

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

August 30, 2013

CHANGE NOTICE NO. 68
 to
CONTRACT NO. 071B6000116
 between
THE STATE OF MICHIGAN
 and

| NAME & ADDRESS OF CONTRACTOR: | PRIMARY CONTACT | EMAIL |
|---|-----------------|-------------------------|
| IBM Global Services P.O. Box 5050, 11th Floor Southfield, MI 48086-5050 | Marian Murphy | mmurphym@us.ibm.com |
| | TELEPHONE | CONTRACTOR #, MAIL CODE |
| | (248) 376-8259 | |

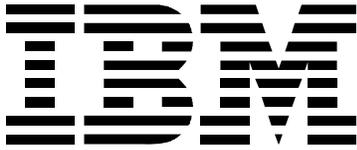
| STATE CONTACTS | AGENCY | NAME | PHONE | EMAIL |
|-------------------------------|--------|----------------|----------------|-----------------------|
| CONTRACT COMPLIANCE INSPECTOR | DTMB | Robert Padgett | (517) 241-0257 | padgettr@michigan.gov |
| BUYER | DTMB | Steve Motz | (517) 241-3215 | MotzS@michigan.gov |

| CONTRACT SUMMARY: | | | |
|---|-------------------------|---------------------------|---|
| DESCRIPTION: Bureau of Workers & Unemployment Compensation Mainframe Operations Contract | | | |
| INITIAL EFFECTIVE DATE | INITIAL EXPIRATION DATE | INITIAL AVAILABLE OPTIONS | EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW |
| 10/20/1995 | 9/30/2005 | 2, 1 Yr. Options | 9/30/2013 |
| PAYMENT TERMS | F.O.B | SHIPPED | SHIPPED FROM |
| Net 30 Days | Delivered/Installed | As Required | N/A |
| ALTERNATE PAYMENT OPTIONS: | | | AVAILABLE TO MiDEAL PARTICIPANTS |
| <input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other | | | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| MINIMUM DELIVERY REQUIREMENTS: | | | |
| N/A | | | |

| DESCRIPTION OF CHANGE NOTICE: | | | | |
|---|----------------------------------|---|----------------------------|------------------------------|
| EXTEND CONTRACT EXPIRATION DATE | EXERCISE CONTRACT OPTION YEAR(S) | EXTENSION BEYOND CONTRACT OPTION YEARS | LENGTH OF OPTION/EXTENSION | EXPIRATION DATE AFTER CHANGE |
| <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> | <input checked="" type="checkbox"/> | 6 Months | 3/31/2014 |
| VALUE/COST OF CHANGE NOTICE: | | ESTIMATED REVISED AGGREGATE CONTRACT VALUE: | | |
| \$4,500,000.00 | | \$154,490,777.35 | | |

Effective immediately this contract is INCREASED by \$4,500,000.00 and EXTENDED six months until 3/31/2014 as described in the attached Change Authorization Order No. 174. Per Administrative Board approval on 7/23/2013. Please Note: the Buyer is changed to Steve Motz.

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



IBM Global Services
12th Floor – Suite 100
3024 W. Grand Blvd.
Detroit, MI 48202
313-456-2989

August 26, 2013

Mr. John Walker
Service Delivery Director for DLEG, Detroit
State of Michigan – DIT
12th Floor – Suite 100
3024 W. Grand Blvd.
Detroit, Michigan 48202

Dear John,

This letter extends the approval date for the MMO Contract Change Authorization Order No. 174 (dated May 15, 2013) from August 13, 2013 to September 13, 2013.

Sincerely,

Michael D. Nelson
IBM Project Executive

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

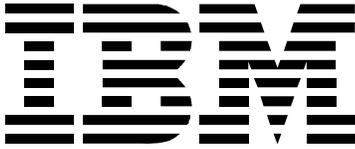
CHANGE NOTICE NO. 67
 to
CONTRACT NO. 071B600116
 between
THE STATE OF MICHIGAN
 and

| NAME & ADDRESS OF CONTRACTOR: | PRIMARY CONTACT | EMAIL |
|---|-----------------|--|
| IBM Global Services P.O. Box 5050, 11 th Floor Southfield, MI 48086-5050 | Denise Hamilton | Dhamilt2@us.ibm.com |
| | TELEPHONE | CONTRACTOR #, MAIL CODE |
| | (248) 522-4661 | |

| STATE CONTACTS | AGENCY | NAME | PHONE | EMAIL |
|-------------------------------|--------|----------------|----------------|--|
| CONTRACT COMPLIANCE INSPECTOR | DTMB | Robert Padgett | (517) 241-0257 | padgettr@michigan.gov |
| BUYER | DTMB | Mark Lawrence | (517) 241-1640 | lawrencem1@michigan.gov |

| CONTRACT SUMMARY: | | | |
|---|-------------------------|---------------------------|---|
| DESCRIPTION: Bureau of Workers & Unemployment Compensation Mainframe Operations Contract | | | |
| INITIAL EFFECTIVE DATE | INITIAL EXPIRATION DATE | INITIAL AVAILABLE OPTIONS | EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW |
| October 20,1995 | September 30, 2005 | 2, 1 Yr. Options | September 30, 2012 |
| PAYMENT TERMS | F.O.B | SHIPPED | SHIPPED FROM |
| Net 30 Days | Delivered/Installed | As Required | N/A |
| ALTERNATE PAYMENT OPTIONS: | | | AVAILABLE TO MiDEAL PARTICIPANTS |
| <input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other | | | <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No |
| MINIMUM DELIVERY REQUIREMENTS: | | | |
| N/A | | | |

| DESCRIPTION OF CHANGE NOTICE: | | | | |
|--|-------------------------------------|---|----------------------------|------------------------------|
| EXTEND CONTRACT EXPIRATION DATE | EXERCISE CONTRACT OPTION YEAR(S) | EXTENSION BEYOND CONTRACT OPTION YEARS | LENGTH OF OPTION/EXTENSION | EXPIRATION DATE AFTER CHANGE |
| <input type="checkbox"/> No <input checked="" type="checkbox"/> Yes | <input checked="" type="checkbox"/> | <input type="checkbox"/> | 1 Yr. | September 30, 2013 |
| VALUE/COST OF CHANGE NOTICE: | | ESTIMATED REVISED AGGREGATE CONTRACT VALUE: | | |
| \$10,000,000.00 | | \$149,990,777.35 | | |
| Effective immediately, this contract is hereby INCREASED by \$10,000,000.00 and EXTENDED to September 30, 2013. The attached modifications in the attached Change Authorization Order (CAO) #172 are incorporated into this contract with no other changes in pricing, terms, specifications, or conditions. | | | | |
| Per vendor agreement, DTMB Procurement approval, and State Administrative Board approval dated September 27, 2012. | | | | |



IBM Global Services
12th Floor – Suite 100
3024 W. Grand Blvd.
Detroit, MI 48202
313-456-2989

July 18, 2012

Mr. John Walker
Service Delivery Director for DLEG, Detroit
State of Michigan – DIT
12th Floor – Suite 100
3024 W. Grand Blvd.
Detroit, Michigan 48202

Dear John,

IBM Global Services is pleased to provide the attached Change Authorization Order No. 172, in response to the State of Michigan Unemployment Insurance Agency's request to extend the services provided under the State of Michigan Unemployment Agency Mainframe Operations Contract (MMO Contract) between the State of Michigan and IBM Global Services dated October 18, 1995. By this Change Order, the State and IBM agree to the second optional one-year contract extension specified in Change Order 146.

This Change Order will be effective October 1, 2012 and will extend the MMO Contract from October 1, 2012 through September 30, 2013. There will not be changes in the current scope of services being performed under the MMO Contract. During this extension period, the State will pay IBM Global Services for Computing Capacity Usage Charges (CPU-Prime, CPU-Non Prime, DASD and Tape) according to the rates specified in Change Order 146. The State will also pay IBM Global Services for services performed under Attachments A through H according to the rates specified in Change Order 146. Total estimated charges are \$10,000,000.00, based on normal usage of CPU, DASD, and Tape Mounts.

This Change Authorization Order is open for 60 days, unless a written extension of time is provided by IBM.

Sincerely,

Michael D. Nelson
IBM Project Executive

Attachment: Change Authorization Order No. 172

CHANGE AUTHORIZATION ORDER FORM

Change Authorization Order for the MMO Contract

Contract Number 071B6000116

Change Authorization Order Number 172

I. Effect on Contract

This Change Authorization Order (“Order”) is subject to all terms and conditions of the State of Michigan Unemployment Agency Mainframe Operations (the “MMO”) Contract (the “Contract”) between the State of Michigan and IBM Global Services dated October 18, 1995, and is issued in accordance with Section 2, Subsection 30 of the Contract. Except as expressly specified in this Order, all terms and conditions of the Contract shall remain in full force and effect upon execution of this Order. This Order is not valid until it is executed in accordance with Section 2, Subsection 30 of the Contract. In the event of any inconsistency or ambiguity between the terms and conditions of this Order and the terms and conditions of the Contract, the terms and conditions of this Order shall control.

II. Description of Change

This change order executes the second optional one-year extension of the Contract specified in Change Order 146. IBM Global Services will extend the services, as specified in the Contract and Change Order 146, for the period of October 1, 2012 through September 30, 2013.

During this extension period, the State will pay IBM Global Services for Computing Capacity Usage Charges (CPU-Prime, CPU-Non Prime, DASD and Tape) according to the rates specified in Change Order 146. The State will also pay IBM Global Services for services performed under Attachments A through H according to the rates specified in Change Order 146. Total estimated charges are \$10,000,000.00, based on normal usage of CPU, DASD, and Tape Mounts.

IBM shall have fulfilled its obligation pursuant to this Change Order when any of the following first occurs: (1) the date of October 1, 2013 has been reached, or (2) this Change Order is terminated in accordance with the terms of the Contract.

III. State Authorization

Check One:

X This order shall be performed for the benefit of the State of Michigan – Unemployment Insurance Agency (“UIA”) and is not valid until signed by the authorized representatives of UIA, the Contract Administrator and the Acquisition Services Director.

 This order shall be performed for the benefit of **** AGENCY NAME GOES HERE **** (the “Authorizing Agency”) and all amounts to be paid to IBM Global Services pursuant to this order shall be paid solely from funds available to the Authorizing Agency. IBM Global Services hereby acknowledges that the Authorizing Agency is a Party to the Contract solely with respect to this Order and shall have the right to enforce the terms and conditions of this Order and the Contract (insofar as they apply to this Order) in its own name directly against IBM Global Services. This order is not valid until signed by an authorized representative of the authorizing agency, the Contract Administrator, and by the Acquisition Services Director.

**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 30, 2011

**CHANGE NOTICE NO. 66
 TO
 CONTRACT NO. 071B6000116
 between
 THE STATE OF MICHIGAN
 and**

| | | |
|---|---------------------|---|
| NAME & ADDRESS OF VENDOR IBM Global Services P. O. Box 5050, 11th Floor Southfield, MI 48086-5050 dhamilt2@us.ibm.com | | TELEPHONE : Denise Hamilton (248) 522-4661 |
| | | VENDOR NUMBER |
| | | BUYER/CA (517) 241-3215 Steve Motz |
| Contract Compliance Inspector: Robert Padgett Bureau of Workers & Unemployment Compensation Mainframe Operations Contract | | |
| CONTRACT PERIOD | | From: October 20, 1995 |
| | | To: September 30, 2012 |
| TERMS | SHIPMENT | |
| Net 30 Days | As Required | |
| F.O.B. | SHIPPED FROM | |
| Delivered/Installed | N/A | |
| MINIMUM DELIVERY REQUIREMENTS N/A | | |

NATURE OF CHANGE (S):

Effective immediately, this contract is hereby INCREASED by \$10,000,000.00 and EXTENDED to 9/30/2012. The attached modifications in the attached Change Authorization Order (CAO) #160 are incorporated into this contract with no other changes in pricing, terms or conditions.

AUTHORITY/REASON:

Per Administrative Board Approval on 9/30/2011.

INCREASE: \$10,000,000.00

TOTAL REVISED ESTIMATED CONTRACT VALUE: \$139,990,777.35



IBM Global Services
12th Floor – Suite 100
3024 W. Grand Blvd.
Detroit, MI 48202
313-456-2989

August 3, 2011

Mr. John Walker
Service Delivery Director for DLEG, Detroit
State of Michigan – DIT
12th Floor – Suite 100
3024 W. Grand Blvd.
Detroit, Michigan 48202

Dear John,

IBM Global Services is pleased to provide the attached Change Authorization Order No. 160, in response to the State of Michigan Unemployment Insurance Agency's request to extend the services provided under the State of Michigan Unemployment Agency Mainframe Operations Contract (MMO Contract) between the State of Michigan and IBM Global Services dated October 18, 1995. By this Change Order, the State and IBM agree to the first optional one-year contract extension specified in Change Order 146.

This Change Order will be effective October 1, 2011 and will extend the MMO Contract from October 1, 2011 through September 30, 2012. There will not be changes in the current scope of services being performed under the MMO Contract. During this extension period, the State will pay IBM Global Services for Computing Capacity Usage Charges (CPU-Prime, CPU-Non Prime, DASD and Tape) according to the rates specified in Change Order 146. The State will also pay IBM Global Services for services performed under Attachments A through H according to the rates specified in Change Order 146. Total estimated charges are \$10,000,000.00, based on normal usage of CPU, DASD, and Tape Mounts.

This Change Authorization Order is open for 60 days, unless a written extension of time is provided by IBM.

Sincerely,

A handwritten signature in black ink, appearing to read 'Michael D. Nelson', written in a cursive style.

Michael D. Nelson
IBM Project Executive

Attachment: Change Authorization Order No. 160

CHANGE AUTHORIZATION ORDER FORM

Change Authorization Order for the MMO Contract

Contract Number 071B6000116

Change Authorization Order Number 160

I. Effect on Contract

This Change Authorization Order ("Order") is subject to all terms and conditions of the State of Michigan Unemployment Agency Mainframe Operations (the "MMO") Contract (the "Contract") between the State of Michigan and IBM Global Services dated October 18, 1995, and is issued in accordance with Section 2, Subsection 30 of the Contract. Except as expressly specified in this Order, all terms and conditions of the Contract shall remain in full force and effect upon execution of this Order. This Order is not valid until it is executed in accordance with Section 2, Subsection 30 of the Contract. In the event of any inconsistency or ambiguity between the terms and conditions of this Order and the terms and conditions of the Contract, the terms and conditions of this Order shall control.

II. Description of Change

This change order executes the first optional one-year extension of the Contract specified in Change Order 146. IBM Global Services will extend the services, as specified in the Contract and Change Order 146, for the period of October 1, 2011 through September 30, 2012.

During this extension period, the State will pay IBM Global Services for Computing Capacity Usage Charges (CPU-Prime, CPU-Non Prime, DASD and Tape) according to the rates specified in Change Order 146. The State will also pay IBM Global Services for services performed under Attachments A through H according to the rates specified in Change Order 146. Total estimated charges are \$10,000,000.00, based on normal usage of CPU, DASD, and Tape Mounts.

IBM shall have fulfilled its obligation pursuant to this Change Order when any of the following first occurs: (1) the date of October 1, 2012 has been reached, or (2) this Change Order is terminated in accordance with the terms of the Contract.

III. State Authorization

Check One:

X This order shall be performed for the benefit of the State of Michigan – Unemployment Insurance Agency (“UIA”) and is not valid until signed by the authorized representatives of UIA, the Contract Administrator and the Acquisition Services Director.

_____ This order shall be performed for the benefit of ***** AGENCY NAME GOES HERE ***** (the “Authorizing Agency”) and all amounts to be paid to IBM Global Services pursuant to this order shall be paid solely from funds available to the Authorizing Agency. IBM Global Services hereby acknowledges that the Authorizing Agency is a Party to the Contract solely with respect to this Order and shall have the right to enforce the terms and conditions of this Order and the Contract (insofar as they apply to this Order) in its own name directly against IBM Global Services. This order is not valid until signed by an authorized representative of the authorizing agency, the Contract Administrator, and by the Acquisition Services Director.

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

March 18, 2009

**CHANGE NOTICE NO. 64
 TO
 CONTRACT NO. 071B6000116
 between
 THE STATE OF MICHIGAN
 and**

| | | |
|---|---------------------|---|
| NAME & ADDRESS OF VENDOR IBM Global Services P. O. Box 5050, 11th Floor Southfield, MI 48086-5050 dhamilt2@us.ibm.com | | TELEPHONE : Denise Hamilton (248) 522-4661 |
| | | VENDOR NUMBER |
| | | BUYER/CA (517) 241-3215 Steve Motz |
| Contract Compliance Inspector: Robert Padgett Bureau of Workers & Unemployment Compensation Mainframe Operations Contract | | |
| CONTRACT PERIOD | | From: October 20, 1995 |
| | | To: September 30, 2011 |
| TERMS | SHIPMENT | |
| Net 30 Days | As Required | |
| F.O.B. | SHIPPED FROM | |
| Delivered/Installed | N/A | |
| MINIMUM DELIVERY REQUIREMENTS N/A | | |

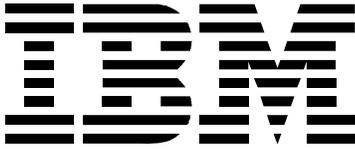
NATURE OF CHANGE (S):

Effective immediately, the contract incorporates the attached IBM Change Authorization Order's (CAO) No. 150, and No. 151. All other pricing, specifications, terms and conditions remain the same.

AUTHORITY/REASON:

Per attached Change Authorization Order's.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$122,622,603.35



IBM Global Services
12th Floor – Suite 100
3024 W. Grand Blvd.
Detroit, MI 48202
313-456-2989

January 23, 2009

Ms. Debra Patterson
Service Delivery Director for DLEG, Detroit
State of Michigan – DIT
12th Floor – Suite 100
3024 W. Grand Blvd.
Detroit, MI 48202

Dear Deb,

IBM Global Services is providing the attached Change Authorization Order No. 150 for the one-time charges associated with upgrading the installed software licenses for Compuware, PKZip, ChicagoSoft, and Princeton SofTech.

Due to the increased volume of transactions, the IBM mainframe processor required an expedited upgrade from 170 MIPS to 212 MIPS. The processor upgrade to 212 MIPS invoked one-time software upgrade charges. Those charges are:

| <u>Software</u> | <u>One-Time Charge</u> |
|-------------------|------------------------|
| Compuware | \$121,171 |
| PKZip | \$2,984 |
| Chicagosoft | \$6,249 |
| Princeton SofTech | \$3,024 |
| Total | \$133,428 |

This Change Authorization Order is open for your approval for 60 days unless a written extension of time is provided by IBM.

Sincerely,

Michael D. Nelson
IBM Project Executive

Attachment: Change Authorization Order No. 150

CHANGE AUTHORIZATION ORDER FORM

Change Authorization Order for the MMO Contract

Contract Number 071B6000116

Change Authorization Order Number 150

I. Effect on Contract

This Change authorization order (the "Order") is subject to all terms and conditions of the State of Michigan Unemployment Agency Mainframe Operations (the "MMO") Contract (the "Contract") between the State of Michigan and IBM Global Services dated October 18, 1995, and is issued in accordance with Section 2, Subsection 30 of the Contract. Except as expressly specified in this Order, all terms and conditions of the Contract shall remain in full force and effect upon execution of this Order. This Order is not valid until it is executed in accordance with Section 2, Subsection 30 of the Contract. In the event of any inconsistency or ambiguity between the terms and conditions of this Order and the terms and conditions of the Contract, the terms and conditions of this Order shall control.

II. Description of Change

A. Scope

Due to the increased volume of transactions, the IBM mainframe processor required an expedited upgrade from 170 MIPS to 212 MIPS. In accordance with the Contract, the State of Michigan is responsible for the software license charges of the Compuware, PKZip, Chicagosoft, and Princeton SofTech products in use. The processor upgrade to 212 MIPS invoked one-time upgrade charges and increased yearly maintenance charges.

This Change Order is for the one-time upgrade charges. The increased yearly maintenance charges will be addressed in separate Change Order(s), when the renewals take effect

B. Charges

The total one-time software upgrade charges associated with this Change Order is \$133,428.00. The Unemployment Insurance Agency will be billed for this charge by the (10th) day of the month following approval of this Change Authorization Order.

C. Completion Criteria

The upgrade as specified in this Change Order was implemented by IBM on January 9, 2009. As of that date, IBM had completed its obligations pursuant to the Agreement and this Change Order; subject to IBM's continuing obligations to provide the Services for the remainder of the term of the Agreement.

III. State Authorization

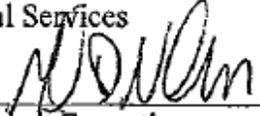
Check One:

This order shall be performed for the benefit of the State of Michigan – Unemployment Insurance Agency ("UIA") and is not valid until signed by the authorized representatives of UIA, the Contract Administrator, and the Acquisition Services Director.

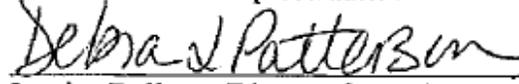
This order shall be performed for the benefit of **** AGENCY NAME GOES HERE **** (the "Authorizing Agency") and all amounts to be paid to IBM Global Services pursuant to this order shall be paid solely from funds available to the Authorizing Agency. IBM Global Services hereby acknowledges that the Authorizing Agency is a Party to the Contract solely with respect to this Order and shall have the right to enforce the terms and conditions of this Order and the Contract (insofar as they apply to this Order) in its own name directly against IBM Global Services. This order is not valid until signed by an authorized representative of the authorizing agency, the Contract Administrator, and by the Acquisition Services Director.

IV. Signature

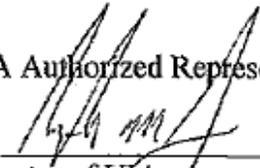
IBM Global Services

By: 
Title: Project Executive
Date: 1/23/09

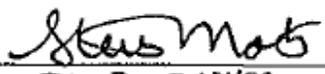
SOM – DIT Authorized Representative

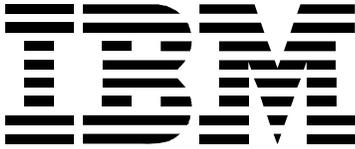
By: 
Title: Service Delivery Director for DLEG, Detroit State of Michigan – DIT
Date: 1/23/2009

SOM – UIA Authorized Representative

By: 
Title: Director of UIA
Date: 2/10/09

Department of Management and Budget (Acquisition Services)

By: 
Title: DMB, BUYER
Date: 3.17.09



IBM Global Services
12th Floor – Suite 100
3024 W. Grand Blvd.
Detroit, MI 48202
313-456-2989

January 23, 2009

Ms. Debra Patterson
Service Delivery Director for DLEG, Detroit
State of Michigan – DIT
12th Floor – Suite 100
3024 W. Grand Blvd.
Detroit, MI 48202

Dear Deb,

IBM Global Services is providing the attached Change Authorization Order No. 15 1 in response to the State of Michigan Unemployment Insurance Agency's request for installation and support of the Secure File Transfer Protocol (SFTP) software client in the mainframe Development and Production LPARs.

This Change Order provides up to 72 hours of steady state support for the SFTP client software.

This Change Order is effective March 1, 2009 and expires with the current MMO contract on September 30, 2011.

The charges associated with this Change Order will be \$15,024.00.

This Change Authorization Order is open for your approval for 60 days unless a written extension of time is provided by IBM.

Sincerely,

A handwritten signature in black ink, appearing to read 'Michael D. Nelson'.

Michael D. Nelson
IBM Project Executive

Attachment: Change Authorization Order No. 151

CHANGE AUTHORIZATION ORDER FORM

Change Authorization Order for the MMO Contract

Contract Number 071B6000116

Change Authorization Order Number 151

I. Effect on Contract

This Change authorization order (the "Order") is subject to all terms and conditions of the State of Michigan Unemployment Agency Mainframe Operations (the "MMO") Contract (the "Contract") between the State of Michigan and IBM Global Services dated October 18, 1995, and is issued in accordance with Section 2, Subsection 30 of the Contract. Except as expressly specified in this Order, all terms and conditions of the Contract shall remain in full force and effect upon execution of this Order. This Order is not valid until it is executed in accordance with Section 2, Subsection 30 of the Contract. In the event of any inconsistency or ambiguity between the terms and conditions of this Order and the terms and conditions of the Contract, the terms and conditions of this Order shall control.

II. Description of Change

IBM currently provides TCPIIP support for the State of Michigan UIA mainframe.

The Secure File Transfer Protocol (SFTP - SSH Version) client software will be installed on the State of Michigan UIA mainframe LPARs (Development and Production) to allow secure file transfers.

The SFTP client will be installed, tested, and supported on two (2) State of Michigan UIA mainframe LPARs (Production and Development).

Support is limited to the SFTP client software running on the mainframe and does not imply end user support or further automation.

A. IBM Responsibilities

IBM will:

- Install and test SFTP client software to allow secure file transfers.
- Update GSD33 1 documentation to include SFTP.
- Provide sample Job Control Language (JCL).
- Request SFTP ports be opened on customer managed firewalls.
- Provide health checking per GSD331.
- Provide up to 72 hours of steady state support for the SFTP client through September 30,2011.

B. UIA Responsibilities

UIA will provide a technical resource as a focal point to implement and test SFTP. The focal point will be available during regular business hours and change management windows.

UIA will ensure all firewall ports are open to support SFTP

UIA is responsible for any CPU, DASD, or Tape usage charges that result from the execution of the SFTP software.

C. Deliverables

By implementation of this Change Order, IBM Global Services will provide the services described in Section II.A, above.

D. Charges

IBM Global Services will invoice UIA, a one-time charge of \$15,024.00.

E. Schedule

This Change Order is effective March 1, 2009 through September 30, 2011.

F. Completion Criteria

IBM shall have fulfilled its responsibilities under this Change Authorization Order when any one of the following first occurs:

- (1) Upon reaching the end date of September 30, 2011, or (2) UIA terminates this Change Order in accordance with the provisions of the Contract.

III. State Authorization

Check One:

This order shall be performed for the benefit of the State of Michigan – Unemployment Insurance Agency (“UIA”) and is not valid until signed by the authorized representatives of UIA, the Contract Administrator, and the Acquisition Services Director.

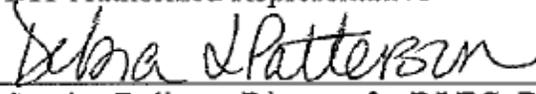
This order shall be performed for the benefit of **** AGENCY NAME GOES HERE **** (the “Authorizing Agency”) and all amounts to be paid to IBM Global Services pursuant to this order shall be paid solely from funds available to the Authorizing Agency. IBM Global Services hereby acknowledges that the Authorizing Agency is a Party to the Contract solely with respect to this Order and shall have the right to enforce the terms and conditions of this Order and the Contract (insofar as they apply to this Order) in its own name directly against IBM Global Services. This order is not valid until signed by an authorized representative of the authorizing agency, the Contract Administrator, and by the Acquisition Services Director.

IV. Signature

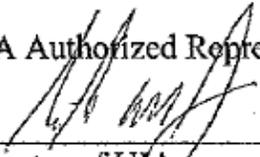
IBM Global Services

By: 
Title: Project Executive
Date: 1/23/09

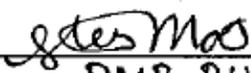
SOM – DIT Authorized Representative

By: 
Title: Service Delivery Director for DLEG, Detroit
State of Michigan – DIT
Date: 1/23/2009

SOM – UIA Authorized Representative

By: 
Title: Director of UIA
Date: 2/10/09

Department of Management and Budget (Acquisition Services)

By: 
Title: DMB BUYER
Date: 3-17-09

**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 6, 2008

**CHANGE NOTICE NO. 63
 TO
 CONTRACT NO. 071B6000116
 between
 THE STATE OF MICHIGAN
 and**

| | |
|--|--|
| NAME & ADDRESS OF VENDOR IBM Global Services P. O. Box 5050, 11th Floor Southfield, MI 48086-5050 dhamilt2@us.ibm.com | TELEPHONE : Denise Hamilton (248) 522-4661 |
| | VENDOR NUMBER |
| | BUYER/CA (517) 241-3215 Steve Motz |
| Contract Compliance Inspector: Robert Padgett Bureau of Workers & Unemployment Compensation Mainframe Operations Contract | |
| CONTRACT PERIOD From: October 20, 1995 To: September 30, 2011 | |
| TERMS Net 30 Days | SHIPMENT As Required |
| F.O.B. Delivered/Installed | SHIPPED FROM N/A |
| MINIMUM DELIVERY REQUIREMENTS N/A | |

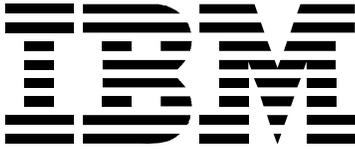
NATURE OF CHANGE (S):

Effective immediately, the contract incorporates the attached IBM Change Authorization Order's (CAO) No.147, No.148, and No.149B. All other pricing, specifications, terms and conditions remain the same.

AUTHORITY/REASON:

Per attached Change Authorization Order's.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$122,622,603.35



IBM Global Services
12th Floor – Suite 100
3024 W. Grand Blvd.
Detroit, MI 48202
313-456-2989

August 26, 2008

Ms. Debra Patterson
Service Delivery Director for DLEG, Detroit
State of Michigan – DIT
12th Floor – Suite 100
3024 W. Grand Blvd.
Detroit, MI 48202

Dear Deb,

IBM Global Services is providing the attached Change Authorization Order No. 147 in response to the State of Michigan Unemployment Insurance Agency's request for additional 3490E tape cartridges. These tape cartridges will be utilized by IBM Tape Operations, in Boulder, for tape processing that was previously performed at the UIA Warehouse. The removal of the CNT services between IBM Boulder and the UIA Warehouse in Detroit, MI (Change Order 144) generated the need for additional tape processing at IBM Boulder.

This Change Order provides 2,820 new 3490E tape cartridges to be processed at IBM Boulder. IBM estimates this number of tapes will meet the tape processing needs through September 30, 2009.

The charges associated with this Change Order are \$24,123.75.

This Change Authorization Order is open for your approval for 60 days unless a written extension of time is provided by IBM.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Michael D. Nelson'.

Michael D. Nelson
IBM Project Executive

Attachment: Change Authorization Order No. 147

CHANGE AUTHORIZATION ORDER FORM

Change Authorization Order for the MMO Contract

Contract Number 071B6000116

Change Authorization Order Number 147

I. Effect on Contract

This Change authorization order (the "Order") is subject to all terms and conditions of the Michigan Employment Security Commission Mainframe Operations (the "MMO") Contract (the "Contract") between the State of Michigan and IBM Global Services dated October 18, 1995, and is issued in accordance with Section 2, Subsection 30 of the Contract. Except as expressly specified in this Order, all terms and conditions of the Contract shall remain in full force and effect upon execution of this Order. This Order is not valid until it is executed in accordance with Section 2, Subsection 30 of the Contract. In the event of any inconsistency or ambiguity between the terms and conditions of this Order and the terms and conditions of the Contract, the terms and conditions of this Order shall control.

II. Description of Change

A. Scope

This Change Authorization Order No. 147 provides 2,820 new 3490E tape cartridges to be processed at IBM Boulder.

These tape cartridges will be utilized by IBM Tape Operations, in Boulder, for tape processing that was previously performed at the UIA Warehouse. The removal of the CNT services between IBM Boulder and the UIA Warehouse in Detroit, MI (Change Order 144) generated the need for additional tape processing at IBM Boulder.

B. Schedule

IBM estimates this number of tapes will meet the tape processing needs through September 30, 2009.

C. Charges

The charge for the 2,820 3490E tapes is \$24,123.75. The Unemployment Insurance Agency will be billed for this charge by the (10th) day of the month following approval of this Change Authorization Order.

D. Completion Criteria

IBM shall have fulfilled its responsibilities under this Change Authorization Order when any one of the following first occurs:

(1) Upon reaching the end date of September 30, 2009, or (2) the 2,820 3490E tapes are consumed via tape processing, or (3) UIA terminates this Change Authorization Order in accordance with the provisions of the Contract.

III. State Authorization

Check One:

This order shall be performed for the benefit of the State of Michigan – Unemployment Insurance Agency ("UIA") and is not valid until signed by the authorized representatives of UIA, the Contract Administrator, and the Acquisition Services Director.

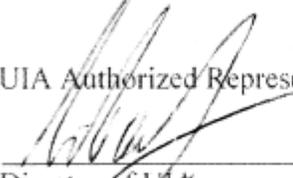
This order shall be performed for the benefit of **** AGENCY NAME GOES HERE **** (the "Authorizing Agency") and all amounts to be paid to IBM Global Services pursuant to this order shall be paid solely from funds available to the Authorizing Agency. IBM Global Services hereby acknowledges that the Authorizing Agency is a Party to the Contract solely with respect to this Order and shall have the right to enforce the terms and conditions of this Order and the Contract (insofar as they apply to this Order) in its own name directly against IBM Global Services. This order is not valid until signed by an authorized representative of the authorizing agency, the Contract Administrator, and by the Acquisition Services Director.

IV. Signature

IBM Global Services

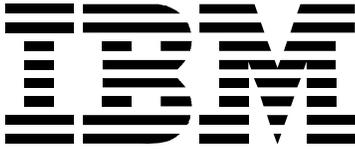
By: 
Title: Project Executive
Date: 8/26/08

SOM – DIT Authorized Representative
By: 
Title: Service Delivery Director for DLEG, Detroit
State of Michigan – DIT
Date: 9.24.2008

SOM – UIA Authorized Representative
By: 
Title: Director of UIA
Date: 10/17/08

Department of Management and Budget (Acquisition Services)

By:  Steve Motz
Title: 2008.10.31
Date: 15:48:43 -04'00'



IBM Global Services
12th Floor – Suite 100
3024 W. Grand Blvd.
Detroit, MI 48202
313-456-2989

August 26, 2008

Ms. Debra Patterson
Service Delivery Director for DLEG, Detroit
State of Michigan – DIT
12th Floor – Suite 100
3024 W. Grand Blvd.
Detroit, Michigan 48202

Dear Deb,

IBM Global Services is providing the attached Change Authorization Order No. 148 in response to the State of Michigan Unemployment Insurance Agency's request to extend PKWARE's PKZIP annual software maintenance, as previously provided for under Change Authorization Order No. 141.

This Change Order will extend the maintenance for the PKZIP software from October 1, 2008 through September 30, 2009. Subject to revised pricing and associated charges, the maintenance may be extended for two additional one-year periods from October 1, 2009 through September 30, 2010 and October 1, 2010 through September 30, 2011.

The charges associated with this Change Order will be \$4,049.74, for maintenance through September 30, 2009.

This Change Authorization Order is open for your approval for 60 days unless a written extension of time is provided by IBM.

Please do not hesitate to contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Michael D. Nelson'.

Michael D. Nelson
IBM Project Executive

Attachment: Change Authorization Order No. 148

CHANGE AUTHORIZATION ORDER FORM

Change Authorization Order for the MMO Contract

Contract Number 071B6000116

Change Authorization Order Number 148

I. Effect on Contract

This Change authorization order (the "Order") is subject to all terms and conditions of the Michigan Employment Security Commission Mainframe Operations (the "MMO") Contract (the "Contract") between the State of Michigan and IBM Global Services dated October 18, 1995, and is issued in accordance with Section 2, Subsection 30 of the Contract. Except as expressly specified in this Order, all terms and conditions of the Contract shall remain in full force and effect upon execution of this Order. This Order is not valid until it is executed in accordance with Section 2, Subsection 30 of the Contract. In the event of any inconsistency or ambiguity between the terms and conditions of this Order and the terms and conditions of the Contract, the terms and conditions of this Order shall control.

II. Description of Change

A. Scope

This Change Authorization Order No. 148 extends the annual software maintenance for PKWARE's PKZIP product.

B. Schedule

The annual maintenance provided for under this Change Authorization Order will be effective 10/1/08 through 9/30/09.

C. Charges

The total software maintenance charge for the PKZIP product is \$4,049.74. The Unemployment Insurance Agency will be billed for this charge by the (10th) day of the month following approval of this Change Authorization Order.

D. Completion Criteria

IBM shall have fulfilled its responsibilities under this Change Authorization Order when any one of the following first occurs:

- (1) Upon reaching the end date of September 30, 2009, or (2) UIA terminates this Change Authorization Order in accordance with the provisions of the Contract.

III. State Authorization

Check One:

This order shall be performed for the benefit of the State of Michigan – Unemployment Insurance Agency ("UIA") and is not valid until signed by the authorized representatives of UIA, the Contract Administrator, and the Acquisition Services Director.

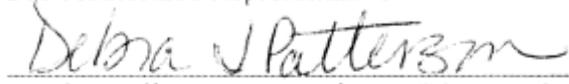
This order shall be performed for the benefit of **** AGENCY NAME GOES HERE **** (the "Authorizing Agency") and all amounts to be paid to IBM Global Services pursuant to this order shall be paid solely from funds available to the Authorizing Agency. IBM Global Services hereby acknowledges that the Authorizing Agency is a Party to the Contract solely with respect to this Order and shall have the right to enforce the terms and conditions of this Order and the Contract (insofar as they apply to this Order) in its own name directly against IBM Global Services. This order is not valid until signed by an authorized representative of the authorizing agency, the Contract Administrator, and by the Acquisition Services Director.

IV. Signature

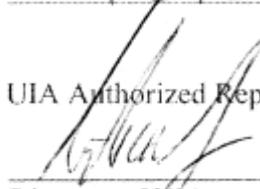
IBM Global Services

By: 
Title: Project Executive
Date: 8/26/08

SOM – DIT Authorized Representative

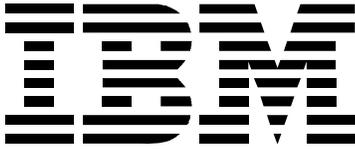
By: 
Title: Service Delivery Director for DLEG, Detroit
State of Michigan – DIT
Date: 9.24.2008

SOM – UIA Authorized Representative

By: 
Title: Director of UIA
Date: 10/15/08

Department of Management and Budget (Acquisition Services)

By:  Steve Motz
Title: 2008.10.31
Date: 15:50:03 -04'00'



IBM Global Services
12th Floor – Suite 100
3024 W. Grand Blvd.
Detroit, MI 48202
313-456-2989

August 26, 2008

Ms. Debra Patterson
Service Delivery Director for DLEG, Detroit
State of Michigan – DIT
12th Floor – Suite 100
3024 W. Grand Blvd.
Detroit, MI 48202

Dear Deb,

IBM Global Services is providing the attached Change Authorization Order No. 149B in response to the State of Michigan Unemployment Insurance Agency's request to extend the Compuware annual software maintenance, as previously provided for in Change Authorization Order No. 135.

This Change Order will extend the maintenance for the Compuware software, for a three-year period, from October 1, 2008 through September 30, 2011.

The charges associated with this Change Order will be \$70,343.74 annually, for a total of \$211,031.22 over three years.

This Change Authorization Order is open for your approval for 60 days unless a written extension of time is provided by IBM.

Please do not hesitate to contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'Michael D. Nelson'.

Michael D. Nelson
IBM Project Executive

Attachment: Change Authorization Order No. 149B

CHANGE AUTHORIZATION ORDER FORM

Change Authorization Order for the MMO Contract

Contract Number 071B6000116

Change Authorization Order Number 149B

I. Effect on Contract

This Change authorization order (the "Order") is subject to all terms and conditions of the State of Michigan Unemployment Agency Mainframe Operations (the "MMO") Contract (the "Contract") between the State of Michigan and IBM Global Services dated October 18, 1995, and is issued in accordance with Section 2, Subsection 30 of the Contract. Except as expressly specified in this Order, all terms and conditions of the Contract shall remain in full force and effect upon execution of this Order. This Order is not valid until it is executed in accordance with Section 2, Subsection 30 of the Contract. In the event of any inconsistency or ambiguity between the terms and conditions of this Order and the terms and conditions of the Contract, the terms and conditions of this Order shall control.

II. Description of Change

A. Scope

This Change Authorization Order No. 149B extends the annual software maintenance for the following Compuware products:

- Abend-AID w/Primary Language
- Abend-AID for IMS
- Abend-AID for CICS
- File-AID for MVS
- XPEDITER/CICS
- XPEDITER/TSO

B. Schedule

The software maintenance provided for under this Change Authorization Order will be effective 10/1/08 through 9/30/11.

C. Charges

The total software maintenance charge associated with this Change Order is \$211,031.22. The Unemployment Insurance Agency will be billed for this charge in three annual installments of \$70,343.74 each. The first installment will be billed by the (10th) day of the month following approval of this Change Authorization Order.

D. Completion Criteria

IBM shall have fulfilled its responsibilities under this Change Authorization Order when any one of the following first occurs:

- (1) Upon reaching the end date of September 30, 2011, or (2) UIA terminates this Change Authorization Order in accordance with the provisions of the Contract.

III. State Authorization

Check One:

X This order shall be performed for the benefit of the State of Michigan – Unemployment Insurance Agency (“UIA”) and is not valid until signed by the authorized representatives of UIA, the Contract Administrator, and the Acquisition Services Director.

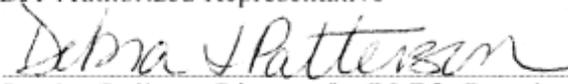
_____ This order shall be performed for the benefit of **** AGENCY NAME GOES HERE **** (the “Authorizing Agency”) and all amounts to be paid to IBM Global Services pursuant to this order shall be paid solely from funds available to the Authorizing Agency. IBM Global Services hereby acknowledges that the Authorizing Agency is a Party to the Contract solely with respect to this Order and shall have the right to enforce the terms and conditions of this Order and the Contract (insofar as they apply to this Order) in its own name directly against IBM Global Services. This order is not valid until signed by an authorized representative of the authorizing agency, the Contract Administrator, and by the Acquisition Services Director.

IV. Signature

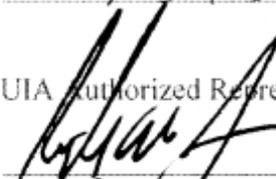
IBM Global Services

By: 
Title: Project Executive
Date: 8/26/06

SOM – DIT Authorized Representative

By: 
Title: Service Delivery Director for DLEG, Detroit
State of Michigan – DIT
Date: 9.24.2008

SOM – UIA Authorized Representative

By: 
Title: Director of UIA
Date: 10/19/08

Department of Management and Budget (Acquisition Services)

By:  Steve Motz
Title: 2008-10-31
Date: 15:51:42 -04'00'

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

September 25, 2008

**CHANGE NOTICE NO. 62
 TO
 CONTRACT NO. 071B6000116
 between
 THE STATE OF MICHIGAN
 and**

| | | |
|---|---------------------|---|
| NAME & ADDRESS OF VENDOR IBM Global Services P. O. Box 5050, 11th Floor Southfield, MI 48086-5050 dhamilt2@us.ibm.com | | TELEPHONE : Denise Hamilton (248) 522-4661 |
| | | VENDOR NUMBER |
| | | BUYER/CA (517) 241-3215 Steve Motz |
| Contract Compliance Inspector: Robert Padgett Bureau of Workers & Unemployment Compensation Mainframe Operations Contract | | |
| CONTRACT PERIOD | | From: October 20, 1995 To: September 30, 2011 |
| TERMS | SHIPMENT | |
| Net 30 Days | As Required | |
| F.O.B. | SHIPPED FROM | |
| Delivered/Installed | N/A | |
| MINIMUM DELIVERY REQUIREMENTS N/A | | |

NATURE OF CHANGE (S):

Effective immediately, the contract is EXTENDED 3 years and INCREASED by \$24,000,000.00. This contract incorporates the attached IBM Change Authorization Order (CAO) No. 146. All other pricing, specifications, terms and conditions remain the same.

Overview of \$ Increase

| | |
|--|-------------------------|
| Previous Contract Value: | \$ 98,622,603.35 |
| Increase via this change order (#146): | \$ 24,000,000.00 |

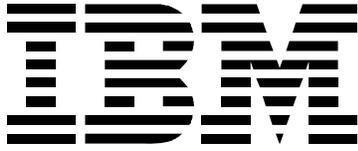
Overview of Time Extension

| | |
|---|-----------------------|
| Extended (with 2 additional one-year periods, estimated at \$8M per year if exercised): | 10/1/2008 – 9/30/2011 |
|---|-----------------------|

AUTHORITY/REASON:

Per Contractor and DIT agreement and Administrative Board approval on 9/12/2008.

TOTAL REVISED CONTRACT VALUE: \$122,622,603.35



IBM Global Services
12th Floor – Suite 100
3024 W. Grand Blvd.
Detroit, MI 48202
313-456-2989

June 20, 2008

Ms. Debra Patterson
Service Delivery Director for DLEG, Detroit
State of Michigan – DIT
12th Floor – Suite 100
3024 W. Grand Blvd.
Detroit, MI 48202

Dear Deb,

IBM Global Services is pleased to provide the attached Change Authorization Order No. 146, in response to the State of Michigan Unemployment Insurance Agency's request to extend the services provided under the State of Michigan Unemployment Agency Mainframe Operations Contract (MMO Contract) between the State of Michigan and IBM Global Services dated October 18, 1995. This Change Order also incorporates services provided under Change Order 139r2. These services are listed in Attachment E.

This Change Order will be effective October 1, 2008 and will extend the MMO Contract from October 1, 2008 through September 30, 2011. Subject to mutual agreement of the parties, this Change Order, along with the associated charges, may be extended for two additional one-year periods (October 1, 2011 through September 30, 2012 and October 1, 2012 through September 20, 2013). There will not be changes in the scope of services currently being performed under the MMO Contract. During this extension period, the State will pay IBM Global Services for Computing Capacity Usage Charges (CPU-Prime, CPU-Non Prime, DASD and Tape) according to the rates specified in Change Order 146. The State will also pay IBM Global Services for services performed under Attachments A through H according to the rates specified in Change Order 146. Total estimated yearly charges are \$8,000,000.00, based on normal usage of CPU, DASD, and Tape Mounts.

This Change Authorization Order is open for your approval for 90 days, unless a written extension of time is provided by IBM.

Sincerely,

Michael D. Nelson
IBM Project Executive

Attachment: Change Authorization Order No. 146

CHANGE AUTHORIZATION ORDER FORM

Change Authorization Order for the MMO Contract

Contract Number 071B6000116

Change Authorization Order Number 146

I. Effect on Contract

This Change Authorization Order (“Order”) is subject to all terms and conditions of the State of Michigan Unemployment Agency Mainframe Operations (the “MMO”) Contract (the “Contract”) between the State of Michigan and IBM Global Services dated October 18, 1995, and is issued in accordance with Section 2, Subsection 30 of the Contract. Except as expressly specified in this Order, all terms and conditions of the Contract shall remain in full force and effect upon execution of this Order. This Order is not valid until it is executed in accordance with Section 2, Subsection 30 of the Contract. In the event of any inconsistency or ambiguity between the terms and conditions of this Order and the terms and conditions of the Contract, the terms and conditions of this Order shall control.

II. Description of Change

IBM Global Services will provide the services specified below in Section II.A – Scope.

A. Scope

1. Steady-state mainframe data center services currently provided by IBM Global Services under the Contract will be extended from October 1, 2008 through September 30, 2011. Subject to mutual agreement of the parties, this Change Order, along with the associated charges, may be extended for two additional one-year periods (October 1, 2011 through September 30, 2012 and October 1, 2012 through September 30, 2013). Services include CPU Prime usage, CPU Non-Prime usage, DASD usage, Tape usage, Disaster Recovery and network management.
2. Attachment A – Monthly maintenance and support of IBM 3270 Bridge, IBM MQ Series and IBM Generic Bridge software.
3. Attachment B – Monthly maintenance and support of IBM Page Printer Formatting Aid (PPFA) software.
4. Attachment C – Support of IBM Generic Bridge and the associated navigator programs.
5. Attachment D – Support of IBM’s z/OS Print Server and Transform software.
6. Attachment E – IBM Global Services Architect support.
7. Attachment F – Annual maintenance for Princeton Softech’s HourGlass software.
8. Attachment G – Annual maintenance for ChicagoSoft’s MVS/Quick-Ref software.
9. Attachment H – IBM Global Services Network Analyst support.

B. IBM Responsibilities

IBM will continue to provide the scope of services specified under the Contract and Attachments A through H in this Change Authorization Order.

C. UIA Responsibilities

Unemployment Insurance Agency (UIA) will continue to execute its responsibilities specified under the Contract and Attachments A through H in this Change Authorization Order.

UIA agrees to allow IBM to maintain the production software environment with commercially supported software version levels for each software product. If UIA does not allow IBM to maintain commercially supported software version levels, IBM shall not be responsible for a failure to meet any Service Level that such failure is directly attributable to not being at supported levels.

D. Deliverables

All deliverables specified under the Contract and Attachments A through H in this Change Authorization Order shall still apply.

E. Charges

Schedule B-1 (CPU-Prime Usage Pricing Schedule) is hereby replaced in its entirety with the new version attached to this Change Order 146 as Exhibit 1, effective October 1, 2008.

Schedule B-2 (CPU-Non Prime Usage Pricing Schedule) is hereby replaced in its entirety with the new version attached to this Change Order 146 as Exhibit 1, effective October 1, 2008.

Schedule B-3 (DASD Usage Pricing Schedule) is hereby replaced in its entirety with the new version attached to this Change Order 146 as Exhibit 1, effective October 1, 2008.

Schedule B-4 (Tape Usage Pricing Schedule) is hereby replaced in its entirety with the new version attached to this Change Order 146 as Exhibit 1, effective October 1, 2008.

Schedule B-5 – Annual, Monthly, and Hourly Charges applicable to services specified in Attachments A through H, effective October 1, 2008.

All other charges applicable under the Contract remain in effect.

Total estimated yearly charges are \$8,000,000.00, based on normal usage of CPU, DASD, and Tape Mounts.

F. Schedule

This Change Authorization Order shall be effective for the period of October 1, 2008 through September 30, 2011. Subject to mutual agreement of the parties, this Change Order, along with the associated charges, may be extended for two additional one-year periods (October 1, 2011 through September 30, 2012 and October 1, 2012 through September 30, 2013). The State must provide written notification to IBM, at least 120 days prior to expiration, of its intention to exercise the one-year extension(s).

G. Completion Criteria

IBM shall have fulfilled its obligation pursuant to this Change Order when any of the following first occurs: (1) the date of October 1, 2011 has been reached, or (2) this Change Order is terminated in accordance with the terms of the Contract.

III. State Authorization

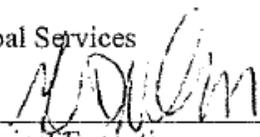
Check One:

X This order shall be performed for the benefit of the State of Michigan – Unemployment Insurance Agency (“UIA”) and is not valid until signed by the authorized representatives of UIA, the Contract Administrator and the Acquisition Services Director.

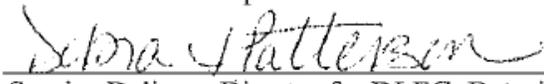
_____ This order shall be performed for the benefit of **** AGENCY NAME GOES HERE **** (the “Authorizing Agency”) and all amounts to be paid to IBM Global Services pursuant to this order shall be paid solely from funds available to the Authorizing Agency. IBM Global Services hereby acknowledges that the Authorizing Agency is a Party to the Contract solely with respect to this Order and shall have the right to enforce the terms and conditions of this Order and the Contract (insofar as they apply to this Order) in its own name directly against IBM Global Services. This order is not valid until signed by an authorized representative of the authorizing agency, the Contract Administrator, and by the Acquisition Services Director.

IV. Signatures

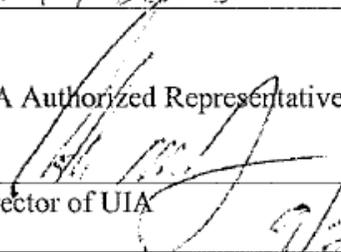
IBM Global Services

By: 
Title: Project Executive
Date: 9/24/08

SOM – DIT Authorized Representative

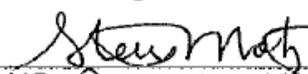
By: 
Title: Service Delivery Director for DLEG, Detroit State of Michigan – DIT
Date: 9/19/2008

SOM – UIA Authorized Representative

By: 
Title: Director of UIA
Date: 9/22/08

*S.C.
9/22/08*

Department of Management and Budget (Acquisition Services)

By: 
Title: DMB. PURCHASING OPERATIONS BUYER
Date: 9-25-2008

**MMO CONTRACT (071B60000116)
CHANGE ORDER 146**

EXHIBIT 1

The following Pricing Schedules replace previous versions in their entirety, effective October 1, 2008.

Schedule

- | | |
|-----|---|
| B-1 | CPU-Prime Usage |
| B-2 | CPU-Non Prime Usage |
| B-3 | DASD Usage |
| B-4 | Tape Usage |
| B-5 | Annual, Monthly and Hourly Charges Applicable to Services Specified in Attachments A through H. |

Schedule B-1

CPU-PRIME USAGE PRICING SCHEDULE

The following table defines monthly unit pricing applied to fiscal years 2009 through 2013 for CPU-Prime Usage:

| Minimum | Maximum | 2009 | 2010 | 2011 | 2012 | 2013 |
|---------|---------|----------|----------|----------|----------|----------|
| > 0 | = 50 | 292 3 | 292 3 | 292 3 | 292 3 | 292 3 |
| > 50 | = 100 | 274 | 274 | 274 | 274 | 274 |
| > 100 | = 150 | 274 | 274 | 274 | 274 | 274 |
| > 150 | = 200 | 274 | 274 | 274 | 274 | 274 |
| > 200 | = 250 | 274 | 274 | 274 | 274 | 274 |
| > 250 | = 300 | 274 | 274 | 274 | 274 | 274 |
| > 300 | = 350 | 274 | 274 | 274 | 274 | 274 |
| > 350 | = 400 | 274 | 274 | 274 | 274 | 274 |
| > 400 | = 450 | 274 | 274 | 274 | 274 | 274 |
| > 450 | = 500 | 287 | 287 | 287 | 287 | 287 |
| > 500 | = 550 | 261 | 261 | 261 | 261 | 261 |
| > 550 | = 600 | 261 | 261 | 261 | 261 | 261 |
| > 600 | = 650 | 261 | 261 | 261 | 261 | 261 |
| > 650 | = 700 | 261 | 261 | 261 | 261 | 261 |
| > 700 | = 750 | 261 | 261 | 261 | 261 | 261 |
| > 750 | = 800 | 261 | 261 | 261 | 261 | 261 |
| > 800 | = 850 | 261 | 261 | 261 | 261 | 261 |
| > 850 | = 900 | 261 | 261 | 261 | 261 | 261 |
| > 900 | = 950 | 261 | 261 | 261 | 261 | 261 |
| > 950 | = 1,000 | 260 | 260 | 260 | 260 | 260 |
| > 1,000 | = 1,050 | 246 | 246 | 246 | 246 | 246 |
| > 1,050 | = 1,100 | 246 | 246 | 246 | 246 | 246 |
| > 1,100 | = 1,150 | 246 | 246 | 246 | 246 | 246 |
| > 1,150 | = 1,200 | 246 | 246 | 246 | 246 | 246 |
| > 1,200 | | 246 | 246 | 246 | 246 | 246 |

Schedule B-2

CPU-NON PRIME USAGE PRICING SCHEDULE

The following table defines monthly unit pricing applied to fiscal years 2009 through 2013 for CPU-Non Prime Usage:

| Minimum | Maximum | 2009 | 2010 | 2011 | 2012 | 2013 |
|---------|---------|----------|----------|----------|----------|----------|
| > 0 | = 50 | 157 4 | 157 4 | 157 4 | 157 4 | 157 4 |
| > 50 | = 100 | 148 | 148 | 148 | 148 | 148 |
| > 100 | = 150 | 148 | 148 | 148 | 148 | 148 |
| > 150 | = 200 | 148 | 148 | 148 | 148 | 148 |
| > 200 | = 250 | 148 | 148 | 148 | 148 | 148 |
| > 250 | = 300 | 148 | 148 | 148 | 148 | 148 |
| > 300 | = 350 | 148 | 148 | 148 | 148 | 148 |
| > 350 | = 400 | 148 | 148 | 148 | 148 | 148 |
| > 400 | = 450 | 148 | 148 | 148 | 148 | 148 |
| > 450 | = 500 | 155 | 155 | 155 | 155 | 155 |
| > 500 | = 550 | 140 | 140 | 140 | 140 | 140 |
| > 550 | = 600 | 140 | 140 | 140 | 140 | 140 |
| > 600 | = 650 | 140 | 140 | 140 | 140 | 140 |
| > 650 | = 700 | 140 | 140 | 140 | 140 | 140 |
| > 700 | = 750 | 140 | 140 | 140 | 140 | 140 |
| > 750 | = 800 | 140 | 140 | 140 | 140 | 140 |
| > 800 | = 850 | 140 | 140 | 140 | 140 | 140 |
| > 850 | = 900 | 140 | 140 | 140 | 140 | 140 |
| > 900 | = 950 | 140 | 140 | 140 | 140 | 140 |
| > 950 | = 1,000 | 140 | 140 | 140 | 140 | 140 |
| > 1,000 | = 1,050 | 132 | 132 | 132 | 132 | 132 |
| > 1,050 | = 1,100 | 132 | 132 | 132 | 132 | 132 |
| > 1,100 | = 1,150 | 132 | 132 | 132 | 132 | 132 |
| > 1,150 | = 1,200 | 132 | 132 | 132 | 132 | 132 |
| > 1,200 | | 132 | 132 | 132 | 132 | 132 |

Schedule B-3

DASD USAGE PRICING SCHEDULE

The following table defines monthly unit (Gigabyte) pricing applied to fiscal years 2009 through 2013 for DASD Usage:

| Minimum | Maximum | 2009 | 2010 | 2011 | 2012 | 2013 |
|---------|---------|------|------|------|------|------|
| > 0 | = 50 | 401 | 401 | 401 | 401 | 401 |
| > 50 | = 100 | 223 | 223 | 223 | 223 | 223 |
| > 100 | = 150 | 222 | 222 | 222 | 222 | 222 |
| > 150 | = 200 | 222 | 222 | 222 | 222 | 222 |
| > 200 | = 250 | 222 | 222 | 222 | 222 | 222 |
| > 250 | = 300 | 247 | 247 | 247 | 247 | 247 |
| > 300 | = 350 | 226 | 226 | 226 | 226 | 226 |
| > 350 | = 400 | 226 | 226 | 226 | 226 | 226 |
| > 400 | = 450 | 226 | 226 | 226 | 226 | 226 |
| > 450 | = 500 | 219 | 219 | 219 | 219 | 219 |
| > 500 | = 550 | 219 | 219 | 219 | 219 | 219 |
| > 550 | = 600 | 219 | 219 | 219 | 219 | 219 |
| > 600 | = 650 | 219 | 219 | 219 | 219 | 219 |
| > 650 | = 700 | 219 | 219 | 219 | 219 | 219 |
| > 700 | = 750 | 219 | 219 | 219 | 219 | 219 |
| > 750 | = 800 | 219 | 219 | 219 | 219 | 219 |
| > 800 | = 850 | 219 | 219 | 219 | 219 | 219 |
| > 850 | = 900 | 219 | 219 | 219 | 219 | 219 |
| > 900 | = 950 | 212 | 212 | 212 | 212 | 212 |
| > 950 | = 1,000 | 212 | 212 | 212 | 212 | 212 |
| > 1,000 | = 1,050 | 212 | 212 | 212 | 212 | 212 |
| > 1,050 | = 1,100 | 212 | 212 | 212 | 212 | 212 |
| > 1,100 | = 1,150 | 212 | 212 | 212 | 212 | 212 |
| > 1,150 | = 1,200 | 212 | 212 | 212 | 212 | 212 |
| > 1,200 | | 212 | 212 | 212 | 212 | 212 |

Schedule B-4

TAPE USAGE PRICING SCHEDULE

The following table defines monthly unit (Tape mount) pricing applied to fiscal years 2009 through 2013 for Tape Usage:

| Minimum | Maximum | 2009 | 2010 | 2011 | 2012 | 2013 |
|---------|---------|------|------|------|------|------|
| > 0 | = 1200 | 2.70 | 2.70 | 2.70 | 2.70 | 2.70 |
| > 1200 | = 2400 | 2.70 | 2.70 | 2.70 | 2.70 | 2.70 |
| > 2400 | = 3600 | 2.70 | 2.70 | 2.70 | 2.70 | 2.70 |
| > 3600 | = 4800 | 2.70 | 2.70 | 2.70 | 2.70 | 2.70 |
| > 4800 | = 6000 | 2.70 | 2.70 | 2.70 | 2.70 | 2.70 |
| > 6000 | = 7200 | 2.70 | 2.70 | 2.70 | 2.70 | 2.70 |
| > 7200 | = 8400 | 2.70 | 2.70 | 2.70 | 2.70 | 2.70 |
| > 8400 | = 9600 | 2.70 | 2.70 | 2.70 | 2.70 | 2.70 |
| > 9600 | = 10800 | 2.70 | 2.70 | 2.70 | 2.70 | 2.70 |
| > 10800 | = 12000 | 2.70 | 2.70 | 2.70 | 2.70 | 2.70 |
| > 12000 | = 13200 | 2.70 | 2.70 | 2.70 | 2.70 | 2.70 |
| > 13200 | = 14400 | 2.70 | 2.70 | 2.70 | 2.70 | 2.70 |
| > 14400 | = 15600 | 2.70 | 2.70 | 2.70 | 2.70 | 2.70 |
| > 15600 | = 16800 | 2.70 | 2.70 | 2.70 | 2.70 | 2.70 |
| > 16800 | = 18000 | 2.70 | 2.70 | 2.70 | 2.70 | 2.70 |
| > 18000 | = 19200 | 2.70 | 2.70 | 2.70 | 2.70 | 2.70 |
| > 19200 | = 20400 | 2.70 | 2.70 | 2.70 | 2.70 | 2.70 |
| > 20400 | = 21600 | 2.70 | 2.70 | 2.70 | 2.70 | 2.70 |
| > 21600 | = 22800 | 2.70 | 2.70 | 2.70 | 2.70 | 2.70 |
| > 22800 | = 24000 | 2.70 | 2.70 | 2.70 | 2.70 | 2.70 |
| > 24000 | = 25200 | 2.70 | 2.70 | 2.70 | 2.70 | 2.70 |
| > 25200 | = 26400 | 2.70 | 2.70 | 2.70 | 2.70 | 2.70 |
| > 26400 | = 27600 | 2.70 | 2.70 | 2.70 | 2.70 | 2.70 |
| > 27600 | = 28800 | 2.70 | 2.70 | 2.70 | 2.70 | 2.70 |
| > 28800 | | 2.70 | 2.70 | 2.70 | 2.70 | 2.70 |

Schedule B-5

**ANNUAL, MONTHLY, AND HOURLY CHARGES APPLICABLE TO SERVICES SPECIFIED
IN ATTACHMENTS A THROUGH H**

The following table defines the annual, monthly and hourly charges applied to the specified attachments:

| Attachment | Description of Charge | Charge |
|-------------------|--|------------------------|
| A | Monthly maintenance and support of IBM 3270 Bridge, IBM MQ Series and IBM Generic Bridge software. | \$8,543.00 / per month |
| B | Monthly maintenance and support of IBM Page Printer Formatting Aid (PPFA) software. | \$250.00 / per month |
| C | Support of IBM Generic Bridge and the associated navigator programs. | \$218.50 / per hour |
| D | Monthly maintenance and support of IBM z/OS Print Server and Transform software. | \$2,321.00 / per month |
| E | IBM Global Services Architect support. | \$145.00 / per hour |
| F | Annual maintenance for Princeton Softech's HourGlass software. | \$5,562.00 annually* |
| G | Annual maintenance for ChicagoSoft's MVS Quick-Ref software. | \$6,904.00 annually* |
| H | IBM Global Services Network Analyst support. | \$96.00 / per hour |

* Charge listed is valid for the 2009 fiscal year. Charge is subject to change in fiscal years 2010 – 2013, based on software vendors' annual renewal rates.

**MMO CONTRACT (071B60000116)
CHANGE ORDER 146**

EXHIBIT 2

The following Attachments describe services to be provided that were previously incorporated under Change Authorization Orders 131r2 and 139r2.

Attachment

- A Monthly maintenance and support of IBM 3270 Bridge, IBM MQ Series and IBM Generic Bridge software.
- B Monthly maintenance and support of IBM Page Printer Formatting Aid (PPFA) software.
- C Support of IBM Generic Bridge and the associated navigator programs.
- D Monthly maintenance and support of IBM z/OS Print Server and Transform software.
- E IBM Global Services Architect support.
- F Annual maintenance for Princeton Softech's HourGlass software.
- G Annual maintenance for ChicagoSoft's MVS Quick-Ref software.
- H IBM Global Services Network Analyst support.

Attachment A

MONTHLY MAINTENANCE AND SUPPORT OF IBM 3270 BRIDGE, IBM MQ SERIES, AND IBM GENERIC BRIDGE SOFTWARE

Description

IBM Global Services will provide monthly maintenance and support of the IBM CICS 3270 Bridge, IBM MQ Series and IBM Generic Bridge software on the IBM z/OS Boulder System.

These services were previously performed under Change Order 131r2.

IBM Responsibilities

IBM Global Services will provide monthly maintenance and support of the IBM CICS 3270 Bridge, IBM MQ Series and IBM Generic Bridge software on the IBM z/OS Boulder System.

The above software will be supported in both the production and development LPARs.

Support shall be performed in response to problem records being entered in the standard problem/change management system using InfoMan. This will include any maintenance that must be coordinated between the server and mainframe environments.

UIA Responsibilities

UIA is responsible for any CPU, DASD and Tape usage or charges that result from the execution of the software contained in this Change Order.

UIA is responsible for coordinating and upgrading any server software to maintain compatibility with the mainframe software.

Charges

UIA will be invoiced monthly, per the charges specified for Attachment A in Schedule B-5.

Attachment B

MONTHLY MAINTENANCE AND SUPPORT OF IBM PAGE PRINTER FORMATTING AID (PPFA) SOFTWARE

Description

In order to support mainframe development of form definitions and page definitions, IBM Global Services will provide monthly maintenance and support of IBM's Page Printer Formatting Aid (PPFA) software.

These services were previously performed under Change Order 131r2.

IBM Responsibilities

IBM Global Services will provide maintenance and support of IBM's Page Printer Formatting Aid (PPFA) software.

UIA Responsibilities

UIA is responsible for the successful usage of the software product to create form and page definitions for the IBM printers.

UIA is responsible for any CPU, DASD or Tape usage charges that result from the execution of this software.

Charges

UIA will be invoiced monthly, per the charges specified for Attachment B in Schedule B-5.

Attachment C

SUPPORT OF IBM GENERIC BRIDGE AND ASSOCIATED NAVIGATOR PROGRAMS

Description

IBM Global Services will provide hourly services in support of the IBM Generic Bridge and associated navigator programs.

These services were previously performed under Change Order 131r2.

IBM Responsibilities

IBM Global Services will provide up to 100 hours of services to assist the UIA mainframe programming staff, should production problems arise with the specially coded CICS navigator programs, for new and additional claims. All work will be performed at the direction of UIA.

Consulting services will be provided from a remote location. No travel will be incurred.

UIA Responsibilities

UIA will initiate contact via e-mail or telephone to the technical specialists involved, when a problem occurs that UIA determines requires IBM assistance.

UIA will provide IBM Global Services with the specific details for any problem or issue to be addressed with these services. These services will be provided on an as required basis by UIA. UIA and the technical specialists will mutually agree upon the scheduling of services.

Charges

UIA will be invoiced monthly for actual hours provided during the prior month, per the charges specified for Attachment C in Schedule B-5.

Attachment D

MONTHLY MAINTENANCE AND SUPPORT OF IBM Z/OS PRINT SERVER AND TRANSFORM SOFTWARE

Description

IBM Global Services will provide monthly maintenance and support for IBM's z/OS Print Server and Transform software.

These services were previously performed under Change Order 131r2.

IBM Responsibilities

IBM Global Services will provide IBM's z/OS Print Server software, along with transforms from AFP to PCL and PDF, in both the production and development LPARs. IBM will also provide the necessary maintenance services on an ongoing basis.

UIA Responsibilities

UIA is responsible for any CPU, DASD or Tape usage charges that result from the execution of this software.

Charges

UIA will be invoiced monthly, per the charges specified for Attachment D in Schedule B-5.

Attachment E

IBM GLOBAL SERVICES ARCHITECT SUPPORT

Description

IBM Global Services will provide the services of IBM Global Services Architect(s).

These services were previously performed under Change Order 139r2.

IBM Responsibilities

IBM Global Services will provide Architect(s) to support UIA by providing assistance, expertise and mentoring to projects, as directed by UIA. The architect(s) will also assist UIA with troubleshooting and resolving “break/fix” issues in UIA’s web and mainframe front end systems.

UIA Responsibilities

UIA is responsible for any CPU, DASD or Tape usage charges that result from the execution of this Change Order.

UIA is responsible for any results that may be achieved by implementing any recommendations or using the information provided with the consulting services covered by this Change Order.

Charges

UIA will be invoiced monthly for actual hours provided during the prior month, per the charges specified for Attachment E in Schedule B-5.

Hours worked are not to exceed an annual average of 45 hours per week.

Attachment F

ANNUAL MAINTENANCE FOR PRINCETON SOFTECH'S HOURGLASS SOFTWARE

Description

IBM Global Services will provide annual software maintenance for Princeton Softech's HourGlass software product.

These services were previously performed under Change Order 131r2.

IBM Responsibilities

IBM will extend the annual software maintenance for Princeton Softech's HourGlass software product.

UIA Responsibilities

UIA is responsible for any CPU, DASD or Tape usage charges that result from the execution of this software.

Charges

UIA will be invoiced annually, per the charges specified for Attachment F in Schedule B-5. Charge listed is valid for the 2009 fiscal year. Charge is subject to change in fiscal years 2010 – 2013, based on software vendors' annual renewal rates.

Attachment G

ANNUAL MAINTENANCE FOR CHICAGOSOFT'S MVS QUICK-REF SOFTWARE

Description

IBM Global Services will provide annual software maintenance for ChicagoSoft's MVS/Quick-Ref software product.

These services were previously performed under Change Order 131r2.

IBM Responsibilities

IBM will extend the annual software maintenance for ChicagoSoft's MVS/Quick-Ref software product.

UIA Responsibilities

UIA is responsible for any CPU, DASD or Tape usage charges that result from the execution of this software.

Charges

UIA will be invoiced annually, per the charges specified for Attachment G in Schedule B-5. Charge listed is valid for the 2009 fiscal year. Charge is subject to change in fiscal years 2010 – 2013, based on software vendors' annual renewal rates.

Attachment H

IBM GLOBAL SERVICES NETWORK ANALYST SUPPORT

Description

IBM Global Services will provide the services of one (1) IBM Global Services Network Analyst.

These services were previously performed under Change Order 1312r.

IBM Responsibilities

IBM Global Services will provide one (1) Network Analyst to support UIA by providing assistance, expertise and mentoring to include, but not limited to, the following areas as directed by UIA:

Network Management and Team Lead (multiple protocols on UIA's LAN/MAN/WAN, Routers, Switches, Hubs and Concentrators using SNMP Network Management and Alerting tools, et cetera), TCP/IP Scheme Design and Administration, DNS, DHCP, SMTP Mail, LDAP, UNIX, Host Integration (IBM WebSphere Host On-Demand and Host Printing), and Scripting/Task Automation (Kix32 Login Scripts, Perl, Batch files, et cetera) and Directory Services and Security.

All work will be performed at the UIA location: OPS Center, 7285 Parsons, Dimondale, Michigan 48821.

UIA Responsibilities

UIA is responsible for any CPU, DASD or Tape usage charges that result from the execution of this Change Order.

Charges

UIA will be invoiced monthly for actual hours provided during the prior month, per the charges specified for Attachment H in Schedule B-5.

Hours worked are not to exceed an annual average of 45 hours per week.