

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

June 17, 2003

**CHANGE NOTICE NO. 47
 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	TELEPHONE : Denise Hamilton (248) 522-4661
	VENDOR NUMBER
	BUYER (517) 335-0462 Chris Mitchell
Contract Administrator: Robert Padgett Bureau of Workers & Unemployment Compensation Mainframe Operations Contract	
CONTRACT PERIOD From: October 20, 1995 To: October 19, 2005	
TERMS <p style="text-align: center;">Net 30 Days</p>	SHIPMENT <p style="text-align: center;">As Required</p>
F.O.B. <p style="text-align: center;">Delivered/Installed</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	

NATURE OF CHANGE (S):

Effective immediately, the attached modifications in time frame for completion of CAO #99 are hereby incorporated into this contract according to IBM CAO #100 with no modifications in pricing, terms or conditions.

AUTHORITY/REASON:

Per vendor's request (Ron Pflieger) on 6/05/03, and agency's approval (Jennifer Ryan) on 6/12/03.

TOTAL REVISED CONTRACT VALUE: \$71,948,043.35

**Change Authorization Order for the MMO Contract
Contract Number 071B6000116
Change Authorization Order Number 108**

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 Integrated Systems Solutions Corporation ("ISSC") 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

The purpose of this Change Authorization Order No. 108 is to modify "Section II, Description of Change, A. Scope and D. Schedule" of Change Authorization Order No. 99 as follows:

A. Scope

Extend the estimated period of performance for one senior IMS/DB analyst to provide short-term, part-time IMS database assistance to BW&UC. This will change the new estimated end date to September 30, 2003. The total number of support hours available for these services requested will be 600 hours.

D. Schedule

This Change Order will add 5 months of service which will extend the end date to September 30, 2003.

III. State Authorization

Check One:

This order shall be performed for the benefit of the State of Michigan – Bureau of Workers' & Unemployment Compensation ("BW&UC") and is not valid until signed by the authorized representative of DIT, BW&UC, the Contract Administrator, and the Purchasing 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 Purchasing Director.

IV. Signature

IBM Global Services

By: Ronald E. Oflygin
Title: Customer Services Representative
Date: 6/5/03

SOM – DIT Authorized Representative

By: Sebra V. Patterson
Title: Director - Education, Employment & Career Services
Department of Information Technology
Date: 6/5/03

SOM – BW&UC Authorized Representative

By: David Plamerke Sr.
Title: ~~Acting~~ Director of BW&UC
Date: 6-5-03

MMO Contract Administrator

By: Robert M. P. Grant
Title: Director of DCO
Date: 6-12-03

Department of Management and Budget (Purchasing)

By: Christine Mitchell
Title: Buyer Specialist
Date: 6/17/03

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

May 8, 2003

**CHANGE NOTICE NO. 46
 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		TELEPHONE : Denise Hamilton (248) 522-4661
		VENDOR NUMBER
		BUYER (517) 335-0462 Chris Mitchell
Contract Administrator: Robert Padgett Bureau of Workers & Unemployment Compensation Mainframe Operations Contract		
CONTRACT PERIOD		From: October 20, 1995 To: October 19, 2005
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 attached modifications are hereby incorporated into this contract per IBM CAO's #100, #101, #103, #105, #106 and #107, with the following modifications:

- CAO #101 shall incorporate a minimum 7% reduction resulting from the first 60 hours of service being provided free of charge, resulting in a \$9,000.00 reduction, and CAO #103 includes an actual 7% reduction with the hourly rate being reduced from \$235.00/hour to \$218.50/hour, with the associated reduction amounting to \$9,372.00.**

The following caveat is placed on CAO #101: "If the estimated hours are reached and it appears that they will be exceeded, no additional hours will be expended without an hourly rate reduction. The milestones required by these amendments shall be accomplished without modification in committed timeframes."

AUTHORITY/REASON:

Per vendor's request (Ron Pflieger) on 5/2/03, and agency's approval (Jennifer Ryan) on 3/17/03.

CONTRACT INCREASE: \$508,433.50

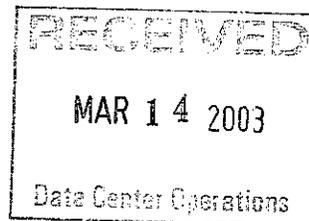
TOTAL REVISED CONTRACT VALUE: \$71,948,043.35



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

March 11, 2003

Ms. Debra Patterson, Director
Education, Employment & Career Services
Department of Information Technology
12th Floor – Suite 100
3024 W. Grand Blvd.
Detroit, MI 48202



Dear Deb,

IBM is pleased to respond to your request for services to be provided to BW&UC for the implementation of software on the Boulder system. The software that you have requested is: (1) the IBM 3270 Bridge, (2) IBM's MQ Series, and (3) the IBM Generic Bridge. The attached Change Authorization Order No. 100, addresses the software costs through the end of the Contract in October 2005.

The total one-time fixed price software charges for this Change Order will be \$53,500.00. The monthly fixed charges for MQ Series through the end of the Contract in October 2005, will be \$5,928.00. Therefore, the total fixed price charges for this Change Order are \$234,304.00.

This Change Authorization Order is open for your approval for 45 days.

Sincerely,


Ronald E. Pflieger
IBM Customer Services Representative

Attachments: Change Authorization Order No. 100

CHANGE AUTHORIZATION ORDER FORM

Change Authorization Order for the MMO Contract

Contract Number 071B6000116

Change Authorization Order Number 100

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

The State of Michigan, Bureau of Workers' & Unemployment Compensation (BW&UC) has determined that the following IBM software is required to be installed on the OS/390 Boulder system in order to support future application requirements:

1. MQ Series (product number 5655-F10),
2. The CICS 3270 Bridge, and
3. The Generic Bridge. See Exhibit A for additional terms and conditions.

A. Scope

Under this Change Order, IBM Global Services will:

1. Provide MQ Series software for use on the OS/390 Boulder system.
2. Provide CICS 3270 Bridge software for use on the OS/390 Boulder system.
3. Provide the Generic Bridge intellectual property for use on the OS/390 Boulder system...

B. Service Levels

Environment Availability

There are no changes in any system availability objectives due to this Change Order.

Response Time

Since CICS response time objectives are internal to the CICS environment regardless of the source driving CICS transactions, there are no changes to CICS response time objectives due to this Change Order.

Network response time objectives will continue to be measured using MARVIN and 3270 attachments to TSO and CICS. Attachments to mainframe resources coming from the MQ server environment will not be used in calculating network response times. Therefore, there are no changes to network response time objective due to this Change Order.

C. Deliverables

The deliverables associated with this Change Order are the fully implemented and operational software products defined in Section A: Scope.

D. Costs

Software

One time charge for Generic Bridge	\$53,500.00
Monthly charge for MQ Series (5665-F10)	\$5,928.00
(for remainder of Contract, April start)	<u>x30.5 months</u>
	\$180,804.00

The CICS 3270 Bridge is a part of the currently installed CICS Transaction Server 1.3. As such, there are no additional software charges.

Invoicing

The fixed monthly charges for the MQ Series software (\$5,928.00) will be invoiced beginning with the billing cycle in May, 2003, (assuming April availability) and continue through October, 2005. This assumes that BW&UC signs this Change Order and returns an approved Change Notice to IBM by March 31, 2003.

BW&UC will be billed for the Generic Bridge software, \$53,500.00, in the month following the installation of the software.

E. System Upgrades

In accordance with the Technology Plan, the IBM Boulder facility regularly performs software upgrades to maintain the system at a supported, reasonably current level. If software upgrades to the software products included in this Change Order are deemed necessary or desirable, IBM will notify BW&UC of this requirement. BW&UC will then be responsible for investigating and making any necessary changes to corresponding server software in order to maintain compatibility requirements between mainframe and server software. BW&UC and IBM will work together, using fully approved Info/Man change records to accomplish any system upgrades.

F. BW&UC Responsibilities

BW&UC, or its representatives, will provide IBM with specific, written software requirements necessary for the successful installation and setup of the software described in this Change Order. BW&UC will also make resources available during the installation and setup processes.

BW&UC will define and create the appropriate security environment and security authorizations to allow the software to be installed and operate properly.

BW&UC will report any problems encountered or identify any required changes with any of the software installed under this Change Order using Info/Man.

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

BW&UC is responsible for any results achieved using any of the software implemented under this Change Order.

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

G. Completion Criteria

IBM shall have completed its obligations pursuant to this Change Order when any of the following occurs: (1) the software identified in this Change Order has been provided to BW&UC for its use on the Boulder OS/390 system, or (2) this Change Order is terminated in accordance with the terms of the Contract.

IBM shall have fulfilled its obligations for the fixed price items in this Change Order (software and maintenance) when either of the following occurs: (1) the date of October 2005 has been reached, or (2) this Change Order is terminated in accordance with the terms of the Contract.

EXHIBIT A, Generic Bridge ENTERPRISE LICENSE AGREEMENT

1.0 Generic Bridge License Agreement

1.1 Generic Bridge Description

The Generic Bridge is used in conjunction with the CICS 3270 bridge and offers a powerful new tool for extending the lifetime of existing 3270-based transactions. It allows use of the business logic in large bodies of existing code in new combinations, from new platforms, with new user interfaces.

The main premise of this solution is the use of the Generic Bridge client that acts as an intermediary between a Java business client and the CICS 3270 bridge. A navigation exit manages all 3270 screen interactions and navigation. This allows the Java business client to submit a business request without concern for the underlying 3270 screens. A utility is used to generate metadata repository entries which contain BMS map information. The Java business client may connect to CICS using either MQSeries or the CICS Transaction Gateway, and the data format may be in either XML or a fixed format communication area.

This results in a dramatic decrease in development time, reduced customer skill requirements, and reduced management and maintenance requirements. Once the Generic Bridge is installed, the client can easily continue to web enable additional applications on their own.

1.2 Generic Bridge Special License

Notwithstanding the Type of Material designation or license(s) granted to any Materials hereunder, if any, IBM grants to the Bureau of Workers' & Unemployment Compensation of the State of Michigan (BW&UC) an irrevocable, nonexclusive, worldwide, paid-up license to the Generic Bridge object code and documentation to use, within BW&UC only, the Generic Bridge

for the purpose described in Section 1.1. This license does not include the right to grant sublicenses.

1.2.1 License Restrictions and Special Terms

1. IBM shall not be responsible for making any changes to Generic Bridge, except as defined in this or another Change Order.
2. All modifications and the modified Generic Bridge made by IBM under any Change Order and all rights therein (including copyrights), shall belong exclusively to IBM, but shall be subject to the license in Section 1.2. If requested by IBM, BW&UC agrees to assign the ownership (including copyrights) in such modifications and modified Generic Bridge to IBM.
3. BW&UC's employees and contractors shall not, directly or indirectly: (a) sell, lease, sublicense, transfer, rent or time-share the Generic Bridge or its documentation, or use the Generic Bridge or its Documentation for service bureau uses; (b) copy, distribute, disclose, reproduce, use or allow access to the Generic Bridge or its documentation except as explicitly permitted under this Section 1.2; or (c) remove, obscure or alter IBM's copyright notices, trademarks or other proprietary rights notices affixed to or contained within the Generic Bridge or its documentation.
4. The Generic Bridge and its documentation shall be Information under Paragraph 7 of the General Terms of the Contract. Notwithstanding any provisions of Paragraph 7 to the contrary, any third party permitted access to the Generic Bridge and documentation shall be further restricted to those employees and contractors of third parties who are assisting BW&UC with BW&UC's exercise of BW&UC's licensed rights under Section 1.2 and shall not, under any circumstances, include employees or contractors of any third party listed in Schedule A, Prohibited Third Parties, attached hereto. IBM may modify Schedule A from time to time upon thirty days prior written notice.
5. BW&UC may contract with IBM, as part of this or another Change Order, to provide training classes on Generic Bridge. All Generic Bridge training materials, including, but not limited to, lecture slides, case studies, lab assignments and lab solutions, are excluded from the special license of Section 1.2 above. Generic Bridge training materials are provided only for the use of the students who attend the Generic Bridge training classes taught by IBM trainers, are the copyrighted, confidential property of IBM and may not be copied or reproduced.
6. IBM PROVIDES THE GENERIC BRIDGE OBJECT CODE AND DOCUMENTATION "AS-IS" AND WITHOUT ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. IBM ASSUMES NO LIABILITY ASSOCIATED WITH (i) BW&UC'S MODIFICATIONS OR COMBINATIONS OF THE GENERIC BRIDGE OBJECT CODE OR DOCUMENTATION, OR THEIR USE, INCLUDING THE

INFRINGEMENT OF ANY THIRD PARTY INTELLECTUAL PROPERTY RIGHTS OR (ii) BW&UC's USE OF THE GENERIC BRIDGE OBJECT CODE THAT IS NOT CONSISTENT WITH SECTION 1.2 ABOVE.

7. In the event of a conflict between the terms of this Change Order and those of the Contract or any other Change Orders, those of this Change Order shall govern.
- 1.3 The Generic Bridge Object Code and Documentation are licensed, not sold. All rights not expressly granted under this Section 1.2 are reserved to IBM.

Schedule A, Prohibited Third Parties

"@" Stake
Accenture
Arthur Anderson
AT&T
BCGroup
Cap Gemini / E&Y
CMG plc
Commerce One
Computer Associates
Computer Sciences Corporation (CSC)
Covisint
Deloitte Consulting
Deutsche Telekom
Digex
Electronic Data Services (EDS)
Foundstone
Genuity
Guardant
HP
iXL
KPMG
Logica
Microsoft
Oracle
SAIC
Sapient Corp
Scient Corp
Viant

III. State Authorization

Check One:

This order shall be performed for the benefit of the State of Michigan – Bureau of Workers' and Unemployment Compensation ("BW&UC") and is not valid until signed by an authorized representative of the Bureau, the Contract Administrator, and the Purchasing 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 Purchasing Director.

IV. Signature

IBM Global Services

IBM Global Services

By: Ronald E. B. Pugin
Title: Customer Services Representative
Date: 3/12/03

SOM – BW&UC Authorized Representative

By: Debra Patterson
Title: Director - Education, Employment & Career Services
Department of Information Technology
Date: 3/12/2003

MMO Contract Administrator

By: Ruth M. Patten
Title: Director
Date: 3/14/03

Department of Management and Budget (Purchasing)

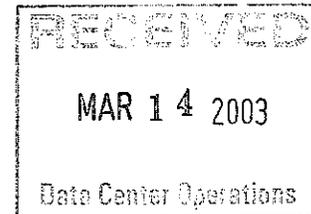
By: Christina Mitchell
Title: Purchasing Specialist
Date: 5/17/03



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

March 11, 2003

Ms. Debra Patterson, Director
Education, Employment & Career Services
Department of Information Technology
12th Floor – Suite 100
3024 W. Grand Blvd.
Detroit, MI 48202



Dear Deb,

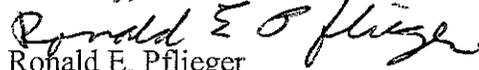
IBM is pleased to respond to your request for services to be provided to BW&UC for the installation of software on the Boulder system. The software that you have requested is: (1) the IBM 3270 Bridge, (2) IBM's MQ Series, and (3) the IBM Generic Bridge. The attached Change Authorization Order No. 101, addresses the installation charges and ongoing maintenance charges through the end of the Contract in October 2005. The software itself is made available in Change Authorization Order No. 100.

The total installation and project coordination charges for this Change Order are provided on a "time and materials" basis and are *estimated* to be \$44,572.00. BW&UC will be billed for *actual* charges in the month following the occurrence of this charges.

The ongoing monthly maintenance fixed charges through the end of the Contract in October 2005, will be \$2,615.00. Therefore, the total fixed price charges for this Change Order are \$79,757.50. Therefore, the total charges for the Change Order are \$124,329.50.

This Change Authorization Order is open for your approval for 45 days.

Sincerely,


Ronald E. Pflieger
IBM Customer Services Representative

Attachments: Change Authorization Order No. 101

CHANGE AUTHORIZATION ORDER FORM

Change Authorization Order for the MMO Contract

Contract Number 071B6000116

Change Authorization Order Number 101

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

The State of Michigan, Bureau of Workers' & Unemployment Compensation (BW&UC) has determined that the following IBM software is to be installed on the OS/390 Boulder system in order to support future application requirements:

1. MQ Series (product number 5655-F10),
2. The CICS 3270 Bridge, and
3. The Generic Bridge.

A. Scope

Under this Change Order, IBM Global Services will:

1. Install MQ Series on the OS/390 Boulder system.
2. Install the CICS 3270 Bridge on the OS/390 Boulder system.
3. Install the Generic Bridge on the OS/390 Boulder system.
4. Maintain and support the above implemented software until October, 2005.
5. The above software will be implemented in both the production and development LPARs and in all CICS environments according to a mutually agreed upon schedule in conjunction with fully approved Info/Man change records.

B. Service Levels

Environment Availability

There are no changes in any system availability objectives due to this Change Order.

Response Time

Since CICS response time objectives are internal to the CICS environment regardless of the source driving CICS transactions, there are no changes to CICS response time objectives due to this Change Order.

Network response time objectives will continue to be measured using MARVIN and 3270 attachments to TSO and CICS. Attachments to mainframe resources coming from the MQ server environment will not be used in calculating network response times. Therefore, there are no changes to network response time objective due to this Change Order.

C. Deliverables

The deliverables associated with this Change Order are the fully implemented and operational software products defined in Section A: Scope.

D. Costs

Installation

IBM will provide the following installation services:

1. The total *estimated* hours for MQ Series installation services is 32 hours.
2. The total *estimated* hours for MQ Series setup assistance services is 40 hours.
3. The total *estimated* hours for the 3270 Bridge and the Generic Bridge installation services is 60 hours.
4. The total *estimated* hours for Generic Bridge solution architect installation assistance and customization is 40 hours.

Therefore, the total estimated hours for items 1, 2, and 3 is 132 hours. At the standard contract rate of \$96.00 per hour, this is a total estimated cost of \$12,672.00. The total estimated cost for the 40 hours in number 4, at a standard contract rate of \$235.00 per hour, is \$9,400.00. Therefore, the total estimated costs for installation services for this Change Order is \$22,072.00. BW&UC will be billed on an ongoing basis for the *actual* number of hours expended in the month following the expenditure of any of these hours.

Maintenance

MQ Series will require 10 hours per month for maintenance services. The 3270 Bridge and the Generic Bridge will together require 5 hours per month. The total of 15 hours per month will be invoiced at the standard contract rate of \$96.00 per hour for a total of \$1,440.00 per month. The Generic Bridge will also require defect and 'how to' maintenance support of 5 hours per month at the Generic Bridge solution architect rate of \$235.00 per hour for a total of \$1,175.00 per month. Maintenance shall be performed in response to problem records being entered in the standard problem/change management system using Info/Man. This will include any maintenance that must be coordinated between the server and mainframe environments.

Project Coordination Assistance

The total *estimated* hours of project coordination assistance for BW&UC's RICC project is 150 hours. At the contract rate of \$150.00 per hour, the total *estimated* cost to BW&UC is \$22,500.00. BW&UC will be billed on an ongoing basis for the *actual* hours expended in the month following the use of any of these hours. These hours will be available for BW&UC from the time the Change Order is signed until October 18, 2005, or until BW&UC determines that the RICC test environment is no longer required.

Cost Summary:

Item	Monthly Charges	Fixed Cost
Maintenance for MQ Series and Generic Bridge	\$1,440.00 per month for 30.5 months	\$43,920.00
Maintenance for Generic Bridge	\$1,175.00 per month for 30.5 months	\$35,837.50
Total fixed price costs		\$79,757.50

Task	Estimated Hours	Estimated Cost
Installation	132	\$12,672.00
Generic Bridge Solution Architect Installation Assistance	40	\$9,400.00
Project Coordination	150	\$22,500.00
Total "time and materials" estimated costs	322	\$44,572.00

Invoicing

BW&UC will be billed for the estimated costs for installation and project coordination on an ongoing basis for the actual number of hours expended in the month following the use of any of these hours.

BW&UC will be billed maintenance services on a monthly basis, beginning in May, 2003, and continuing through the end of the Contract in October, 2005.

E. System Upgrades

In accordance with the Technology Plan, the IBM Boulder facility regularly performs software upgrades to maintain the system at a supported, reasonably current level. If software upgrades to the software products included in this Change Order are deemed necessary or desirable, IBM will notify BW&UC of this requirement. BW&UC will then be responsible for investigating and making any necessary changes to corresponding server software in order to maintain compatibility requirements between mainframe and server software. BW&UC and IBM will work together, using fully approved Info/Man change records to accomplish any system upgrades.

F. BW&UC Responsibilities

BW&UC, or its representatives, will provide IBM with specific, written software requirements necessary for the successful installation and setup of the software described in this Change Order. BW&UC will also make resources available during the installation and setup processes.

BW&UC will define and create the appropriate security environment and security authorizations to allow the software to be installed and operate properly.

BW&UC will report any problems encountered or identify any required changes with any of the software installed under this Change Order using Info/Man.

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

BW&UC is responsible for any results achieved using any of the software implemented under this Change Order.

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

E. Completion Criteria

IBM shall have completed its services/installation obligations pursuant to this Change Order when any of the following occurs: (1) the software identified in this Change Order has been installed and verified using standard installation and verification procedures, or (2) 152 hours of installation support services have been expended, or (3) this Change Order is terminated in accordance with the terms of the Contract.

IBM shall have completed its project coordination obligations pursuant to this Change Order when any of the following occurs: (1) 150 hours of project coordination assistance have been expended, or (2) this Change Order is terminated in accordance with the terms of the Contract.

IBM shall have fulfilled its obligations for the fixed price maintenance in this Change Order when either of the following occurs: (1) the date of October 2005 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 – Bureau of Workers’ and Unemployment Compensation (“BW&UC”) and is not valid until signed by an authorized representative of the Bureau, the Contract Administrator, and the Purchasing 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 Purchasing Director.

IV. Signature

IBM Global Services

IBM Global Services

By: Ronald E. P. Meyer
Title: Customer Services Representative
Date: 3/12/03

SOM – BW&UC Authorized Representative

By: Debra J. Patterson
Title: Director - Education, Employment & Career Services
Department of Information Technology
Date: 3/12/2003

MMO Contract Administrator

By: Ruth M. P. P. P.
Title: Director
Date: 3/14/03

Department of Management and Budget (Purchasing)

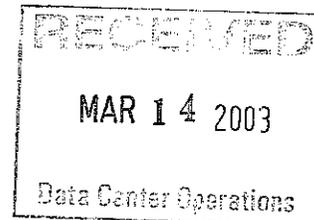
By: Christie Mitchell
Title: Buyer Specialist
Date: 5/7/03



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12th Floor – Suite 100
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313-456-2989

March 11, 2003

Ms. Debra Patterson, Director
Education, Employment & Career Services
Department of Information Technology
12th Floor – Suite 100
3024 W. Grand Blvd.
Detroit, MI 48202



Dear Deb,

IBM is pleased to provide the attached Change Authorization Order No. 103 for services relating to the RICC project. The services described in this Change Order provide for training and an initial implementation project relating to the use of the Generic Bridge intellectual property software.

The total *estimated* cost for the Initial Setup and Technical Assistance covered by this Change Order is \$133,480.00.

This Change Authorization Order is open for your approval for 45 days.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ronald E. Pflieger'.

Ronald E. Pflieger
IBM Customer Services Representative

Attachment: Change Authorization Order No. 103

CHANGE AUTHORIZATION ORDER FORM

Change Authorization Order for the MMO Contract

Contract Number 071B6000116

Change Authorization Order Number 103

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

The State of Michigan Bureau of Workers' & Unemployment Compensation (BW&UC) has determined that it will use IBM's Generic Bridge software as part of its implementation for the RICC project. The Generic Bridge intellectual property software, when used in conjunction with the CICS 3270 Bridge, will provide access to BW&UC's CICS applications from MQ Series instead of 3270 screens.

Due to the highly specialized technical nature of the Generic Bridge software, BW&UC has determined that it desires IBM assistance and training for the initial implementation of the Generic Bridge. This initial implementation project will include development of one business request and four 3270 screens.

A. Scope

IBM Global Services will:

1. Perform an initial implementation project using the Generic Bridge architecture for implementing one initial business request for additional claims data entry. This will also include four 3270 screens.
2. Develop software code in CICS navigation exits to support the initial business request. The navigation exit code is not BW&UC claims system application code, but rather is code that provides access to current BW&UC claims system application code from an input source other than 3270 screens.
3. Provide on-site technical training for BW&UC and its representatives for using the Generic Bridge and for coding the related CICS navigation exits.

B. Service Levels

Availability

There are no changes in any system availability objectives due to this Change Order.

Response Time

There are no changes in any system response time objectives due to this Change Order

C. Deliverables

The deliverables associated with this Change Order are:

1. CICS navigation software code providing access to the 3270 screens comprising the initial business request.
2. Training for the use of CICS navigation exits.

D. Charges

The charges for the services described in the Change Order will be for two people: a solution architect and a navigator specialist.

Based on the Scope defined in Section A:

1. The total *estimated* hours for the solution architect are 221. At a rate of \$235.00 per Hour, the total *estimated* charges are \$51,935.00 to be provided on a "time and materials" basis.
2. The total *estimated* hours for the navigation specialist are 347. At a rate of \$235 00 per hour, the total *estimated* charges are \$81,545.00 to be provided on a "time and materials" basis.

Therefore, the total *estimated* charges for this Change Order are \$133,480.00

An estimated three (3) visits to BW&UC for both the solution architect and navigator specialist are planned for this project. BW&UC will also be billed for actual and reasonable travel and living expenses.

E. Estimated Schedule

The estimated duration for this project is eight (8) weeks commencing with the start of the initial kickoff week. The initial kickoff week will be scheduled at a mutually agreeable time after the approval for this Change Order has been received from the State.

F. BW&UC Responsibilities

BW&UC will provide IBM Global Services with the specifications for the initial business request and the 3270 screens to be done during the initial implementation project.

BW&UC will provide conference rooms, work space, and phones for the IBM personnel during their on site visits at no cost to IBM.

BW&UC is responsible for any additional CPU, DASD or Tape usage charges that result from the use of this additional test environment.

BW&UC is responsible for including the CICS navigation code in Changeman packages for use in the new test environment.

G. Completion Criteria

IBM shall have fulfilled its obligation pursuant to this Change Order upon completion of the following events, whichever occurs first: a) IBM has expended 279 hours for the solution architect and 365 hours for the navigator specialist; or b) the CICS navigation exits software code deliverable is accepted by BW&UC in accordance with its completion criteria; and that IBM provides the CICS navigation training as specified herein; or c) this Change Order is terminated in accordance with the terms of this Agreement.

III. State Authorization

Check One:

This order shall be performed for the benefit of the State of Michigan – Bureau of Workers' & Unemployment Compensation (“BW&UC”) and is not valid until signed by an authorized representative of BW&UC, the Contract Administrator, and the Purchasing 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 Purchasing Director.

IV. Signature

IBM Global Services

By: Ronald E. Pfeiffer
Title: Customer Services Representative
Date: 3/12/03

SOM – BW&UC Authorized Representative

By: Debra Patterson
Title: Director - Education, Employment & Career Services
Department of Information Technology
Date: 3/12/2003

MMO Contract Administrator

By: Ruth M. P. M. A.
Title: Director
Date: 3/14/03

Department of Management and Budget (Purchasing)

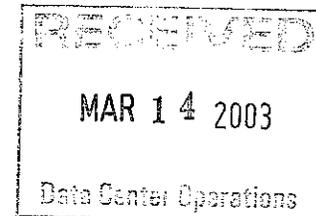
By: Christina Mitchell
Title: Buyer Specialist
Date: 5/9/03



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

March 11, 2003

Ms. Debra Patterson, Director
Education, Employment & Career Services
Department of Information Technology
12th Floor – Suite 100
3024 W. Grand Blvd.
Detroit, MI 48202



Dear Deb,

IBM is pleased to provide the attached Change Authorization Order No. 105 for services relating to the RICC project. The services described in this Change Order include building a separate CICS environment on the development LPAR for the installation of MQ Series and associated products and for testing the entire RICC processes

The new test environment will be based the current production CICSPLEX environment and will be implemented in the development LPAR.

The total *estimated* cost for the Initial Setup and Technical Assistance covered by this Change Order is \$16,320.00.

This Change Authorization Order is open for your approval for 45 days.

Sincerely,

A handwritten signature in cursive script that reads 'Ronald E. Pflieger'.

Ronald E. Pflieger
IBM Customer Services Representative

Attachment: Change Authorization Order No. 105

CHANGE AUTHORIZATION ORDER FORM

Change Authorization Order for the MMO Contract

Contract Number 071B6000116

Change Authorization Order Number 105

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

The State of Michigan Bureau of Workers' & Unemployment Compensation (BW&UC) has determined that an additional development environment will be required to support MQ Series implementation and testing for the RICC project. This environment will include:

- Five CICS regions in a CICS MRO environment – one terminal owning region (TOR), five application owning regions (AORs), and two file owning regions (FORs);
- Program libraries for storing new program changes;
- Definition of second level data set qualifiers;
- Info/Man designations for tracking problems and changes for the environment.

A. Scope

IBM Global Services will:

1. Create a RICC test environment of CICS regions as described above for BW&UC to perform development and testing for the RICC implementation project in accordance with specifications provided by BW&UC.
2. Provide technical assistance to resolve issues with the environment as identified by the RICC implementation team and documented in Info/Man problem records.
3. Maintain the RICC test environment until BW&UC notifies IBM Global Services via an Info/Man change record that the environment is no longer required.

Note: IBM Global Services will provide these items on the Boulder system predicated upon Change Order No. 104 being approved and implemented. Change Order No. 104 provides for software charges for moving the BW&UC workload to a larger processor necessitated by increased BW&UC processing demands.

B. Service Levels

Environment Availability

The additional CICS regions will regularly be made available to BW&UC from 6:30 am to 6:30 pm, Monday through Friday. Requests for additional availability will be provided in accordance with fully approved Info/Man change records.

Response Time

Since this will be a development environment, there will be no specific response time criteria to achieve or report. However, since response time will be critical in developing a system which will eventually be moved to production, IBM will provide assistance to BW&UC in analyzing performance problems that may occur during the testing period of the RICC implementation project. This will be done for specific issues raised and documented by BW&UC in Info/Man problem records. This assistance will be provided under the technical assistance portion of this Change Order.

C. Deliverables

IBM Global Services will provide a CICS test environment according to the specifications provided by BW&UC, per a mutually agreed upon schedule. It is the intent of the parties to agree to specifications and a final schedule for the implementation of this environment within ten (10) days of the State's acceptance of this Change Order. Upon IBM's completion of the development environment, BW&UC shall provide written acknowledgment that the development environment has been implemented according to BW&UC's specifications.

D. Costs

The costs associated with the RICC test environment are as follows:

Initial Setup

The total *estimated* hours to set up the RICC test environment is 90 hours and will be provided on a “time and materials” basis. At the contract rate of \$96.00 per hour, the total *estimated* cost to BW&UC is \$8,640.00. BW&UC will be billed on an ongoing basis for the *actual* number of hours expended in the month following the use of any of these hours.

Technical Assistance

Mainframe technical assistance for problem determination and resolution of testing problems relating to BW&UC’s implementation of the RICC project may be required. This Change Order provides for an estimated 80 hours of such assistance on a “time and materials” basis. At the contract rate of \$96.00 per hour, the total *estimated* cost to BW&UC is \$7,680.00. BW&UC will be billed on an ongoing basis for the *actual* hours expended in the month following the use of any of these hours.

Ongoing maintenance and support of the RICC test environment

There will be no additional charges to BW&UC for the ongoing maintenance of the RICC test environment nor for the inclusion of RICC data sets in the established disaster recovery process. However, BW&UC will be responsible for the additional charges associated with additional CPU hours, DASD usage, and tape mounts incurred with the RICC project. These additional charges will be included in the regular monthly service billing.

Estimated Costs for this Change Order:

Task	Estimated Hours	Estimated Cost
Initial Setup	90	\$8,640.00
Technical Problem Resolution Assistance	80	\$7,680.00
Total	170	\$16,320.00

Note: Actual monthly usage charges will be additional and charged under the existing Contract rates.

E. Estimated Schedule

It is estimated that the effort to establish this development environment will be completed within one month of the State's concurrence with this Change Order. However, the final schedule will be determined in accordance with C. Deliverables, above.

F. BW&UC Responsibilities

BW&UC will provide IBM Global Services with the specifications for this additional test environment, per a mutually agreed upon schedule.

BW&UC will test the development environment, once ready, and use the established problem and change management process using InfoMan to report any needs related to the additional test environment.

BW&UC will define and document, using InfoMan, any technical issues or performance related problems that require IBM technical assistance.

BW&UC will define and create the appropriate security environment and security authorizations to allow proper installation and operation of this additional test environment.

BW&UC is responsible for any additional CPU, DASD or Tape usage charges that result from the use of this additional test environment.

BW&UC is responsible for providing IBM with accurate information necessary for IBM to provide BW&UC with quality technical assistance.

BW&UC is responsible for any results achieved in the use of this additional test environment.

G. Completion Criteria

IBM shall have fulfilled its obligation pursuant to this Change Order upon completion of the following events, whichever occurs first: a) IBM has expended 170 hours of service; or b) the date of October 18, 2005, has been reached; or c) this Change Order is terminated in accordance with the terms of this Agreement.

III. State Authorization

Check One:

X This order shall be performed for the benefit of the State of Michigan – Bureau of Workers' & Unemployment Compensation (“BW&UC”) and is not valid until signed by an authorized representative of the BW&UC, the Contract Administrator, and the Purchasing 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 Purchasing Director.

IV. Signature

IBM Global Services

By: Ronald E B King
Title: Customer Services Representative
Date: 3/12/03

SOM – BW&UC Authorized Representative

By: Debra Patterson
Title: Director - Education, Employment & Career Services
Department of Information Technology
Date: 3/12/2003

MMO Contract Administrator

By: Ruth M. P. Smith
Title: Director
Date: 3/15/03

Department of Management and Budget (Purchasing)

By: Christine M. McNeill
Title: Budget Specialist
Date: 3/17/03

3/26/03



JENNIFER M. GRANHOLM
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF INFORMATION TECHNOLOGY



TERESA M. TAKAI
DIRECTOR

March 25, 2003

Chris Mitchell
Office of Acquisition Services
Michigan Department of Management and Budget
P.O. Box 30026
Lansing, MI 48909

Dear Chris,

IBM Contract 071B6000116

We are requesting that the attached Change Authorization Order Numbers 106 and 107 be made to IBM Contract 071B6000116.

These changes reflect a request to discontinue use of several software packages. These changes will result in credits applied over the next few years to the maintenance and service fees charged to BWUC.

There is no value change to the contract, therefore an AS-1 form has not been provided for these changes.

Please contact me (241-9673) or Ann Lindberg (313-456-3218), if there are any questions.

Sincerely,

Jennifer Ryan
Data Center Operations

CC: George Boersma Robert Padgett Leo LaPorte Ann Lindberg



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

May 2, 2003

Ms. Christine Mitchell, CPPB
Department of Management & Budget
Acquisition Services
Strategic Business Development
530 West Allegan
P.O. Box 30026
Lansing, MI 48909

Dear Ms. Mitchell,

IBM understands in a note from Jim Hogan that the State is requesting further pricing actions (i.e., reductions) on the BW&UC Change Orders previously submitted to support the BW&UC RICC project, although approved at the Ad Board meeting of April 15.

IBM has submitted four Change Orders in response to BW&UC's request for additional IBM services:

1. CO 100 for \$234,304.00. This is for IBM MQ Series software and IBM Generic Bridge intellectual property. The IBM MQ Series software is a standard product, and we consider the IBM Generic Bridge intellectual property to be similar to a standard product. It has been our belief that the State is not seeking price reductions relative to such standard products ("commodities"). The price of this Change Order are for these products for the remaining term of the contract through October 17, 2005.
2. CO 101 for \$124,329.50. This Change Order is for services to install and maintain the IBM MQ Series software and IBM Generic Bridge intellectual property for the remaining term of the contract
3. CO 103 for \$133,480.00. This Change Order is for application development and training on the use of the IBM Generic Bridge.
4. CO 105 for \$16,320.00. This Change Order is for building a test environment on the mainframe processor running the BW&UC workload at IBM's Service Delivery Center in Boulder, Colorado.

These Change Orders have three different rates depending on the skills of the individuals performing the various tasks. These rates are \$96.00 per hour, \$150.00 per hour, and \$235.00 per hour. All rates are consistent with schedule B-9 of the contract.

Ms Christine Mitchell
May 2, 2003
Page (2)

IBM understands the critical nature of the RICC project and it's importance to BW&UC in restructuring its business operations. In fact, in advance of the formal approval of these Change Orders, we have been working with BW&UC and its designated partners in detailed planning and preparation for the work to be done. IBM also understands the severe budget problems being faced by the State, and we have willingly entered into overall contract discussions for the purpose of increasing IBM's overall value to the State.

Therefore, in the spirit of a good business partnership, IBM is willing to proceed with the following actions:

1. Reduce the price of CO 101 by a minimum of 7%. This would be accomplished by providing the first 60 hours of project management assistance at no charge to the State. This would reduce the estimated price of CO 101 to \$115,329.50, a reduction of \$9,000.00.
2. Reduce the price of CO 103 by 7%. This would be accomplished by reducing the hourly rate from \$235.00 per hour to \$218.50 per hour. This would reduce the estimated total price of CO 103 to \$124,108.00, a reduction of \$9,372.00.

In the event that the work to be performed under these Change Orders is less than is estimated, the following is also true: a) the State will only be invoiced for the actual hours worked (in the case of CO 101, exclusive of 60 hours), b) the resultant percentage of price reduction is greater than 7% in the case of CO 101.

To facilitate the approval process, IBM is submitting revisions to these two Change Orders, CO 101r and CO 103r, through the normal Change Order process beginning with Deb Patterson.

IBM looks forward to working with BW&UC on the implementation tasks associated with all of these Change Orders as soon as the appropriate Change Notices have been received from the State.

Sincerely,



Ronald E. Pflieger
IBM Customer Services Representative

cc: Sharon Byerly, IBM Corporation
Jim Hogan, SOM DIT

CHANGE AUTHORIZATION ORDER FORM

Change Authorization Order for the MMO Contract

Contract Number 071B6000116

Change Authorization Order Number 106

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

The Bureau of Workers' & Unemployment Compensation has determined that the following software products are no longer necessary for the State's use as originally included in the Contract between BW&UC and IBM Global Services:

1. Computer Associates Easytrieve Plus MVS,
2. Computer Associates Easytrieve Plus IMS, and

A. Scope

IBM Global Services will implement the changes necessary to remove the software products listed above from the development and production LPARs on the Boulder system.

B. Service Levels

Environment Availability

There are no changes in any system availability objectives due to this Change Order.

Response Time

There are no changes in any response time objectives due to this Change Order.



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

March 19, 2002

Ms. Debra Patterson, Director
Education, Employment & Career Services
Department of Information Technology
12th Floor – Suite 100
3024 W. Grand Blvd.
Detroit, MI 48202

Dear Deb,

We are pleased to respond to the Bureau of Workers' & Unemployment Compensation's request for the removal of the following products from the Boulder system: Easytrieve Plus MVS and Easytrieve Plus IMS from Computer Associates.

Since this software was included in the original Contract, IBM will credit the State for unneeded maintenance fees for the remainder of the Contract. Total credits of \$28,575.00 will be issued to the State.

This Change Authorization Order is open for your approval for 45 days.

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

Sincerely,

A handwritten signature in cursive script that reads "Ronald E. Pflieger".

Ronald E. Pflieger
IBM Customer Services Representative

Attachment: Change Authorization Order No 106

C. Deliverables

There are no deliverables associated with this Change Order.

D. Charges

Financial consideration associated with this Change Order will be in the form of a credit to the State. The Easytrieve products were included in the initial Contract between BW&UC and IBM Global Services and its cost is included in the monthly service rates that IBM Global Services charges the State. The credit to the State will be the maintenance fee paid by IBM to Computer Associates for the use of the Easytrieve products. Therefore, a credit of \$14,287.50 will be issued in February of 2004. Another credit of \$14,287.50 will be issued in February of 2005. Therefore, the total credit to the State for the remainder of the Contract will be \$28,575.00.

E. Completion Criteria

Removal of the software as documented in the Infoman change record.

III. State Authorization

Check One:

X This order shall be performed for the benefit of the State of Michigan - Bureau of Workers' & Unemployment Compensation ("BW&UC") and is not valid until signed by an authorized representative of BW&UC, the Contract Administrator, and the Purchasing 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 Purchasing Director.

IV. Signature

IBM Global Services

By: Ronald E. Pflieger
Title: Customer Services Representative
Date: 3/19/03

SOM – BW&UC Authorized Representative

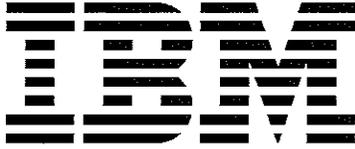
By: Debra J. Patterson
Title: Director - Education, Employment & Career Services
Department of Information Technology
Date: 3.21.2003

MMO Contract Administrator

By: Ruth M. Ritt
Title: 3-24-03
Date: _____

Department of Management and Budget (Purchasing)

By: Chester Mitchell
Title: Budget Specialist
Date: 3/7/03



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

March 19, 2002

Ms. Debra Patterson, Director
Education, Employment & Career Services
Department of Information Technology
12th Floor – Suite 100
3024 W. Grand Blvd.
Detroit, MI 48202

Dear Deb,

We are pleased to respond to the Bureau of Workers' & Unemployment Compensation's request for the removal of the following product from the Boulder system: Mailers Choice from Pitney Bowes.

Since this software was included in the original Contract, IBM will credit the State for unneeded maintenance fees for the remainder of the Contract. Total credits of \$13,632.00 will be issued to the State.

This Change Authorization Order is open for your approval for 45 days.

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

Sincerely,

A handwritten signature in cursive script that reads "Ronald E. Pflieger".

Ronald E. Pflieger
IBM Customer Services Representative

Attachment: Change Authorization Order No. 107

CHANGE AUTHORIZATION ORDER FORM

Change Authorization Order for the MMO Contract

Contract Number 071B6000116

Change Authorization Order Number 107

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

The Bureau of Workers' & Unemployment Compensation has determined that the following software product is no longer necessary for the State's use as originally included in the Contract between BW&UC and IBM Global Services: Pitney Bowes Mailers Choice.

A. Scope

IBM Global Services will implement the changes necessary to remove the software products listed above from the development and production LPARs on the Boulder system.

B. Service Levels

Environment Availability

There are no changes in any system availability objectives due to this Change Order.

Response Time

There are no changes in any response time objectives due to this Change Order.

C. Deliverables

There are no deliverables associated with this Change Order.

D. Charges

Financial consideration associated with this Change Order will be in the form of a credit to the State. The Mailers Choice product was included in the initial Contract between BW&UC and IBM Global Services and its cost is included in the monthly service rates that IBM Global Services charges the State. The credit to the State will be the annual maintenance fee paid by IBM to Pitney Bowes for the use of Mailers Choice. A credit of \$4,544.00 will be issued in August of each year, beginning in 2003, through August 2005. Therefore, the total credit to the State for the remainder of the Contract will be \$13,632.00.

E. Completion Criteria

Removal of the software as documented in the Infoman change record.

III. State Authorization

Check One:

X This order shall be performed for the benefit of the State of Michigan - Bureau of Workers' & Unemployment Compensation ("BW&UC") and is not valid until signed by an authorized representative of BW&UC, the Contract Administrator, and the Purchasing 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 Purchasing Director.

IV. Signature

IBM Global Services

By: Ronald E. Pflieger
Title: Customer Services Representative
Date: 3/19/03

SOM – BW&UC Authorized Representative

By: Debra J. Patterson
Title: Director - Education, Employment & Career Services
Department of Information Technology
Date: 3.21.2003

MMO Contract Administrator

By: Keith M. Smith
Title: Director
Date: 3/24/03

Department of Management and Budget (Purchasing)

By: Christina Mitchell
Title: Buyer specialist
Date: 3/7/03

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

April 25, 2003

**CHANGE NOTICE NO. 45
 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	TELEPHONE : Denise Hamilton (248) 522-4661
	VENDOR NUMBER
	BUYER (517) 335-0462 Chris Mitchell
Contract Administrator: Robert Padgett Bureau of Workers & Unemployment Compensation Mainframe Operations Contract	
CONTRACT PERIOD From: October 20, 1995 To: October 19, 2005	
TERMS <p style="text-align: center;">Net 30 Days</p>	SHIPMENT <p style="text-align: center;">As Required</p>
F.O.B. <p style="text-align: center;">Delivered/Installed</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	

NATURE OF CHANGE (S):

Effective immediately, the attached IBM CAO #104 is hereby incorporated into this contract to allow for the implementation of the described third party software. This amendment does not modify existing contract terms and conditions or contract/project milestone dates commitments.

AUTHORITY/REASON:

Per vendor's request (Ron Pflieger) on 2/19/03, and agency's approval (Jennifer Ryan) on 3/27/03.

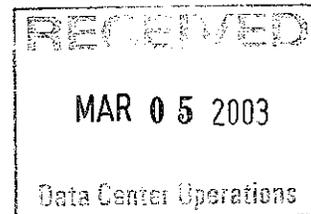
TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$71,439,609.85



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

February 19, 2003

Ms. Debra Patterson, Director
Education, Employment & Career Services
Department of Information Technology
12th Floor – Suite 100
3024 W. Grand Blvd.
Detroit, MI 48202



Dear Deb,

IBM is pleased to provide the attached Change Authorization Order No. 104 for software upgrade charges. These upgrade charges are necessitated by the increased BW&UC workload that is requiring IBM Global Services to move the BW&UC application workload to a larger processor.

The total one-time charges for these software upgrades are \$164,900.00. The increased maintenance charges for the current fiscal year are \$24,400.00.

Additional Change Orders for increased maintenance charges for subsequent fiscal years will be submitted at the appropriate time during the fiscal year.

This Change Authorization Order is open for your approval for 45 days.

Sincerely,

Ronald E. Pflieger
IBM Customer Services Representative

Attachment: Change Authorization Order Form

CHANGE AUTHORIZATION ORDER FORM

Change Authorization Order for the MMO Contract

Contract Number 071B6000116

Change Authorization Order Number 104

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

The significant increase in business processing requirements has led to the necessity of upgrading the mainframe processor on which IBM runs the Bureau of Workers' & Unemployment Compensation (BW&UC) application workload.

The prime shift usage in January 2003, reached 483 hours. This is the fourth time in the last ten (10) months that the BW&UC prime shift usage exceeded 400 hours. The original estimate by IBM Global Services, outlined in Schedule B-6 of the Contract, estimates that an upgrade would be required when the prime shift usage exceeded 400 hours. That projection has proved to be accurate resulting in this Change Order and the planned processor upgrade.

The impact of this increased usage is that response times for BW&UC end users are negatively impacted and that Contract Service Level objectives are not achieved. The performance SLO for CICS was not achieved for January 2003.

A. Scope

IBM Global Services will:

- 1 Move the BW&UC workload from a Group 40 processor to a Group 60 processor in order to satisfy the increased application processing workload.
2. Upgrade the agreements with the various software vendors to provide proper license agreements for running software in support of BW&UC applications on a Group 60 processor.
- 3 Licensing for the following software products are affected by this Change Order:
 - The Monitor for CICS from ASG
 - ZEKE, ZEBB, and ZARA from ASG
 - QuickRef from ChicagoSoft
 - Abend-Aid, CICS Abend-Aid, File-Aid/MVS, Xpediter/CICS, Xpediter/ISO, and Abend-Aid/IMS from Compuware
 - DataVantage from Direct Computer

- DOCU/TEXT and JOB/SCAN from Diversified Software
- Finalist from Pitney Bowes
- HourGlass 2000 from Princeton Softech
- ChangeMan from Serena
- Syncsort from Syncsort

B. Service Levels

Availability

There are no changes in any system availability objectives due to this Change Order.

Response Time

There are no changes in any system response time objectives due to this Change Order.

C. Deliverables

The deliverables associated with this Change Order are the upgrade and license agreements identified in Section A: Scope.

D. Charges

The one-time fixed charges for the software upgrades are \$164,900.00.

The one-time fixed charges for software maintenance through the end of the fiscal year on September 30, 2003, are \$24,400.00.

IBM will invoice BW&UC in the month following the completion of the move of the BW&UC workload to a larger processor. Payment is due within 30 days upon receipt.

Additional Change Orders for increased maintenance charges for subsequent fiscal years will be submitted at the appropriate time during the fiscal year.

E. Estimated Schedule

The processor upgrade will be scheduled during a regular maintenance window on a Sunday as soon as possible following the receipt of approval for this Change Order from the State.

F. BW&UC Responsibilities

BW&UC is responsible for any additional CPU, DASD or Tape usage charges that result from the use of a Group 60 processor.

G. Completion Criteria

IBM shall have fulfilled its obligation pursuant to this Change Order upon completion of the following events, a) establishment of upgraded licensing agreements with the various software vendors, and b) the transfer of the BW&UC application workload to a Group 60 processor.

III. State Authorization

Check One:

X This order shall be performed for the benefit of the State of Michigan – Bureau of Workers' & Unemployment Compensation ("BW&UC") and is not valid until signed by an authorized representative of BW&UC, the Contract Administrator, and the Purchasing 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 Purchasing Director.

IV. Signature

IBM Global Services

By: *Ronald E. O'Keefe*
Title: Customer Services Representative
Date: 2/19/03

SOM – BW&UC Authorized Representative

By: *Debra Patterson*
Title: Director - Education, Employment & Career Services
Department of Information Technology
Date: 2.21.2003

MMO Contract Administrator

By: *Patricia Smith*
Title: Director of Data Center Operations
Date: 3/11/03

Department of Management and Budget (Purchasing)

By: *Christina Mitchell, CPPB*
Title: Buyer Specialist
Date: 4/25/03

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

April 25, 2003

**CHANGE NOTICE NO. 44
 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	TELEPHONE : Denise Hamilton (248) 522-4661
	VENDOR NUMBER
	BUYER (517) 335-0462 Chris Mitchell
Contract Administrator: Robert Padgett Bureau of Workers & Unemployment Compensation Mainframe Operations Contract	
CONTRACT PERIOD From: October 20, 1995 To: October 19, 2005	
TERMS <p style="text-align: center;">Net 30 Days</p>	SHIPMENT <p style="text-align: center;">As Required</p>
F.O.B. <p style="text-align: center;">Delivered/Installed</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	

NATURE OF CHANGE (S):

Effective immediately, the attached modifications are hereby incorporated into this contract with a 15% rate reduction in these hourly services. This amendment corresponds to IBM's CAO #102 per attached. The attached amendment is incorporated with no modifications in terms and conditions or project milestone commitments.

AUTHORITY/REASON:

Per vendor's request (Ron Pflieger) on 1/21/03, and agency's approval (Jennifer Ryan) on 2/4/03.

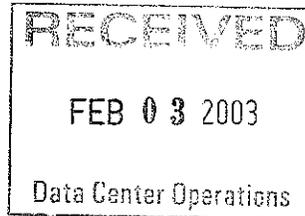
TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$71,439,609.85



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

January 31, 2003

Ms. Debra Patterson, Director
Education, Employment & Career Services
Department of Information Technology
12th Floor – Suite 100
3024 W. Grand Blvd.
Detroit, MI 48202



Dear Deb,

IBM is pleased to provide the attached Change Authorization Order No 102 for technical consulting services in support of your RICC development project.

This Change Order provides up to 200 hours of consulting services for you and/or your representatives upon a mutually agreed upon schedule.

The total estimated charges for this Change Order are \$40,000.00. BW&UC will be invoiced only for actual hours worked. BW&UC will also be invoiced for actual travel and living expenses.

Sincerely,

A handwritten signature in cursive script that reads 'Ronald E. Pflieger'.

Ronald E. Pflieger
IBM Customer Services Representative

CHANGE AUTHORIZATION ORDER FORM

**Change Authorization Order for the MMO Contract
Contract Number 071B6000116
Change Authorization Order Number 102**

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 Integrated Systems Solutions Corporation ("ISSC") 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

Description of Service:

IBM will provide technical consulting services to BW&UC and its representative for architectural concerns relating to the Remote Initial Claims Center (RICC) development project.

A. Scope

- IBM will provide up to 200 hours consulting services relating to the systems architecture for the RICC project.

B. Deliverables

- None

C. BW&UC Responsibilities

- BW&UC will work with IBM to establish a time for the consulting services based upon a mutually agreeable schedule.
- BW&UC 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
- BW&UC may cancel the support provided under this Change Order by providing thirty (30) days advance written notice to IBM.

D. Charges

IBM Global Services will invoice BW&UC for actual hours worked at the hourly rate of \$200.00. This Change Order provides for up to 200 hours of consulting services.

Therefore, the total estimated charges for this Change Order are:
 $(\$200.00/\text{hour}) * (\text{up to } 200 \text{ hours}) = \text{up to a maximum of } \$40,000.00$

IBM will invoice the BW&UC for the actual number of hours expended in the previous month, by the (10th) day of the month following the use of any consulting hours.

IBM will also invoice BW&UC for actual travel and living expenses for consulting service done onsite at BW&UC. This invoice will be submitted by the (10th) day of the month following the occurrence of these expenses.

E. Schedule

IBM will perform these services from February 1, 2003, through October 31, 2003

F. IBM Global Services Responsibilities

The identified IBM resources for these activities are IBM personnel assigned to the original IBM proposal to BW&UC for a RICC solution. It is IBM's intent to make these resources available to BW&UC for these technical consulting services. However, IBM reserves the right to substitute individuals of equal qualifications upon two (2) weeks advance notice to the BW&UC.

G. Completion Criteria

IBM shall have fulfilled its obligations under this Change Order when any of the following first occurs: (1) 200 hours of technical consulting have been expended, or (2) the date of October 31, 2003, has been reached, or (3) this Change Order is terminated in accordance with the terms of the Contract.

III. State Authorization

Check One:

This order shall be performed for the benefit of the State of Michigan – Bureau of Workers' and Unemployment Compensation ("BW&UC") and is not valid until signed by an authorized representative of the Bureau, the Contract Administrator, and the Purchasing 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 Purchasing Director

IV. Signature

IBM Global Services

By: Ronald E. Pflieger
Title: Customer Services Representative
Date: 1/31/2003

SOM – BW&UC Authorized Representative

By: Debra J. Patterson
Title: Director - Education, Employment & Career Services
Department of Information Technology
Date: 1-31-2003

MMO Contract Administrator

By: R. M. P. Pflieger
Title: Director - Data Center Operations
Date: 2-3-03

Department of Management and Budget (Purchasing)

By: Christine Mitchell
Title: Buyer Specialist
Date: 4/25/03

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

February 25, 2003

**CHANGE NOTICE NO. 43
 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	TELEPHONE : Denise Hamilton (248) 522-4661 VENDOR NUMBER BUYER (517) 335-0462 Chris Mitchell
Contract Administrator: Robert Padgett Bureau of Workers & Unemployment Compensation Mainframe Operations Contract	
CONTRACT PERIOD From: October 20, 1995 To: October 19, 2005	
TERMS <p style="text-align: center;">Net 30 Days</p>	SHIPMENT <p style="text-align: center;">As Required</p>
F.O.B. <p style="text-align: center;">Delivered/Installed</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	

NATURE OF CHANGE (S):

Effective immediately, the attached IBM CAO 98 is hereby incorporated into this contract, resulting in a \$17,400.00 credit to the state.

AUTHORITY/REASON:

Per vendor, Ron Pflieger on (12/19/02) and per agency (Jennifer Ryan) on 1/29/03.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$71,439,609.85

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

December 20, 2002

CHANGE NOTICE NO. 42 (revised)

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		TELEPHONE : Denise Hamilton (248) 522-4661
		VENDOR NUMBER
		BUYER (517) 335-0462 Chris Mitchell
Contract Administrator: Robert Padgett Bureau of Workers & Unemployment Compensation Mainframe Operations Contract		
CONTRACT PERIOD		From: October 20, 1995
		To: October 19, 2005
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, this contract is hereby INCREASED in value by \$230,791.00 to allow for continued use of the CNT connection to Boulder, and extending annual MVS/Quick-Ref software maintenance to September 30, 2003 per IBM CAO's #94 and #95.

AUTHORITY/REASON:

Per vendor, Ron Pflieger on (10/7/02) and per agency (Bob Podgett) on 10/17/02.

INCREASE: \$230,791.00

TOTAL REVISED ESTIMATED CONTRACT VALUE REMAINS: \$71,439,609.85

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

December 12, 2002

**CHANGE NOTICE NO. 41
 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	TELEPHONE : Denise Hamilton (248) 522-4661
	VENDOR NUMBER
	BUYER (517) 335-0462 Chris Mitchell
Contract Administrator: Robert Padgett Bureau of Workers & Unemployment Compensation Mainframe Operations Contract	
CONTRACT PERIOD From: October 20, 1995 To: October 19, 2005	
TERMS <p style="text-align: center;">Net 30 Days</p>	SHIPMENT <p style="text-align: center;">As Required</p>
F.O.B. <p style="text-align: center;">Delivered/Installed</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	

NATURE OF CHANGE (S):

Effective immediately, Analysts International is hereby added as a subcontractor to this IBM contract per the attached IBM CAO #99. The purpose of this subcontractor addition is to allow for a SOM retiree to return providing training and technical assistance for DIT/BWUC.

AUTHORITY/REASON:

Per vendor, Ron Pflieger in an e-mail dated November 26, 2002, and per agency, Debra Patterson in an e-mail dated November 26, 2002.

TOTAL REVISED ESTIMATED CONTRACT VALUE REMAINS: \$71,208,818.85



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

November 26, 2002

Ms. Debra Patterson, Director
Education, Employment & Career Services
Department of Information Technology
12th Floor - Suite 100
3024 W. Grand Blvd.
Detroit, MI 48202

Dear Deb,

IBM is pleased to provide the attached Change Authorization Order No. 99 for contract assistance in support of IMS database activities for BW&UC.

This support would specifically be for engaging the assistance of Jim Furioso on specific IMS technical issues where Jim's expertise is desired on the part of you or your staff.

The total charges for this Change Order will be \$57,600.00.

This Change Authorization Order is open for your approval for 45 days.

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

Sincerely,

A handwritten signature in cursive script that reads 'Ronald E. Pflieger'.

Ronald E. Pflieger
IBM Customer Services Representative

Attachment: Change Authorization Order No. 99

CHANGE AUTHORIZATION ORDER FORM

Change Authorization Order for the MMO Contract

Contract Number 071B6000116

Change Authorization Order Number _____99_____

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

Description of Service:

One senior IMS/DB analyst to provide technical support for IMS database related activities. Service would be provided on a short-term, part-time basis to the State of Michigan Bureau of Workers' and Unemployment Compensation (BW&UC). The rate for these services will be \$96.00 per hour.

A. Scope

One senior IMS/DB analyst to provide short-term, part-time IMS database assistance to BW&UC. Assuming approval of this Change Order, service would begin on or about December 9, 2002, for an estimated period of 4 months for 6 hours per day. The total number of support hours available under this Change Order for the services requested will be 600 hours.

B. Deliverables

Provide technical IMS support person in support of BW&UC database activities.

C. Costs

IBM Global Services will invoice BW&UC for actual hours worked at the hourly rate of \$96.00 per hour.

Total potential cost: (1) person * (\$96.00/hour) * (up to 600 hours) = up to a maximum of \$57,600.00.

IBM will invoice BW&UC for the actual number of hours expended in the previous month, by the (10th) day of the month following the completion of the work.

D. Schedule

These services will be available within 14 days of approval of this Change Order and remain in place for four (4) months following the beginning of support activities.

E. IBM Global Services Responsibilities

The identified resource for this activity is Jim Furioso. It is IBM's intent to maintain Mr. Furioso in this position throughout the period of the Change Order. However, IBM reserves the right to substitute an individual of equal qualifications upon two (2) weeks advance notice to BW&UC. Such a substitution would only be made in the event that: (1) Mr. Furioso becomes unavailable, and (2) BW&UC concurs with the substitution. In addition, Mr. Furioso will not be available to BW&UC in accordance with IBM's policy for normal holidays.

F. BW&UC Responsibilities

BW&UC may cancel the support provided under this Change Order by providing thirty (30) days advance written notice to IBM.

III. Charges

Total charges for this Change Order are estimated not to exceed \$57,600.00. All invoices are payable within thirty (30) days of receipt.

IV. Completion Criteria

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

1. IBM provides the maximum number of hours of service specified in the "Description of Change" section of this Change Order or in any subsequent Change Authorization; or
2. The estimated end date specified in the "Description of Change," Section II, (even if IBM has not yet provided the number of hours and/or days of service specified in this Change Order or in any subsequent Change Authorization); or
3. BW&UC cancels this Change Order in accordance with the provisions of Section F; or
4. This Change Order is terminated in accordance with the provisions of the Contract.

V. State Authorization

Check One:

This order shall be performed for the benefit of the State of Michigan - Bureau of Workers' & Unemployment Compensation ("BW&UC") and is not valid until signed by an authorized representative of BW&UC, the Contract Administrator, and the Purchasing 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 Purchasing Director.

VI. Signature

IBM Global Services

By: Ronald E. Pflieger
Title: Customer Services Representative
Date: 11/25/02

SOM - HW&UC Authorized Representative

By: Debra J. Patterson
Title: Director - Education, Employment & Career Services
Department of Information Technology
Date: 11/26/2002

MMO Contract Administrator

By: Ruth M. Potts
Title: Director
Date: 11/27/02

Department of Management and Budget (Purchasing)

By: _____
Title: _____
Date: _____

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

December 6, 2002

**CHANGE NOTICE NO. 40
 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	TELEPHONE : Denise Hamilton (248) 522-4661
	VENDOR NUMBER
	BUYER (517) 335-0462 Chris Mitchell
Contract Administrator: Robert Padgett Bureau of Workers & Unemployment Compensation Mainframe Operations Contract	
CONTRACT PERIOD From: October 20, 1995 To: October 19, 2005	
TERMS <p style="text-align: center;">Net 30 Days</p>	SHIPMENT <p style="text-align: center;">As Required</p>
F.O.B. <p style="text-align: center;">Delivered/Installed</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	

NATURE OF CHANGE (S):

Effective immediately, this contract is INCREASED by \$19,200.00 to allow for an additional 200 hours of technical assistance for the Bureau's Database Consolidation Project. This modification corresponds to IBM CAO #93. The new contract value is \$71,208,818.85. All other terms, conditions, and pricing remain the same.

AUTHORITY/REASON:

Per vendor, Ron Plieger in a letter dated November 8, 2002, and per agency, Bob Padgett in a letter dated November 18, 2002.

INCREASE: \$19,200.00

TOTAL REVISED ESTIMATED CONTRACT VALUE REMAINS: \$71,208,818.85

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

October 9, 2002

**CHANGE NOTICE NO. 39
 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	TELEPHONE : Denise Hamilton (248) 522-4661
	VENDOR NUMBER
	BUYER (517) 335-0462 Chris Mitchell
Contract Administrator: Fran Shooltz Bureau of Workers & Unemployment Compensation Mainframe Operations Contract	
CONTRACT PERIOD From: October 20, 1995 To: October 19, 2005	
TERMS <p style="text-align: center;">Net 30 Days</p>	SHIPMENT <p style="text-align: center;">As Required</p>
F.O.B. <p style="text-align: center;">Delivered/Installed</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	

NATURE OF CHANGE (S):

Effective immediately, the attached modifications, representing IBM COA's #90 and #96, are hereby incorporated into this contract with no additional modifications in pricing, terms or conditions. Phoenix Software's Auto FT and IBM's Host Publisher are removed from the development and LPARS on the Boulder System, and several key personnel changes are made. The contract administrator is changed to Robert Padgett, Director of Data Center Operations, DIT.

AUTHORITY/REASON:

Per agency's request from Fran Shooltz on 9/23/02 and vendor's approval by Ron Pflieger on 9/11/02 and in accordance with the modification clause

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$71,189,618.85

CHANGE AUTHORIZATION ORDER FORM

Change Authorization Order for the MMO Contract

Contract Number 071B6000116

Change Authorization Order Number 90

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

The State of Michigan, Bureau of Workers’ & Unemployment Compensation has determined that the following software products are no longer necessary for the State’s use: 1) Phoenix Software International’s Auto FT as originally added under Change Order No. 9, and 2) IBM Host Publisher as originally added under Change Order No. 68.

There are no additional charges associated with this Change Order.

A. Scope

IBM Global Services will implement the changes necessary to remove the Phoenix Software International’s Auto FT and IBM Host Publisher software products from the development and production LPARs on the Boulder system.

B. Service Levels

Environment Availability

There are no changes in any system availability objectives due to this Change Order.

Response Time

There are no changes in any response time objectives due to this Change Order.

C. Deliverables

There are no deliverables associated with this Change Order.

D. Charges

There will be no charges to the Bureau of Workers' & Unemployment Compensation for the changes provided under this Change Order. All charges associated with Change Order No. 9 and Change Order No. 68 have been previously satisfied.

E. Completion Criteria

Removal of the software as documented in the Infoman change record.

III. State Authorization

Check One:

This order shall be performed for the benefit of the State of Michigan - Bureau of Workers' & Unemployment Compensation ("BW&UC") and is not valid until signed by an authorized representative of BW&UC, the Contract Administrator, and the Purchasing 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 Purchasing Director.**

IV. Signature

IBM Global Services

By: _____
Title: **Customer Services Representative** _____
Date: _____

SOM – BW&UC Authorized Representative

By: _____
Title: **Director, ESSD** _____
Date: _____

MMO Contract Administrator

By: _____
Title: _____
Date: _____

Department of Management and Budget (Purchasing)

By: _____
Title: _____
Date: _____

CHANGE AUTHORIZATION ORDER FORM

Change Authorization Order for the MMO Contract

Contract Number 071B6000116

Change Authorization Order Number 96

I. Effect on Contract

This Change authorization order (the “Order”) is subject to all terms and conditions of the Michigan Employment Security 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 is pleased to submit for the Bureau of Workers’ & Unemployment Compensation’s approval, changes to the following IBM Global Services Client Service Team members and their designated project roles:

- | | | |
|----|---|---------------|
| A. | Director, Central Industries Region | Sharon Byerly |
| B. | Project Executive – State of Michigan BW&UC | Charles Case |

In addition, the following people continue to be designated as Key Personnel:

- | | | |
|----|--|-----------------|
| A. | Customer Services Representative, IBM Global Services | Ronald Pflieger |
| B. | Delivery Project Executive, Service Delivery Center, IBM Global Services | Gregory Gischel |

Any other personnel designated as key personnel in the original Contract or in Contract Change Notice #3 should no longer be considered key personnel.

A. Scope

This Change Order does not affect the scope of the MMO Contract.

B. Deliverables

This Change Order does not affect any deliverables of the MMO Contract.

C. Costs

There are no costs associated with this Change Order.

III. State Authorization

Check One:

This order shall be performed for the benefit of the State of Michigan - Bureau of Workers' & Unemployment Compensation ("BW&UC") and is not valid until signed by an authorized representative of BW&UC, the Contract Administrator, and the Purchasing 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 Purchasing Director.**

IV. Signature

IBM Global Services

By: _____
Title: **Customer Services Representative** _____
Date: _____

SOM – BW&UC Authorized Representative

By: _____
Title: **Director, ESSD** _____
Date: _____

MMO Contract Administrator

By: _____
Title: _____
Date: _____

Department of Management and Budget (Purchasing)

By: _____
Title: _____
Date: _____

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

September 11, 2002

**CHANGE NOTICE NO. 38
 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		TELEPHONE : Denise Hamilton (248) 522-4661
		VENDOR NUMBER
		BUYER (517) 335-0462 Chris Mitchell
Contract Administrator: Fran Shooltz Bureau of Workers & Unemployment Compensation Mainframe Operations Contract		
CONTRACT PERIOD		From: October 20, 1995 To: October 19, 2005
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 attached modifications incorporating IBM COA #84 for installation and support of IBM's OS/390 Print Server and Transform Software are hereby added to this contract.

AUTHORITY/REASON:

Per request from vendor (Denise Hamilton) dated 8/7/02 and agreement from agency dated 8/12/02.

INCREASE: \$48,624.00

TOTAL REVISED ESTIMATED CONTRACT VALUE: \$71,189,618.85

CHANGE AUTHORIZATION ORDER FORM

Change Authorization Order for the MMO Contract

Contract Number 071B6000116

Change Authorization Order Number 84

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

In order to support mainframe 3270 printing to the Unemployment Agency's HP printers, UA has requested this change to implement and support IBM's OS/390 Print Server software and printer transforms from AFP to PCL and PDF.

A. IBM Responsibilities

IBM Global Services will acquire IBM's print server software along with transforms from AFP to PCL and PDF. IBM will install on both the production and development LPARs and provide all necessary maintenance services on an ongoing basis.

Completion Criteria

1. Installation of the OS/390 Print Server and Transform software on the development and production LPARs.
2. Notification has been provided to UA that the installation work has been completed and the OS/390 Print Server and Transform Software is ready for use.

B. UA Responsibilities

UA will test the mainframe-installed print server capability and be responsible for the successful usage of the product to direct printed output to HP printers.

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

C. Deliverables

By implementation of this Change Authorization Order, IBM Global Services will provide access to OS/390 print server software and the AFP transforms to PCL and PDF.

D. Costs

Costs for this Change Authorization Order are as follows:

1. Monthly software costs for OS/390 print server and AFP to PCL and AFP to PDF transforms: \$1,935.00 per month.
2. One-time installation costs (120 hours at contract rate of \$96.00 per hour): \$11,520.00.
3. Monthly costs for software maintenance support (4 hours per month at contract rate of \$96.00 per hour): \$384.00 per month.

Total costs through September 2003*	Cost
One time installation costs	\$11,520.00
16 months of software costs (16 X \$1,935.00)	30,960.00
16 months of maintenance support (16X \$384.00)	6,144.00
Total:	\$48,624.00

* Assumes billing would begin in July 2002, and extend through September 2003. Actual billing will begin upon completion of the product installation.

UA will be billed the installation costs totaling \$11,520.00 in the month following the completion of the software installation. The monthly software and support charges will begin at the same time.

E. Schedule

The OS/390 Print Server and Transform software will be available in the MMO Development and Production LPARs for use by UA upon execution of fully approved Info/Man change record for implementation of this Software. This Change Authorization Order shall be effective on the date of receipt of the Change Notice from the State of Michigan.

F. Completion Criteria

IBM shall have fulfilled its responsibilities pursuant to this Change Authorization Order upon completion of the following:

The services provided under this Change Authorization order will be deemed to be complete (1) IBM completes its responsibilities as described in the "IBM Responsibilities" section in accordance with the completion criteria, and upon reaching the end date of the contract, or (2) UA terminates this Change Authorization Order, whichever occurs first.

III. State Authorization

Check One:

This order shall be performed for the benefit of the State of Michigan Unemployment Agency (SOM UA) and is not valid until signed by an authorized representative of the SOM UA, the Contract Administrator, and the Purchasing Director.

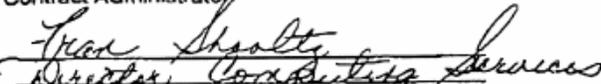
This order shall be performed for the benefit of **** AGENCY NAME GOES HERE **** (the "Authorizing Agency") and all amounts to be paid to IBM Global Services pursuant to this order shall be paid solely from funds available to the Authorizing Agency. IBM Global Services hereby acknowledges that the Authorizing 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 Purchasing Director.

IV. Signature

IBM Global Services

By: 
 Title: Executive Project Manager
 Date: 7/17/02

MMO Contract Administrator

By: 
 Title: Director, Computing Services
 Date: 6/7/02

SOM Unemployment Agency, Director, ESSD

By: 
 Title: Director
 Date: 4-18-2002

Department of Management and Budget (Purchasing)

By: _____
 Title: _____
 Date: _____

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

September 10, 2002

**CHANGE NOTICE NO. 37
 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		TELEPHONE : Denise Hamilton (248) 522-4661
		VENDOR NUMBER
		BUYER (517) 335-0462 Chris Michel
Contract Administrator: Fran Shooltz Bureau of Workers & Unemployment Compensation Mainframe Operations Contract		
CONTRACT PERIOD		From: October 20, 1995 To: October 19, 2005
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 attached IBM COA #89 is hereby incorporated into this contract for the addition of the IBM MQ series software, the CICS 3270 Bridge and the Generic Converter Tool to allow for future UA platform applications.

AUTHORITY/REASON:

Per request from vendor (Denise Hamilton) dated 8/6/02 and agreement from agency, (Sheila Murff) in an email dated 8/12/02 and a letter (Brian Trimble) dated 8/5/02.

INCREASE: \$66,666.50

TOTAL REVISED ESTIMATED CONTRACT VALUE: \$71,140,994.85



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

August 5, 2002

Mr. Brian Trimble, Director
Enterprise Support Services Division
State of Michigan, Bureau of Workers' & Unemployment Compensation
5015 S. Cedar
Lansing, MI 48910

Dear Brian,

IBM is pleased to respond to your request to implement software on the Boulder system. The software that you have requested is: (1) the IBM 3270 Bridge, (2) IBM's MQ Series, and (3) the IBM Generic Converter. The attached Change Authorization Order No. 89, addresses the software costs, implementation charges, and ongoing support charges through September 30, 2003.

The total fixed one-time charge for this Change Order will be \$6,912.00. The ongoing monthly fixed charges through September 30, 2003, will be \$4,596.50. Therefore, the total fixed charges for this Change Order is \$66,666.50.

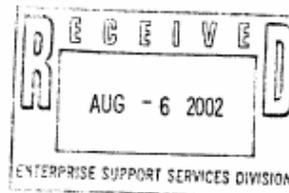
Attached is Change Authorization Order Number 89.

This Change Authorization Order is open for your approval for 45 days.

Sincerely,

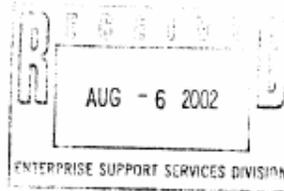
Ronald E. Pflieger
IBM Customer Services Representative

Attachments: Change Authorization Order No. 89



CHANGE AUTHORIZATION ORDER FORM

Change Authorization Order for the MMO Contract
Contract Number 071B6000116
Change Authorization Order Number 89



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

The State of Michigan, Bureau of Workers' & Unemployment Compensation (BWUC) has determined that the following IBM software is required on the Boulder system in order to support future application requirements:

1. MQ Series (product number 5655-F10),
2. The CICS 3270 Bridge, and
3. The Generic Converter Tool.

A. Scope

Under this Change Order, IBM Global Services will:

1. Implement MQ Series.
2. Implement the CICS 3270 Bridge.
3. Implement the Generic Converter Tool.
4. Maintain and support the above implemented software until September 30, 2003. If BWUC requires the continued use of these products after September 30, 2003, another Change Order will be prepared to provide for continued support.
5. The above software will be implemented in both the production and development LPARs and in all CICS environments according to a mutually agreed upon schedule in conjunction with fully approved Info/Man change records.

B. Service Levels

Environment Availability

There are no changes in any system availability objectives due to this Change Order.

Response Time

There are no changes in any response time objectives due to this Change Order.

C. Deliverables

The deliverables associated with this Change Order are the fully implemented and operational software products defined in Section A: Scope.

D. Costs

Software

Monthly charge for MQ Series (5665-F10)	\$2,950.00
Administrative Processing Fee	<u>+7%</u>
Total per month	\$3,156.50

The CICS 3270 Bridge is a part of the currently installed CICS Transaction Server 1.3. As such, there are no additional software charges.

The Generic Converter Tool is distributed without charge as IBM code. Please see Section E, BWUC responsibilities, for further considerations.

Installation

MQ Series will require 32 hours for installation services. The 3270 Bridge and the Generic Converter Tool will together require 40 hours for installation services. The total of 72 hours will be invoiced at the standard contract rate of \$96.00 per hour for a total one-time charge of \$6,912.00.

Maintenance

MQ Series will require 10 hours per month for maintenance services. The 3270 Bridge and the Generic Converter Tool will together require 5 hours per month. The total of 15 hours per month will be invoiced at the standard contract rate of \$96.00 per hour for a total of \$1,440.00 per month. Maintenance shall be performed in response to problem records being entered in the standard problem/change management system using Info/Man.

Invoicing

The fixed monthly charges for the MQ Series software (\$3,156.50) and the maintenance services (\$1,440.00) will be invoiced beginning with the billing cycle in October, 2002, (assuming September availability) and continue through the time period for this Change Order, i.e. September, 2003. Therefore, the total fixed monthly charges for the thirteen months covered by this Change Order will be \$59,754.50. This assumes that BWUC signs this Change Order and returns an approved Change Notice to IBM by August 31, 2002.

The fixed one-time charges of \$6,912.00 for installation services will be billed in October, 2002.

Therefore, the total fixed charges for this Change Order through September, 2003, will be \$66,666.50.

If BWUC determines that it no longer requires this software prior to the end of September, 2003, IBM will discontinue the monthly fixed charges 30 days following written notification from BWUC.

E. BWUC Responsibilities

BWUC will provide IBM with software requirements necessary for the successful installation and implementation of the software described in this Change Order.

BWUC will define and create the appropriate security environment and security authorizations to allow the software to be installed and operate properly.

BWUC will report any problems encountered with any of the software installed under this Change Order using Info/Man.

BWUC is responsible for any CPU, DASD, and Tape usage or charges that result from the execution of HourGlass 2000.

BWUC is responsible for any results achieved using any of the software implemented under this Change Order.

BWUC understands that the Generic Converter Tool is IBM code. As such, IBM retains ownership. However, BWUC may use the software for its own application purposes, but is not allowed to sell it or distribute it to any third party. By signing this Change Order, BWUC agrees to these conditions.

F. Completion Criteria

IBM shall have completed its implementation obligations pursuant to this Change Order when the software identified in Section A, Scope, has been implemented. Furthermore, IBM shall have completed its maintenance obligations when all problems, identified with an Info/Man problem record prior to September 30, 2003, have been resolved.

III. State Authorization

Check One:

- This order shall be performed for the benefit of the State of Michigan – Bureau of Workers' and Unemployment Compensation ("BWUC") and is not valid until signed by an authorized representative of the Bureau, the Contract Administrator, and the Purchasing 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 Purchasing Director.

IV. Signature

IBM Global Services

By: Ronald E. Flynn
Title: Customer Services Representative
Date: August 5, 2002

MMO Contract Administrator

By: _____
Title: _____
Date: _____

BWUC Authorized Representative

By: Brian K. Smith
Title: Director ESSD
Date: August 9, 2002

Department of Management and Budget (Purchasing)

By: _____
Title: _____
Date: _____

**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 7, 2002

**CHANGE NOTICE NO. 36
 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	TELEPHONE : Denise Hamilton (248) 522-4661
	VENDOR NUMBER
	BUYER (517) 335-0462 Chris Michel
Contract Administrator: Fran Shooltz Bureau of Workers & Unemployment Compensation Mainframe Operations Contract	
CONTRACT PERIOD From: October 20, 1995 To: October 19, 2005	
TERMS <p style="text-align: center;">Net 30 Days</p>	SHIPMENT <p style="text-align: center;">As Required</p>
F.O.B. <p style="text-align: center;">Delivered/Installed</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	

NATURE OF CHANGE (S):

Effective immediately, the following items and prices are hereby reincorporated into this contract per IBM CAO#88:

Princeton Softech, Inc. Hour Glass 2000 (Reinstate license)	\$5,951.00
Maintenance fee through September 30, 2003	\$2,828.00
Administrative Processing Fee 7%	\$661.00
<u>Installation, Configuration, and Testing (25 hours @ \$96.00/hr)</u>	<u>\$2,400.00</u>
TOTAL	11,840.00

AUTHORITY/REASON:

**Per request from vendor (Ronald Pflieger) dated 6/24/02 and agreement from agency,
 (Fran Shooltz) dated 7/25/02.**

INCREASE: \$11,840.00

TOTAL REVISED CONTRACT VALUE: \$71,074,328.35

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

July 18, 2002

CHANGE NOTICE NO. 35
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	TELEPHONE : Denise Hamilton (248) 522-4661
	VENDOR NUMBER
	BUYER (517) 335-0462 Chris Michel
Contract Administrator: Fran Shooltz Bureau of Workers & Unemployment Compensation Mainframe Operations Contract	
CONTRACT PERIOD	From: October 20, 1995 To: October 19, 2005
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, Contract Vendor information is hereby changed to:

**Denise Hamilton
IBM Global Services
P.O. Box 5050, 11th Floor
Southfield, MI 48086-5050
(248) 552-4661**

AUTHORITY/REASON:

**Per request from vendor (Denise Hamilton) dated 7/25/02 and agreement from agency,
Fran Shooltz.**

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$71,062,488.35

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

April 23, 2002

**CHANGE NOTICE NO. 33
 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	TELEPHONE : Tom Yambasky (248) 522-4652
	VENDOR NUMBER
	BUYER (517) 335-0462 Chris Michel
Contract Administrator: Fran Shooltz Unemployment Agency Mainframe Operations Contract	
CONTRACT PERIOD From: October 20, 1995 To: October 19, 2005	
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):

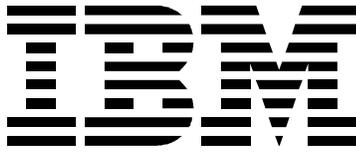
Effective immediately, the attached IBM Change Authorization Orders #65, 82 and 83 are hereby incorporated into the Contract with no modifications in terms and conditions.

AUTHORITY/REASON:

Per agency's request from Fran Shooltz on 3/5/02 and vendor's approval by Ron Pflieger on 2/15/02 and in accordance with the modification clause.

INCREASE: \$170,304.00

TOTAL REVISED ESTIMATED CONTRACT VALUE: \$71,062,488.35



IBM Global Services
12th Floor – Suite 100
3204 W. Grand Blvd.
Detroit, MI 48202
313-456-2989

February 15, 2002

Mr. Brian Trimble
Director ESSD
State of Michigan
Unemployment Agency
5015 South Cedar
Lansing, MI 48910

Dear Brian,

IBM is pleased to provide the attached revision to Change Authorization Order No. 65 to satisfy UA's requirement for continued use of the CNT connection to Boulder to support tape processing. Change Order No. 65 was originally presented on October 31, 2001. At UA's request, this revision removes the disaster recovery component of the original Change Order.

The CNT will be moved to the UA warehouse under the provisions of Change Order No. 64 along with the Agency's move to Cadillac Place.

IBM will continue to provide that same CNT support but use only one T1 to connect Boulder to the CNT in the Detroit warehouse.

There have been no additional charges for the use of the CNT through the end of 2001. Continuing monthly charges for supporting this connectivity starting 1/1/2002 will be \$23,584.00. The total cost of this Change Order through the end of the fiscal year on 9/30/2002 will be \$212,255.00.

This Change Authorization Order is open for your approval for 45 days.

Sincerely,

Ronald E. Pflieger
IBM Customer Services Representative

Attachment: Change Authorization Order Form

CHANGE AUTHORIZATION ORDER FORM

Change Authorization Order for the MMO Contract

Contract Number 071B6000116

Change Authorization Order Number 65R

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

The State Unemployment Agency (UA) has determined that it will require the continuation of channel extension (CNT) services after the physical move of its headquarters from the Labor Building in Detroit to Cadillac Place (the former General Motors Building), also located in Detroit. The channel extension support is required to support UA tape processing on the Boulder system. The move and support of this equipment through 10/31/2001 is provided in Change Order No. 64. This change order applies to the continued support of the CNT configuration beginning 1/1/2002.

A. Scope

IBM Global Services will continue to support the CNT and one T1 circuit from Boulder to the UA warehouse for the purpose of continuing support requirements for channel attached tape drives.

At UA's request, IBM will not provide disaster recovery services for this connection.

Assumptions

UA will perform console operations for the tape drives by (1) moving the hardware consoles from the Labor Building to the UA warehouse, or (2) use NetView Automated Console support.

UA accepts any and all risk associated with not having disaster recovery services. This means that in the event of a declared disaster where IBM must run UA's systems at one of IBM's disaster recovery sites, tape processing for the UA tape drives will not be available. Tape processing for UA tape drives would resume once normal processing resumes at the Boulder site.

Service Levels

The purpose of moving the CNT is to continue Detroit tape operations. The Service Level Objective affected by this change is the one for Batch Processing. Since UA is requesting that only one T1 be used to connect the CNT in Boulder to the CNT at the UA warehouse, it is

possible that current levels of availability may be affected. Accordingly, the Batch Processing objective will be reduced from 95% to 90% and the SLA is hereby updated to reflect this change.

D. Deliverables

IBM Global Services will provide all items as identified in the scope, paragraph A above.

E. Costs

Beginning 01/01/2002, the UA will be charged \$23,584.00 per month for the continued CNT service between Boulder and the UA warehouse. These charges include support for network services operations, CNT maintenance, and managed T1 network operations for production and disaster recovery. The total cost of this Change Order through the end of the fiscal year on 9/30/2002 will be \$212,255.00.

(Note: The date of 01/01/2002 is a change from the date agreed upon in change order 64. Because of the delay in network installation, IBM is able to defer additional charges for this service from 11/01/2001 until 01/01/2002.)

F. Estimated Schedule

The monthly charges will continue as long as UA requires this service or until the end of the fiscal year on 9/30/2002.

G. UA Responsibilities

UA will provide at least 30 days written notification in the event that this service is no longer required.

UA will define and document, using InfoMan, any technical issues or performance related problems that require IBM technical assistance.

H. Completion Criteria

IBM shall have fulfilled its obligation pursuant to this Change Authorization Order by providing CNT service to the UA warehouse until such time as notified by UA that the service is no longer required, or on 9/30/2001, whichever occurs first.

III. State Authorization

Check One:

X This order shall be performed for the benefit of the State of Michigan - Unemployment Agency (“UA”) and is not valid until signed by an authorized representative of the UA, the Contract Administrator, and the Purchasing 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 Purchasing Director.

IV. Signature

IBM Global Services

By: _____
Title: Executive Project Manager
Date: _____

MMO Contract Administrator

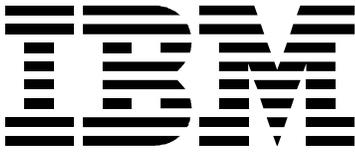
By: _____
Title: _____
Date: _____

SoM – UA Authorized Representatives

By: _____
Title: Director ESSD _____
Date: _____

Department of Management and Budget (Purchasing)

By: _____
Title: _____
Date: _____



IBM Global Services
P.O. Box 5050
11th Floor
Southfield, MI 48086-5050
248-552-5807

February 22, 2002

Mr. Brian Trimble, Director
Enterprise Support Services Division
State of Michigan Unemployment Agency
5015 S. Cedar
Lansing, MI 48910

Dear Brian,

The attached Change Authorization Order No. 82 will extend the *estimated* end date for the State of Michigan Unemployment Agency's request for technical assistance in the conversion of UA network applications as provided for under Change Authorization Order No. 75. There are no additional charges associated with this Change Order.

This Change Authorization Order is open for your approval for 45 days.

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

Sincerely,

Ernest P. Clover
Executive Project Manager

Attachment: Change Authorization Order No. 82

cc: Ronald Pflieger

CHANGE AUTHORIZATION ORDER FORM

Change Authorization Order for the MMO Contract

Contract Number 071B6000116

Change Authorization Order Number 82

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

The purpose of this Change Authorization Order No. 82 is to modify "Section II, Description of Change, D. Costs, and G. Completion Criteria," of Change Authorization Order No. 75 as follows:

D. Costs

The *estimated* end date for network technical assistance for network migration activities has been extended until April 30, 2002.

There will be no charges to the Unemployment Agency for the changes provided under this Change Order.

G. Completion Criteria

IBM shall have fulfilled its obligation pursuant under this Change Order when any of the following first occurs:

1. 320 hours of assistance have been expended; or
2. the *estimated* end date of 4/30/2002 has been reached; or
3. this Change Order is terminated in accordance with the provisions of the Contract.

All other provisions of Change Authorization Order No. 75 remain as previously stated.

III. State Authorization

Check One:

X This order shall be performed for the benefit of the State of Michigan - Unemployment Agency ("the Unemployment Agency") and is not valid until signed by an authorized representative of the the Unemployment Agency, the Contract Administrator, and the Purchasing 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 Purchasing Director.

IV. Signature

IBM Global Services

By: _____
Title: Executive Project Manager _____
Date: _____

MMO Contract Administrator

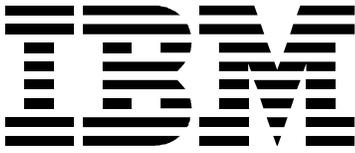
By: _____
Title: _____
Date: _____

SOM - UA Authorized Representative

By: _____
Title: Director ESSD _____
Date: _____

Department of Management and Budget (Purchasing)

By: _____
Title: _____
Date: _____



IBM Global Services
P.O. Box 5050
11th Floor
Southfield, MI 48086-5050

February 22, 2002

Ms. Deb Patterson
Director ISSD
State of Michigan
Unemployment Agency
3024 W. Grand Blvd., 12th Floor
Detroit, MI 48202

Mr. Brian Trimble
Director ESSD
State of Michigan
Unemployment Agency
5015 South Cedar
Lansing, MI 48910

Dear Deb and Brian,

The attached Change Authorization Order No. 83 will extend the hours for the State of Michigan Unemployment Agency's request for technical assistance for UA's Database Consolidation Project as provided for under Change Authorization Order No. 61. The additional charges associated with this Change Order are \$28,800.00.

This Change Authorization Order is open for your approval for 45 days.

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

Sincerely,

Ernest P. Clover
Executive Project Manager

Attachment: Change Authorization Order No. 83

CHANGE AUTHORIZATION ORDER FORM

Change Authorization Order for the MMO Contract

Contract Number 071B6000116

Change Authorization Order Number 83

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

The purpose of this Change Authorization Order No. 83 is to modify "Section II, Description of Change, D. Costs, Technical Assistance and G. Completion Criteria," of Change Authorization Order No. 61 as follows:

E. Costs

Increase the total *estimated* hours of technical assistance for UA's Database Consolidation Project by 300 hours. At the contract rate of \$96.00 per hour, the new total *estimated* cost to UA for this Change Order is \$28,800.00.

G. Completion Criteria

IBM shall have fulfilled its obligation pursuant to this Change Order upon completion of the following events, whichever occurs first: a) IBM has expended 1,100 hours of technical assistance; or b) the date of September 30, 2002, has been reached; or c) this Change Order is terminated in accordance with the terms of this Agreement.

All other provisions of Change Authorization Order No. 61 remain as previously stated.

III. State Authorization

Check One:

X This order shall be performed for the benefit of the State of Michigan - Unemployment Agency (“the Unemployment Agency”) and is not valid until signed by an authorized representative of the the Unemployment Agency, the Contract Administrator, and the Purchasing 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 Purchasing Director.

IV. Signature

IBM Global Services

By: _____
Title: Executive Project Manager _____
Date: _____

MMO Contract Administrator

By: _____
Title: _____
Date: _____

SOM - UA Authorized Representative

By: _____
Title: Director ISSD _____
Date: _____

SOM - UA Authorized Representative

By: _____
Title: Director ESSD _____
Date: _____

Department of Management and Budget (Purchasing)

By: _____
Title: _____
Date: _____

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

July 18, 2002

**CHANGE NOTICE NO. 34
 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	TELEPHONE : Tom Yambasky (248) 522-4652
	VENDOR NUMBER
	BUYER (517) 335-0462 Chris Michel
Contract Administrator: Fran Shooltz Bureau of Workers & Unemployment Compensation Mainframe Operations Contract	
CONTRACT PERIOD From: October 20, 1995 To: October 19, 2005	
TERMS <p style="text-align: center;">Net 30 Days</p>	SHIPMENT <p style="text-align: center;">As Required</p>
F.O.B. <p style="text-align: center;">Delivered/Installed</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	

NATURE OF CHANGE (S):

Effective immediately, per Executive Order 2002-1 the Unemployment Agency has had a name change to: Bureau of Workers & Unemployment Compensation.

AUTHORITY/REASON:

Per Executive Order 2002-1.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$71,062,488.35

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

February 8, 2002

**CHANGE NOTICE NO. 32
 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		TELEPHONE : Tom Yambasky (248) 522-4652
		VENDOR NUMBER
		BUYER (517) 335-0462 Chris Michel
Contract Administrator: Fran Shooltz Unemployment Agency Mainframe Operations Contract		
CONTRACT PERIOD		From: October 20, 1995 To: October 19, 2005
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 following changes are hereby incorporated into this contract:

I. Effect on Contract

This Change authorization order (the "Order") is subject to all terms and conditions of the Michigan Employment Security 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 is pleased to submit for the State of Michigan Unemployment Agencies approval, changes to the following IBM Global Services Client Service Team members and their designated project roles:

- | | | |
|----|--|---------------|
| C. | Vice President – State & Local Government | John Maguire |
| D. | Director, Central Industries Region | Gail Gregori |
| E. | Executive Project Manager – State of Michigan UA | Ernest Clover |
| F. | Executive Project Manager – State of Michigan | Charles Case |

In addition, the following people should be designated as Key Personnel:

- | | | |
|----|-----------------|--|
| C. | Ron Pflieger | Customer Services Representative, IBM Global Services |
| D. | Gregory Gischel | Delivery Project Executive, Service Delivery Center, IBM Global Services |

Any other personnel designated as key personnel in the original Contract or in Contract Change Notice #3 should no longer be considered key personnel.

A. Scope

This Change Order does not affect the scope of the MMO Contract.

B. Deliverables

This Change Order does not affect any deliverables of the MMO Contract.

C. Costs

There are no costs associated with this Change Order.

AUTHORITY/REASON:

Per vendor's request from Ernest Clover in a letter dated 1/30/02 and agency's approval from Fran Scholtz in a letter dated 2/1/02, and in accordance with the modification clause.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$70,955,184.35

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

December 19, 2001

**CHANGE NOTICE NO. 31
 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	TELEPHONE : Tom Yambasky (248) 522-4652 VENDOR NUMBER BUYER (517) 335-0462 Chris Michel
Contract Administrator: Fran Shooltz <p style="text-align: center;">Unemployment Agency Mainframe Operations Contract</p>	
CONTRACT PERIOD From: October 20, 1995 To: October 19, 2005	
TERMS <p style="text-align: center;">Net 30 Days</p>	SHIPMENT <p style="text-align: center;">As Required</p>
F.O.B. <p style="text-align: center;">Delivered/Installed</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	

NATURE OF CHANGE (S):

Effective immediately attached change authorization number 73 is hereby incorporated into this contract to continued providing resources through 9/30/2002 to assist with integration of "Remote Initial Claims" and network integration projects for legacy systems. This includes: consultants at \$235.00/hr., application architects @ 150.00/hr, Analyst \$96.00/hr. with a maximum of 200 hrs, each.

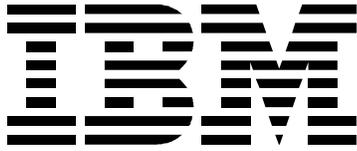
AUTHORITY/REASON:

Per vendor's request from Tom Yambasky in a letter and agency's approval from Fran Schooltz in a letter and in accordance with the modification clause.

INCREASE: \$96,200.00

TOTAL REVISED ESTIMATED CONTRACT VALUE: \$70,955,184.35

CONTRACT 071B6000116
CHANGE NOTICE #31
PAGE 1 OF 5



IBM Global Services
P.O. Box 5050
11th Floor
Southfield, MI 48086-5050
248-552-4652

October 24, 2001

Mr. Brian Trimble, Director
Enterprise Support Services Division
State of Michigan Unemployment Agency
5015 S. Cedar
Lansing, MI 48910

Dear Brian,

We are pleased to respond to the Unemployment Agencies request to provide additional resources to assist with the integration of the new Remote Initial Claims application with the existing legacy applications, as well as other related work. This assistance will be provided for short duration projects, at the request and direction of the Unemployment Agency.

Attached is Change Authorization Order Number 73. The total charges for this Change Order through the end of the fiscal year on 9/30/2002 are \$96,200.00.

This Change Authorization Order is open for your approval for 45 days.

Sincerely,

Thomas F. Yambasky
IBM Executive Project Manager

Attachment: Change Authorization Order No. 73

cc: Ronald Pflieger

CHANGE AUTHORIZATION ORDER FORM

Change Authorization Order for the MMO Contract
Contract Number 071B6000116
Change Authorization Order Number 73

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

IBM Global Services will provide short term services upon request to support the Unemployment Agency in the ongoing "Remote Initial Claims" (e-Commerce) and Network modification projects as they relate to interfacing with existing legacy applications. Work will be performed at the Unemployment Agency sites in Detroit, Livonia or Lansing, MI, or at a mutually agreed to IBM site. These services will be available from the date of approval of this Change Order until 9/30/2002, up to the Maximum Hours as identified in "II. Description of Change, C. Costs" below.

B. Deliverables

Work will be performed at the direction of the Unemployment Agency. Activities performed throughout the month will be documented in monthly status reports. IBM will make reasonable efforts to locate the skills required by the Unemployment Agency, but can not guarantee that the requested skilled resource will be available for the time frames requested.

C. Costs

IBM Global Services will invoice for actual hours worked at the following rates:

	<u>Rate</u>	<u>Maximum Hours</u>
Consultant	\$235.00	200
Application Architect	\$150.00	200
Analyst	\$96.00	200

IBM will invoice the Unemployment Agency for the actual number of hours expended in the previous month, by the tenth (10th) day of the month following the completion of the work. The actual resource provided will be based on the description of required skills as identified in “F.1 The Unemployment Agency Responsibilities” below.

D. Schedule

IBM will attempt to provide appropriate resumes for review by the Unemployment Agency based on the skills required, normally within five (5) business days. Schedules will be mutually agreed to by IBM and the Unemployment Agency once a qualified resource has been identified. As these assignments are short term in nature, IBM will make reasonable efforts to have the resource available as required.

E. IBM Global Services Responsibilities

IBM reserves the right to substitute an individual of equal qualifications upon one (1) week advance notice to the Unemployment Agency. In addition, IBM personnel will not be available to the Unemployment Agency in accordance with IBM’s policy for normal vacations holidays and career training activities. Reasonable notice will be provided to the Agency prior to these events.

F. The Unemployment Agency Responsibilities

- 1) The Unemployment Agency will provide a written notice of the skills and experience requested for each assignment, as well as the scope and expected duration of each assignment.**
- 2) The Unemployment Agency will provide office space, network access, and IBM Global Network access (analog dial-lines) for IBM Global Services personnel when work is to be performed at one of the Unemployment Agency sites.**
- 3) The Unemployment Agency will provide the appropriate access to its facility, including security clearances and badges, upon the start of the engagement.**
- 4) The Unemployment Agency may cancel the support provided under this Change Order by providing thirty-(30) day’s advance written notice to IBM.

III. Charges

Total charges for this Change Order are estimated not to exceed \$96,200.00. All invoices are payable within thirty (30) days of receipt.

IV. Completion Criteria

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

- 1. IBM has provided the agreed upon number of hours for a specific resource engagement ; or**
- 2. IBM provides the maximum number of hours of services specified in the “Description of Change” section of this Change Order or in any subsequent Change Authorization; or**
- 3. The estimated end date specified in the “Description of Change, A. Scope” (even if IBM has not yet provided the number of hours and/or weeks of services specified in this Change Order or in any subsequent Change Authorization); or**
- 4. The Unemployment Agency cancels this Change Order in accordance with the provisions of Section F, 4); or**
- 5. This Change Order is terminated in accordance with the provisions of the Contract.**

V. State Authorization

Check One:

 X This order shall be performed for the benefit of the State of Michigan - Unemployment Agency (“UA”) and is not valid until signed by an authorized representative of the UA, the Contract Administrator, and the Purchasing 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 Purchasing Director.

VI. Signature

IBM Global Services

By: _____
Title: Executive Project Manager _____
Date: _____

MMO Contract Administrator

By: _____
Title: _____
Date: _____

SOM - UA Authorized Representative

By: _____
Title: Director ESSD _____
Date: _____

Department of Management and Budget (Purchasing)

By: _____
Title: _____
Date: _____

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

December 19, 2001

**CHANGE NOTICE NO. 30
 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	TELEPHONE : Tom Yambasky (248) 522-4652
	VENDOR NUMBER
	BUYER (517) 335-0462 Chris Michel
Contract Administrator: Fran Shooltz Unemployment Agency Mainframe Operations Contract	
CONTRACT PERIOD From: October 20, 1995 To: October 19, 2005	
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):

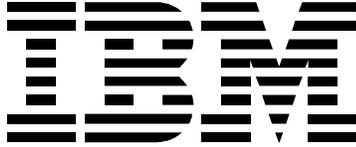
Effective immediately attached change authorization number 74 is hereby incorporated into this contract to continue full production services of the CNT network between Detroit and Boulder for the UA migration covering the period of 1/1/2002 through 9/30/2002. Monthly Rate: \$9,075.00/mo.

AUTHORITY/REASON:

Per vendor's request from Ron Pflieger in a letter and agency's approval from Fran Schooltz in a letter and in accordance with the modification clause.

INCREASE: \$81,765.00

TOTAL REVISED ESTIMATED CONTRACT VALUE: \$70,858,984.35



IBM Global Services
12th Floor – Suite 100
3204 W. Grand Blvd.
Detroit, MI 48202
313-456-2989

October 31, 2001

Mr. Brian Trimble
Director ESSD
State of Michigan
Unemployment Agency
5015 South Cedar
Lansing, MI 48910

Subject: 11/2/01 Revised Cover Letter

Dear Brian,

IBM is pleased to provide the attached Change Authorization Order No. 74. This Change Order is being presented in connection with the network project replacing CNT connectivity to Boulder with router connectivity. The purpose of this Change Order is to provide continued support for the production CNT connection to Boulder in the event that UA does not completely migrate all production network applications to the router based network by the end of 2001.

Change Order 65 provides for continued use of the CNT after all network applications are converted to the router network and the CNT is required only to support the tape drives. In order to support the entire network these items are required beyond those provided in change order 65: (1) a second T1 line, (2) the NCP software running on the Comten, and (3) NPM software for network monitoring.

The charges for this Change Order are in addition to those identified in Change Order No. 65, which is \$25,473.00 per month. The additional monthly chargers for this Change Order are \$9,075.00 for the three items identified in the previous paragraph. The total charges for this Change Order through the end of the fiscal year on 9/30/2002 are \$81,675.00.

This Change Order is required to continue service after 1/1/2002. If CNT services are required beyond 12/31/2001 and IBM has not received an approved Change Notice from the State for the attached Change Order, IBM will discontinue items (1) and (3) in the second paragraph above and will further suspend the obligations of the Service Level Agreement. In addition, IBM will not renew any maintenance associated with the NCP software identified in item (2) above.

This Change Authorization Order is open for your approval for 45 days.

Sincerely,

Ronald E. Pflieger
IBM Customer Services Representative

Attachment: Change Authorization Order Form 74

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

October 30, 2001

**CHANGE NOTICE NO. 29
 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	TELEPHONE : Tom Yambasky (248) 522-4652
	VENDOR NUMBER
	BUYER (517) 335-0462 Chris Michel
Contract Administrator: Fran Shooltz Unemployment Agency Mainframe Operations Contract	
CONTRACT PERIOD From: October 20, 1995 To: October 19, 2005	
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 attached modifications are hereby incorporated into this contract with an overall value increase of \$62,999.35.
 These modifications include IBM change order authorization numbers 72, 75, 76, 78 and 79.**

AUTHORITY/REASON:

Per vendor's request from Tom Yambasky in a letter dated October 9, 2001 and agency's approval from Fran Schooltz in a letter dated October 20, 2001 and in accordance with the modification clause.

INCREASE: \$62,999.35

TOTAL REVISED ESTIMATED CONTRACT VALUE: \$70,312,739.35

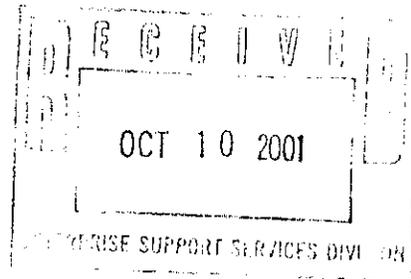


REC'D OCT 15 2001

IBM Global Services
P O. Box 5050
11th Floor
Southfield, MI 48086-5050
248-552-4652

October 9, 2001

Mr Brian Trimble, Director
Enterprise Support Services Division
State of Michigan Unemployment Agency
5015 S Cedar
Lansing, MI 48910



Dear Brian,

We are pleased to respond to the Unemployment Agencies request for the removal of the Landmark software product Monitor for VTAM from the Boulder system. This product was added to the software profile with Change Order No. 6. There is no additional costs associated with this Change Order.

Attached is Change Authorization Order Number 72.

This Change Authorization Order is open for your approval for 45 days.

Sincerely,

Thomas F. Yambasky
IBM Executive Project Manager

Attachment: Change Authorization Order No. 72

cc: Ronald Pflieger

CHANGE AUTHORIZATION ORDER FORM

Change Authorization Order for the MMO Contract

Contract Number 071B6000116

Change Authorization Order Number 72

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

The State of Michigan Unemployment Agency (UA) has determined that the Landmark software product Monitor for VTAM is no longer necessary for the State's use. Accordingly, this Change Order provides for the removal of this product from the Boulder system, which was originally added under Change Order No. 6.

A. Scope

IBM Global Services will implement the changes necessary to remove the Monitor for VTAM software product from the development and production LPARs on the Boulder system.

B. Service Levels

Environment Availability

There are no changes in any system availability objectives due to this Change Order.

Response Time

There are no changes in any response time objectives due to this Change Order.

C. Deliverables

There are no deliverables associated with this Change Order

D. Costs

There will be no charges to the Unemployment Agency for the changes provided under this Change Order.

E. Completion Criteria

Removal of the software as documented in the Infoman change record

III. State Authorization

Check One:

X This order shall be performed for the benefit of the State of Michigan - Unemployment Agency ("UA") and is not valid until signed by an authorized representative of the UA, the Contract Administrator, and the Purchasing 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 Purchasing Director

IV. Signature

IBM Global Services

By: Thomas F. Yombosky
Title: Executive Project Manager
Date: 10/9/01

MMO Contract Administrator

By: Lynda Shaulitz, Director
Title: Computing Services
Date: 10/22/01

SOM - UA Authorized Representative

By: Brian A. Lull
Title: Director ESSD
Date: 10-9-2001

Department of Management and Budget (Purchasing)

By: Christine Michel
Title: Buyer Specialist
Date: 10/29/01



IBM Global Services
12th Floor – Suite 1200
3204 W Grand Blvd.
Detroit, MI 48202
313-456-2989

REC'D OCT 10 2001

October 5, 2001

Mr Brian Trimble
Director ESSD
State of Michigan Unemployment Agency
5015 South Cedar
Lansing, MI 48910

Dear Brian,

IBM is pleased to provide the attached Change Authorization Order No. 75. This Change Order is being presented in connection with the network project replacing CNT connectivity to Boulder with router connectivity. The purpose of this Change Order is to provide UA with technical assistance in the conversion of UA network applications.

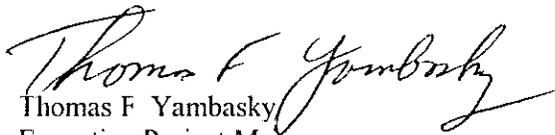
The estimates provided in this Change Order were developed based on IBM's understanding of the conversion work that UA needs to perform. We have developed this understanding through our long-term work supporting your production environment and by providing a skilled network technical resource to review the details of your conversion activities.

Based on our understanding, IBM will provide UA with up to 320 hours of technical assistance for network conversion activities. The hourly rate for this service will be \$150.00. The total charges for this Change Order will not exceed \$48,000.00.

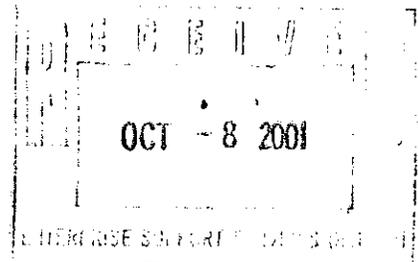
The services rendered with this Change Order may be cancelled by UA at any time with 30 days written notice.

This Change Authorization Order is open for your approval for 45 days.

Sincerely,


Thomas F. Yambasky
Executive Project Manager

Attachment: Change Authorization Order Form



CHANGE AUTHORIZATION ORDER FORM

Change Authorization Order for the MMO Contract
Contract Number 071B6000116
Change Authorization Order Number 75

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

Provide technical assistance for network conversion tasks

A. Scope

IBM Global Services will provide a skilled network technician to assist UA with its conversion activities in migrating from the CNT based network connection to the Boulder mainframe to a router based network. The UA migration tasks include the conversion of the following:

- NJE communication with Lockheed Martin
- SNI communications with Lockheed Martin
- Host on Demand for 3270 access
- CSNT and document server for CICS printing
- MARVIN IVRs attached as 3270s
- Use of 4381 for Ford and GM communications
- 3203/6262 system printing

B. Assumptions

UA will provide all necessary information and provide for communications with personnel, both UA and vendor, to facilitate all application changes.

C. Deliverables

IBM Global Services will provide up to 320 hours of assistance to UA for network conversion activities. Activities performed throughout the month will be documented in a monthly status report.

D. Costs

IBM Global Services will provide up to 320 hours of network technical assistance for network migration activities between 10/01/2001 and 02/28/2002. The rate for this service is \$150.00 per hour. The total cost of this Change Order will not exceed \$48,000.00.

IBM will invoice UA for the actual number of hours expended in the previous month, by the tenth (10th) day of the month following the completion of the work.

E. Estimated Schedule

The work described in this Change Order will begin after the approval of this Change Order and the appropriate individual can be engaged. Work may be done at UA and IBM locations.

F. UA Responsibilities

UA will provide office space, network access, and IBM Global Network access (analog dial-lines) for IBM Global Services personnel.

UA will provide the appropriate access to its facility, including security clearances and badges, upon the start of the engagement.

G. Completion Criteria

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

- 1 320 hours of assistance have been expended; or
- 2 the estimated end date of 2/28/2002 has been reached; or
- 3 this Change Order is terminated 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 Agency ("UA") and is not valid until signed by an authorized representative of the UA, the Contract Administrator, and the Purchasing 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 Purchasing Director.

IV. Signature

IBM Global Services

By: Thomas F. Yombosky
Title: Executive Project Manager
Date: 10/5/2001

MMO Contract Administrator

By: Fran Shalitz Director
Title: Computing Services
Date: 10/22/01

SoM - UA Authorized Representatives

By: Bruce K. Smith
Title: Director ESSD
Date: 10-8-2001

Department of Management and Budget (Purchasing)

By: Christine L. Michel
Title: Buyer Specialist
Date: 10/29/01

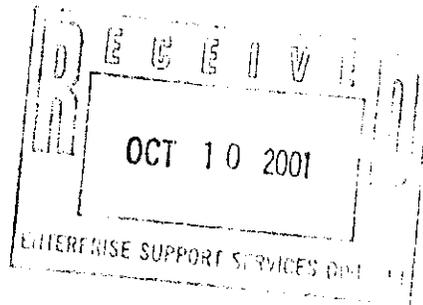


REC'D OCT 15 2001

IBM Global Services
P.O. Box 5050
11th Floor
Southfield, MI 48086-5050
248-552-4652

October 9, 2001

Mr. Brian Trimble, Director
Enterprise Support Services Division
State of Michigan Unemployment Agency
5015 S Cedar
Lansing, MI 48910



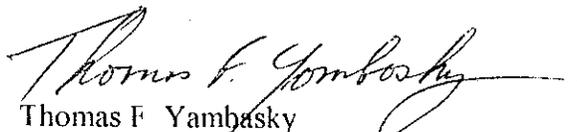
Dear Brian,

We are pleased to respond to the Unemployment Agencies request for the removal of the Princeton Softech software product HourGlass 2000 from the Boulder system. This product was added to the software profile with Change Order No. 16. There are no additional costs associated with this Change Order.

Attached is Change Authorization Order Number 76.

This Change Authorization Order is open for your approval for 45 days.

Sincerely,


Thomas F. Yambasky
IBM Executive Project Manager

Attachment: Change Authorization Order No. 76

cc: Ronald Pflieger

CHANGE AUTHORIZATION ORDER FORM

Change Authorization Order for the MMO Contract
Contract Number 071B6000116
Change Authorization Order Number 76

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

The State of Michigan Unemployment Agency (UA) has determined that the Princeton Softech software product HourGlass 2000 is no longer necessary for the State's use. Accordingly, this Change Order provides for the removal of this product from the Boulder system, which was originally added under Change Order No. 16.

A. Scope

IBM Global Services will implement the changes necessary to remove the HourGlass 2000 software product from the development and production LPARs on the Boulder system.

B. Service Levels

Environment Availability

There are no changes in any system availability objectives due to this Change Order.

Response Time

There are no changes in any response time objectives due to this Change Order

C. Deliverables

There are no deliverables associated with this Change Order.

D. Costs

There will be no charges to the Unemployment Agency for the changes provided under this Change Order

E. Completion Criteria

Removal of the software as documented in the Infoman change record

III. State Authorization

Check One:

This order shall be performed for the benefit of the State of Michigan - Unemployment Agency ("UA") and is not valid until signed by an authorized representative of the UA, the Contract Administrator, and the Purchasing 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 Purchasing Director

IV. Signature

IBM Global Services

By: Thomas F. Yonksby
Title: Executive Project Manager
Date: 10/9/01

MMO Contract Administrator

By: Frank Shattley Director
Title: Competing Services
Date: 10/22/01

SOM - UA Authorized Representative

By: Brian K. Swinell
Title: Director ESSD
Date: 10-9-2001

Department of Management and Budget (Purchasing)

By: Christine L. Michel
Title: Buyer Specialist
Date: 10/29/01

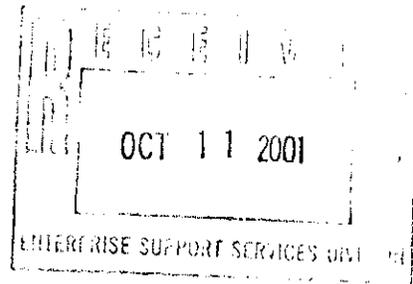


REC'D OCT 10 2001

IBM Global Services
P.O. Box 5050
11th Floor
Southfield, MI 48086-5050
248-552-4652

October 10, 2001

Mr Brian Trimble, Director
Enterprise Support Services Division
State of Michigan Unemployment Agency
5015 S. Cedar
Lansing, Michigan 48910



Dear Brian,

The attached Change Authorization Order No. 78 is in response to the State of Michigan Unemployment Agencies request to extend the ChicagoSoft's MVS/Quick Ref Software annual maintenance as originally provided for under Change Authorization Order No 31

This Change Authorization Order is open for your approval for 45 days

Attached is Change Order Number: 78

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

Sincerely,


Thomas F Yambasky
Executive Project Manager

Attachment: Change Authorization Order No 78

cc: Ronald Pflieger

CHANGE AUTHORIZATION ORDER FORM

Change Authorization Order for the MMO Contract
Contract Number 071B6000116
Change Authorization Order Number 78

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. 78 extends the annual maintenance for ChicagoSoft's MVS/Quick-Ref Software. Additionally, as requested by the State of Michigan Unemployment Agency, the IBM Global Services will process the maintenance renewal effective through 9/30/02 in order for the future renewal period to become effective during the State's fiscal year which begins in October of each year.

B. Schedule

The annual maintenance provided for under this Change Authorization Order will be effective through 09/30/2002.

C. Costs

The total charge of maintenance for the MVS/Quick-Ref Software product is \$5,849.35. UA will be billed for this charge by the (10th) day of the month following approval of this Change Authorization Order.

III. State Authorization

Check One:

X This order shall be performed for the benefit of the State of Michigan - Unemployment Agency ("the Unemployment Agency") and is not valid until signed by an authorized representative of the the Unemployment Agency, the Contract Administrator, and the Purchasing 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 Purchasing Director.

IV. Signature

IBM Global Services

By: Thomas G. Yombosky
Title: Executive Project Manager
Date: 10/12/01

SOM Unemployment Agency, Director, ESSD

By: Paul K. Sundt
Title: DIRECTOR, ESSD
Date: 10/12/01

MMO Contract Administrator

By: Fran Shaelty Director
Title: Computing Services
Date: 10/22/01

Department of Management and Budget (Purchasing)

By: Christina Michel
Title: Buyer Specialist
Date: 10/29/01

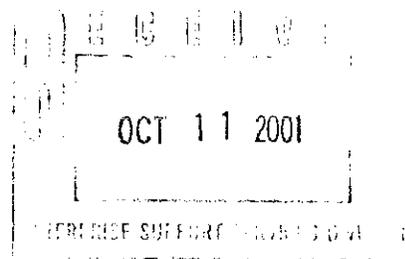


REC'D OCT 10 2001

IBM Global Services
P O Box 5050
11th Floor
Southfield, MI 48076-5050
248-552-4652

October 10, 2001

Mr Brian Trimble
Director ESSD
State of Michigan Unemployment Agency
5015 S Cedar
Lansing, MI 48910



Dear Brian,

IBM is pleased to provide the attached Change Authorization Order No 79 This Change Order is a modification to Change Order No. 64 that, at your request, changes the installation of the Michigan routers from Cadillac Place to Lansing

At the request of UA, the implementation location is changed from Cadillac Place in Detroit to the Treasury Building in Lansing IBM will make commercially reasonable efforts to expedite the date

Since this request has generated additional network design on the part of IBM, there will be an additional one-time charge of \$9,150.00

This Change Authorization Order is open for your approval for 45 days

Sincerely,


Thomas F Yambasky
Executive Project Manager

Attachment: Change Authorization Order No. 79

cc: Ronald Pflieger

CHANGE AUTHORIZATION ORDER FORM

Change Authorization Order for the MMO Contract

Contract Number 071B600116

Change Authorization Order Number 79

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

The State Unemployment Agency (UA) has determined that it wants the routers identified in Change Authorization Order No. 64; that were to be installed in Cadillac Place in Detroit, to be installed instead in the State's Treasury Building data center in Lansing.

A. Scope

IBM Global Services will provide the frame relay T1 connectivity and routers as specified in Change Authorization Order No. 64 in Lansing instead of Detroit.

B. Assumptions

All assumptions stated in Change Order No. 64 remain unchanged.

C. Service Levels

All service level provisions of Change Order No. 64 regarding availability, response time, measurement, and the CNT remain unchanged.

D. Deliverables

IBM Global Services will provide the deliverables as identified in Change Order No. 64 with the exception of the installation location, now Lansing.

E. Costs

1. Prices identified in Change Order No. 64 remain unchanged.
2. An additional fixed one-time charge of \$9,150.00 to analyze and redesign the original solution specified in Change Order No. 64 for the location change to Lansing.

F. Estimated Schedule

IBM will provide the network solution specified in Change Order No. 64 with the location change to Lansing, on or before December 31, 2001.

G. UA Responsibilities

UA assumes any additional risk in delivering network services to end users associated with the location change to Lansing

UA responsibilities remain the same as in Change Order No. 64 with the exception of replacing the Detroit Cadillac Place with the Lansing Treasury Building

H. Completion Criteria

The completion criteria of Change Order No. 64 remain unchanged with the exception of replacing Detroit with Lansing.

III. State Authorization

Check One:

This order shall be performed for the benefit of the State of Michigan - Unemployment Agency ("UA") and is not valid until signed by an authorized representative of the UA, the Contract Administrator, and the Purchasing 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 Purchasing Director.

IV. Signature

IBM Global Services

By: *Thomas F. Yonker*
Title: Executive Project Manager
Date: 10/10/01

MMO Contract Administrator

By: *Frank Spooltz*
Title: Director
Date: 10/25/01

SOM Unemployment Agency, Director, ESSD

By: *Brian K. Smith*
Title: DIRECTOR
Date: 10/12/01

Department of Management and Budget (Purchasing)

By: *Christine Michel*
Title: Buyer specialist
Date: 10/29/01

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

October 24, 2001

**CHANGE NOTICE NO. 28
 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	TELEPHONE : Tom Yambasky (248) 522-4652
	VENDOR NUMBER
	BUYER (517) 335-0462 Chris Michel
Contract Administrator: Fran Shooltz Unemployment Agency Mainframe Operations Contract	
CONTRACT PERIOD From: October 20, 1995 To: October 19, 2005	
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 10/24/01, this contract has been INCREASED by \$455,480.00. The new contract value is 70,714,220.00.

Also please note attached modifications IBM Change Authorization orders 68-71 hereby incorporated into the contract.

AUTHORITY/REASON:

Per agency's request and vendor's approval by Denise Hamilton on 10/17/01 and in accordance with the modification clause

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$70,714,220.00

q/r file

STATE OF MICHIGAN



JOHN ENGLER, Governor

DEPARTMENT OF MANAGEMENT & BUDGET

P.O. BOX 30028, LANSING, MICHIGAN 48909

DUANE E. BERGER, Director

Chris Michel
DIRECTOR OF PURCHASING

2001 SEP 14 10:58:19

Joc

MEMORANDUM

TO: Joe Chln, Director
Technical Acquisition Division
Office of Purchasing

DATE: September 13, 2001

FROM: Fran Shooitz, Director
Computing Services

Fran Shooitz

RE: Contract Deliverable MESA/IBM Global Services
CONTRACT 071B6000116

Attached are several Change Authorization Orders for the UA/IBM Contract 071B6000116:

CAO #	Description	Total Amount
68	Host Publisher Software for the IBM in Boulder One-time Software Charge \$12,840 One-time Installation Charge \$15,360 Annual Software Charge - \$4,280 for 4 years 10/2001 - 10/2005 \$17,120 Annual Software Support Charges \$7,680 for 4 years 10/2001 - 10/2005 (maximum 80 hours per year) - \$30,720	\$76,040
69	Previously approved CAO # 45 (CN-17) 2340 hours of support (Sun Unix, Network management, TCP/IP Scheme & Design, Document Management and DNS & DHCP Server) 10/2001 - 10/2002 - \$224,640	\$224,640
70	DB Consolidation Technical Assistance 800 hours 10/2001 - 10/2002	\$76,800
71	BB Consolidation Project Management 10/2001 - 10/2002 (10 hours per week for 52 weeks)	\$78,000
	Total	\$455,480

If you have any questions, please contact me at 241-2016.

Attachments

cc: Debra Patterson, Tom Yumbasky, B. Trimble

coplet23.doc



RECD AUG 15 2001

IBM Global Services
Seventh Floor
7340 Woodward Ave.
Detroit, MI 48202
313-876-5616

July 9, 2001

Mr. Brian Trimble
Director ESSD
State of Michigan
Unemployment Agency
5015 South Cedar
Lansing, MI 48910

Dear Brian,

Pursuant to your request of June 11, 2001, IBM Global Services is pleased to provide the attached Change Authorization Order No. 68. This change order is for the software, installation, and support of Host Publisher on the Boulder system.

IBM will complete the installation and provide software and subscription service services of the IBM WebSphere Host Publisher software, along with Websphere Application Server software, on the production and development LPARs on UA's system in Boulder, Colorado. (Note: The installation has already occurred on the development LPAR due to the trial offered to UA by IBM.)

The charges for this change order will be both one-time and recurring. The one-time software charges are \$12,840.00 and the one-time installation charges are \$15,360.00. In addition, there will be annual software charges of \$4,280.00. Software support charges will be based on the actual hours provided up to a maximum of 80 hours per year resulting in an annual funding level not to exceed \$7,680.00 per year.

This Change Authorization Order is open for your approval for 30 days.

Sincerely,

Ronald F. Pflieger
Ronald F. Pflieger
IBM Customer Services Representative

Attachment: Change Authorization Order Form

CHANGE AUTHORIZATION ORDER FORM

Change Authorization Order for the MMO Contract
Contract Number 071B6000116
Change Authorization Order Number 68

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

The State Unemployment Agency (UA) has determined that it wants the Host Publisher software installed on the mainframe server in Boulder.

A. Scope

IBM Global Services will provide UA with a license for the following software:

1. IBM WebSphere Host Publisher V2 for OS/390, product number 5665-D70. This includes both the Host Publisher Server for 50 connections/sessions and the Host Publisher Studio.
2. Software and subscription support for IBM WebSphere Host Publisher V2 for OS/390, product number 5655-D80. This is for code maintenance, program fixes, program updates, and technical support.

IBM Global Services will provide personnel to:

1. Install the above software on the Web Service address spaces on both the development and production LPARS on UA's Boulder system. (Note: The installation has already occurred on the development LPAR due to the trial offered to UA by IBM.)
2. Support and maintain the above software in the installed environments.

B. Assumptions

UA will require no more than 50 connections/sessions in support of 50 concurrent end users.

C. Service Levels

Environment Availability

Host Publisher will have the same availability that the CICS regions have on the development and production LPARs; namely, 6:30 am until 6:30 pm on the development LPAR and 7:00 am until 7:15 pm on the production LPAR.

Response Time

Host Publisher will be used to drive CICS transactions. CICS service level objectives will remain unchanged. There will be no additional service level requirements associated with this change order.

D. Deliverables

IBM Global Services will provide all software and services described in Section A, Scope, above.

IBM Global Services will also provide a diskette containing the Host Publisher Studio for UA to install on their development PCs. IBM will also provide Host Publisher product documentation.

E. Costs

One-Time Charges

IBM will charge UA \$12,840.00 for the Host Publisher software and \$15,360.00 for the implementation services on the development and production LPARs. The invoice will be delivered in the month following the satisfactory completion of installation on the development and production LPARs.

Continuing Charges

IBM will invoice UA \$4,280.00 for the first year of annual charges for the Host Publisher software subscription service. This billing will occur concurrent with the one-time charges. Three months prior to the end of the annual subscription service IBM will provide UA with a change order to extend this service.

Continuing charges for software maintenance and support services will be billed to UA as support hours are expended up to a maximum of 80 hours per year. UA will be billed up to 80 hours per year for this support at the standard contract rate of \$96.00 per hour. Therefore, the total annual charge will be up to \$7680.00.

F. Estimated Schedule

IBM Global Services has already installed the software on the development LPAR for a product trial. That software will remain installed. IBM will also install the software on the production LPAR following the approval by the State of this change order and on a schedule to be mutually agreed upon by UA and IBM. The term of this change order will end in October 2005.

G. UA Responsibilities

UA will use the Infoman problem and change management system to report any problems with or to request any changes to the Host Publisher environment.

UA will provide IBM with written notification of any future requirement for more than 50 connections/sessions. IBM will then present UA with an additional change order to address the increase requested.

H. Completion Criteria

Once Host Publisher is installed and operational in both the development and production LPAR environments, IBM will notify UA that the product has been installed and operates according to the product specifications. UA will verify via concurrence letter that the work has been satisfactorily completed. If no response is received from UA within five business days, the work will be deemed to have been satisfactorily completed.

III. State Authorization

Check One:

- This order shall be performed for the benefit of the State of Michigan - Unemployment Agency ("UA") and is not valid until signed by an authorized representative of the UA, the Contract Administrator, and the Purchasing 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 Purchasing Director.

IV. Signature

IBM Global Services

By: Thomas F. Gumbel
Title: Executive Project Manager
Date: July 9, 2001

MMO Contract Administrator

By: Fran Spalton
Title: Director, Contracting Services, DMB
Date: 9/13/01

SOM - UA Authorized Representatives

By: Devin K. Smith
Title: Director ISSD
Date: 9-11-2001

Department of Management and Budget (Purchasing)

By: Christine L. Michel
Title: Buyer Specialist 13
Date: 10/18/01



REC'D AUG 27 2001

IBM Global Services
P.O. Box 5050
11th Floor
Southfield, MI 48086-5050
248 552-4652

August 20, 2001

Mr. Brian Trimble, Director
Enterprise Support Services Division
State of Michigan Unemployment Agency
5015 S. Cedar
Lansing, MI 48910

Dear Brian,

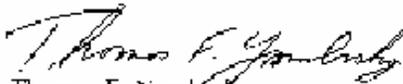
The attached Change Authorization Order No. 69 is in response to the State of Michigan Unemployment Agencies request for an extension for the analyst availability as originally provided for under Change Authorization Order No. 43.

This Change Authorization Order is open for your approval for 30 days.

Attached is Change Order Number: 69

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

Sincerely,


Thomas F. Yambosky
Executive Project Manager

Attachment: Change Authorization Order No. 69

cc: Ronald Pfeiffer

CHANGE AUTHORIZATION ORDER FORM

Change Authorization Order for the MVO Contract

Contract Number 071B6000116

Change Authorization Order Number 69

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 "MVO") 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

The purpose of this Change Authorization Order No. 69 is to modify "Section II, Description of Change, C. Costs and D. Schedule" and "Section III, Charges" of Change Authorization Order No. 43 as follows:

C. Costs

IBM Global Services will invoice for actual hours expended at the hourly rate of \$96.00 per hour. Hours worked are not to exceed an annual average of 45 hours per week through 9/30/2002.

(1 person) * (\$96.00/hour) * (for up to 45 hours/week) * (for up to 52 weeks) = up to a maximum of \$224,640.00; (maximum charge for 2340 hours of support).

IBM will invoice the Unemployment Agency for the actual number of hours expended in the previous month, by the tenth (10th) day of the month following the completion of the work.

D. Schedule

The Analyst's extension will be effective upon approval of this Change Order and remain in place through the State's Fiscal Year Ending 9/30/2002.

III. Charges

Total charges for this Change Order are estimated not to exceed \$224,640.00. All invoices are payable within thirty (30) days of receipt.

All other provisions of Change Authorization Order No. 43 will remain as previously stated.

IV. State Authorization

Check One:

X This order shall be performed for the benefit of the State of Michigan - Unemployment Agency (the "Unemployment Agency") and is not valid until signed by an authorized representative of the the Unemployment Agency, the Contract Administrator, and the Purchasing 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 Purchasing Director.

V. Signature

IBM Global Services

By: *Thomas G. Murphy*
Title: Executive Project Manager
Date: 8/22/01

MMO Contract Administrator

By: *Frank Shanley*
Title: Director Computing Services DMB
Date: 9/13/01

SOM – UA Authorized Representative

By: _____
Title: Director ISSD
Date: _____

Department of Management and Budget (Purchasing)

By: *Christine L. Michel*
Title: Buyer Specialist IS
Date: 10/18/01

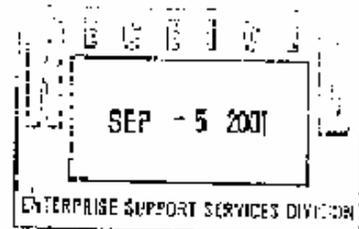


REC'D SEP 1² 2001

IBM Global Services
P.O. Box 5050
11th Floor
Southfield, MI 48046-5050
248-552-4652

September 4, 2001

Mr. Brian Trimble, Director
Enterprise Support Services Division
State of Michigan Unemployment Agency
5015 S. Cedar
Lansing, MI 48910



Dear Brian,

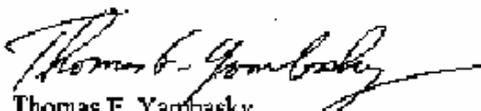
The attached Change Authorization Order No. 70 will extend the time-frame for the State of Michigan Unemployment Agencies request for technical assistance for UA's Database Consolidation Project as provided for under Change Authorization Order No. 61. There is no additional costs associated with this Change Order.

This Change Authorization Order is open for your approval for 30 days.

Attached is Change Order Number: 70

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

Sincerely,


Thomas F. Yambasky
Executive Project Manager

Attachment: Change Authorization Order No. 70

cc: Ronald Pflieger

CHANGE AUTHORIZATION ORDER FORM

Change Authorization Order for the MMO Contract
Contract Number 071B6000116
Change Authorization Order Number 70

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

The purpose of this Change Authorization Order No. 70 is to modify "Section II, Description of Change, D. Costs, Technical Assistance and G. Completion Criteria" of Change Authorization Order No. 61 as follows:

D. Costs

Technical Assistance

The total *estimated* hours of technical assistance for UA's Database Consolidation Project is 800 hours. At the contract rate of \$96.00 per hour, the total estimated cost to UA is \$76,800. UA will be billed on an ongoing basis for the *actual* hours expended in the month following the use of any of these hours. These hours will be available for UA from the time the Change Order is signed until September 30, 2002, or until UA determines that the database consolidation environment is no longer required.

G. Completion Criteria

IBM shall have fulfilled its obligation pursuant to this Change Order upon completion of the following events, whichever occurs first: a) IBM has expended 800 hours of service; or b) the date of September 30, 2002, has been reached; or c) this Change Order is terminated in accordance with the terms of this Agreement.

All other provisions of Change Authorization Order No. 61 remain as previously stated.

III. State Authorization

Check One:

X This order shall be performed for the benefit of the State of Michigan - Unemployment Agency ("the Unemployment Agency") and is not valid until signed by an authorized representative of the the Unemployment Agency, the Contract Administrator, and the Purchasing 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 Purchasing Director.

IV. Signature

IBM Global Services

By: Thomas F. Gombosi
Title: Executive Project Manager
Date: 9/24/01

MIMO Contract Administrator

By: Leann Shaalty
Title: Director, Computing Services
Date: 9/13/01

SOM - UA Authorized Representative

By: Richard F. Smith
Title: Director BSSU
Date: 9/5/01

Department of Management and Budget (Purchasing)

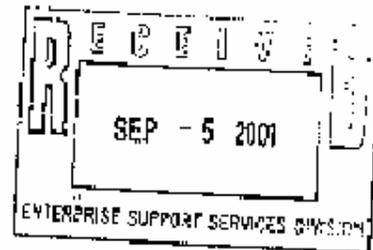
By: Christie L. Michal
Title: Buyer Specialist 13
Date: 10/18/01



IBM Global Services
P.O. Box 5050
11th Floor
Southfield, MI 48086-5050
248-553-4652

September 4, 2001

Mr. Brian Trimble, Director
Enterprise Support Services Division
State of Michigan Unemployment Agency
5015 S. Cedar
Lansing, MI 48910



Dear Brian,

The attached Change Authorization Order No. 71 will extend the time-frame for the State of Michigan Unemployment Agencies request for project management assistance for UA's Database Consolidation Project as provided for under Change Authorization Order No. 62. There is no additional costs associated with this Change Order.

This Change Authorization Order is open for your approval for 30 days.

Attached is Change Order Number: 71

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

Sincerely,


Thomas F. Yambosky
Executive Project Manager

Attachment: Change Authorization Order No. 71

cc: Ronald Pfeiffer

CHANGE AUTHORIZATION ORDER FORM

Change Authorization Order for the MMO Contract

Contract Number 071B6000116

Change Authorization Order Number 71

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

The purpose of this Change Authorization Order No. 71 is to modify "Section II, Description of Change and D. Schedule" of Change Authorization Order No. 62 as follows:

II. Description of Change

Provide project management assistance services for the Database Consolidation project that UA is undertaking. The rate for these assistance services will be \$150.00 per hour. This staffing will be available for up to 10 hours per week from ~~January 1, 2001~~, through September 30, 2002.

D. Schedule

The project manager will be available from ~~January 1, 2001~~ through September 30, 2002.

All other provisions of Change Authorization Order No. 62 remain as previously stated.

III. State Authorization

Check One:

X This order shall be performed for the benefit of the State of Michigan - Unemployment Agency ("the Unemployment Agency") and is not valid until signed by an authorized representative of the the Unemployment Agency, the Contract Administrator, and the Purchasing 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 Purchasing Director.

IV. Signature

IBM Global Services

By: Thomas E. Gombory
Title: Executive Project Manager
Date: 9/4/01

MMO Contract Administrator

By: Frank Spavolty
Title: Director, Computing Services DMB
Date: 9/13/01

SOM - UA Authorized Representative

By: Bruce K. Smith
Title: Director ESSD
Date: 9/5/01

Department of Management and Budget (Purchasing)

By: Christine L. Medel
Title: Buyer Specialist 13
Date: 10/18/01

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

August 15, 2001

**CHANGE NOTICE NO. 27
 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	TELEPHONE : Tom Yambasky (248) 522-4652
	VENDOR NUMBER
	BUYER (517) 335-0462 Chris Michel
Contract Administrator: Fran Shooltz Unemployment Agency Mainframe Operations Contract	
CONTRACT PERIOD From: October 20, 1995 To: October 19, 2005	
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, Vendor contact information for this contract and address are hereby changed to:

**IBM Global Services
 P. O. Box 5050, 11th Floor
 Southfield, MI 48086-5050
 Tom Yambasky
 (248) 522-4652**

AUTHORITY/REASON:

Agency request, vendor letter

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$70,258,740.00

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

May 7, 2001

**CHANGE NOTICE NO. 26
 TO
 CONTRACT NO. 071B6000116
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF VENDOR IBM Global Services One Michigan Avenue Lansing, MI 48933	TELEPHONE Bill Ruddock/Tom Yambasky (517) 373-0233
	VENDOR NUMBER
	BUYER (517) 335-0462 Chris Michel
Contract Administrator: Fran Shooltz <p style="text-align: center;">Unemployment Agency Mainframe Operations Contract</p>	
CONTRACT PERIOD From: October 20, 1995 To: October 19, 2005	
TERMS <p style="text-align: center;">Net 30 Days</p>	SHIPMENT <p style="text-align: center;">As Required</p>
F.O.B. <p style="text-align: center;">Delivered/Installed</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	

NATURE OF CHANGE (S):

Effective immediately this contract is modified according to the attached work statement to allow for the transition of U. A. equipment and services to Cadillac Place.

AUTHORITY/REASON:

Agency request, vendor letter.

INCREASE: \$133,850.00

TOTAL ESTIMATED CONTRACT VALUE: \$70,258,740.00

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

March 9, 2001

**CHANGE NOTICE NO. 25
 TO
 CONTRACT NO. 071B6000116
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF VENDOR IBM Global Services One Michigan Avenue Lansing, MI 48933	TELEPHONE Bill Ruddock/Tom Yambasky (517) 373-0233 VENDOR NUMBER BUYER (517) 335-0462 Chris Michel
Contract Administrator: Fran Shooltz <p style="text-align: center;">Unemployment Agency Mainframe Operations Contract</p>	
CONTRACT PERIOD From: October 20, 1995 To: October 19, 2005	
TERMS <p style="text-align: center;">Net 30 Days</p>	SHIPMENT <p style="text-align: center;">As Required</p>
F.O.B. <p style="text-align: center;">Delivered/Installed</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	

NATURE OF CHANGE (S):

Effective immediately, the attached modifications (Change Order 61 & Change Order 62) are hereby incorporated into this contract which includes an increase of \$293,760.00 for the Technical Services for the Database Consolidation and \$60,000.00 for Project Management Assistance for the Database Consolidation.

AUTHORITY/REASON:

Contract amended per mutual agreement of the State and the vendor.

INCREASE: \$353,760.00

TOTAL ESTIMATED CONTRACT VALUE: \$70,124,890.00



B6000116
CN 25

REC'D JAN 20 2001

IBM Global Services
Seventh Floor
7310 Woodward Ave.
Detroit, MI 48202
313-876-5616

January 8, 2001

Ms. Deb Patterson
Director ISSD
State of Michigan
Unemployment Agency
7310 Woodward Ave.
Detroit, MI 48202

Mr. Brian Trimble
Director ESSD
State of Michigan
Unemployment Agency
5015 South Cedar
Lansing, MI 48910

Dear Deb and Brian,

IBM Global Services is pleased to provide the attached Change Authorization Order No. 62 in response to your request for project management assistance in the database consolidation project. This assistance will be available until September 30, 2001, with an option to renew at that time.

It is anticipated that up to an average of 10 hours of assistance will be required per week. Due to the nature of project management, there could be some weeks of more than 10 hours and some less. In any case, the total number of hours to be expended will not exceed 400 until September 30, 2001, unless mutually agreed to by the parties via a Change Order. IBM will attach timesheets to the monthly invoice to document the hours billed.

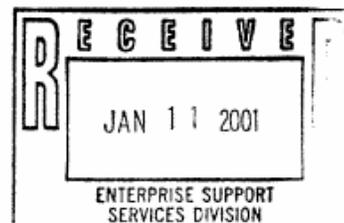
The total estimated cost for this Change Order is \$60,000.00.

This Change Authorization Order is open for your approval for 30 days.

Sincerely,

Ronald E. Pflieger
IBM Customer Services Representative

Attachment: Change Authorization Order Form



CHANGE AUTHORIZATION ORDER FORM

Change Authorization Order for the MMO Contract
Contract Number 071B6000116
Change Authorization Order Number 62

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

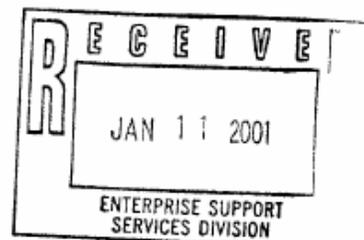
Provide project management assistance services for the Database Consolidation project that UA is undertaking. The rate for these assistance services will be \$150.00 per hour. This staffing will be available for up to 10 hours per week from January 1, 2001, through September 30, 2001.

A. Scope

At the direction of UA, IBM will provide project management assistance services for one year. These services will be available for up to 10 hours per week and will assist the UA project manager in the development and execution of a project plan designed to implement the goals of the Database Consolidation project.

The IBM project manager will assist the Unemployment Agency project manager in formulating a detailed migration plan. This assistance will also address the following elements of project management:

- Tools required
- Skills resources required
- Tasks and dependencies
- Risk assessment
- Milestones
- Test reviews



B. Deliverables

Monthly documentation for project-manager-hours-worked to support the related invoices.

C. Costs

IBM Global Services will invoice the Unemployment Agency for actual hours worked by the project manager at the hourly rate of \$150.00 per hour. At the maximum of 10 hours per week, over the estimated time period of one year, the estimated cost is:

(1 person) * (\$150/hour) * (up to 10 hours/week) * 40 weeks = \$60,000

D. Schedule

The project manager will be available from January 1, 2001 through September 30, 2001.

E. The Unemployment Agency Responsibilities

The Unemployment Agency will designate a project manager for the Database Consolidation project. It is assumed that the IBM project management assistance will be provided to that person.

The Unemployment Agency will use the established problem and change management process using InfoMan to report any needs related to the migration.

The Unemployment Agency is responsible for the project management results achieved during the Database Consolidation project.

F. Completion Criteria

IBM's obligations shall have been completed upon the occurrence of the following events, whichever is first: a) the 400 hours of services have been expended; b) the period of performance, as specified above, has been reached; or c) this change order is terminated in accordance with the terms of the Agreement.

III. State Authorization

Check One:

- This order shall be performed for the benefit of the Michigan Employment Security Agency (the "Unemployment Agency") and is not valid until signed by an authorized representative of the Unemployment Agency, the Contract Administrator, and the Purchasing 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 Purchasing Director.

IV. Signature

IBM Global Services

By: Thomas F. Yombosky
Title: Executive Project Manager
Date: 1/8/01

MMO Contract Administrator

By: Fran Shaully
Title: Director Computing Services
Date: 2/8/01

SoM - UA Authorized Representatives

By: Debra Patterson
Title: Director ISSD
Date: 1-9-2001

By: Eric K. Smith
Title: Director ESSD
Date: 1/27/01

Department of Management and Budget (Purchasing)

By: Lisa Albright
Title: Buyer Specialist
Date: 3-9-01



IBM Global Services
Seventh Floor
7310 Woodward Ave.
Detroit, MI 48202
313-876-5616

REC'D JAN 20 2001

January 8, 2001

Ms. Deb Patterson
Director ISSD
State of Michigan
Unemployment Agency
7310 Woodward Ave.
Detroit, MI 48202

Mr. Brian Trimble
Director ESSD
State of Michigan
Unemployment Agency
5015 South Cedar
Lansing, MI 48910

Dear Deb and Brian,

IBM is pleased to provide the attached Change Authorization Order No. 61 for services relating to the Database Consolidation project. The services described in this Change Order include building a separate environment for building and testing the consolidated claimant data bases and the restructured CICS environment. Also included are support services to assist UA in the migration to a consolidated database environment.

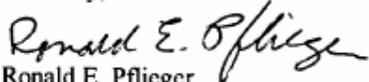
The new test environment will be based on IMS/DB V7 and CICS/Transaction Server 1.3. The implementation of these new product versions will be implemented in conjunction with building the new test environment. The work to migrate to new software versions is an integral part of the contract service provided, and, therefore, there is no mention of these upgrades in this Change Order.

There is also no work included for transition work to migrate the consolidated environment to production. Any work on a production migration outside the scope of the services covered by the standard contract will be included in a subsequent Change Order.

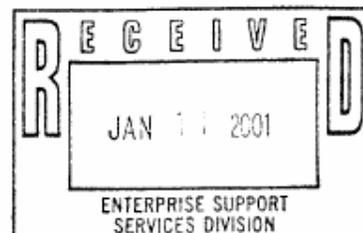
The total estimated cost for the Initial Setup and Technical Assistance covered by this Change Order is \$101,760.00. Additional associated usage charges are expected to be approximately \$19,200 per month.

This Change Authorization Order is open for your approval for 30 days.

Sincerely,


Ronald E. Pflieger
IBM Customer Services Representative

Attachment: Change Authorization Order Form



CHANGE AUTHORIZATION ORDER FORM

Change Authorization Order for the MMO Contract

Contract Number 071B6000116

Change Authorization Order Number 61

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

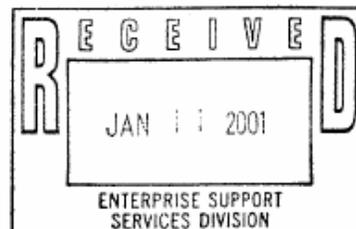
The State Unemployment Agency (UA) has determined that an additional development environment will be required to support development and testing of a database consolidation project. This consolidation will include combining the eight claimant databases into a single database and changing the CICS system architecture to support a single claimant database and a single CICS logon for end users. This environment will include:

1. Five CICS regions – one terminal owning region (TOR), three application owning regions (AOR), and one file owning region (FOR);
2. CICS exits to (a) spread benefits application processing across multiple regions, and (b) provide social security number recognition for VSAM file processing;
3. CICS autoinstall for terminal definitions;
4. CICS Multiple Region Operation (MRO);
5. An additional changeman application;
6. Program libraries for storing new program changes,
7. High Availability Large Database (HALDB) under IMS V7; and
8. Definition of second level data set qualifiers.

A. Scope

IBM Global Services will.

1. Implement an environment for UA to perform development and testing for the database consolidation project in accordance with specifications provided by UA
2. Provide assistance to UA on technical issues related to the database consolidation project.
3. Maintain the environment until UA notifies IBM Global Services in writing that the environment is no longer required.



B. Service Levels

Environment Availability

The additional CICS regions will be made available to UA from 6:30 am to 6:30 pm, Monday through Friday

Response Time

Since this will be a development environment, there will be no specific response time criteria to achieve or report. However, since response time will be critical in developing a system destined for production, IBM will provide assistance to UA in analyzing performance problems that may occur during the development and testing period. This will be done for specific issues raised and documented by UA and covered under the technical assistance portion of this Change Order.

C. Deliverables

IBM Global Services will provide a development environment according to the specifications provided by UA, per a mutually agreed upon schedule. It is the intent of the parties to agree to specifications and a final schedule for the implementation of this environment within ten (10) days of the State's acceptance of this Change Order. Upon IBM's completion of the development environment, UA shall provide written acknowledgment that the development environment has been implemented according to UA's specifications.

D. Costs

The costs associated with the Database Consolidation development environment are as follows:

Initial Setup

The total *estimated* hours to set up the Database Consolidation development environment is 260 hours. At the contract rate of \$96.00 per hour, the total *estimated* cost to UA is \$24,960. UA will be billed on an ongoing basis for the *actual* number of hours expended in the month following the use of any of these hours.

Technical Assistance

The total *estimated* hours of technical assistance for UA's Database Consolidation Project is 800 hours. At the contract rate of \$96.00 per hour, the total estimated cost to UA is \$76,800. UA will be billed on an ongoing basis for the *actual* hours expended in the month following the use of any of these hours. These hours will be available for UA from the time the Change Order is signed until September 30, 2001, or until UA determines that the database consolidation environment is no longer required.

Ongoing maintenance and support of the Database Consolidation development environment

There will be no additional charges to UA for the ongoing maintenance of the Database Consolidation environment nor for the inclusion of Database Consolidation data sets in the established disaster recovery process. However, UA will be responsible for the additional charges associated with additional CPU hours, DASD usage, and tape mounts incurred with the Database Consolidation project. These additional charges will be included in the regular monthly service billing. Based on planning information available for the Database Consolidation project, it is estimated that usage will be approximately 15% of the total current usage of the development LPAR. Therefore, the additional usage charges can be expected to be approximately \$19,200 per month.

Estimated Costs for this Change Order:

Task	Estimated Hours	Estimated Cost
Initial Setup	260	\$24,960.00
Ongoing Technical Assistance	<u>800</u>	<u>\$76,800.00</u>
Total	1060	\$101,760.00

Note: Actual monthly usage charges will be additional.

E. Estimated Schedule

It is estimated that the effort to establish this development environment will be completed within two months of the State's concurrence with this Change Order. However, the final schedule will be determined in accordance with C., above

F. UA Responsibilities

UA will provide IBM Global Services with the specifications for this additional development environment, per a mutually agreed upon schedule.

UA will test the development environment, once ready, and use the established problem and change management process using InfoMan to report any needs related to the additional development environment.

UA will define and document, using InfoMan, any technical issues or performance related problems that require IBM technical assistance.

UA will define and create the appropriate security environment and security authorizations to allow proper installation and operation of this additional environment.

UA is responsible for any additional CPU, DASD or Tape usage charges that result from the use of this additional development environment.

UA is responsible for providing IBM with accurate information necessary for IBM to provide UA with quality technical assistance.

UA is responsible for any results achieved in the use of this additional development environment.

G. Completion Criteria

IBM shall have fulfilled its obligation pursuant to this Change Order upon completion of the following events, whichever occurs first: a) IBM has expended 1060 hours of service; or b) the date of September 30, 2001, has been reached, or c) this Change Order is terminated in accordance with the terms of this Agreement.

III. State Authorization

Check One:

This order shall be performed for the benefit of the State of Michigan - Unemployment Agency ("UA") and is not valid until signed by an authorized representative of the UA, the Contract Administrator, and the Purchasing 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 Purchasing Director.

IV. Signature

IBM Global Services

By: Thomas F. Yombosky
Title: Executive Project Manager
Date: 1/8/01

MMO Contract Administrator

By: Frank Shaulky
Title: Director, Computing Services
Date: 2/8/01

SoM - UA Authorized Representatives

By: Debra J. Patterson
Title: Director ISSD
Date: 1-9-2001

By: Brian K. Smith
Title: Director ESSD
Date: 1-24-01

Department of Management and Budget (Purchasing)

By: Janice Abbott
Title: Buyer Specialist
Date: 2-9-01

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

February 13, 2001

**CHANGE NOTICE NO. 24
 TO
 CONTRACT NO. 071B6000116
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF VENDOR IBM Global Services One Michigan Avenue Lansing, MI 48933	TELEPHONE Bill Ruddock/Tom Yambasky (517) 373-0233
	VENDOR NUMBER
	BUYER (517) 335-0462 Chris Michel
Contract Administrator: Fran Shooltz Unemployment Agency Mainframe Operations Contract	
CONTRACT PERIOD From: October 20, 1995 To: October 19, 2005	
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):

Please note that the buyer of this contract is now Christine Michel.

AUTHORITY/REASON:

DMB/OOP

TOTAL ESTIMATED CONTRACT VALUE: \$69,771,130.00

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

December 6, 2000

**CHANGE NOTICE NO. 23
 TO
 CONTRACT NO. 071B6000116
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF VENDOR IBM Global Services One Michigan Avenue Lansing, MI 48933	TELEPHONE Bill Ruddock/Tom Yambasky (517) 373-0233
	VENDOR NUMBER
	BUYER (517) 373-2049 Lisa Arnott
Contract Administrator: Fran Shooltz Unemployment Agency Mainframe Operations Contract	
CONTRACT PERIOD From: October 20, 1995 To: October 19, 2005	
TERMS Net 30 Days	SHIPMENT As Required
F.O.B. Delivered/Installed	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	

NATURE OF CHANGE:

Effective immediately, the attached modifications (Change Order 56, Change Order 57 & Change Order 58) are hereby incorporated into this contract which includes an increase of \$2,511.00 to extend the annual maintenance for Princeton Softech's Hour Glass for an additional year and \$29,890.00 to provide consulting services in support of the UA Data Base/CICS consolidation project – a service required to support Remote Initial Claims. There is no cost associated with extending the availability of the three consultants as specified in Change Order 58 through September 30, 2001.

AUTHORITY/REASON:

Contract amended per agency request and vendor agreement.

INCREASE: \$32,401.00

TOTAL ESTIMATED CONTRACT VALUE BECOMES: \$69,771,130.00

CHANGE AUTHORIZATION ORDER FORM

Change Authorization Order for the MMO Contract

Contract Number 071B6000116

Change Authorization Order Number 56

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. 56 is to extend the annual maintenance for Princeton Softech's HourGlass 2000 for one additional year as previously provided for under Change Authorization Order No. 39.

B. Schedule

The annual maintenance period provided for under this Change Authorization Order is 11/1/2000 through 10/31/2001.

C. Costs

The total charge for one year of maintenance for the HourGlass 2000 product is \$2,511.00. UA will be billed for this charge by the (10th) day of the month following approval of this Change Authorization Order.

III. State Authorization

Check One:

This order shall be performed for the benefit of the State of Michigan - Unemployment Agency ("the Unemployment Agency") and is not valid until signed by an authorized representative of the the Unemployment Agency, the Contract Administrator, and the Purchasing 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 Purchasing Director.

CHANGE AUTHORIZATION ORDER FORM

Change Authorization Order for the MMO Contract

Contract Number 071B6000116

Change Authorization Order Number 57

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 Integrated Systems Solutions Corporation ("ISSC") 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

Description of Service:

IBM will provide both strategic and environmental technical consulting services to UA for the purpose of providing information and recommendations to UA for the Data Base/CICS consolidation project. A primary goal is to change the State's current mainframe environment for the unemployment benefits systems, currently structured to operate as eight independent geographic areas, to an operational systems environment where the entire state will be treated as a single entity.

A. Scope

- IBM will provide up to 70 hours of strategic consulting services, to perform a design review of UA's plans for CICS and IMS data base consolidation
- IBM will provide up to 140 hours of environmental consulting services, to be performed by Boulder personnel, providing pertinent information concerning the current environment and considerations for a consolidated environment.

B. Deliverables

- IBM will provide technical information and recommendations concerning the CICS and data base consolidation project based on the technical design review; to include the areas of IMS data bases, VSAM files, online processing, and batch processing.

C. UA Responsibilities

- UA will provide information for a design review by preparing descriptions of :
 - Current environment
 - Business objectives for CICS and data base consolidation
 - Technical goals for restructuring operating environment to accommodate consolidation objectives
 - Potential solutions (environmental changes) to accommodate consolidation
 - Questions and considerations to be addressed
- UA is responsible for completion of a design review schedule to be mutually agreed upon between UA and IBM.
- UA will prepare requests for information about the current environment not now readily available that may be necessary to the success of the consolidation.

- UA is responsible for any results that may be achieved by implementing the recommendations or using the information provided with this change order.
- UA may cancel the support provided under this Change Order by providing thirty (30) days advance written notice to IBM.

C. Costs

IBM Global Services will invoice UA for actual hours worked at the hourly rate of:

1. Strategic consulting services at \$235.00 per hour

Total estimated cost:
 (\$235.00/hour) * (up to 70 hours) = up to a maximum of \$16,450.00

2. Environmental consulting services at \$96.00 per hour

Total estimated cost:
 (\$96.00/hour) * (up to 140 hours) = up to a maximum of \$13,440.00.

IBM will invoice the Unemployment Agency for the actual number of hours expended in the previous month, by the (10th) day of the month following the completion of the work.

D. Schedule

IBM will perform these services from 10/15/2000 through June 30, 2001; assuming this change order is signed not later than 10/15/2000.

E. IBM Global Services Responsibilities

The identified IBM resources for these activities are IBM personnel assigned to the Dallas Systems Center and IBM personnel assigned to the Boulder UA team. It is IBM's intent to maintain these resources in these positions throughout the period of the Change Order. However, IBM reserves the right to substitute individuals of equal qualifications upon two (2) weeks advance notice to the Unemployment Agency. In addition, IBM is responsible for performing a design review and providing technical information to UA according to a schedule to be mutually agreed upon by UA and IBM.

III. Charges

Total charges for this Change Order are estimated to be \$29,890.00. All invoices are payable within thirty (30) days of receipt.

IV. Completion Criteria

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

1. IBM Provides the maximum number of hours of services specified in the "Description of Change" section of this Change Order or in any subsequent Change Authorization; or
2. The estimated end date specified in the "Description of Change," Section II, (even if IBM has not yet provided the number of hours and/or days of service specified in this Change Order or in any subsequent Change Authorization); or
3. The Unemployment Agency cancels this Change Order in accordance with the provisions of Section C; or
4. This Change Order is terminated in accordance with the provisions of the Contract.

V. State Authorization

Check One:

X This order shall be performed for the benefit of the Michigan Employment Security Agency (the "MESA") and is not valid until signed by an authorized representative of the MESA, the Contract Administrator, and the Purchasing Director.

_____ This order shall be performed for the benefit of **** AGENCY NAME GOES HERE **** (the "Authorizing Agency") and all amounts to be paid to ISSC pursuant to this order shall be paid solely from funds available to the Authorizing Agency. ISSC 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 ISSC. This order is not valid until signed by an authorized representative of the Authorizing agency, the Contract Administrator, and by the Purchasing Director.

CHANGE AUTHORIZATION ORDER FORM

Change Authorization Order for the MMO Contract

Contract Number 071B6000116

Change Authorization Order Number 58

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

The purpose of this Change Authorization Order No. 58 is to modify "Section II, Description of Change, 2, D, Schedule" and "Section IV, Completion Criteria" of Change Authorization Order No. 33 as follows:

D. Schedule

The three consultants will be available through September 30, 2001. The target response time will be 48 hours for on-site Consultation and 24 hours response for phone Consultation, but may vary based on business needs.

(2) Network Consulting Services:

IV. Completion Criteria

1. IBM provides the number of hours/days of Services specified in D. above; or
2. The estimated end date specified in the "Description of Change," Section II, 2, D is reached (even if IBM has not yet provided the number of days of service specified in this Change Authorization; or
3. This Change Order is terminated in accordance with the provision of the Contract.

All other provisions of Change Authorization Order No.'s 33, 37, 45r and 48 remain as previously stated.

III. State Authorization

Check One:

This order shall be performed for the benefit of the State of Michigan - Unemployment Agency ("the Unemployment Agency") and is not valid until signed by an authorized representative of the the Unemployment Agency, the Contract Administrator, and the Purchasing 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 Purchasing Director.

STATE OF MICHIGAN
DEPARTMENT OF MANAGEMENT AND BUDGET **September 15, 2000**
OFFICE OF PURCHASING
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 22
TO
CONTRACT NO. 071B6000116
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR IBM Global Services One Michigan Avenue Lansing, MI 48933	TELEPHONE Bill Ruddock/Tom Yambasky (517) 373-0233
	VENDOR NUMBER
	BUYER (517) 335-0462 C. Michel
Contract Administrator: Fran Shooltz Unemployment Agency Mainframe Operations Contract	
CONTRACT PERIOD From: October 20, 1995 To: October 19, 2005	
TERMS Net 30 Days	SHIPMENT As Required
F.O.B. Delivered/Installed	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	

NATURE OF CHANGE:

Effective immediately, the attached modifications are hereby incorporated into this contract including an increase of \$4,956.00 for ongoing annual maintenance of Landmark TMON/VTAM Software and \$224,640.00 to provide additional analyst services to allow for continued mainframe operations.

AUTHORITY/REASON:

Agency Request/ Vendor letter.

INCREASE: \$229,596.00

TOTAL ESTIMATED CONTRACT VALUE BECOMES: \$69,738,729.00



IBM Global Services
P O. Box 5050
11th Floor
Southfield, MI 48086-5050
248-552-4652

July 31, 2000

Mr. Brian Trimble, Director
Enterprise Support Services Division
State of Michigan Unemployment Agency
5015 S. Cedar
Lansing, Michigan 48910

Dear Brian,

The attached Change Authorization Order No. 54 extends the annual maintenance for Landmark's TMON/VTAM software product. This product was added to the software profile with Change Order No. 6.

This Change Authorization Order is open for your approval for 30 days.

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

Sincerely,

A handwritten signature in cursive script that reads "Thomas F. Yambasky". The signature is written in black ink and is positioned above the printed name and title.

Thomas F. Yambasky
Executive Project Manager

Attachment: Change Authorization Order No. 54

cc: Ronald Pflieger

CHANGE AUTHORIZATION ORDER FORM

Change Authorization Order for the MMO Contract
Contract Number 071B6000116
Change Authorization Order Number 54

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 54 extends the annual maintenance for Landmark's TMON/VTAM software product. TMON/VTAM along with three additional products were added to the software profile with Change Authorization Order No 6. As stated in Change Authorization Order No 46, three of the products were discontinued, however, the State would continue to be responsible for the annual maintenance charges associated with TMON/VTAM, billable in September of each year.

B. Schedule

The annual maintenance provided for under this Change Authorization Order is for the period 09/9/2000 through 09/08/2001.

C. Costs

The total charge for one year of maintenance for the TMON/VTAM Software product is \$4,956 00. UA will be billed for this charge by the (10th) day of the month following approval of this Change Authorization Order.

D. Year 2000

This service does not address the capability of your systems to handle date data within and between the twentieth and twenty-first centuries. The State acknowledges that it is their responsibility to assess their current systems and take appropriate action to migrate to Year 2000 ready systems

III. State Authorization

Check One:

X This order shall be performed for the benefit of the State of Michigan - Unemployment Agency ("the Unemployment Agency") and is not valid until signed by an authorized representative of the the Unemployment Agency, the Contract Administrator, and the Purchasing 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 Purchasing Director

IV. Signature

IBM Global Services

By: Thomas F. Gumbrosky
Title: Executive Project Manager
Date: 7/31/2000

MMO Contract Administrator

By: Frank Shattley
Title: Director, Computing Services
Date: 8/24/00

SOM - the Unemployment Agency Authorized Representative

By: Brian K. Tumball
Title: Director UA BIT BSSD
Date: August 14, 2000

Department of Management and Budget (Purchasing)

By: _____
Title: _____
Date: _____

Unemployment Agency
Bureau of Information Technology
Enterprise Support Services Division
Routing Slip

REC'D AUG 18 2000

Subject: Change Order 55

Reference: Change Order 43

Suspense Date: August 26, 2000

TO: Name - Office Code & Room	Action
1. Peggy Mead ESDD	Budget Inclusion ✓ <i>plm</i>
2. Sandy Sigworth ESDD	Copy to file and forward Original <i>plm</i>
3. Fran Shootz DMB OIT (MMO)	Michigan Mainframe Operations Approval
4.	
5.	
6.	
7.	
8.	

Remarks: This change order provides for continued on site support of mainframe to client/server integration and TCP/IP based services. The person currently filling this position is Tim Musson.

From:
Brian K. Trimble

Date:
August 14, 2000



IBM Global Services
P.O. Box 5050
11th Floor
Southfield, MI 48086-5050
248-552-4652

July 26, 2000

Mr. Brian Trimble, Director
Enterprise Support Services Division
State of Michigan Unemployment Agency
5015 S. Cedar
Lansing, MI 48910

Dear Brian,

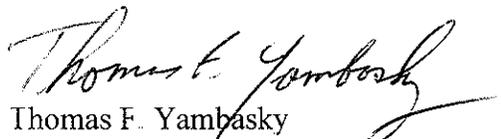
The attached Change Authorization Order No. 55 is in response to the State of Michigan Unemployment Agencies request for an extension for the analyst availability as provided for under Change Authorization Order No. 43.

This Change Authorization Order is open for your approval for 30 days.

Attached is Change Order Number: 55

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

Sincerely,


Thomas F. Yambasky
Executive Project Manager

Attachment: Change Authorization Order No. 55

cc: Ronald Pflieger

CHANGE AUTHORIZATION ORDER FORM

Change Authorization Order for the MMO Contract
Contract Number 071B6000116
Change Authorization Order Number 55

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

The purpose of this Change Authorization Order No. 55 is to modify "Section II, Description of Change, C. Costs and D. Schedule" and "Section III, Charges" of Change Authorization Order No. 43 as follows:

C. Costs

IBM Global Services will invoice for actual hours worked at the hourly rate of \$96.00 per hour. Hours worked are not to exceed an annual average of 45 hours per week through 9/30/2001.

(1 person) * (96.00/hour) * (for up to 45 hours/week) * (for up to 52 weeks) = up to a maximum of \$224,640.00; (maximum charge for 2340 hours of support).

IBM will invoice the Unemployment Agency for the actual number of hours expended in the previous month, by the tenth (10th) day of the month following the completion of the work.

D. Schedule

The Analyst's extension will be effective upon approval of this Change Order and remain in place through the State's Fiscal Year Ending 9/30/2001.

III. Charges

Total charges for this Change Order are estimated not to exceed \$224,640.00. All invoices are payable within thirty (30) days of receipt.

All other provisions of Change Authorization Order No. 43 will remain as previously stated.

IV. State Authorization

Check One:

X This order shall be performed for the benefit of the State of Michigan - Unemployment Agency ("the Unemployment Agency") and is not valid until signed by an authorized representative of the the Unemployment Agency, the Contract Administrator, and the Purchasing 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 Purchasing Director

V. Signature

IBM Global Services

By: Thomas F. Yambrosky
Title: Executive Project Manager
Date: 7/26/00

MMO Contract Administrator

By: Fran Shultz
Title: Director Computing Services
Date: 8/24/00

SOM - the Unemployment Agency Authorized Representative

By: Brian A. Smith
Title: Director UA-BIT ESSD
Date: 8-14-00

Department of Management and Budget (Purchasing)

By: _____
Title: _____
Date: _____

REC'D JUN 19 2000

CHANGE AUTHORIZATION ORDER FORM

Change Authorization Order for the MMO Contract
Contract Number 071B6000116
Change Authorization Order Number 52

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

IBM Global Services has determined that it is necessary to replace the current network performance monitoring tool, NetView Performance Monitor (NPM), based upon the State's strategy of converting from SNA to TCP/IP. IBM Global Services proposes replacing NetView Performance Monitor (NPM) with End-to-End Probe Platform (EPP) for the purpose of monitoring UA's network. EPP has the capability of monitoring both SNA and TCP/IP traffic, whereas NPM can only monitor SNA traffic. The change is required at this time due to the following factors:

- The installation of TCP/IP capability under Change Order No. 42
- The implementation of Host on Demand to support 3270 traffic between the Detroit Office and the branch offices, rendering the Network Response Time Report for UA branch offices (agreed to in Change Notice No. 3) obsolete
- The Agency's stated goal of converting the entire current SNA network to TCP/IP. This requires an alternative network-monitoring tool in order to continue to report on the Service Level Objectives for network response time

A. Scope

IBM Global Services will enable the EPP product to perform network monitoring for both SNA and TCP/IP communications on the UA system. EPP works differently than NPM:

- NPM monitors entirely by using software on the mainframe, while EPP uses a combination of hardware (specialized PCs) and host software
- NPM reporting uses all actual UA network traffic. EPP uses sample data from ISO and CICS end user scripts actually run over the UA network at regular intervals

In addition to monitoring TCP/IP traffic, EPP offers other advantages:

- EPP will add the function of monitoring network availability and performance throughout the entire UA network
- EPP can produce alert information to operations and/or the help desk in the event of "loss of service" conditions

B. Service Levels

Availability

There will be no changes to current availability objectives due to this Change Order

Performance/Capacity

This change will not change the performance or capacity characteristics of the system, but is intended to monitor network performance. IBM may recommend changes to the service level objectives based on the results of measurements during the baseline period. Section E contains details on the baseline period.

C. Deliverables

IBM Global Services will provide three probes (specialized PCs) for the purpose of monitoring network performance. One of the probes will be located at IBM's Boulder facility and the other two will be located in the State's computer room in Detroit. One of the Detroit probes will be used in conjunction with the Boulder probe to capture network performance data between Detroit and Boulder. The second Detroit probe will be linked to the Host on Demand servers (which operate under Windows NT) in order to provide network response time information for the entire UA network to the branch offices.

IBM Global Services will develop end user scripts, based on information provided by UA, to be used on the probes for periodic sampling of network performance.

IBM Global Services will continue to provide network performance reporting as part of the monthly Service Level Attainment Reports, showing results of network performance with respect to the service level objectives. The content of these reports will remain the same, but the basis for network reporting will change from NPM to EPP.

D. Costs

There will be no charges to the Unemployment Agency for the changes provided under this Change Order.

E. Estimated Schedule

IBM Global Services will install a pilot for the EPP system within 30 days of the State's approval of this Change Order.

IBM Global Services will notify the State in writing when the system is ready to begin monitoring network performance for at least a 90-day baseline period. During the baseline period, the results from EPP will be compared with the results currently obtained from NPM. The baseline period is scheduled to begin within 30 days of the initial pilot installation.

After each 30 day period during the baseline period, IBM Global Services will report the interim results to UA for the purposes of reporting progress on the switch from NPM to EPP and for soliciting feedback from UA. (During this period, NPM will continue to be used for determining achievement or non-achievement of service level objectives by IBM Global Services.)

At the end of the baseline period, IBM Global Services will report results of the baseline comparisons to UA and also may recommend changes in the service level objectives for network performance.

F. UA Responsibilities

UA will provide a secure environment for the two Detroit probes in the computer room near the CNT device

UA will provide IBM Global Services host IP addressing information for the EPP probes

UA will provide input to be used by IBM to develop end user scripts to be used by the EPP probes and UA will provide concurrence that these scripts meet the requirements for effective network monitoring

UA will be responsible for reviewing and providing feedback on the results of EPP vs NPM reporting.

G. Completion Criteria

At each point noted in Section E above, and at the completion of the baseline period, IBM will notify UA and UA will verify via a concurrence letter within five business days that EPP will satisfactorily replace NPM for the purpose of monitoring network performance, including any changes in service level objectives that may be recommended by IBM and agreed to by UA. If no response is received from UA within five business days, EPP will be deemed to be a satisfactory replacement for NPM and the Service Level Attainment Reports for the following month will begin using data from EPP.

H. Year 2000

This service does not address the capability of your systems to handle date data within and between the twentieth and twenty-first centuries. You acknowledge that it is your responsibility to assess your current systems and take appropriate action to migrate to Year 2000 ready systems

III. State Authorization

Check One:

X This order shall be performed for the benefit of the State of Michigan - Unemployment Agency ("UA") and is not valid until signed by an authorized representative of the UA, the Contract Administrator, and the Purchasing 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 Purchasing Director

IV. Signature

IBM Global Services

By: Thomas F. Yambrosky
Title: Executive Project Manager
Date: 5/22/00

MMO Contract Administrator

By: Fran Spoltz
Title: Director Comp. Serv.
Date: ~~7/6/00~~
8/24/00

SOM - UA Authorized Representative

By: Brian K. Tunkel
Title: Director, ESSD
Date: 6-19-00

Department of Management and Budget (Purchasing)

By: _____
Title: _____
Date: _____

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

June 2, 2000

**CHANGE NOTICE NO. 21
 TO
 CONTRACT NO. 071B6000116
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF VENDOR IBM Global Services One Michigan Avenue Lansing, MI 48933	TELEPHONE Bill Ruddock/Tom Yambasky (517) 373-0233 VENDOR NUMBER BUYER (517) 373-8622 Sharon Walenga, C.P.M.
Contract Administrator: Fran Shooltz <p style="text-align: center;">Unemployment Agency Mainframe Operations Contract</p>	
CONTRACT PERIOD From: October 20, 1995 To: October 19, 2005	
TERMS <p style="text-align: center;">Net 30 Days</p>	SHIPMENT <p style="text-align: center;">As Required</p>
F.O.B. <p style="text-align: center;">Delivered/Installed</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	

NATURE OF CHANGE:

Contract change notice to accept the following Change Authorization Order (CAO):

1. **CAO 51 – to extend the annual maintenance for ChicagoSoft’s MVS/Quick-Ref Software (see attached).**

AUTHORITY/REASON:

Change mutually agreed to.

INCREASE: \$4,086.00

TOTAL ESTIMATED CONTRACT VALUE BECOMES: \$69,509,133.00

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

May 10, 2000

**CHANGE NOTICE NO. 20 - Revised
 TO
 CONTRACT NO. 071B6000116
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF VENDOR IBM Global Services One Michigan Avenue Lansing, MI 48933	TELEPHONE Bill Ruddock/Tom Yambasky (517) 373-0233
	VENDOR NUMBER
	BUYER (517) 373-8622 Sharon Walenga, C.P.M.
Contract Administrator: Fran Shooltz Unemployment Agency Mainframe Operations Contract	
CONTRACT PERIOD From: October 20, 1995 To: October 19, 2005	
TERMS Net 30 Days	SHIPMENT As Required
F.O.B. Delivered/Installed	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	

NATURE OF CHANGE:

Contract change notice to accept the following Change Authorization Order (CAO):

2. **CAO 50 – Modification of CAO \$32/Contract Change Notice #14 – no cost.**

AUTHORITY/REASON:

Changes mutually agreed to.

TOTAL ESTIMATED CONTRACT REMAINS: \$69,505,047.00

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

March 7, 2000

**CHANGE NOTICE NO. 19
 TO
 CONTRACT NO. 071B6000116
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF VENDOR IBM Global Services One Michigan Avenue Lansing, MI 48933	TELEPHONE Bill Ruddock/Tom Yambasky (517) 373-0233 VENDOR NUMBER BUYER (517) 373-8622 Sharon Walenga, C.P.M.
Contract Administrator: Fran Shooltz <p style="text-align: center;">Unemployment Agency Mainframe Operations Contract</p>	
CONTRACT PERIOD From: October 20, 1995 To: October 19, 2005	
TERMS <p style="text-align: center;">Net 30 Days</p>	SHIPMENT <p style="text-align: center;">As Required</p>
F.O.B. <p style="text-align: center;">Delivered/Installed</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	

NATURE OF CHANGE:

Contract change notice to accept the following Change Authorization Orders (CAO):

- 3. **CAO 47 – extend support hours – no cost.**
- 4. **CAO 48 – extend consultant services availability – no cost.**

AUTHORITY/REASON:

Changes mutually agreed to.

TOTAL ESTIMATED CONTRACT REMAINS: \$69,505,047.00

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

February 3, 2000

**CHANGE NOTICE NO. 18
 TO
 CONTRACT NO. 071B6000116
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF VENDOR <p style="text-align: center;">IBM Global Services One Michigan Avenue Lansing, MI 48933</p>	TELEPHONE Bill Ruddock/Tom Yambasky (517) 373-0233 VENDOR NUMBER BUYER (517) 373-8622 Sharon Walenga, C.P.M.
NIGP #920-23 Contract Administrator: Fran Shooltz CS-138#: NonJuris <p style="text-align: center;">Unemployment Agency Mainframe Operations Contract</p>	
CONTRACT PERIOD From: October 20, 1995 To: October 19, 2005	
TERMS <p style="text-align: center;">Net 30 Days</p>	SHIPMENT <p style="text-align: center;">As Required</p>
F.O.B. <p style="text-align: center;">Delivered/Installed</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	

NATURE OF CHANGE:

Contract change notice to accept the following Change Authorization Order (CAO):

- | | |
|--|--|
| 1. Change order 39 – Extend HourGlass 2000 for 1 year | \$2,285.00 |
| 2. Change order 41 – Removal of Librarian (Cost Reduction) | (\$125,826) |
| 3. Change order 44 – Change in period of time for Interface Systems Consultants | No Cost |
| 4. Change order 46 – Removal of TMON/MVS, Navigraph/VMS, and Navigraph/VTAM from development and Production LPARS (Cost Reduction) | (\$25,200/year until 2005 = \$138,600) |

AUTHORITY/REASON:

Changes mutually agreed to.

DECREASE: (\$262,141.00)

TOTAL ESTIMATED CONTRACT REMAINS: \$69,505,047.00

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

December 9, 1999

**CHANGE NOTICE NO. 17
 TO
 CONTRACT NO. 071B6000116
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF VENDOR IBM Global Services One Michigan Avenue Lansing, MI 48933		TELEPHONE Bill Ruddock/Tom Yambasky (517) 373-0233
		VENDOR NUMBER
		BUYER (517) 373-8622 Sharon Walenga, C.P.M.
NIGP #920-23	Contract Administrator: Fran Shooltz	CS-138#: NonJuris
Unemployment Agency Mainframe Operations Contract		
CONTRACT PERIOD		To: October 19, 2005
From: October 20, 1995		
TERMS	Net 30 Days	SHIPMENT As Required
F.O.B.	Delivered/Installed	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A		

NATURE OF CHANGE:

Contract change notice to:

1. Upgrade the CNT in Detroit for an ethernet 10 Base T interface card and configure the SOM-UA host in Boulder to support TCP/IP communications based on host IP addressing supplied by UA, per attached CAO #42.
2. Provide an analyst to assist and mentor the state per the above CAO, per attached CAO #43.
3. Extend the date of consulting services previously approved in Change Authorization Order (CAO) 14 & 15, per attached CAO 45(r).

AUTHORITY/REASON:

Changes mutually agreed to.

TOTAL ESTIMATED CONTRACT REMAINS: \$69,767,188.00

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

November 1, 1999

**CHANGE NOTICE NO. 16
 TO
 CONTRACT NO. 071B6000116
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF VENDOR IBM Global Services One Michigan Avenue Lansing, MI 48933	TELEPHONE Bill Ruddock/Tom Yambasky (517) 373-0233
	VENDOR NUMBER
	BUYER (517) 373-8622 Sharon Walenga, C.P.M.
NIGP #920-23 Contract Administrator: Fran Shooltz CS-138#: NonJuris Unemployment Agency Mainframe Operations Contract	
CONTRACT PERIOD From: October 20, 1995 To: October 19, 2005	
TERMS Net 30 Days	SHIPMENT As Required
F.O.B. Delivered/Installed	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	

NATURE OF CHANGE:

Contract change notice to provide additional year 2000 testing per the attached Change Authorization Order 38.

AUTHORITY/REASON:

Change mutually agreed to.

INCREASE: \$50,000.00

TOTAL ESTIMATED CONTRACT REMAINS: \$69,767,188.00

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

September 8, 1999

**CHANGE NOTICE NO. 15
 TO
 CONTRACT NO. 071B6000116
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF VENDOR IBM Global Services One Michigan Avenue Lansing, MI 48933		TELEPHONE Bill Ruddock/Tom Yambasky (517) 373-0233
		VENDOR NUMBER
		BUYER (517) 373-8622 Sharon Walenga, C.P.M.
NIGP #920-23	Contract Administrator: Fran Shooltz	CS-138#: NonJuris
Unemployment Agency Mainframe Operations Contract		
CONTRACT PERIOD		To: October 19, 2005
From: October 20, 1995		
TERMS	SHIPMENT	
Net 30 Days	As Required	
F.O.B.	SHIPPED FROM	
Delivered/Installed	N/A	
MINIMUM DELIVERY REQUIREMENTS		
N/A		

CHANGES: Contract change notice to accept the following Change Order Authorizations:

Change Authorization Order (CAO)	Description	Cost
Completion of 35	Interface Systems Document Server (Incl: 250 Ptr. Destinations and 2 servers) Annual Maintenance On-site Support Services Total	\$12,500.00 2,006.25 <u>4,814.00</u> \$19,320.25
37	Change language previously approved in CO 33	0

AUTHORITY: Changes mutually agreed to.

TOTAL ESTIMATED CONTRACT REMAINS: \$69,717,188.00*

*Estimated costs are available in estimated contract value.

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

June 22, 1999

**CHANGE NOTICE NO. 14
 TO
 CONTRACT NO. 071B6000116
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF VENDOR <p style="text-align: center;">IBM Global Services One Michigan Avenue Lansing, MI 48933</p>	TELEPHONE Bill Ruddock/Tom Yambasky (517) 373-0233 VENDOR NUMBER BUYER (517) 373-8622 Sharon Walenga, C.P.M.
NIGP #920-23 Contract Administrator: Fran Shooltz CS-138#: NonJuris <p style="text-align: center;">Unemployment Agency Mainframe Operations Contract</p>	
CONTRACT PERIOD From: October 20, 1995 To: October 19, 2005	
TERMS <p style="text-align: center;">Net 30 Days</p>	SHIPMENT <p style="text-align: center;">As Required</p>
F.O.B. <p style="text-align: center;">Delivered/Installed</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	

CHANGES: Contract change notice to accept the following Change Order Authorizations:

<u>Change Authorization Order (CAO)</u>	<u>Description</u>	<u>Cost</u>
CAO 20 Revised	No longer require the use of IMPACT/2000	\$(16,540.51)
CAO 29	Staff Change	\$.00
CAO 30	Education – thru 5/31/2000	\$ 50,000.00
CAO 31	Acquisition & Installation of Chicago -Soft's Quick Reference	\$ 21,290.00
CAO 32	Development of LPAR for Wage Record Project	\$ 27,360.00
CAO 33	IBM's Host Integration Solution Software For 1200 users Consulting/Proj Mgmt Services	\$369,910.60

All CAOs are attached for detail.

AUTHORITY: Changes mutually agreed to.

TOTAL ESTIMATED CONTRACT REMAINS: \$69,717,188.00*

*Estimated costs are available in estimated contract value.

M-3-22-99

Form No. DMB 234A (Rev. 3/92)
AUTHORITY: Act 431 of 1994
COMPLETION: Required
PENALTY: Failure to deliver in accordance with contract terms
and conditions and this notice may be considered in default of
contract

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

March 22, 1999

CHANGE NOTICE NO. 13
TO

CONTRACT NO. 071B6000116

between

THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR		TELEPHONE Bill Ruddock (517) 373-0233
IBM Global Services One Michigan Avenue Lansing, MI 48933		 Sharon Walenga, C.P.M.
NIGP #920-23	Contract Administrator: Fran Shooltz	CS-138#: NonJuris
Unemployment Agency Mainframe Operations Contract		
CONTRACT PERIOD	From: October 20, 1995	To: October 19, 2005
TERMS	Net 30 Days	SHIPMENT As Required
F.O.B.	Delivered/Installed	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A		

CHANGES:

Contract Notice to agree to costs of \$65,800.00 for consulting services to perform a Project Management Assessment (attached).

AUTHORITY:

Change mutually agreed to.

TOTAL ESTIMATED CONTRACT REMAINS: \$69,717,188.00*

*\$65,800.00 available in remaining balance.

CHANGE AUTHORIZATION ORDER FORM

Change Authorization Order for the MMO Contract

Contract Number 071B6000116

Change Authorization Order Number 28

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

Description of Service:

Provide Consulting Services:

(1) Project Management Maturity Assessment

Add one Executive Project Management Consultant to conduct Project Management Maturity Assessment for the Unemployment Agency I/T organization. The rate for this service will be \$235.00 per hour. This staffing will be available for up to 10 hours per day for up to 10 business days as mutually agreed to and scheduled by the Unemployment Agency.

(1 person) * (\$235.00/hour) * (up to 10 hours/day) * 10 days = up to \$23,500.00

A. Scope

One Executive Project Management Consultant will conduct a Project Management Maturity Assessment for the State of Michigan Unemployment Agency. This assessment will assist the Unemployment Agency in assessing its project management maturity and capabilities. It will also identify needed improvement areas.

The Project Management Maturity Assessment process consists of conducting a set of interviews and reviewing documentation. The documentation is called objective evidence and will help to confirm that a project management process is being practiced, and to what extent it is being followed. To gain an overall understanding of Project Management Maturity of the

Unemployment Agency the Executive Project Management Consultant proposes to complete the following high-level tasks.

Work with the agency to develop a potential list of personal to be interviewed
Develop an interview schedule
Conduct interviews
Conduct follow-up interviews (if needed)
Compile findings
Present preliminary findings
Develop and present final report and findings.

B. Deliverables

A final report and presentation will be produced and delivered to the UA I/T organization. The final report and presentation will focus on the findings generated from the interview sessions. The answers to the predetermined questions and the documented evidence associated with the questions will be analyzed to determine the project management maturity of the organization. Recommendations on improvement areas will be identified to the extent possible.

C. Costs

IBM Global Services will invoice for actual hours worked at the hourly rate of \$235.00 per hour. In accordance with the Schedule below, this effort is estimated not to exceed 10 days.

(1 person) * (\$235.00/hour) * (up to 10 hours/day) * 10 days = up to \$23,500.00

D. Schedule

The elapsed time to complete the assessment is estimated at two (2) weeks, based on meeting a one (1) week interview schedule. The number of interviews to be conducted is estimated at 15 (3 Executives, 3 Project Managers, 2 Functional Managers, 2 Staff Managers and 5 Project Members), each lasting approximately 1.5 hours.

E. The Unemployment Agency Responsibilities

The Unemployment Agency will schedule and co-ordinate all interviews based upon the agreed to schedule.

Will provide one (1) interview room and one (1) room to be used as the IBM team room. The IBM team room, in addition to standard office furniture, will have a white board, telephone and be able to be secured. Both rooms will have floor to ceiling walls.

The appropriate security clearance, badges and access will be provided upon the start of the engagement.

Key personnel from the Unemployment Agency will be available to participate in initial interviews as scheduled. Interviewees will arrive at the designated interview room at the scheduled date and time. It is understandable that a limited number of interviews may have to be re-scheduled. Every reasonable attempt will be made to re-schedule these interviews within the limited interview time frame as identified in the interview schedule. Interviews that can not be re-scheduled will not be conducted.

(2) Selection Test and Interview

Add one Performance Consultant to develop and implement a structured interview and selection tool to be used by the Unemployment Agency in selection of Project Managers within their organization. The rate for this service will be \$235 00 per hour. This staffing will be available for up to 180 hours.

(1 person) * (\$235 00/hour) * 180 hours = up to \$42,300 00

A. Scope

One IBM Performance Consultant will work with the Unemployment Agency to develop a structured interview to be used as a tool for selection of project managers. Additionally, IBM will train the selection manager to use the structured interview and will provide a guide to supplement the instruction. Further, the Performance Consultant will work with the Unemployment Agency to select another selection tool to augment the structured interview. These selection tools will assist in selecting the candidates who are most likely to be successful in the project management job role.

The development of the structured interview consists of several tasks:

- Work with the Unemployment Agency selection manager and other appropriate individuals to identify and quantify the critical Knowledge, Skills, Abilities, and Other characteristics (KSAOs) that are important for successful job performance
- Develop critical incidents for use in the structured interview
- Develop an anchored rating scale for use with the interview
- Develop structured interview questions based on identified KSAOs
- Develop collateral administrative materials (i.e., interview guide, rating forms, instructional materials)
- Train selection manager to use the structured interview.

The selection of an additional selection tool consists of the following tasks:

- Investigation and evaluation of existing project management selection tools
- Creation of recommendations report
- Instruct selection manager on use of the additional selection tool.

B. Deliverables

IBM will provide the following deliverables to the Unemployment Agency:

- List of contributors to successful job performance
- Structured interview tool
- Collateral administrative materials (i.e., interview guide, rating forms, instructional materials)
- Recommendations report for supplemental selection tool.

C. Costs

IBM Global Services will invoice for actual hours worked at the hourly rate of \$235.00 per hour.

(1 person) * (\$235.00/hour) * 180 hours = up to \$42,300.00

D. Schedule

This selection project will take approximately thirty calendar days to complete. Work will begin at a mutually agreed upon time.

E. The Unemployment Agency Responsibilities

The Unemployment Agency will schedule and co-ordinate all meetings and interviews based upon the agreed to schedule.

Will provide one (1) interview room and one (1) room to be used as the IBM team room. The IBM team room, in addition to standard office furniture, will have a white board, telephone and be able to be secured. Both rooms will have floor to ceiling walls.

The appropriate security clearance, badges and access will be provided upon the start of the engagement.

Key personnel from the Unemployment Agency will be available to participate in initial meetings and interviews as scheduled. Interviewees will arrive at the designated interview room at the scheduled date and time. It is understandable that a limited number of interviews may have to be re-scheduled. Every reasonable attempt will be made to re-schedule these interviews within the limited interview time frame as identified in the interview schedule. Interviews that can not be re-scheduled will not be conducted.

Cost of purchasing the additional recommended Selection Tool, if desired, will be the responsibility of UA.

F. Assumptions

IBM bears no responsibility for the selection or rejection of project managers by the Unemployment Agency. Selection decisions will be made solely by management of the Unemployment Agency.

IBM will perform tasks that require on-site visits at the Unemployment Agency. However, tasks that do not require travel may be performed at IBM facilities.

III. Charges

Charges are estimated to be \$65,800.00 for an estimated 280 hours of Services at an hourly rate of \$235.00. We will invoice you for actual hours provided at the specified hourly rate. All invoices are payable on receipt.

IV. Completion Criteria

IBM shall have fulfilled its obligations under this Statement of Work when any of the following first occurs:

1. IBM Provides the number of hours of services specified in the "Description of Change" section of this Statement of Work or in any subsequent Change Authorization.
2. ~~The estimated end date specified in the "Description of Change" section is reached (even if IBM has not yet provided the number of hours of services specified in this Statement of Work or in any subsequent Change Authorization).~~
3. This Statement of Work is terminated in accordance with the provisions of the Contract.

SW
3/19/99 *

V. State Authorization

Check One:

X This order shall be performed for the benefit of the Michigan Employment Security Agency (the "Unemployment Agency") and is not valid until signed by an authorized representative of the Unemployment Agency, the Contract Administrator, and the Purchasing 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 Purchasing Director.

IBM Global Services

By: Thomas F. Yombosky
Title: Executive Project Manager
Date: 2/10/1999

Michigan Employment Security Agency

By: William C. Wight
Title: CIO
Date: 2-17-99

Contract Administrator

By: _____
Title: _____
Date: _____

Department of Management and Budget (Purchasing)

By: Sharon Wallengr, C.P.M.
Title: Buyer
Date: 3/16/99