely by the Contractor, the Contractor must specify the reasons. If the above requirements must include State resources, the Contractor needs to identify State resources needed and estimated hours.

C. Testing and Test Results for LIMS Software

- a. Once the system has been installed in the staging environment, and modifications completed, the contractor will be required to provide comprehensive testing to validate functionality and performance. The contractor will also need to provide the current updated system and user documentation.
- b. Testing will include separate on-site (Lansing) Regional Laboratory testing, systems testing, training of staff participating in testing, user acceptance testing, and operations testing.
- c. Each phase of the testing will require a report that summarizes the approach, scope, inputs and outputs, design errors and corrective actions. The contractor will produce 4 test result deliverables: Regional Lab test, system test, acceptance/validation test and operations test. Successful data interfaces will be a major focus in determining acceptance of system. Contents of the respective deliverables are as follows:

i. Regional Lab Test:

1. Scope, or aspect of the system tested
2. Method for selecting cases
3. Test cases
4. Results
5. System errors identified
6. Corrective action and ongoing maintenance requirements

ii. System Test:

1. Sequence for complete system test
2. Method for selecting cases
3. Test cases
4. Results and implications for overall system operation
5. Corrective action and ongoing maintenance requirements

iii. Acceptance Test

1. Sequence for complete acceptance test
2. Method for selecting cases
3. Test cases
4. State participants
5. Results and implications for overall system operation
6. Corrective action and ongoing maintenance requirements

iv. Operations Test

1. Identification of all operations areas requiring testing
2. Sequence of activities for operations test
3. State participants
4. Results and implications for overall LIMS operation
5. Deficiencies, corrective action and required training

**D. User Training**

- a. Contractor must provide preliminary System, User and Operation documentation prior to the User Training.
- b. Contractor must provide training for 25 State staff using a train-the-trainer approach. Training location will be Lansing, MI.
- c. Training for the DCH business staff and other State users must coincide with the schedule in the Project Work Plan for system implementation.

E. Acceptance Testing

- a. The new LIMS must run in parallel at both the State lab and one Regional lab for a period of at least 30 working days in order to determine the impact of cycles, workload peaks, testing patterns, reporting requirements and other laboratory operating requirements and needs. This is the time when MDCH evaluates the total performance of the package and efficiency of the total system. Final system acceptance will follow this test period, refer to Section 1.502, Final Acceptance.

F. Documentation

- a. Contractor will provide updated versions of all systems, user and operations documentation prior to the Operations Date. Documentation must meet all requirements of the approved Documentation Standards Plan and be provided in electronic, and hard copy, if requested by state. Documentation includes:
 - i. Complete system documentation
 - ii. All user manuals
 - iii. All operations procedures, where not covered in a user's manual

G. Installation and Configuration in Production Environment and Eight Regional Labs

- a. The contractor shall install and configure in Lansing, Michigan all hardware purchased through them. If the State uses the option of using their own purchasing to obtain hardware, it shall be an MDIT responsibility to install and configure according to contractor specifications and in accordance with the project schedule.
- b. The contractor shall customize and install all software on site in Michigan. If the contractor wishes to install the software via a remote link, the proposed method must be approved by and implemented in conjunction with MDCH/MDIT.
- c. Hardware and/or software provided by the contractor must be installed and maintained by the contractor. If a modular approach is used for installation, each module (unit) will be acceptance tested at that time.
- d. Transfer of generic necessary data from the current MDCH BOL LIMS shall be part of the configuration. The Contractor must commit to producing a comparable array of tests, reports, automatic report reporting schedules, agencies, physicians, submitters, cities, counties, security classes, results, users, batch types, quality control materials, inventory management (components and subcomponents), interfaces, and resulting mnemonics (if applicable) to those supported by the current MDCH BOL LIMS, since all of these items are necessary for the operation of the system. If the above cannot be performed entirely by the Contractor, the Contractor must specify the reasons. If the above requirements must include State resources, the Contractor needs to identify State resources needed and estimated hours.
- e. All eight (8) regional labs must be converted from the current LIMS system to the contractor's LIMS system.



- f. A 120-day Warranty Period will commence after the LIMS installation in Production Environment and the transition of all eight regional labs from the current LIMS system to the contractor's LIMS system.

H. Maintenance

- a. Maintenance will commence after the 120-day warranty period for the duration of the contract:
b. The contractor will include in the proposal a price for maintenance and support of the accepted delivered LIMS software modules for years 2 through 3 with 2 optional one-year extensions. The State will have the option to purchase this support as needed. Services and support will be provided for LIMS. Support plans are renewable each year. The contractor will provide maintenance, technical support, and general enhancements in connection with the LIMS software covered under this Agreement. These services include:

(a) User Support

Critical User Support - Experienced technical support with a toll free number, 24X7X365, with a guaranteed callback response of less than 30 minutes.

Non-Critical User Support – Email support with a guaranteed eight-hour acknowledgement of receipt of issue with an appropriate timeframe for resolution.

Internet and FTP technical support for technical services, documentation, system upgrades, and new releases;

Dial-up service via VPN/Terminal service on a high-speed Internet line for technical support on the system.

(b) Bug Fixes

Bugs: "Bugs" are system errors that will cause the System to stop functioning or generate incorrect results or hamper normal functionality.

All bug fixes will be addressed by contractor. The state and contractor will work together to prioritize all system changes and determine the installation schedule.

c) System Release

Standard System Releases are included in the price of maintenance and will be provided to the State at no additional cost.

1.2 Roles and Responsibilities

1.201 CONTRACTOR STAFF, ROLES, AND RESPONSIBILITIES

All staff should to be actively employed by the contractor. If there are subcontractors those personnel must also meet the qualifications set below and those set by the contractor. All subcontracting must be acknowledged and conveyed to MDCH BOL and MDIT with documentation that states the subcontracted personnel are qualified, trained and experienced for all work that they will be doing in association with Michigan Department of Public Health (MDCH) Bureau of Laboratories (BOL) LIMS. The subcontracting needs to be approved by the MDCH BOL due to the sensitive nature of data, and the potential negative affects on public health. The contractors subcontracted personnel that meet all requirements set forth by MDCH BOL will be considered as the "contractor's personnel" and therefore referred to as contractors throughout the rest of this document in order to simplify the document. All contracted staff must act professionally, respect patient confidentiality and follow all HIPPA regulations.

The contracted support staff must have the knowledge of LIMS in general, with experience and training on the LIMS they are supporting, and the knowledge and experience to tie the LIMS application into public health as it relates to general operations, work flow and patient care.



The contractor will have qualified and experienced system support personnel to support the platform, the coding language(s), the database and application. The contractor must have qualified programmers and developers that are capable of improving the LIMS and keeping pace with requirements set by regulating agencies and/or institutions.

The Roles of the Contractor

- Provide personnel with the ability to work professionally with the users, administrators and MDIT personnel associated with MDCH BOL.
- Provide personnel with abilities to work with Client personnel that have wide ranges of application and computer related knowledge.
- Provide personnel with the ability to work with MDIT personnel.
- Provide personnel with the ability to train and/or educate while assisting MDCH BOL personnel.
- Provide personnel with the ability to document and act on customer suggestions and complaints.
- Provide personnel with the ability to document problems, fixes, resolutions and preventative measures for the future.
- Provide personnel with the ability to trouble shoot problems and provide timely resolutions in order not to cause downtime

Responsibilities of the Contractor:

- The Contractor must provide support to keep the LIMS application running
- The Contractor must respond to support calls within 30 minutes during regular business hours and provide an emergency number for immediate support and after hours support
- The Contractor must provide support for all upgrades and releases
- The Contractor must continue to enhance and modify the system in order for the system to remain viable and meet future requirements of the regulating agencies and institutions.
- The Contractor must be able to respond to requests to modify the LIMS to meet future needed functionality. A change order will need to be created and sent to MDCH BOL within 2 weeks of the initial request from MDCH BOL for the new functionality.
- The Contractor must supply complete up to date manuals for the LIMS, its components, operations, maintenance, administration and use that are easily referenced, easily used and searchable.
- The Contractor must provide initial user and administrative training for the LIMS, its components, operation, and maintenance.
- The Contractor must commit to producing a comparable array of tests, reports, automatic report reporting schedules, agencies, physicians, submitters, cities, counties, security classes, results, users, batch types, quality control materials, inventory management (components and subcomponents), interfaces, and resulting mnemonics (if applicable) to those supported by the current MDCH BOL LIMS, since all of these items are necessary for the operation of the system. If the above cannot be performed entirely by the Contractor, the Contractor must specify the reasons. If the above are to be joint ventures, the Contractor needs to identify personnel needed and estimated hours for all parties in the venture.
- The Contractor is expected to reproduce all reports and data transfers that are presently being produced in the old MDCH BOL LIMS. The reports include, but are not limited to result, management, financial (billing), system status, Infectious disease, and various reports for CDC.



-It is the overall responsibility of the Contractor and its staff to plan and perform the installation and setup and testing of the LIMS. The MDCH BOL LIMS administrator(s) will need to assist and/or observe in the installation, set up and testing in order to gain knowledge of the system. The contractor will then need to perform and/or assist MDCH BOL in the customization of the LIMS in order for it to fit into the operations, workflows, reporting, etc. of the 8 statewide labs.

-The Contractor will allow and provide needed functionality for the MDCH BOL LIMS. The associated change order will be prepared and sent to MDCH BOL within 30 days of request.

Key Personnel

The MDCH BOL and/or MDIT will have the right to approve the assignment and replacement, by the contractor, of all key personnel assigned to the MDCH BOL LIMS project. This includes without limitation, the overall project manager, individuals named or described in a schedule to the contract, and individuals assigned significant managerial responsibilities as mutually agreed upon by the parties. Before assigning any individual to any of these positions, the Contractor will notify MDCH BOL of the proposed assignment, will introduce the individual to the appropriate MDCH BOL representative, and will provide MDCH BOL with a resume and any other information about the individual reasonably requested by MDCH BOL. MDCH BOL reserves the right to interview the individual before granting approval.

Replacement of Personnel at MDCH BOL's request

MDCH BOL and/or MDIT reserves the right to require the contractor to replace contractor employees who the BOL and/or MDIT judges to be incompetent, careless, unsuitable or otherwise objectionable, or who continued use is deemed contrary to the best interests of the State. Before a written request is issued it will be discussed by authorized representatives of MDCH BOL and/or MDIT and the Contractor. Upon receipt of a written request from an authorized representative of MDCH BOL and/or MDIT, the contractor will be required to proceed with the replacement. The Replacement request will include the desired replacement date and the reason for the request. The Contractor will use its best efforts to effect the replacement in a manner that does not degrade service quality. This provision will not be deemed to give MDCH BOL the right to require the Contractor to terminate any Contractor employee; it is intended to give MDCH BOL only the right to require that the Contractor discontinue using an employee in the performance of services for MDCH BOL

Replacement Personnel

Any replacement personnel assigned by the Contractor to perform services under the Contract will have qualifications for the assigned position that equal or exceed those of the person being replaced.

1.202 STATE STAFF, ROLES, AND RESPONSIBILITIES

MDCH BOL will provide office space (e.g., desks, workstations, LAN access, printer, telephones, general office supplies, etc.) for on-site contractor staff.

MDCH BOL/DIT will provide on-site contractor staff the necessary security passes to access MDCH BOL/DIT facilities, as appropriate.

State Project Team

The State will work to assist the Contractor in delivering the system. The State will provide Project Managers from MDCH BOL and MDIT and a Project Sponsor from DMB. These senior managers will lead the project.

The State Project Managers will be responsible for ensuring that the project is in compliance with the contract and satisfies the requirements stated herein. The State Project Managers will consult with the Project Sponsor on a continuing basis in every phase of the project.



This joint effort will ensure that the system is properly implemented, supports the requesting agency's defined functional and technical requirements, and is properly documented. A special goal in this partnership will be to ensure that the system is flexible and expandable to accommodate new requirements that may be legislated or required.

The Project Managers from the State will provide expertise, assistance, and technical leadership in all matters such as policy, organization and staff, environment, data, information processing, current systems, acceptance testing, and so forth. The State's Project Managers will work closely with the Contractor's Project Manager in day-to-day project activity.

The Contractor will have full responsibility for providing adequate staff to complete the project in the required time frame. The State will assign staff, as described in the Paragraph below, to participate with the Contractor's staff in all project management processes and product development phases as outlined in the State's IT PM Methodology (http://www.michigan.gov/dit/0,1607,7-139-18391_22016-58009--,00.html). This integration of staff will expedite the ultimate transition of project responsibility to State staff.

Steven A. Tharp Microbiologist/LIMS administrator and Michael Huntzinger Microbiologist/ LIMS specialists, under the supervision of Frances Pouch Downes, Dr, Ph, BOL Administrator and Patricia Somsel, Dr, Ph, State Division Administrator, will act as the MDCH BOL project managers and will assign staff and roles as needed for the 8 statewide laboratories in association with the LIMS project. Linda Myers, Manager of the Health Systems Function, DCH Development has been designated as the Michigan Department of Information Technology (MDIT) manager for this project. Department of Management and Budget (DMB) will also provide a Project Manager, who will be named later. Project managers and the Bureau and Division Supervisors will assign additional staff for the project as needed. A minimum of one super user from each Regional lab will participate in the implementation of the LIMS on their site while being assisted by one or both of the MDCH BOL project managers.

MDCH BOL LIMS support personnel will participate in annual conferences and/or meetings with the LIMS contractor and other participating clients to discuss and/or determine new functionality and the over all direction of the LIMS product to meet future needs, regulations, requirements, and guidelines set by regulating and advising agencies, institutions and/or government entities.

1.203 OTHER ROLES AND RESPONSIBILITIES

If the Bidder identifies a need for additional state staff with specific technical qualifications to be assigned to this project, the bidder should indicate these needs as a part of their proposal. At the state's discretion, state personnel may be substituted or added as needed. The state reserves the right to add or remove members of the state's project staff with or without replacement.

1.3 Project Plan

1.301 PROJECT PLAN MANAGEMENT

STARLIMS Corporation has reviewed the requirements of the Michigan Department of Community Health, Bureau of Laboratories (MDCH BOL) for a Laboratory Information Management System (LIMS) and has created a project plan, as shown in the proposal. This is a provisional project plan that may be changed during and after the discovery process in Michigan.

1.302 REPORTS

Frequent (usually weekly) Project Manager Meetings and status reports will be prepared by the STARLIMS Project Manager. This report will be sent to the MDCH BOL Business Coordinator and reviewed during a regular project progress meeting. This meeting will take place regularly at the discretion of the STARLIMS Project Manager and the MDCH BOL Business Coordinator.



A Single Point of Contact (SPOC) concept between the site lead and the project manager will be implemented. Direction of the site lead and project manager will facilitate point-to-point contact for specialized needs such as automation design.

1.4 Project Management

1.401 ISSUE MANAGEMENT

The STARLIMS project manager will track all issues that arise as a result of project activity. An Issues List is built as issues are submitted to the project manager. Issues may originate for a particular deliverable or project activity, or they may be broad in scope (i.e. an issue that affects the project as a whole). Should disagreements arise between team members regarding timelines, scope, or requirement fulfillment, STARLIMS Corporation employs an Escalation Procedure. Specifics about the issue are reported to the MDCH BOL Executive Sponsor and the STARLIMS Corporation Director of Professional Services. A decision is made between these escalation team members regarding the path forward. This procedure saves the team members from becoming entrenched in disputes that could delay the project by overshadowing other important issues.

1.402 RISK MANAGEMENT

Risks are identified by all members of the implementation team and are documented by the STARLIMS Corporation's Project Manager and Documentation Engineer. The documentation includes a Risk Assessment table and includes the following information:

Relevance

- Does the risk involve GxP or business?
- What is the specific effect

Likelihood

- Low, Med or High

Severity

- Low = minor negative impact, no long term effect
- Med = moderate impact over short to medium term
- High = Significant negative impact over long term & potentially catastrophic short term effects Class
- High severity + Med or High Likelihood = Level 1
- Med severity + High Likelihood = Level 1
- High severity + Med Likelihood = Level 2
- Med severity + Med Likelihood = Level 2
- Low severity + High Likelihood = Level 2
- Med or Low severity + Low Likelihood = Level 3
- Low severity + Med Likelihood = Level 3

Detection

- How easy is it to detect this risk
- Low, Med or High

Priority

- Class 1 or 2 + Low or Med Detection = High Priority
- Class 3 + Low Det = Med Priority
- Class 2 + Med Det = Med Priority
- Class 1 + High Det = Med Priority
- Class 2 + High Det = Low Priority
- Class 3 + Med or High Det = Low Priority

Mitigation Plan

The mitigation plan documents the risk and the ways in which to mitigate it if possible or how to monitor, address and resolve the issue should it arise.

Risk assessment is included in the communications plan that calls for weekly meetings via phone call and / or WebEx.



1.403 CHANGE MANAGEMENT

The Change Control Log documents proposed changes to the project plan and deliverables list. These changes may be a result of changes to or gaps in the functional specification, unanticipated problems, suggested enhancements, or elimination of unnecessary functionality. In cases where the proposed change results in a change in project scope, adjustments to project cost and/or schedule may be necessary. All change requests and additional costs are initially submitted to the project manager, and undergo approval by both the customer and STARLIMS before work commences.

1.5 Acceptance

1.501 CRITERIA

The following criteria will be used by the State to determine Acceptance of the Services and/or Deliverables provided under this SOW.

Document Deliverables

Documents include, but not limited to, plans, design documents, project schedules, user guides, and procedure manuals.

1. Documents are dated and in electronic format, compatible with State of Michigan software in accordance with Article 1.302.
2. Requirements documents are reviewed and updated throughout the development process to assure requirements are delivered in final product.
3. Draft documents are not accepted as final deliverable.
4. The documents will be reviewed and accepted in accordance with the requirements in Appendix 1 and 2 of this contract and the accepted Contractor's proposal.
5. MDCH BOL and MDIT will review business documents within 30 days of receipt. Approvals will be written and signed by MDCH BOL and MDIT Project Managers. Unacceptable issues will be documented and submitted to the Contractor. After issues are resolved or waived, the Contractor will resubmit documents for approval within 30 days of receipt.
6. MDIT and MDCH BOL will review technical documents within 30 days of receipt. Approvals will be written and signed by MDCH BOL and MDIT Project Manager with assistance from MDIT. Unacceptable issues will be documented and submitted to the Contractor. After issues are resolved or waived, the Contractor will resubmit documents for approval within 30 days of receipt.
7. MDCH BOL and Project Managers will review project documents within 30 days of receipt. Approvals will be written and signed by both Project Managers. Unacceptable issues will be documented and submitted to the Contractor. After issues are resolved or waived, the Contractor will resubmit documents for approval within 30 days of receipt.

Software Deliverables

Software includes, but not limited to, software product, development tools, support tools, data migration software, integration software and installation software.

1. Beta software is not accepted as final deliverable.
2. The software will be reviewed and accepted in accordance with the requirements of this contract.



3. MDCH BOL and MDIT will review software within 30 days of receipt for acceptance of functionality, usability, installation, performance, security, standards compliance, backup/recovery and operation. Approvals will be written and signed by MDCH BOL and MDIT Project Managers. Unacceptable issues will be documented and submitted to the Contractor. After issues are resolved or waived, the Contractor will resubmit software for approval within 30 days of receipt.
4. Software is installed and configured, with assistance from MDIT, in appropriate environment (e.g. development, staging, production). Contingency plans and de- installation procedures and software are provided by Contractor and approved by MDCH BOL and MDIT Project Managers.
5. Final acceptance of the software will depend on the successful completion of the Acceptance Testing.
6. MDCH BOL and MDIT will review test software, data and results within 30 days of receipt. Approvals will be written and signed by MDCH BOL and MDIT Project Managers. Unacceptable issues will be documented and submitted to the Contractor. After issues are resolved or waived, the Contractor will resubmit test software, data and results for approval within 30 days of receipt.
7. MDIT will review software license agreements within 30 days of receipt. Approvals will be written and signed by MDCH BOL and MDIT Project Managers. Unacceptable issues will be documented and submitted to the Contractor. After issues are resolved or waived, the Contractor will resubmit license agreement for approval within 30 days of receipt.
8. Software source code, where applicable, is reviewed by MDIT within 30 days of receipt for readability, structure, and configuration management. Approvals will be written and signed by MDIT Project Manager. Unacceptable issues will be documented and submitted to the Contractor. After issues are resolved or waived, the Contractor will resubmit source code for approval.

Service Deliverables

Services include, but not limited to, training, data migration, help desk and support.

1. The services will be accepted in accordance with the requirements of this contract.
2. MDCH BOL and MDIT will review a 'Request for Approval of Services' within 30 days of completion or implementation. Approvals will be written and signed by MDCH BOL and MDIT Project Managers. Unacceptable issues will be documented and submitted to the Contractor. After issues are resolved or waived, the Contractor will resubmit a 'Request for Approval of Services' for approval within 30 days of receipt.
3. MDCH BOL and MDIT will review migrated and configured data with 30 days of completion. Approvals will be written and signed by MDCH BOL and MDIT Project Managers. Unacceptable issues will be documented and submitted to the Contractor. After issues are resolved or waived, the Contractor will resubmit a request for approval within 30 days of receipt.
4. MDCH BOL and MDIT staff are properly trained and supplied with the proper tools and documentation to support, upgrade, monitor, operate and configure the application in accordance with the requirements of this contract.
5. The Contractor has the tools and connectivity installed, in compliance with MDIT standards, to Properly support and monitor the application.

1.502 FINAL ACCEPTANCE

The following criteria will be used by the State to determine Final Acceptance under this SOW.

1. All documents, software and services are delivered and accepted by MDCH BOL and MDIT in accordance with the requirements of this contract.



2. For thirty (30) days after installation and configuration in the staging environment, the software and any related infrastructure must meet or exceed acceptance testing requirements in accordance with the requirements of this contract. Due to the nature of required reporting at various times throughout the year there will be a thirty (30) day period after the creation of quarterly, semi-annual, and yearly reports, in which the performance and reliability requirements must be met in order to prove the creation, operation and accuracy of those first reports. The software must meet or exceed the acceptance testing requirements for a period of thirty (30) consecutive days at the Lansing facility and for thirty (30) consecutive days at any regional lab that determines a separate acceptance test be necessary at their site. Approvals will be written and signed by MDCH BOL and MDIT Project Managers. Unacceptable issues will be documented and submitted to the Contractor.

3. After installation and configuration in the production environment, all issues discovered during the 120-day warranty period are resolved and accepted or waived by MDCH BOL and MDIT. Approvals will be written and signed by MDCH BOL and MDIT Project Managers.

4. All bills related to this contract have been submitted and approved for payment.

5. A product roadmap is available to MDCH BOL and MDIT including information such as technical requirements, functional enhancements and product availability periods.

1.6 Compensation and Payment

Contract is awarded on a fixed price. MDCH/MDIT will reimburse the Contractor in accordance with the agreed upon deliverable price. All invoices should reflect actual work done. Specific details of invoices and payment will be agreed upon between MDCH/MDIT and the Contractor after the proposed Contract Agreement has been signed and accepted by both the Contractor and the Director of Purchasing, Department of Management and Budget. This activity will occur only upon the specific written direction from the Acquisition Services.

MDCH/MDIT will review all work for acceptance within 30 days of completion and/or receipt. The Contractor will not be paid for any costs attributable to corrections of any errors or omissions that have been determined by the MDCH and MDIT Project Managers to be occasioned by the Contractor. Payments will not be made until work is accepted.

1.7 Additional Terms and Conditions Specific to this SOW

Michigan Standard Travel Regulations

The State of Michigan, through DMB, maintains travel regulations that apply to both State staff and Contractor personnel. Included are rates for automobile mileage reimbursement as well as hotel and air travel policies. The MDCH Project Manager must approve any travel activity in advance of the actual occurrence if MDCH reimbursement is desired. MDCH policy does not provide for payment of travel time (that period spent in actual travel).

Following is State of MI language pertaining to travel:

“The State will reimburse for actual expenses (supported by detailed receipts and mileage log) provided that all travel arrangements, air, hotel and rental cars are arranged through the contracted travel agency.

Total Travel Management (TTM) is the current contracted travel agency and can be reached at 1-888-228-8692 or via email at stateofmichigan@TTM.com. Meals will be paid at the state of Michigan standardized rates, which are published on the State web site for Agency Services, travel services at www.michigan.gov/DMB.

Contractors for the State of Michigan need to identify themselves as contractors and what department and Agency they are traveling for. TTM will then verify their eligibility for travel and will book travel according to State of Michigan policy.”



1. The Contractor, during the performance of services detailed in this ITB, will be responsible for any loss or damage to original documents belonging to MDCH that are in the Contractor's possession. Restoration of lost or damaged original documents shall be at the Contractor's expense.
2. All questions which may arise as to the quality and acceptability of work, the manner of performance and rate of progress of the work, the interpretation of designs and specifications, and as to the satisfactory and acceptable fulfillment of the terms of this agreement shall be decided by the MDCH BOL and MDIT Project Managers.
3. The Contractor shall agree that it will not volunteer, offer or sell its services to any litigant against MDCH with respect to any services that it has agreed to perform for MDCH, provided that this provision shall not apply either when the Contractor is issued a valid subpoena to testify in a judicial or administrative proceeding or when the enforcement of this provision would cause the Contractor to be in violation of any Michigan or Federal law.
4. Individuals assigned by the Contractor are employees of that Contractor, and are not, under any circumstances or conditions, employees of MDCH.
5. MDCH will retain the right to release outright or request the replacement of any Contractor representative who is working at an inferior level of performance, as determined by the MDCH and/or MDIT Project Manager. The Contractor will be given 24 hours advance notice of this action. The Contractor shall provide an acceptable replacement within five (5) working days of notice of this release.
6. The Contractor will assume full responsibility for the behavior of its employees and will remove any of its employees from MDCH or MDIT premises at the request of the MDCH BOL or MDIT Project Manager.
7. The individual(s) assigned to the project may not be replaced during the course of the project without the prior approval of the project manager. The project manager and/or his representatives may interview candidates prior to this approval.
8. The Contractor shall use all MDCH/MDIT software in accordance with applicable license agreements and any further restrictions imposed by MDCH or MDIT. Contractors shall not make any unauthorized copies of any MDCH/MDIT licensed software under any circumstances. Contractors found copying or knowingly using copyrighted software other than for backup purposes, are subject to removal. Contractors shall not provide software to any outsiders including consultants, local governmental units and others when this would be in violation of law or copyright or license agreements.
9. The Contractor will certify in writing that they are in conformance with applicable federal and state civil rights laws and practices, equal employment opportunity for all persons regardless of race, creed, color, religion, national origin, gender or handicap; it is also in conformance with the requirements of the Americans With Disabilities Act. Failure to comply with the aforementioned laws may result in the termination of the Contract.
10. The Contractor's name, logo, or other company identifier may not appear on documentation delivered to the State without written authorization from the Contract Administrator. An exception to this will be transmittal of cover letters showing delivery of said documents.
11. The Contractor is responsible for maintaining the confidentiality of their passwords and is liable for any harm resulting from disclosing or allowing disclosure of any password. Any conduct that restricts or inhibits the legitimate business use of MDCH/MDIT systems or networks is prohibited. Each person must use MDCH/MDIT systems and networks only for lawful purposes. Specifically prohibited is any use of MDCH systems or disclosure of MDCH data which would constitute a criminal offense, give rise to civil liability, violate any MDCH, MDIT or State of Michigan policy, or otherwise violate any applicable local, state or federal law. This also applies to any computer systems or networks that are accessed from MDCH/MDIT computer systems and networks.
12. MDIT has developed, and will continue to develop during the course of this effort, a growing number of information technology standards. The Contractor must follow any and all standards adopted by MDIT. Where standards do not exist, the final acceptance of any new technique, technology or design will rest with the MDIT Project Manager. The acceptance of any new technique, technology or design by the MDIT Project Manager must be in writing. Current IT Standards are available at (<http://www.michigan.gov/dit/0,1607,7-139-34305---,00.html>). MDIT will provide the applicable standards to the Contractor as well as notices of changes that occur during the life of the contract.



13. MDCH, In accordance with Title VI of the Civil Rights Act of 1964, 78 stat. 252, 42 U.S.C. 2000d to 2000d-4, hereby notifies all respondents that in any Contract entered into pursuant to this Invitation to Bid, minority business enterprises will be afforded full opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, or national origin in consideration for an award.
14. MDCH reserves the right to interview and approve the Contractor's personnel. MDCH reserves the right to reject any proposed staff member and require the appointment of a satisfactory Contractor staff member, as well as to require verification of a proposed staff member's skills through demonstration and/or testing.
15. The Contractor shall use and take advantage of existing data sources created by other MDCH automation projects. These data sources shall not be duplicated without prior written approval by the MDCH and MDIT Project Managers.
16. The Contractor will not be limited to the tasks identified in this document or work plan, and may supplement them with an alternate list of tasks or sub-tasks that will still permit the proper development of the project. Any additions or modifications of the tasks by the Contractor must be so noted, along with reasons the changes were necessary. Changes and modifications are subject to written approval by the MDCH BOL and MDIT Project Managers.
17. The hardware and software environment required for the software must insure that MDCH/MDIT is not required to be contractor specific in its pursuit of future hardware and software for open systems. In addition, all tools, compilers, libraries, etc. used in the development of the software must be available to MDCH/MDIT and licensable on reasonable terms, preferably as a site license.
18. The hardware and software environment required for the software, including future versions, must allow MDCH/MDIT a reasonable amount of time to upgrade and coordinate infrastructure changes without impacting other MDCH/MDIT systems. MDCH/MDIT prefers Commercial-Off-The-Shelf (COTS) solutions to be backward compatible and support independent upgrades to the infrastructure.



Article 2 – General Terms and Conditions

2.0 Introduction

2.001 GENERAL PURPOSE

The Contractor must understand that any exception to the Terms and Conditions will impact the award decision.

The Contract is for a commercial off the shelf Laboratory Information Management System (LIMS) for the State of Michigan. Orders will be issued directly to the Contractor by various State Agencies on the Purchase Order Contract Release Form.

2.002 ISSUING OFFICE AND CONTRACT ADMINISTRATOR

The Contract is issued by Acquisition Services, State of Michigan, Department of Management and Budget, hereinafter known as Acquisition Services, for the Michigan Department of Community Health/Michigan Department of Information Technology, hereinafter known as MDCH/MDIT. Where actions are a combination of those of Acquisition Services and the State agencies, the authority will be known as the State.

Acquisition Services is the sole point of contact in the State with regard to all contractual matters relating to the commodities and/or services described herein. Acquisition Services is the only office authorized to negotiate, change, modify, amend, alter, clarify, etc., the specifications, terms, and conditions of the Contract. Acquisition Services will remain the SOLE POINT OF CONTACT throughout the contractual process.

Contractor proceeds at its own risk if it takes negotiation, changes, modification, alterations, amendments, clarification, etc., of the specifications, terms, or conditions of the contract from any individual or office other than Acquisition Services and the listed contract administrator

All communications covering this contract must be addressed to contract administrator indicated below:

Department of Management and Budget
Acquisition Services
Attn: [Lisa Morrison](mailto:Lisa.Morrison@michigan.gov)
2nd Floor, Mason Building
P.O. Box 30026
Lansing, Michigan 48909
(517) 241-2005
MorrisonL1@michigan.gov

2.003 NOTICE

Any notice given to a party under this Contract must be written and shall be deemed effective, if addressed to such party as addressed below upon (i) delivery, if hand delivered; (ii) receipt of a confirmed transmission by facsimile if a copy of the notice is sent by another means specified in this section; (iii) the third (3rd) Business Day after being sent by U.S. mail, postage pre-paid, return receipt requested; or (iv) the next Business Day after being sent by a nationally recognized overnight express courier with a reliable tracking system.

2.004 CONTRACT TERM

The term of this Contract will be for Three (3) years and will commence with the issuance of a Contract. This will be approximately (8/30/2005) through (8/30/2008).

Option. The State reserves the right to exercise Two (2) one-year options, at the sole option of the State. Contractor performance, quality of products, price, cost savings, and the contractor's ability to deliver on time are some of the criteria that will be used as a basis for any decision by Acquisition Services to exercise an option year.



Extension. At the sole option of the State, the contract may also be extended. Contractor performance, quality of products, price, cost savings, and the contractor's ability to deliver on time are some of the criteria that will be used as a basis for any decision by Acquisition Services to exercise an option year.

Written notice will be provided to the Contractor within 60 days, provided that the State gives the Contractor a preliminary written notice of its intent to extend at least 60 days before the contract expires. The preliminary notice does not commit the Government to an extension. If the Government exercises this option, the extended contract shall be considered to include this option clause.

2.005 GOVERNING LAW

The Contract shall in all respects be governed by, and construed in accordance with, the laws of the State of Michigan. By signing this agreement, contractor consents to personal jurisdiction in the state of Michigan. Any dispute arising herein shall be resolved in the State of Michigan.

2.006 APPLICABLE STATUTES

The following statutes, rules, and laws are applicable to the performance of this contract; some statutes are reflected in the clauses of this contract. This list is NOT exhaustive.

MI Uniform Commercial Code (MIUCC) MCL 440. (All sections unless otherwise altered by agreement)

MI OSHA MCL §§ 408.1001 – 408.1094

Freedom of Information Act (FIOA) MCL §§ 15.231, et seq.

Natural Resources and Environmental Protection Act MCL §§ 324.101, et seq.

MI Consumer Protection Act MCL §§ 445.901 – 445.922

Laws relating to wages, payments of wages, and fringe benefits on state projects MCL §§ 408.551 – 408.558, 408.471 – 408.490, 1965 PA 390.

Department of Civil Service Rules and regulations

Elliot Larsen Civil Rights Act MCL §§ 37.2201, et seq.

Persons with disabilities Civil Rights Act MCL §§ 37.1101, et seq.

MCL §§ 423.321, et seq.

MCL § 18.1264 (law regarding debarment)

Davis-Bacon Act (DBA) 40 USCU §§ 276(a), et seq.

Contract Work Hours and Safety Standards Act (CWHSSA) 40 USCS § 327, et seq.

Business Opportunity Act for Persons with Disabilities MCL §§ 450.791 – 450.795

Rules and regulations of the Environmental Protection Agency

Internal Revenue Code

Rules and regulations of the Equal Employment Opportunity Commission (EEOC)

The Civil Rights Act of 1964, USCS Chapter 42

Title VII, 42 USCS §§ 2000e et seq.

The Americans with Disabilities Act (ADA), 42 USCS §§ 12101 et seq.

The Age Discrimination in Employment Act of 1967 (ADEA), 29 USCS §§ 621, 623 et seq.

The Old Workers Benefit and Protection Act of 1990 (OWBPA), 29 USCS §§ 626, et seq.

The Family Medical Leave Act of 1993 (FMLA), 29 USC §§ 651 et seq.

The Fair Labor Standards Act (FLSA), 29 USC §§ 201 et seq.

Pollution Prevention Act of 1990 (PPA) 42 U.S.C. §13106

Sherman Act, 15 U.S.C.S. § 1 et seq.

Robinson-Patman Act, 15 U.S.C.S. § 13 et. seq.

Clayton Act, 15 U.S.C.S. § 14 et seq.

2.007 RELATIONSHIP OF THE PARTIES

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

**2.008 HEADINGS**

Captions and headings used in the Contract are for information and organization purposes. Captions and headings, including inaccurate references, do not, in any way, define or limit the requirements or terms and conditions of this Contract.

2.009 MERGER

This document constitutes the complete, final, and exclusive agreement between the parties. All other prior writings and negotiations are ineffective.

2.010 SEVERABILITY

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

2.011 SURVIVORSHIP

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

2.012 NO WAIVER OF DEFAULT

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

2.013 PURCHASE ORDERS

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

2.1 Vendor/Contractor Obligations**2.101 ACCOUNTING RECORDS**

The Contractor and all subcontractors shall 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 Auditor General at any time during the Contract period and any extension thereof, and for three years from expiration date and final payment on the Contract or extension thereof.

2.102 NOTIFICATION OF OWNERSHIP

The Contractor shall make the following notifications in writing:

1. When the Contractor becomes aware that a change in its ownership or officers has occurred, or is certain to occur, that could result in changes in the valuation of its capitalized assets in the accounting records, the Contractor shall notify Acquisition Services within 30 days.
2. The Contractor shall also notify the Acquisition Services within 30 days whenever changes to asset valuations or any other cost changes have occurred or are certain to occur as a result of a change in ownership or officers.



The Contractor shall:

1. Maintain current, accurate, and complete inventory records of assets and their costs;
2. Provide Acquisition Services or designated representative ready access to the records upon request;
3. Ensure that all individual and grouped assets, their capitalized values, accumulated depreciation or amortization, and remaining useful lives are identified accurately before and after each of the Contractor's ownership or officer changes; and
4. Retain and continue to maintain depreciation and amortization schedules based on the asset records maintained before each Contractor ownership or officer change.

2.103 SOFTWARE COMPLIANCE

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

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

2.104 IT STANDARDS

1. EXISTING TECHNOLOGY STANDARDS. The Contractor will adhere to all existing standards as described within the comprehensive listing of the State's existing technology standards at <http://michigan.gov/dit>.
2. PM METHODOLOGY STANDARDS. The State has adopted a standard documented Project Management Methodology (PMM) for use on all Information Technology (IT) based projects. This policy is referenced in the document titled "Project Management Methodology" – DMB Administrative Guide Procedure 1380.02 issued June 2000. Contractors may obtain a copy of this procedure, as well as the State of Michigan Project Management Methodology, from the Department of Information Technology's website at <http://www.michigan.gov/projectmanagement>.

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

3. ADHERENCE TO PORTAL TECHNOLOGY TOOLS. The State of Michigan, Department of Information Technology, has adopted the following tools as its Portal Technology development efforts:
 - Vignette Content Management and personalization Tool
 - Inktomi Search Engine
 - E-Pay Payment Processing Module
 - Websphere Commerce Suite for e-Store applications



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

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

2.105 PERFORMANCE AND RELIABILITY EVALUATION (PARE)

When the State requires that a performance and reliability evaluation (PARE) is to be performed, the standard of performance for the PARE will be closely monitored during the acceptance period.

In the event that the PARE is for components only, all references to systems (processors) should be changed to components.

The Performance and Reliability Evaluation will consist of two phases.

PHASE I

The first phase shall be comprised of a specification compliance review of the equipment listed on the ordering documents. Such equipment shall be checked for total compliance with all required specifications of the RFQ. In the event that the State determines that any component or feature of the delivered equipment or software does not comply with the mandatory specifications of the RFQ, the State shall so notify the Contractor, allowing 14 calendar days for rectification by the Contractor. Should the Contractor be unable to rectify the deficiency, the State reserves the right to cancel the ordering document. Should the equipment and software pass the specification conformance review, the equipment shall enter Phase II of the PARE.

PHASE II

a. Determination of System Readiness

- 1) Prior to the PARE, a committee of three persons will be formed to evaluate the system's performance on a daily basis. The committee will consist of one Contractor representative and two State personnel.
- 2) The PARE will begin on the installation dates when the Contractor certifies that the equipment is ready for use by the State.

b. During the PARE:

All rerun times resulting from equipment failure and preventive maintenance shall be excluded from the performance hours.

- 1) All reconfiguration and reload time shall be excluded from the performance hours.
- 2) If files are destroyed as a result of a problem with Contractor equipment and must be rebuilt, the time required to rebuild the files will be considered "down-time" for the system.



- 3) If the Contractor requests access to failed equipment and the State refuses, then such maintenance will be deferred to a mutually agreeable time and the intervening time will not count against the PARE.
- 4) A functional benchmark demonstration will be run for the PARE Committee to confirm that the installed system is capable of performing the same functions that were demonstrated. This run must be completed to the satisfaction of the PARE Committee.

STANDARD OF PERFORMANCE

- a. The performance period (a period of thirty consecutive calendar days) shall commence on the installation date, at which time the operational control becomes the responsibility of the State. It is not required that one thirty day period expire in order for another performance period to begin.
- b. If each component operates at an average level of effectiveness of 95 percent or more for a period of 30 consecutive days from the commencement date of the performance period, it shall be deemed to have met the State's standard of performance period. The State shall notify the Contractor in writing of the successful completion of the performance period. The average effectiveness level is a percentage figure determined by dividing the total operational use time by the total operational use time plus associated down-time. In addition, the equipment shall operate in substantial conformance with the Contractor's published specifications applicable to such equipment on the date of this Agreement. Equipment added by amendment to this contract shall operate in conformance with the Contractor's published specifications applicable to such equipment at the time of such amendment.
- c. During the successful performance period, all rerun time resulting from equipment failure and preventive maintenance time shall be excluded from the performance period hours. All reconfigurations and reload time shall be excluded from the performance hours. Equipment failure down-time shall be measured by those intervals during the performance period between the time that the Contractor is notified of equipment failure and the time that the equipment is returned to the State in operating condition.
- d. During the successful performance period, a minimum of 80 hours of operational use time on each component will be required as a basis for computation of the average effectiveness level. However, in computing the effectiveness level, the actual number of operational use hours shall be used when in excess of the minimum stated above.
- e. No more than one hour will accrue to the performance hours during any one wall-clock hour.
- f. Equipment shall not be accepted by the State and no charges will be paid by the State until the standard of performance is met.
- g. When a system involves on-line machines, which are remote to the basic installation, the required effectiveness level shall apply separately to each component in the system.
- h. Promptly upon successful completion of the performance period, the State shall notify the Contractor in writing of acceptance of the equipment and authorize the monthly payments to begin on the first day of the successful performance period.
- i. If successful completion of the performance period is not attained within 90 days of the installation date, the State shall have the option of terminating the Contract, or continuing the performance tests. The State's option to terminate the contract shall remain in effect until such time as a successful completion of the performance period is attained. The Contractor shall be liable for all outbound preparation and shipping costs for contracted items returned under this clause.



- j. The PARE will be complete when the equipment has met the required effectiveness level for the prescribed time period.

2.106 PREVAILING WAGE

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

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

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

2.107 PAYROLL AND BASIC RECORDS

Payrolls and basic records relating to the performance of this contract shall be maintained by the Contractor during the course of the work and preserved for a period of 3 years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made, and actual wages paid. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

The Contractor shall submit a copy of all payrolls to the Contract Administrator upon request. The payrolls submitted shall set out accurately and completely all of the information required to be maintained as indicated above.

The Prime Contractor is responsible for the submission of copies of payrolls by all subcontractors upon request from the Contract Administrator

The Contractor or subcontractor shall permit the Contract Administrator or representatives of the Contract Administrator or the State of Michigan to interview employees during working hours on the job.

If the Contractor or subcontractor fails to submit required records or to make them available, the Contract Administrator may, after written notice to the Contractor, take such action as may be necessary to cause the suspension of any further payment. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment.

2.108 COMPETITION IN SUB-CONTRACTING

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



2.109 CALL CENTER DISCLOSURE

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

2.2 Contract Performance

2.201 TIME IS OF THE ESSENCE

Contractor/Vendor is on notice that time is of the essence in the performance of this contract. Late performance will be considered a material breach of this contract, giving the State a right to invoke all remedies available to it under this contract.

2.202 CONTRACT PAYMENT SCHEDULE

Contract is awarded on a fixed price. MDCH/MDIT will reimburse the Contractor in accordance with the price indicated in the successful bid. All invoices should reflect actual work done. Specific details of invoices and payment will be agreed upon between MDCH/MDIT and the Contractor after the proposed Contract Agreement has been signed and accepted by both the Contractor and the Director of Purchasing, Department of Management and Budget. This activity will occur only upon the specific written direction from the Acquisition Services.

MDCH/MDIT will review all work for acceptance within 30 days of completion and/or receipt. The Contractor will not be paid for any costs attributable to corrections of any errors or omissions that have been determined by the MDCH and MDIT Project Managers to be occasioned by the Contractor. Payments will not be made until work is accepted.

2.203 POSSIBLE PROGRESS PAYMENTS

RESERVED

2.204 POSSIBLE PERFORMANCE-BASED PAYMENTS (Actual performance rendered)

RESERVED

2.205 ELECTRONIC PAYMENT AVAILABILITY

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

2.206 PERFORMANCE OF WORK BY CONTRACTOR

RESERVED

2.3 Contract Rights and Obligations

2.301 INCURRING COSTS

The State of Michigan is not liable for any cost incurred by the Contractor prior to signing of the Contract. The State fiscal year is October 1st through September 30th. The Contractor(s) should realize that payments in any given fiscal year are contingent upon enactment of legislative appropriations. Total liability of the State is limited to terms and conditions of the Contract.



2.302 CONTRACTOR RESPONSIBILITIES

The Contractor will be required to assume responsibility for all contractual activities, whether or not that Contractor performs them. Further, the State will consider the 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 Contract must include a list of subcontractors, including firm name and address, contact person and a complete description of work to be subcontracted. The State reserves the right to approve subcontractors and to require the Contractor to replace subcontractors found to be unacceptable. The Contractor is totally responsible for adherence by the subcontractor to all provisions of the Contract. Any change in subcontractors must be approved by the State, in writing, prior to such change.

2.303 ASSIGNMENT AND DELEGATION

The Contractor shall not have the right to assign this Contract, to assign its rights under this contract, or delegate any of its duties or obligations under the Contract to any other party (whether by operation of law or otherwise), without the prior written consent of the 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.

The Contractor shall not delegate any duties or obligations under the Contract to a subcontractor other than a subcontractor named and approved in the bid unless the Director of Acquisition Services has given written consent to the delegation.

Contractor must obtain the approval of the Director of Acquisition Services before using a place of performance that is different from the address that bidder provided in the bid.

2.304 TAXES

Sales Tax: For purchases made directly by the State of Michigan, the State is exempt from State and Local Sales Tax. Prices shall not include such taxes. Exemption Certificates for State Sales Tax will be furnished upon request.

Federal Excise Tax: The State of Michigan may be exempt for Federal Excise Tax, or such taxes may be reimbursable, if articles purchased under this Contract are used for the State's exclusive use. Certificates exclusive use for the purposes of substantiating a tax-free, or tax-reimbursable sale will be sent to the Contractor upon request. If a sale is tax exempt or tax reimbursable under the Internal Revenue Code, prices shall not include the Federal Excise Tax.

The State's Tax Exempt Certification is available for contractor viewing upon request to the Contract Administrator.

2.305 INDEMNIFICATION

General Indemnification

To the fullest extent permitted by law, the Contractor shall indemnify, defend and hold harmless the State, its departments, divisions, agencies, sections, commissions, officers, employees and agents, from and against all losses, liabilities, penalties, fines, damages and claims (including taxes), and all related costs and expenses (including reasonable attorneys' fees and disbursements and costs of investigation, litigation, settlement, judgments, interest and penalties), arising from or in connection with any of the following:

1. Any claim, demand, action, citation or legal proceeding against the State, its employees and agents arising out of or resulting from (1) the product 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 employees and agents arising out of or resulting from a breach by the Contractor of any representation or warranty made by the Contractor in the Contract;
3. Any claim, demand, action, citation or legal proceeding against the State, its employees and agents arising out of or related to occurrences that the Contractor is required to insure against as provided for in this Contract;
4. Any claim, demand, action, citation or legal proceeding against the State, its employees and agents arising out of or resulting from the death or bodily injury of any person, or the damage, loss or destruction of any real or tangible personal property, in connection with the performance of services by the Contractor, by any of its subcontractors, by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable; provided, however, that this indemnification obligation shall not apply to the extent, if any, that such death, bodily injury or property damage is caused solely by the negligence or reckless or intentional wrongful conduct of the State;
5. Any claim, demand, action, citation or legal proceeding against the State, its employees and agents which results from an act or omission of the Contractor or any of its subcontractors in its or their capacity as an employer of a person.

Patent/Copyright Infringement Indemnification

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

Code Indemnification

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

Indemnification Obligation Not Limited

In any and all claims against the State of Michigan, or any of its agents or employees, by any employee of the Contractor or any of its subcontractors, the indemnification obligation under the Contract shall not be limited in any way by the amount or type of damages, compensation or benefits payable by or for the Contractor or any of its subcontractors under worker's disability compensation acts, disability benefits acts, or other employee benefits acts. This indemnification clause is intended to be comprehensive. Any overlap in sub clauses, 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 sub clause.



Continuation of Indemnification Obligation

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

Indemnification Procedures

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

- (a) After receipt by the State of notice of the action or proceeding involving a claim in respect of which it will seek indemnification, the State shall promptly notify Contractor of such claim in writing and take or assist Contractor in taking, as the case may be, any reasonable action to avoid the imposition of a default judgment against Contractor. No failure to so notify Contractor shall relieve Contractor of its indemnification obligations except to the extent that Contractor can demonstrate damages attributable to such failure. Within ten (10) days following receipt of written notice from the State relating to any claim, Contractor shall notify the State in writing whether Contractor agrees to assume control of the defense and settlement of that claim (a "Notice of Election"). After notifying Contractor of a claim and prior to the State receiving Contractor's Notice of Election, the State shall be entitled to defend against the claim, at Contractor's expense, and Contractor will be responsible for any reasonable costs incurred by the State in defending against the claim during such period.
- (b) If Contractor delivers a Notice of Election relating to any claim: (i) 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; (ii) Contractor shall, at the request of the State, demonstrate to the reasonable satisfaction of the State, Contractor's financial ability to carry out its defense and indemnity obligations under this Contract; (iii) 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 and (iv) 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 principles of Michigan governmental or public law. Notwithstanding the foregoing, the State may retain control of the defense and settlement of a claim by written notice to Contractor given within ten (10) days after the State's receipt of Contractor's information requested by the State pursuant to clause (ii) of this paragraph if the State determines that Contractor has failed to demonstrate to the reasonable satisfaction of the State Contractor's financial ability to carry out its defense and indemnity obligations under this Section. Any litigation activity on behalf of the State of Michigan, or any of its subdivisions pursuant to this Section, must be coordinated with the Department of Attorney General. In the event the insurer's attorney represents the State pursuant to this Section, the insurer's attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.
- (c) If Contractor does not deliver a Notice of Election relating to any claim of which it is notified by the State as provided above, the State shall have the right to defend the claim in such manner as it may deem appropriate, at the cost and expense of Contractor. If it is determined that the claim was one against which Contractor was required to indemnify the State, upon request of the State, Contractor shall promptly reimburse the State for all such reasonable costs and expenses.

2.306 LIMITATION OF LIABILITY

Except as set forth herein, neither the Contractor nor the State shall be liable to the other party for indirect or consequential damages, even if such party has been advised of the possibility of such damages.



Such limitation as to indirect or consequential damages shall not apply to claims for infringement of United States patent, copyright, trademarks or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor; to claims covered by other specific provisions of this Contract calling for liquidated damages; to Contractor's indemnification obligations (2.305); or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on this Contract.

2.307 CONTRACT DISTRIBUTION

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

2.308 FORM, FUNCTION, AND UTILITY

If the Contract is for use of more than one State agency and if the good or service provided under this Contract do not meet the form, function, and utility required by a State agency, that agency may, subject to State purchasing policies, procure the good or service from another source.

2.309 ASSIGNMENT OF ANTITRUST CAUSE OF ACTION

For and in consideration of the opportunity to submit a quotation and other good and valuable consideration, the bidder hereby assigns, sells and transfers to the State of Michigan all rights, title and interest in and to all causes of action it may have under the antitrust laws of the United States or this State for price fixing, which causes of action have accrued prior to the date of payment and which relate solely to the particular goods, commodities, or services purchased or procured by this State pursuant to this transaction.

2.310 RESERVED

2.311 TRANSITION ASSISTANCE

RESERVED

2.312 WORK PRODUCT

Work Products shall be considered works made by the Contractor for hire by the State and shall belong exclusively to the State and its designees, unless specifically provided otherwise by mutual agreement of the Contractor and the State. If by operation of law any of the Work Product, including all related intellectual property rights, is not owned in its entirety by the State automatically upon creation thereof, the Contractor agrees to assign, and hereby assigns to the State and its designees the ownership of such Work Product, including all related intellectual property rights. The Contractor agrees to provide, at no additional charge, any assistance and to execute any action reasonably required for the State to perfect its intellectual property rights with respect to the aforementioned Work Product.

Notwithstanding any provision of this Contract to the contrary, any preexisting work or materials including, but not limited to, any routines, libraries, tools, methodologies, processes or technologies (collectively, the "Development Tools") created, adapted or used by the Contractor in its business generally, including any and all associated intellectual property rights, shall be and remain the sole property of the Contractor, and the State shall have no interest in or claim to such preexisting work, materials or Development Tools, except as necessary to exercise its rights in the Work Product. Such rights belonging to the State shall include, but not be limited to, the right to use, execute, reproduce, display, perform and distribute copies of and prepare derivative works based upon the Work Product, and the right to authorize others to do any of the foregoing, irrespective of the existence therein of preexisting work, materials and Development Tools, except as specifically limited herein.



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

2.313 PROPRIETARY RIGHTS

The Contractor shall provide for licensing of the LIMS for use at the Chandler Plaza, Secondary Complex and at other State sites as detailed in Appendix 4 ("Designated Locations"). The state may use the STARLIMS Enterprise Edition ("the Program") at each Designated Location without limitation on the number, size, or type of servers, workstations, barcodes, users, or instruments interfaced.

The Contractor grants the State, subject to the following conditions, a fully paid, perpetual, non transferable, and non-exclusive license to use the object code version of the Program, and to any user instructions, manuals, or other materials or on-line help files regarding the use of the Program that are generally provided by the Contractor in connection with the Program. The license granted herein to the State shall include the right to modify the Structured Query Language (SQL) statements provided with the Program. However, the State may not use copy, modify, or transfer the Program, in whole or in part, except as expressly provided in this Contract.

Any software and documentation which is independently developed by the State utilizing non-confidential or non-proprietary portions of a Program licensed hereunder shall be the property of the State and may be used by the State for whatever purpose it chooses and at its sole discretion. The State agrees it shall not, and use best efforts to ensure that employees and contractors do not reverse compile, reverse engineer, modify, translate or disassemble the Program in whole or in part. No title to the intellectual property in the Program is transferred to the State. The State acknowledges that title and full ownership rights to the Program will remain the exclusive property of the Contractor subject to the provisions set forth in the Escrow Agreement attached hereto as Appendix 5.

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

Software License

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

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

The State may copy each item of Software to multiple hard drives or networks.

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

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

**B. RESERVED****2.314 WEBSITE INCORPORATION**

State expressly states that it will not be bound by any content on the Contractor's website, even if the Contractor's documentation specifically referenced that content and attempts to incorporate it into any other communication, unless the State has actual knowledge of such content and has expressly agreed to be bound by it in a writing that has been manually signed by an authorized representation of the State.

2.4 Contract Review and Evaluation**2.401 CONTRACT CONSULTANT**

Upon receipt at Acquisition Services of the properly executed Contract Agreement(s), the person named below will be allowed to oversee the Contract performance on a day-to-day basis during the term of the Contract. However, overseeing the Contract implies **no authority to negotiate, change, modify, clarify, amend, or otherwise alter the terms, conditions, and specifications of such Contract(s). That authority is retained by Acquisition Services.** The Contract Consultant for this project is:

Mary Ladd
Michigan Department of Information Technology
Bureau of Strategic Policy - Contracts
525 W. Allegan St
Lansing, MI 48913
laddm@michigan.gov
(517) 335-4082

2.402 PERFORMANCE REVIEWS

Acquisition Services in conjunction with the *Department of Information Technology* may review with the Contractor their performance under the Contract. Performance reviews shall be conducted quarterly, semi-annually or annually depending on Contractor's past performance with the State. Performance reviews shall include, but not limited to, quality of products/services being delivered and provided, timeliness of delivery, percentage of completion of orders, the amount of back orders, status of such orders, accuracy of billings, customer service, completion and submission of required paperwork, the number of substitutions and the reasons for substitutions, and other requirements of the Contract.

Upon a finding of poor performance, which has been documented by Acquisition Services, the Contractor shall be given an opportunity to respond and take corrective action. If corrective action is not taken in a reasonable amount of time as determined by Acquisition Services, the Contract may be canceled for default. Delivery by the Contractor of unsafe and/or adulterated or off-condition products to any State agency is considered a material breach of Contract subject to the cancellation provisions contained herein.

2.403 AUDIT OF CONTRACT COMPLIANCE/ RECORDS AND INSPECTIONS

The Contractor agrees that the State may, upon 24-hour notice, perform an audit at Contractor's location(s) to determine if the Contractor is complying with the requirements of the Contract. The Contractor agrees to cooperate with the State during the audit and produce all records and documentation that verifies compliance with the Contract requirements.

- (a) Examination of Records. No more than once per year, Contractor agrees that the State, including its duly authorized representatives, until the expiration of seven (7) years following the creation of the material (collectively, the "Audit Period"), shall, upon twenty (20) days prior written notice, have access to and the right to examine and copy any of Contractor's books, records, documents and papers pertinent to establishing Contractor's compliance with the terms and conditions of the Contract and with applicable laws and rules, including the State's procurement rules, regulations and procedures, and actual performance of the Contract for the purpose of conducting an audit, examination, excerpt and/or transcription but the State shall not have access to any information deemed confidential to Contractor to the extent such access would require such confidential information to become publicly available.



This provision also applies to the books, records, accounts, documents and papers, in print or electronic form, of any parent, affiliated or subsidiary organization of Contractor, or any Subcontractor of Contractor performing services in connection with the Contract.

- (b) **Retention of Records.** Contractor shall maintain at least until the end of the Audit Period all pertinent financial and accounting records (including time sheets and payroll records, and information pertaining to the Contract and to the Services, equipment, and commodities provided under the Contract) pertaining to the Contract in accordance with generally accepted accounting principles and other procedures specified in this Section. Financial and accounting records shall be made available, upon request, to the State at any time during the Audit Period. If an audit, litigation, or other action involving Contractor's records is initiated before the end of the Audit Period, the records must be retained until all issues arising out of the audit, litigation, or other action are resolved or until the end of the Audit Period, whichever is later.
- (c) **Audit Resolution.** If necessary, the Contractor and the State shall meet to review each audit report promptly after issuance. The Contractor will respond to each audit report in writing within thirty (30) days from receipt of such report, unless a shorter response time is specified in such report. The Contractor and the State shall develop and agree upon an action plan to promptly address and resolve any deficiencies, concerns, and/or recommendations in such audit report.
1. **Errors.** If the audit demonstrates any errors in the statements provided to the State, then the amount in error shall be reflected as a credit or debit on the next invoice and in subsequent invoices until the amount is paid or refunded in full. However, a credit or debit may not be carried for more than four (4) quarterly statements. If a balance remains after four (4) quarterly statements, then the remaining amount will be due as a payment or refund within forty-five (45) days of the last quarterly statement that the balance appeared on or termination of the contract, whichever is earlier.
 2. In addition to other available remedies, the difference between the payment received and the correct payment amount is greater than ten (10%), then the Contractor shall pay all of the reasonable costs of the audit.

2.5 Quality and Warranties

2.501 PROHIBITED PRODUCTS

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

2.502 RESERVED

2.503 RESERVED

2.504 GENERAL WARRANTIES (goods)

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

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



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

2.505 CONTRACTOR WARRANTIES

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

1. The Contractor will perform all services in accordance with high professional standards in the industry;
2. The Contractor will use adequate numbers of qualified individuals with suitable training, education, experience and skill to perform the services;
3. The Contractor will use its best efforts to use efficiently any resources or services necessary to provide the services that are separately chargeable to the State;
4. The Contractor will use its best efforts to perform the services in the most cost effective manner consistent with the required level of quality and performance;
5. The Contractor will perform the services in a manner that does not infringe the proprietary rights of any third party;
6. The Contractor will perform the services in a manner that complies with all applicable laws and regulations;
7. The Contractor has duly authorized the execution, delivery and performance of the Contract;
8. The Contractor is capable in all respects of fulfilling and shall fulfill all of its obligations under this contract.
9. The contract appendices, attachments, and exhibits identify all equipment and software services necessary for the deliverable(s) to perform and operate in compliance with the contract's requirements.
10. The Contractor is the lawful owner or licensee of any Deliverable licensed or sold to the state by Contractor or developed by Contractor under this contract, and Contractor has all of the rights necessary to convey to the state the ownership rights or license use, as applicable, of any and all Deliverables.
11. If, under this Contract, Contractor procures any equipment, software or other Deliverable for the State (including equipment, software and other Deliverables manufactured, re-marketed or otherwise sold by Contractor under Contractor's name), then in addition to Contractor's other responsibilities with respect to such items as set forth in this Contract, Contractor shall assign or otherwise transfer to the State or its designees, or afford the State the benefits of, any manufacturer's warranty for the Deliverable.
12. The contract signatory has the power and authority, including any necessary corporate authorizations, necessary to enter this contract, on behalf of Contractor.
13. The Contractor is qualified and registered to transact business in all locations where required.



14. Neither the Contractor nor any Affiliates, nor any employee of either, has, shall have, or shall acquire, any contractual, financial, business, or other interest, direct or indirect, that would conflict in any manner or degree with Contractor's performance of its duties and responsibilities to the State under this Contract or otherwise create an appearance of impropriety with respect to the award or performance of this Agreement. Contractor shall notify the State within two (2) days of any such interest that may be incompatible with the interests of the State.
15. All financial statements, reports, and other information furnished by Contractor to the State as part of its response to the ITB or otherwise in connection with the award of this Contract fairly and accurately represent the business, properties, financial condition, and results of operations of Contractor as of the respective dates, or for the respective periods, covered by such financial statements, reports, other information. Since the respective dates or periods covered by such financial statements, reports, or other information, there have been no material adverse changes in the business, properties, financial condition, or results of operations of Contractor. All written information furnished to the State by or behalf of Contractor in connection with this Contract, including its bid, is true, accurate, and complete, and contains no untrue statement of material fact or omits any material fact necessary to make such information not misleading.

2.506 STAFF

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

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

2.507 SOFTWARE WARRANTIES

(a) Performance Warranty

The Contractor represents and warrants that Deliverables, after Final Acceptance, will perform and operate in compliance with the requirements and other standards of performance contained in this Contract (including all descriptions, specifications and drawings made a part of the Contract) for a period of 120 days. In the event of a breach of this warranty, Contractor will promptly correct the affected Deliverable(s) at no charge to the State.

(b) No Surreptitious Code Warranty

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

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



As used in this Contract, "Unauthorized Code" means any virus, Trojan horse, spyware, worm or other Software routines or components designed to permit unauthorized access to disable, erase, or otherwise harm software, equipment, or data; or to perform any other such actions. The term Unauthorized Code does not include Self-Help Code.

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

(c) Calendar Warranty

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

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

(d) Third-party Software Warranty

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

2.508 EQUIPMENT WARRANTY

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

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

Within 5 business days of notification from the State, the Contractor shall adjust, repair or replace all equipment that is defective or not performing in compliance with the Contract. The Contractor shall assume all costs for replacing parts or units and their installation including transportation and delivery fees, if any.

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

The Contractor agrees that all warranty service it provides under this Contract shall be performed by original equipment manufacturer (OEM) trained, certified and authorized technicians.



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

All warranty work shall be performed on the State of Michigan worksite(s).

2.509 PHYSICAL MEDIA WARRANTY

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

2.6 Breach of Contract

2.601 BREACH DEFINED

Failure to comply with articles, sections, or subsections of this agreement, or making any false statement in this agreement will be considered a material breach of this agreement giving the state authority to invoke any and all remedies available to it under this agreement.

In addition to any remedies available in law and by the terms of this contract, if the Contractor breaches Sections 2.508, 2.509, or 2.510, such a breach may be considered as a default in the performance of a material obligation of this contract.

2.602 NOTICE AND THE RIGHT TO CURE

In the event of a curable breach by the Contractor, the State shall provide the Contractor written notice of the breach and a time period to cure said breach described in the notice. This section requiring notice and an opportunity to cure shall not be applicable in the event of successive or repeated breaches of the same nature or if the State determines in its sole discretion that the breach poses a serious and imminent threat to the health or safety of any person or the imminent loss, damage or destruction of any real or tangible personal property.

2.603 EXCUSABLE FAILURE

1. Neither party shall be liable for any default or delay in the performance of its obligations under the Contract if and to the extent such default or delay is caused, directly or indirectly, by: fire, flood, earthquake, elements of nature or acts of God; riots, civil disorders, rebellions or revolutions in any country; the failure of the other party to perform its material responsibilities under the Contract (either itself or through another contractor); injunctions (provided the injunction was not issued as a result of any fault or negligence of the party seeking to have its default or delay excused); or any other cause beyond the reasonable control of such party; provided the non-performing party and its subcontractors are without fault in causing such default or delay, and such default or delay could not have been prevented by reasonable precautions and cannot reasonably be circumvented by the non-performing party through the use of alternate sources, workaround plans or other means, including disaster recovery plans. In such event, the non-performing party will be excused from any further performance or observance of the obligation(s) so affected for as long as such circumstances prevail and such party continues to use its best efforts to recommence performance or observance whenever and to whatever extent possible without delay provided such party promptly notifies the other party in writing of the inception of the excusable failure occurrence, and also of its abatement or cessation.
2. If any of the above enumerated circumstances substantially prevent, hinder, or delay performance of the services necessary for the performance of the State's functions for more than 14 consecutive days, and the State determines that performance is not likely to be resumed within a period of time that is satisfactory to the State in its reasonable discretion, then at the State's option:



(a) the State may procure the affected services from an alternate source, and the State shall not be liable for payments for the unperformed services under the Contract for so long as the delay in performance shall continue; (b) the State may cancel any portions of the Contract so affected and the charges payable hereunder shall be equitably adjusted to reflect those services canceled; or (c) the Contract will be canceled without liability of the State to the Contractor as of the date specified by the State in a written notice of cancellation to the Contractor. The Contractor will not have the right to any additional payments from the State as a result of any excusable failure occurrence or to payments for services not rendered as a result of the excusable failure condition. Defaults or delays in performance by the Contractor which are caused by acts or omissions of its subcontractors will not relieve the Contractor of its obligations under the Contract except to the extent that a subcontractor is itself subject to any excusable failure condition described above and the Contractor cannot reasonably circumvent the effect of the subcontractor's default or delay in performance through the use of alternate sources, workaround plans or other means.

2.7 Remedies

2.701 CANCELLATION

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

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

In the event that this Contract is cancelled for cause, in addition to any legal remedies otherwise available to the State by law or equity, the Contractor shall be responsible for all costs incurred by the State in canceling the Contract, including but not limited to, State administrative costs, attorneys fees and court costs, and any additional costs the State may incur to procure the services required by this Contract from other sources. All excess re-procurement costs and damages shall not be considered by the parties to be consequential, indirect or incidental, and shall not be excluded by any other terms otherwise included in the Contract.

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

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

2. Cancellation For Convenience By the State. The State may cancel this Contract for its convenience, in whole or part, if the State determines that such a cancellation is in the State's best interest. Reasons for such cancellation shall be left to the sole discretion of the State and may include, but not limited to (a) the State no longer needs the services or products specified in the Contract, (b) relocation of office, program changes, changes in laws, rules, or regulations make implementation of the Contract services no longer practical or feasible, and (c) unacceptable prices for additional services requested by the State. The State may cancel the Contract for its convenience, in whole or in part, by giving the Contractor written notice 30 days prior to the date of cancellation. If the State chooses to cancel this Contract in part, the charges payable under this Contract shall be equitably adjusted to reflect those services that are cancelled.



3. Non-Appropriation. In the event that funds to enable the State to effect continued payment under this Contract are not appropriated or otherwise made available. The Contractor acknowledges that, if this Contract extends for several fiscal years, continuation of this Contract is subject to appropriation or availability of funds for this project. If funds are not appropriated or otherwise made available, the State shall have the right to cancel this Contract at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of cancellation to the Contractor. The State shall give the Contractor written notice of such non-appropriation or unavailability within 30 days after it receives notice of such non-appropriation or unavailability.
4. Criminal Conviction. In the event the Contractor, an officer of the Contractor, or an owner of a 25% or greater share of the Contractor, is convicted of a criminal offense incident to the application for or performance of a State, public or private Contract or subcontract; or convicted of a criminal offense including but not limited to any of the following: embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, attempting to influence a public employee to breach the ethical conduct standards for State of Michigan employees; convicted under State or federal antitrust statutes; or convicted of any other criminal offense which in the sole discretion of the State, reflects upon the Contractor's business integrity.
5. Approvals Rescinded. The State may terminate this Contract without further liability or penalty in the event any final administrative or judicial decision or adjudication disapproves a previously approved request for purchase of personal services pursuant to Constitution 1963, Article 11, section 5, and Civil Service Rule 7. Termination may be in whole or in part and may be immediate as of the date of the written notice to Contractor or may be effective as of the date stated in such written notice.

2.702 RIGHTS UPON CANCELLATION

Termination Assistance. If this Contract (or any Statement of Work issued under it) is terminated for any reason prior to completion, Contractor agrees to provide for up to six (6) months after the termination all reasonable termination assistance requested by the State to facilitate the orderly transfer of such Services to the State or its designees in a manner designed to minimize interruption and adverse effect. Such termination assistance will be deemed by the parties to be governed by the terms and conditions of this Contract (notwithstanding its termination) other than any terms or conditions that do not reasonably apply to such termination assistance. Such termination assistance shall be at no additional charge to the State if the termination is for Contractor's Default pursuant to Section 2.602; otherwise the State shall compensate Contractor for such termination assistance on a time and materials basis in accordance with the Amendment Labor Rates identified within this Contract agreement.

A. Rights and Obligations Upon Termination

- (1) If this Contract is terminated by the State for any reason, Contractor shall (a) stop all work as specified in the notice of termination, (b) take any action that may be necessary, or that the State may direct, for preservation and protection of Deliverables or other property derived or resulting from this Contract that may be in Contractor's possession, (c) return all materials and property provided directly or indirectly to Contractor by any entity, agent or employee of the State, (d) in the event that the Contractor maintains title in equipment and software that is intended to be transferred to the State at the termination of the Contract, Contractor will transfer title in, and deliver to, the State, unless otherwise directed, all Deliverables and other Developed Materials intended to be transferred to the State at the termination of the Contract and which are resulting from the Contract (which shall be provided to the State on an "As-Is" basis except to the extent the amounts paid by the State in respect of such items included compensation to Contractor for the provision of warranty services in respect of such materials), and (e) take any action to mitigate and limit any potential damages, or requests for Contractor adjustment or termination settlement costs, to the maximum practical extent, including terminating or limiting as otherwise applicable those subcontracts and outstanding orders for material and supplies resulting from the terminated Contract.



- (2) In the event the State terminates this Contract prior to its expiration for its own convenience, the State shall pay Contractor for all charges due for Services provided prior to the date of termination and, if applicable, as a separate item of payment pursuant to this Contract, for partially completed Deliverables, on a percentage of completion basis. All completed or partially completed Deliverables prepared by Contractor pursuant to this Contract shall, at the option of the State, become the State's property, and Contractor shall be entitled to receive equitable fair compensation for such Deliverables. Regardless of the basis for the termination, the State shall not be obligated to pay, or otherwise compensate, Contractor for any lost expected future profits, costs or expenses incurred with respect to Services not actually performed for the State.
- (3) If any such termination by the State is for cause, the State shall have the right to set-off against any amounts due Contractor the amount of any damages for which Contractor is liable to the State under this Contract or pursuant to law or equity.
- (4) Upon a good faith termination, the State shall have the right to assume, at its option, any and all subcontracts and agreements for services and materials provided under this Contract, and may further pursue completion of the Services under this Contract by replacement contract or otherwise as the State may in its sole judgment deem expedient.

B. Termination Assistance

If the Contract (or any Statement of Work issued under it) is terminated for any reason before completion, Contractor agrees to provide for up to two-hundred seventy (270) calendar days after the termination all reasonable termination assistance requested by the State to facilitate the orderly transfer of such Services to the State or its designees in a manner designed to minimize interruption and adverse effect. Such termination assistance will be deemed by the parties to be governed by the terms and conditions of the Contract (notwithstanding its termination) other than any terms or conditions that do not reasonably apply to such termination assistance. The State shall compensate Contractor for such termination assistance at the same rates and charges set forth in the Contract on a time and materials basis in accordance with the Labor Rates indicated within Contractors pricing section. If the Contract is terminated by Contractor under **Section 20**, then Contractor may condition its provision of termination assistance under this Section on reasonable assurances of payment by the State for such assistance, and any other amounts owed under the Contract.

C. Reservation of Rights

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

D. End of Contract Transition

In the event the Contract is terminated, for convenience or cause, or upon expiration, the Contractor agrees to comply with direction provided by the State to assist in the orderly transition of equipment, services, software, leases, etc. to the State or a third party designated by the State. In the event of termination or the expiration of the Contract, the Contractor agrees to make all reasonable efforts to effect an orderly transition of services within a reasonable period of time that in no event will exceed 270 calendar days. These efforts shall include, but are not limited to, the following:

- (1) **Personnel** - The Contractor shall work with the State, or a specified third party, to develop a transition plan setting forth the specific tasks and schedule to be accomplished by the parties, to effect an orderly transition. The Contractor shall allow as many personnel as practicable to remain on the job to help the State, or a specified third party, maintain the continuity and consistency of the services required by the Contract. In addition, during or following the transition period, in the event the State requires the Services of the Contractor's subcontractors, as necessary to meet its needs, Contractor agrees to reasonably, and with good-faith, work with the State to use the Services of Contractor's subcontractors.



- (2) Knowledgeable Personnel. Contractor will make available to the State or a Third Party Provider knowledgeable personnel familiar with the operational processes and procedures used to deliver products and services to the State. The Contractor personnel will work with the State or third party to help develop a mutually agreeable transition plan, work to transition the process of ordering, shipping and invoicing equipment and services to the State.
- (3) Information - The Contractor agrees to provide reasonable detailed specifications for all Services needed by the State, or specified third party, to properly provide the services required under the Contract. The Contractor will also provide any licenses required to perform the Services under the Contract.
- (4) Software. - The Contractor shall reasonably assist the State in the acquisition of any Contractor software required to perform the Services under the Contract. This shall include any documentation being used by the Contractor to perform the Services under the Contract. If the State transfers any software licenses to the Contractor, those licenses shall, upon expiration of the Contract, transfer back to the State at their current revision level.
- (5) Payment - If the transition results from a termination for any reason, reimbursement shall be governed by the termination provisions of the Contract. If the transition results from expiration, the Contractor will be reimbursed for all reasonable transition costs (i.e. costs incurred within the agreed period after Contract expiration that result from transition operations). The hourly rates or fixed price to be charged will be agreed upon prior to the work commencing.
- (6) Single Point of Contact. Contractor will maintain a Single Point of Contact (SPOC) for the State after termination of the Contract until all product and service obligations have expired.

E. Transition out of this Contract

- (1) In the event that this Contract is terminated, dissolved, voided, rescinded, nullified, or otherwise rendered unenforceable, the Contractor agrees to perform the following obligations, and any others upon which the State and the Contractor agree:
 - (i) Cooperating with any contractors, vendors, or other entities with whom the State contracts to meet its telecommunication needs, for at least two hundred and seventy (270) days after the termination of this Contract;
 - (ii) Reserved.
 - (iii) Providing the State with all asset management data generated from the inception of this Contract through the date on which this Contract is terminated, in a comma-delaminated format unless otherwise required by the Program Office;
 - (iv) Reconciling all accounts between the State and the Contractor;
 - (v) Allowing the State to request the winding up of any pending or ongoing projects at the price to which the State and the Contractor agreed at the inception of the project;
 - (vi) Freezing all non-critical software changes;
 - (vii) Notifying all of the Contractor's subcontractors of procedures to be followed during the transition out phase;
 - (viii) Assisting with the communications network turnover, if applicable;
 - (ix) Assisting in the execution of a parallel operation until the effective date of termination of this Contract
 - (x) Answering questions regarding post-migration services;
 - (xi) Delivering to the State any remaining owed reports and documentation still in the Contractor's possession.
- (2) In the event that this Contract is terminated, dissolved, voided, rescinded, nullified, or otherwise rendered unenforceable, the State agrees to perform the following obligations, and any others upon which the State and the Contractor agree:
 - (i) Reconciling all accounts between the State and the Contractor;
 - (ii) Completing any pending post-project reviews.

**2.703 LIQUIDATED DAMAGES****RESERVED****2.704 STOP WORK**

1. The State may, at any time, by written stop work order to the Contractor, require that the Contractor stop all, or any part, of the work called for by this Contract for a period of up to 90 days after the stop work order is delivered to the Contractor, and for any further period to which the parties may agree. The stop work order shall be specifically identified as such and shall indicate that it is issued under this section. Upon receipt of the stop work order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the stop work order during the period of work stoppage. Within the period of the stop work order, the State shall either:
 - a) Cancel the stop work order; or
 - b) Cancel the work covered by the stop work order as provided in the cancellation section of this Contract.
2. If a stop work order issued under this section is canceled or the period of the stop work order or any extension thereof expires, the Contractor shall resume work. The State shall make an equitable adjustment in the delivery schedule, the contract price, or both, and the Contract shall be modified, in writing, accordingly, if:
 - a) The stop work order results in an increase in the time required for, or in the Contractor's costs properly allocable to the performance of any part of this Contract; and
 - b) The Contractor asserts its right to an equitable adjustment within 30 days after the end of the period of work stoppage; provided, that if the State decides the facts justify the action, the State may receive and act upon a proposal submitted at any time before final payment under this Contract.
3. If the stop work order is not canceled and the work covered by the stop work order is canceled for reasons other than material breach, the State shall allow reasonable costs resulting from the stop work order in arriving at the cancellation settlement.
4. If a stop work order is not canceled and the work covered by the stop work order is canceled for material breach, the State shall not allow, by equitable adjustment or otherwise, reasonable costs resulting from the stop work order.

An appropriate equitable adjustment may be made in any related contract of the Contractor that provides for adjustment and is affected by any stop work order under this section. The State shall not be liable to the Contractor for loss of profits because of a stop work order issued under this section.

2.705 SUSPENSION OF WORK

The Contract Administrator may order the Contractor, in writing, to suspend, delay, or interrupt all or any part of the work of this contract for the period of time that the Contract Administrator determines appropriate for the convenience of the Government.

If the performance of all or any part of the work is, for an unreasonable period of time, suspended, delayed, or interrupted (1) by an act of the Contract Administrator in the administration of this contract, or (2) by the Contract Administrator's failure to act within the time specified in this contract (or within a reasonable time if not specified), an adjustment shall be made for any increase in the cost of performance of this contract (excluding profit) necessarily caused by the unreasonable suspension, delay, or interruption, and the contract modified in writing accordingly. However, no adjustment shall be made under this clause for any suspension, delay, or interruption to the extent that performance would have been so suspended, delayed, or interrupted by any other cause, including the fault or negligence of the Contractor, or for which an equitable adjustment is provided for or excluded under any other term or condition of this contract.



A claim under this clause shall not be allowed:

- (1) For any costs incurred more than 20 days before the Contractor shall have notified the Contract Administrator in writing of the act or failure to act involved (but this requirement shall not apply as to a claim resulting from a suspension order); and
- (2) Unless the claim, in an amount stated, is asserted in writing as soon as practicable after the termination of the suspension, delay, or interruption, but not later than the date of final payment under the contract.

2.8 Changes, Modifications, and Amendments

2.801 APPROVALS

The 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.

2.802 TIME EXTENTIONS

Time extensions for contract changes will depend upon the extent, if any, by which the changes cause delay in the completion of the various elements of performance as described in the statement of work. The change order granting the time extension may provide that the contract completion date will be extended only for those specific elements related to the changed work and that the remaining contract completion dates for all other portions of the work will not be altered. The change order also may provide an equitable readjustment of liquidated damages under the new completion schedule.

2.803 MODIFICATION

Acquisition Services reserves the right to modify this contract at any time during the contract term. Such modification may include changing the locations to be serviced, additional locations to be serviced, method or manner of performance of the work, number of days service is to be performed, addition or deletion of tasks to be performed, addition or deletion of items, and/or any other modifications deemed necessary. Any changes in pricing proposed by the Contractor resulting from the proposed changes are subject to acceptance by the State. Changes may be increases or decreases. **IN THE EVENT PRICES ARE NOT ACCEPTABLE TO THE STATE, THE CONTRACT SHALL BE SUBJECT TO COMPETITIVE BIDDING BASED UPON THE NEW SPECIFICATION.**

The State reserves the right to add an item(s) that is not described on the item listing and is available from the Contract vendor. The item(s) may be included on the Contract, only if prior written approval has been granted by Acquisition Services.

2.804 AUDIT AND RECORDS UPON MODIFICATION

DEFINITION: records includes books, documents, accounting procedures and practices, and other data, regardless of whether such items are in written form, electronic form, or in any other form

Contractor shall be required to submit cost or pricing data with the pricing of any modification of this contract to the Contract Administrator in Acquisition Services. Data may include accounting records, payroll records, employee time sheets, and other information the state deems necessary to perform a fair evaluation of the modification proposal. Contract Administrator or authorized representative of the state shall have the right to examine and audit all of the contractor's records, including computations and projections, related to:

1. The proposal for modification;
2. The discussions conducted on the proposal, including those related to negotiation;
3. Pricing of the modification; or
4. Performance of the modification.

Contractor shall make available at its office at all reasonable times the materials described in the paragraphs above.



If this contract is completely or partially terminated, the records relating to the work terminated shall be made available for 3 years after any resulting final termination settlement.

2.805 CHANGES

- (a) The Contract Administrator may, at any time, without notice to the sureties, if any, by written order designated or indicated to be a change order, make changes in the work within the general scope of the contract, including changes:
 - (1) In the specifications (including drawings and designs);
 - (2) In the method or manner of performance of the work;
 - (3) In the Government-furnished facilities, equipment, materials, services, or site; or
 - (4) Directing acceleration in the performance of the work.

- (a) Any other written or oral order (which, as used in this paragraph (b), includes direction, instruction, interpretation, or determination) from the Contract Administrator that causes a change shall be treated as a change order under this clause; Provided, that the Contractor gives the Contract Administrator written notice stating:
 - (1) The date, circumstances, and source of the order; and
 - (2) That the Contractor regards the order as a change order.

- (b) Except as provided in this clause, no order, statement, or conduct of the Contract Administrator shall be treated as a change under this clause or entitle the Contractor to an equitable adjustment.

Appendix 3

ASSUMPTIONS

- Pricing should be based on contractor commencing work on August 30, 2005. See Section 1.104 for payment deliverables.
- The basis of payment for software licenses and maintenance to the Contractor will be unit price.

DEFINITIONS

Software Maintenance - includes annual software maintenance fees; all software updates (bug fixes); patches; and software releases;

User Support –

Critical User Support - Experienced technical support with a toll free number, 24X7X365, with a guaranteed callback response of less than 30 minutes.

Non-Critical User Support – Email support with a guaranteed eight-hour acknowledgement of receipt of issue with an appropriate timeframe for resolution.

The Contractor is required to propose an option for purchase and installation of all software needed to run the vendor's proposed LIMS. The State may accept this option, or purchase the software, other than the vendor's LIMS, through state contracts.

The Contractor is required to propose an option for purchase and installation of the hardware for the new LIMS. The State may accept this option, or purchase the equipment through state contracts.

The Contractor must price server licenses and user licenses. The price must provide the maximum price advantage for the State. The State does not anticipate more than 64 concurrent users with approximately 250 total users.

FIXED PRICE - SUMMARY

Description	Total Amount for 5 years
Schedule A: Deliverable-Based Payment	\$200,000.00
Schedule B: Software	\$400,000.00
Schedule C: Software Maintenance after Warranty	\$400,000.00
Schedule D: User Support	Included
Total	\$1,000,000.00

**STRAIGHT DELIVERABLE-BASED (FIXED PRICE) PAYMENT (Section 1.1.04)
SCHEDULE A**

Section II Description	Amount
Requirements Validation/Project Plans	Included
LIMS Software Delivered, Installation and Configuration in Staging Environment	Included
Testing and Test Results for LIMS Software in Staging Environment	Included
User Training	Included
Acceptance Parallel Testing	Included
Documentation	Included
Installation and Configuration in Production Environment and Eight Regional Labs	Included
Total	\$200,000

**ITEMIZED SOFTWARE – SERVER LICENSE
SCHEDULE B**

Description	Software Cost	Type of Licenses (server, CPU, etc.)	Number of Licenses	Unit Price per License	Total Amount
STARLIMS Enterprise License	\$105,000.00	MDCH BOL	One	\$105,000.00	\$105,000.00
STARLIMS Application Development Toolkit	Included	MDCH BOL	One	Included	Included
STARLIMS Document Management System	Included	MDCH BOL	One	Included	Included
STARLIMS Customer Relationship Manager	Included	MDCH BOL	One	Included	Included
STARLIMS Batch Processor	Included	MDCH BOL	One	Included	Included
STARLIMS Instrument Data Link License	Included	MDCH BOL	Twenty One	Included	Included
MyLIMS Server Application CRM Edition	Included	MDCH BOL	One	Included	Included
NWA Active-X License	Included	MDCH BOL	Five	Included	Included
Orion's Rhapsody Runtime License	Included	MDCH BOL	One	Included	Included

**ITEMIZED SOFTWARE – USER LICENSE
SCHEDULE B**

Description	Software Cost	Type of Licenses (concurrent, seat, named, etc.)	Number of Licenses	Unit Price per License	Total Amount
STARLIMS Site User License	\$295,000.00	MDCH BOL	One	\$295,000.00	\$295,000.00

**SOFTWARE MAINTENANCE (AFTER WARRANTY) (State may elect to do separate procurement)
SCHEDULE C**

Description	Year 1	Year 2	Year 3	Optional Year 4	Optional Year 5	Total Amount
STARLIMS End User License and Support Agreement Gold Level	\$80,000.00	\$80,000.00	\$80,000.00	\$80,000.00	\$80,000.00	\$400,000.00
Total						\$400,000.00

- The vendor must provide the number of releases scheduled per year.
- The vendor must provide the date of the next major release and provide the cost to configure a major release based on historical data.
- All scheduled releases must be delivered to the State BOL within three months of the scheduled release date.

**USER SUPPORT
SCHEDULE D**

Description	Year 1	Year 2	Year 3	Optional Year 4	Optional Year 5	Total Amount
Included in STARLIMS End User License and Support Agreement Gold Level	Included	Included	Included	Included	Included	Included
Total						Included

Appendix 4
Designated Locations
LIS - Michigan Regional Laboratory Contacts and Addresses:

Lansing (Main LIS Support):

Patricia Somsel, Infectious Disease Division (517) 335- 8067
Bill Schneider, Microbiology Lab. (517) 335-9343
Michigan Department of Community Health
Bureau of Laboratories
3350 N. Martin Luther King Jr. Blvd.
Lansing, MI 48906
Fax (517) 335-9631

Dr. Frances Downes, Lab. Director, (517) 335-8067

Michigan Department of Information Technology
(Maintain, Hardware, System software and connectivity)

Information Technologists
Chandler Plaza and Secondary Complex
Lansing, MI

Detroit City Health Department:

Dr. Aloysius Hanson, Director of Laboratories
City of Detroit Department of Health
Laboratory Division
1151 Taylor, Room 150C
Detroit, MI 48202
Ph. (313) 876-4223
Fax (313) 876-4221

Houghton:

Dr. William Sottile
Upper Peninsula Laboratory
Michigan Department of Community Health
1402 E. Sharon Ave, STE 300
Houghton, MI 49931
Ph. (906) 487-3011
Fax (906) 487-3682

Kalamazoo County:

Linda Buzas (Acting Lab Manager)
Kalamazoo County HSD Laboratory
Nazareth Complex, Main Wing
3299 Gull Road
Kalamazoo, MI 49001
Ph. (269) 373-5359
Fax (269) 373-5216

Dr. Jeffrey Massey, Lab. Director (517) 335-8850

Kent County:

Cindy Overkamp
Kent County Health Department Laboratory
700 Fuller Avenue, N.E.
Grand Rapids, MI 49503
Ph. (616) 632-7210
Fax (616) 632-6899

Dr. Frances Downes, Lab. Director (517) 335-8067

Northern Michigan Regional Lab:

Kenneth Terpstra
Northwest MI Community Health Agency
Northern MI Regional Lab
95 Livingston Blvd.
Gaylord, MI 49735
Ph. (989) 732-6878
Fax (989) 732-3285

Oakland County:

Barbara Weberman
Oakland County Health Dept Laboratory
1200 N. Telegraph Rd.
Pontiac, MI 48341-0432
Ph. (248) 858-1310
Fax (248) 975-9629

Saginaw County:

Tammy Theisen
Saginaw County Health Department
Laboratory, Rm. 104
1600 N. Michigan Ave.
Saginaw, MI 48602
Ph. (989) 758-3680
Fax (989) 758-3755

Dr. William Sottile, Lab. Director (906) 487-3011

Appendix 5

ESCROW AGREEMENT FOR SOFTWARE PROGRAM SOURCE CODE AND OTHER MATERIAL

This Escrow Agreement (the "Agreement") is entered into and effective as of 15 JANUARY 2004 (the "Effective Date") by and between Lerner & Greenberg, P.A. (the "Escrow Agent") located at 2445 Hollywood Boulevard, P.O. Box 2480, Hollywood, Florida 33020 and STARLIMS Corporation (the "Supplier") located at 4000 Hollywood Boulevard, Suite 515 South, Hollywood, Florida 33021.

Recitals

WHEREAS, the parties to this Agreement desire to continue their relationship as Escrow Agent and Supplier as set forth in their previous Escrow Agreement for Software Program Source Code and Other Material dated February 25, 1994;

WHEREAS, the Supplier shall continue to have the Escrow Agent store certain materials deposited by it;

WHEREAS, the Escrow Agent shall continue to store certain materials and to make certain materials accessible to licensees that have executed a Participating User Agreement, as specified below;

NOW THEREFORE, for the mutual consideration as set forth in this Agreement, the receipt and adequacy of which is hereby acknowledged by the Escrow Agent and the Supplier, the Escrow Agent and Supplier agree as follows:

1. Explanation and Intent. The foregoing recitals are true and correct and are incorporated herein by reference.
2. Definitions. For purposes of this Agreement, the following definitions shall apply:
 - (a) "Materials". Shall refer to any Material furnished by Supplier to Escrow Agent to be held under this Agreement and any copies of such Materials made by Escrow Agent.
 - (b) "User". Shall refer to a licensee who has executed a Participating User Agreement, attached hereto as Addendum A.
3. Term and Renewal. This Agreement shall commence on the Effective Date and continue for a period of three (3) years and two (2) one year optional years which may be renewed as desired by both parties.
4. Purpose of the Agreement. This Agreement shall continue the existing arrangement under which:
 - (a) Escrow Agent shall store certain Materials deposited with it by the Supplier; and
 - (b) a User shall be able to secure from Escrow Agent access to those Materials enumerated in its User agreement and stored under this Agreement, under the circumstances, and subject to the terms and conditions specified below.
 - (c) Escrow Agent understands (i) that Supplier claims that Material contains information that is trade secrets of itself or another person and (ii) that Material is intended to constitute items useful to persons reasonably skilled in computer technology for providing maintenance support for computer software programs Supplier licensed to its Users, in the event that any of these Users becomes entitled to receive it.
 - (c) From time to time during the Escrow Period, Supplier shall furnish then-current Material to Escrow Agent that is either new Material or in substitution for Material in Escrow Agent's possession, and Supplier, acting through persons identified by code numbers assigned by Escrow Agent by arrangement with Supplier, may remove any Material from Escrow Agent's possession that ceases to be so useful. Escrow Agent is not responsible for enforcing any obligation Supplier may have undertaken with its Users to furnish then-current Material.

(e) Supplier acknowledges that Escrow Agent does not intend, and is not expected, to open any package represented to contain Material, except in the circumstances identified in paragraph 7, below, and hence, is not responsible for determining whether the Material is so useful and has no obligation to enforce Supplier's duties under this Agreement.

(f) Supplier shall retain copies of Material held in Escrow Agent's possession and shall furnish replacements of Material to Escrow Agent promptly after each written request and without charge.

5. Termination of User's Rights. A User shall cease to be entitled to secure copies of Material from Escrow Agent pursuant to the provisions of this Agreement, whenever:

(a) Escrow Agent receives a notice from Supplier that the license agreement between Supplier and User has been terminated. Such notice shall be received in writing pursuant to the terms of paragraph 11(a) of this Agreement.

(b) User either acknowledges to Escrow Agent in writing or fails to notify Escrow Agent that the license agreement has not been terminated within fifteen (15) calendar days after receipt of a copy of the notice to that effect from Supplier to Escrow Agent.

6. Treatment of Material.

(a) Escrow Agent shall not furnish Material to any person other than Supplier, a User soentitled, or another person that is a party to an agreement similar to this Agreement, except pursuant to an arbitration decision or the final order of a court and shall furnish Material only pursuant to the provisions of this Agreement, or to such arbitration decision or court order.

(b) Escrow Agent shall protect Material from transfer to unauthorized persons by the use of the same measures it uses to protect its own documents of equivalent sensitivity from such transfer.

7. Furnishing Material to Users.

(a) Upon receipt of a copy of a fully executed Participating User Agreement accompanied by an affidavit of an officer of the User ("User's Affidavit") stating that Supplier failed, without cause on the User's part to furnish the User with maintenance support to the extent provided for in an applicable license agreement with Supplier or to render other performance under circumstances that entitle the User, as provided for therein, to receive a copy of the Material, Escrow Agent shall send a copy of the User's Affidavit to supplier.

(b) (i) Unless, within fifteen (15) calendar days after Supplier's receipt of that copy (the "Fifteen-day Period"), Escrow Agent receives an affidavit of Supplier or an authorized representative of Supplier ("Supplier's Affidavit") disputing the facts set forth in the User's Affidavit, promptly after the expiration of the Fifteen-day Period, Escrow Agent shall furnish a set of copies of the applicable Material to the User.

(ii) The User shall use, and protect, the Material it so receives in accordance with the provisions of the license agreement between it and Supplier. Escrow Agent shall not be in any way responsible to enforce proper use and protection by the User.

(c) If, during the Fifteen-day Period, Escrow Agent receives the Supplier's Affidavit disputing the User's Affidavit, or setting forth additional facts (for example, the User's breach of a material obligation under its license agreement with Supplier) which, in Supplier's sole judgment, terminate the User's right to receive Material, Escrow Agent shall furnish a copy of the Supplier's Affidavit to the User and shall not furnish copies of Material to the User or of an arbitration decision, or a certified copy of a court order, directing it to do so.

8. Compensation of Escrow Agent. All fees, expenses, and charges of Escrow Agent in connection with the services it performs under the Agreement shall be paid on an annual basis. Escrow Agent shall bill Supplier accordingly.

9. Discharge of Escrow Agent.

(a) Escrow Agent shall be deemed to be discharged in the event that Supplier removes all Material from its premises.

(b) Escrow Agent may resign as such, acting entirely in its discretion, by giving Supplier and all Users at least thirty (30) calendar days prior notice. Subject to the provisions of paragraph 7 above, promptly after that resignation becomes effective, Escrow Agent shall furnish to Supplier all Materials in its possession.

(c) Whenever Escrow Agent ceases to be such, it shall send a notice to that effect promptly to all Users.

10. Indemnity and Liability of Escrow Agent.

(a) Supplier shall indemnify Escrow Agent for, and hold it harmless against, any loss, cost, or expense incurred or suffered in connection with, or as a result of, serving as the escrow agent, except any suffered as a result of Escrow Agent's willful misconduct or gross negligence.

(b) Escrow Agent shall not be liable to Supplier, any User, or any other person for any harm that results from any act or omission of Escrow Agent in connection with its serving as Escrow Agent, except in the case of Escrow Agent's willful misconduct or gross negligence. Without derogating from the preceding sentence, Escrow Agent may act in reliance upon any instruction, or signature believed to be genuine and may assume that any person who purports to give any writing, notice, request, advice, or instruction in connection with this Agreement has been authorized to do so, and Escrow Agent may act upon advice of counsel with respect to any questions that arise under this Agreement.

11. Miscellaneous.

(a) Notices. All notices hereunder shall be effective if delivered personally or sent by electronic mail, or certified mail, postage prepaid, to the addresses appearing below each party's name at the end of the Agreement or as set forth in a written change of address delivered to the other party.

(b) Non-Waiver. No delay or failure by either party to exercise any right under this Agreement, and no partial or single exercise of that right, shall constitute a waiver of that or any other right, unless otherwise expressly provided herein.

(c) Authority to Enter Agreement. The parties, and/or their representatives, signing this Agreement hereby acknowledge and represent that they have full authority to sign, and enter into, this Agreement.

(d) Assignment. This Agreement shall not be assigned by either party without the written consent of the other party; such consent shall not be unreasonably withheld.

(e) Entire Agreement; Modification. This Agreement sets forth the entire agreement and understanding between the parties and supersedes all prior agreements and/or understandings. This Agreement cannot be amended, modified or changed except by a written instrument signed by both parties.

(f) Governing Law and Venue. This Agreement shall be interpreted under the laws of the State of Florida without reference to Florida's conflict of law provisions. Any disputes arising out of, or in any way resulting from, this Agreement shall be resolved through binding arbitration filed in Broward County in accordance with the rules and regulations of the American Arbitration Association. The non-prevailing party in any dispute arising out of and/or related to this Agreement shall be responsible for the reasonable attorney's fees of the prevailing party.

(g) Severability. If any part, provision, covenant or condition of this Agreement is held to be invalid, illegal, void or enforceable in any respect such invalidity, illegality, voidness or unenforceability will not affect any other part of this Agreement, and this Agreement shall be construed as if such invalid, illegal, void or unenforceable part, provision, covenant or condition had never been contained herein.

IN WITNESS WHEREOF, the parties have duly executed this Agreement in duplicate originals as of the indicated date and year above.

STARLIMS Lerner & Greenberg, P.A.
Corporation Patent Attorneys and Attorneys At Law
4000 Hollywood Blvd. Mailing Address:
Suite 515 South Post Office Box 2480
Hollywood, Florida, 33021 Hollywood, FL 33022-2480

By:
Title:
Date:

By:
Title:
Date:

ADDENDUM A
PARTICIPATING USER AGREEMENT

The undersigned ("User") acknowledges and agrees as follows:

1. User acknowledges that it has received a copy of the Escrow Agreement for Software Program Source Code and Other Material ("the Agreement") entered into on January 15th, 2004, between Lerner & Greenberg, P.A. ("Escrow Agent") and STARLIMS Corporation ("Supplier"); that it has read the Agreement; and that it agrees to be bound by and comply with all the terms and conditions of that Agreement, as applicable, as if it were a party to it.

2. The Material to which User can have access, pursuant to the Agreement, is the following:
StarLIMS V.9.X Source Code

3. User expressly acknowledges and agrees that Escrow Agent shall not be liable to it for any harm that results from any act or omission of Escrow Agent in connection with its function as Escrow Agent, except in the event of Escrow Agent's willful misconduct or gross negligence as defined under the laws of the state of Florida.

User's COMPANY NAME

By: _____

Title: _____

Date: _____

Signature

USER SIGNS

HERE