STATE OF MICHIGAN
DEPARTMENT OF MANAGEMENT AND BUDGET
PURCHASING OPERATIONS   **July 8, 2008**
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 4
TO
CONTRACT NO.   071B6200072
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR	TELEPHONE Gordon Hack
Legal Files Software, Inc.	**1-800-500-0537 ext 247**
2730 S. Mac Arthur Blvd.	VENDOR NUMBER/MAIL CODE
Springfield, IL 62704	
gordon.hack@legalfiles.com	BUYER/CA (517) 373-3993 **Dale N. Reif**

Contract Compliance Inspector:
Database and Database Conversion - DIT

CONTRACT PERIOD:	From: **November 1, 2005**	To: **October 31, 2010**

TERMS **N/A**	SHIPMENT **N/A**
F.O.B. **N/A**	SHIPPED FROM **N/A**

MINIMUM DELIVERY REQUIREMENTS **N/A**

NATURE OF CHANGE(S):

> **Effective immediately, this contract is hereby INCREASED by $150,000.00 and exercises the remaining two options in the contract to EXTEND the contract period to October 31, 2010. Changes to the contract are specified in the attachments to this change notice; all other terms and conditions remain the same.**

AUTHORITY/REASON(S):

> **The vendor, agency and DMB Purchasing Operations agree to the contract modification and the State Administrative Board approved this request on July 1, 2008.**

INCREASE: $150,000.00

TOTAL REVISED ESTIMATED CONTRACT VALUE: $1,789,044.00

<u>**Change Notice # to Legal Files Contract**</u>

The State exercises its option to renew the Contract from November 1, 2008 through October 31, 2010.

<u>**Section 1.104 is deleted and replaced with the following:**</u>
1.104   WORK AND DELIVERABLES

Contractor shall provide Services and staff, and otherwise do all things necessary for, or incidental to the performance of work, as set forth below:

(A) **Reserved**

(B) **Reserved**

(C) **IMS Acceptance Test Plan** – State will perform an Acceptance Test Plan that will be used for determining Final Acceptance of the IMS according to the following:

1. The IMS shall be tested to verify its compliance with the specifications set forth in this Contract, including meeting the specifications in the Requirements Document, **Attachment D**. The basis for acceptance of the IMS shall be documented in an Acceptance Test Plan (ATP) document. These plans shall be designed to demonstrate the IMS compliance with the Contract and Requirements Document specifications.

2. Reserved

3. All tests executed shall be documented according to the approved ATP.

4. Documented test results shall consist of:
Test Checklists - which shall be based on the specification and functional criteria associated with the IMS in the Requirements Document
Project Punchlist - which shall be test items that failed and require corrective action or resolution, and
Observation - a record of items observed during the tests.

5. Acceptance testing involves two levels of testing for the Contractor's solution. The first level involves testing for product functionality after the application has been fully configured and the existing data has been converted into Contractor's solution. This level of testing ensures that the application provides the desired functionality for the AG. The second level of testing is the technical, or "stress test" that is performed to ensure satisfactory performance of the Contractor's solution in

the AG's technical environment. This test should be completed after successful completion of the functionality test.

(D) Reserved

(E) Data Conversion Acceptance Plan. Contractor will work with the AG to formulate a Data Conversion Plan that best meets the needs and minimizes the risks of the organization as it relates to data loss, downtime, confidentiality and duplication of effort. The Data Conversion Plan should include conversion preparation (including conversion rules, dependencies and acceptance criteria), risk associated with the data conversion and any exception processing that may be required, data cleansing processes and procedures, conversion products (staff required, time

frames and conversion verification procedures) and the pilot test for the data conversion. This process will begin early in the project lifecycle and Contractor will perform the data conversion using automated tools that are already available.

Contractor will provide the AG with test conversion data and will work with the AG to review the test conversion data in advance of final conversion and program implementation. Adjustments to the conversion should be made at the request of the AG during the test conversion phase. To eliminate downtime and duplication of effort a final automated data conversion will be performed immediately prior to the "go-live" date. The Contractor will use the procedures detailed as follows:

Data Mapping and Data Mapping Review:
During this stage, the Contractor's Project Manager will educate the AG's project team as to the Contractors capabilities. The Contractor's Project Manager will also learn from the AG project team or selected personnel what the current case management system does. The education process on both sides is the basis for the data conversion/data mapping.

The Contractor's Project Manager will produce a data mapping report that will map existing data to Contractors solution field by field. The AG project team or designated personnel will review the data mapping report and authorize the Contractor to proceed with the data conversion coding from the Contractors Program Department.

Data Conversion and Data Conversion Review:
The Contractors Program Department will assign a programmer to begin coding the data conversion program. The programmer will work with the Contractors Project Manager about any questions that may arise. Once the program has been written it will be executed against the current data to convert into Contractors solution and create the new AG database. The Contractors Project Manager will review the new database for any errors or omissions. Once the Project Manager approves the conversion for customer review, the database will be transferred to a server that the AG project team will access.

The AG project team or designated personnel will begin to review the converted data in the new AG database for errors. The AG project manager will report any errors discovered during the review process to the Contractors Project Manager.

Data Conversion Adjustments:
The Contractors Project Manager will communicate with the AG Project Manager to make sure we understand the changes that are being requested. The Contractors Project Manager will then work with the programmer assigned to the AG conversion about the changes being requested. The programmer will make the changes to the conversion program and then re-run the conversion program against the current data. The Contractors Project Manager will review the new database for any errors or omissions in the requested changes. Once the Contractors Project Manager approves the conversion for customer review, the database will be transferred to a server that the AG project team will access.

Final Data Conversion Review and Sign Off:
The AG project team or designated personnel will begin to review the converted data and the requested changes in the new AG database for errors. The AG project manager will report any errors discovered during the review of the changes to the Contractors Project Manager. If no further

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changes are to be made, the AG will sign off on the converted database and return the sign-off form to the Contractor.

Once the converted database has been approved by the AG project team or designated personnel, it is scheduled for delivery. The executables are prepared by the Contractors Programmer and delivered to the Contractors Project Manager. The final conversion will take place onsite at the AG data facility a day or two before the live date. The data conversion executables will be run by Contractors technician and if preferred, with the assistance of an AG technician.

The stages of the process above will be repeated for each section prior to that section going live.

(F) Customization of COTS– No later than ninety (90) days after Contract Effective Date, the Contractor will present an IMS system. At this stage, the IMS need not contain converted data from the current FMP system and need not contain the Customizations identified in Attachment D. The Customization of COTS will be subject to testing requirements and the Acceptance process in the Contract. Even if the State accepts the Customization of COTS for this Deliverable, further customization may be required as part of the conversion of data from the current FMP system.

The Contractor will provide custom programming services for items in **Attachment D** not included with the base product. All pricing for such services are provided in the cost section of this Contract.

(G) **IMS** – Contractor will implement a functional IMS that meets all of the requirements in the Requirements Document and contains converted data from the current FMP system. Contractor will convert 100% percent of the data without errors. The IMS will be subject to the testing requirements and Acceptance process in the Contract. All required hardware will be purchased independently by the State based on system requirements. All software must be licensed to the State of Michigan.

(H) **Manuals and System Documentation** – Any documentation to support the system, including system configuration settings, must be provided to the State not more than ten (10) months following Contract Effective Date. Contractor must provide all title and licenses to any Hardware or Software to the State. These written Deliverables will be subject to the Acceptance process in the Contract.

Contractor's solution includes an extensive library of documentation. In addition, an online Help section within the program itself offers extensive information on various features, their location within the application, and how users can access and leverage those features. With the online Help documentation, users can access information through Contents, Index or Search tabs. The online Help also includes a "What's New" feature that helps familiarize users with the newest features and enhancements. Updated documentation and online Help are available with every release.

(I) **Training Documentation -** Any materials used for training (including, at a minimum, written materials specifically designed to address the requirements of this Contract) must be provided to the State not more than ten (10) months following Contract Effective Date. The State reserves the right to videotape a training session and reuse it for future new employees. These written Deliverables will be subject to the Acceptance process in the Contract.

Contractor will publish a Client Resource Center on its web site where users may read current and all past issues of Hints & Helps and download documents on "What's New" about the

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newest features and enhancements. Contractor will also provide access, at this web site, to the latest versions of all training manuals, Help documentation, Help Desk publications and Build Notes.

(J) **Training** – This may include on-site training and training for DIT support, train the trainer material, or remote training. The Contractor will develop a training plan to be delivered to the State not more than ninety (90) days following Contract Effective Date. The training plan needs to take into account that the Department training space is limited to approximately 30 users. Training for DIT support will be ongoing throughout the Contract.

Contractor will complete training in two separate phases.

The first phase will involve all members of the project team and includes both the System Administration and End User Training sessions. These five-day, classroom sessions can be held at Contractor's corporate training facilities, or at the AG's own training facilities,

provided the project team is isolated from all other responsibilities during training. Contractor insists that key employees who will be responsible for the ongoing administration of the Contractors software solution complete administrative training.

System Administration Training will enable AG employees to establish system options and preferences. After training, the employees will be able to:

- Set up case menus
- Create custom checklists
- Establish appropriate user workgroups
- Decide and establish system security
- Create task wizards
- Create document assembly templates

The second phase of training will involve training all end users of the application for each section just prior to going live with the Contractors software solution. This two-day End User Training should take place at the AG's training facility. This training will provide instruction on the use of the case management and groupware features of the application.

Class sizes should be no more than 10 students per class, unless additional trainers are used to assist with the classes. This training session will take place with the system configured for use at the AG, maximizing the effectiveness of the training program.

Administrator and end user training guides are utilized during the training sessions and students will be encouraged to use these guides as a future reference tool.

Contractor may offer additional training courses such as refresher training, new features, etc.). Depending upon the type of course, instruction can be provided on-site, remotely or at Contractor training facilities.

Contractor will conduct Train-the-Trainer sessions as a way to teach internal training resources how to train users on the application. These classes are not designed to accomplish initial end-user training but to reinforce training after implementation and train new employees. A mix of

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AG trainers and Contractor trainers may also be possible.

Contractor will also offer Technical Training for Report s generation. These classes should provide sufficient training to allow
End user to
- ❏ Query data in numerous ways
- ❏ Generate reports from custom windows,
- ❏ Query single or multiple fields at the same time
- ❏ Display results on screen or export data to an Excel spreadsheet or Access database

and technical staff to
- ❏ Create custom reports

- ❏ Case summaries
- ❏ Ad-hoc reports through the use of any third-party report writer that is ODBC compliant
- ❏ Create a custom-built report in Crystal Reports using the Data Dictionary

Training on system-integrated reports will be held during administrative training, implementation assistance and through the Contractors Help Desk. Training on ad-hoc reports has two phases. The first phase is to learn the report tool and the second is to understand the database structure. Contractor will provide a data dictionary for third-party report writers and an optional technical training class. The class is held in two separate sessions, one day for each session at the Contractors facility.

Contractor will provide trainers with extensive professional experience in training clients in-house and on-site, answering and responding to Help Desk queries, creating training documentation (including customized documentation), developing curriculum and designing practice exercises. Trainers will possess excellent communication skills, a commitment to each student's success and the ability to show the relevance of the course material to the need. All instructors are certified as Contractors trainers and are required to meet continuing education requirements to maintain their certification.

(K) Customization of COTS – From time to time, the State may request that enhancements and upgrades are made to the existing application. In the event of such a request, the State will provide to the Contractor a general description of the request. The Contractor may ask for additional information as necessary and will provide the State with a firm, fixed price for the Deliverable along with a detailed design document based on the Labor Rates identified in Exhibit D. The State may accept the price and authorize the Contractor to perform the work or the State may reject the price. Upon delivery to the State, the State shall have the timelines set forth in Section 2.085 to determine whether or not the enhancement or upgrade meets the requirements in the detailed design document. Once the State approves the Deliverable, then Contractor will send an invoice for the agreed upon amount to the State.

(I) Data Maintenance - From time to time, the State may request the Contractor to develop utilities or scripts that allow the State to move large amounts of data around in the database. In the event of such a request, the State will provide to the Contractor a general description of the request. The Contractor may ask for additional information as necessary and will provide the State with a firm, fixed price for the Deliverable along with a detailed design document based on the Labor Rates identified in Exhibit D. The State may accept the price and authorize the Contractor to perform the work or the State may reject the price. Upon delivery to the State, the State shall have the timelines set forth in Section 2.085 to determine whether or not the utility or script meets the requirements in the detailed design document. Once the State approves the Deliverable, then Contractor will send an invoice for the agreed upon amount to the State.

Section 1.202 is deleted and replaced with the following:
1.202   STATE STAFF, ROLES, AND RESPONSIBILITIES

The DIT Contract Staff will be assigned to assist with contractual issues and concerns and coordinate with the DMB Buyer assigned.

The AG-IT Vision Committee (AG-IT-Vision-Committee@mi.gov) will provide strategic direction to the Contractor regarding development, testing, implementation and training. Acceptance of the final product will be based on the recommendation of the AG-IT Vision Committee.

Designated AG staff and DIT staff will be involved in managing the project:

Mitch Montgomery is part of the DIT CRM team for the Department and will provide project oversight and management of internal DIT issues. He will provide Final Acceptance, jointly with Matthew Keck, of the delivered solution, as well as acceptance of any Deliverable provided under the Contract.

Sherin Grossi is the current FMP Database Manager and will be involved in maintaining and supporting the new system, as well design modifications. It is expected that the Contractor will work with Ms. Grossi during the entire process in order to transfer knowledge and allow DIT to support the system. Ms. Grossi will oversee the day-to-day management of the Contract.

Matthew Keck is the State Project Manager. He will provide day-to-day interface with Legal Files and DIT to manage the implementation of this project. He will provide written Final Acceptance, jointly with Mitch Montgomery, of the delivered solution, as well as acceptance of any Deliverable provided under the Contract.

Vaughn Bennett is the State of Michigan, Senior Project Manager assigned to this project. Mr. Bennett will provide budget information and ensure the budget is maintained.

Sections 1.301 -1.4 are deleted in their entirety and replaced with the following:

1.301   PROJECT PLAN MANAGEMENT
The Project plan will be maintained by the Attorney General. Adjustments to the project plan and rollout schedule will be determined jointly by DIT and the Attorney General. Contractor will be informed of any changes to the schedule.

The Contractor's Project Manager will be responsible for notifying the State Project Manager, the FMP Database Manager and Mitch Montgomery of any proposed changes to the Project Plan.

Any changes to scope or schedule or budget must follow a Change Management process (Section 1.403), and it must be agreed upon and communicated to the State's State Project Manager in writing explaining the reason for the change and the impact.

A Change Control Request (see **Attachment F**) will be the vehicle for communicating change. The Change Control Request must describe the change, the rationale for the change, and the effect the change will have on the project.

1.302   REPORTS
The AG will maintain, to the extent necessary, the following reports. These reports will be updated through weekly conference calls with DIT and LFS and AG:

Issue Management Report showing all identified issues, current resolution path and whether the issue has been escalated.

An issue is an identified event that if not addressed may affect schedule, scope, quality, or budget.

Description of issue
Issue identification date
Responsibility for resolving issue.
Priority for issue resolution (to be mutually agreed upon by the State and Contractor)
Resolution date
Resolution description

1.4   Project Management
Contractor will manage the project in accordance with the best practices and guidelines established in PMBOK® (Project Management Body of Knowledge from the Project Management Institute) and in the framework outlined in the State of Michigan's Project Management Methodology (PMM), or as agreed upon by the two parties. The intent of these requirements are to deliver the highest quality solution by deploying and maintaining best practices, methodologies, tools, and knowledge within a structured framework.

Contractor's most experienced technical personnel who are fully qualified project managers will staff project management. Contractors Project Manager will possess strong management and leadership skills and will be highly knowledgeable as to the theory and concepts of IT management practices and approaches related to planning, organizing, staffing, monitoring and controlling. Contractor's staff assigned to this project will be experienced with both the Contractors application and the process to implement the product.

The project team will consist of a primary project manager from both the Contractor and the AG's office who will have joint responsibility for meeting deadlines and keeping the project on track within their respective organizations. The project team will also consist of additional personnel who will be instrumental in the implementation and ongoing operation of the Contractor's solution.

Contractor will also work with the AG to establish the control procedures necessary to ensure that people working on the project are aware of the correct procedures to be followed. This ensures consistency is maintained and the "flow" of the project is not interrupted by a lack of direction or control. The major areas of the project that require effective control are quality, change (scope and requirements), progress, and organizational impact.

Section 1.6 is deleted in its entirety and replaced with the following:

1.6   Compensation and Payment:
State will pay Contractor an amount not to exceed $1,789,044.00 for the performance of all activities necessary for or incidental to the performance of work as set forth in this SOW.

The State will pay the Contractor at the rates identified in **Exhibit B** pursuant to the Contract payment terms.

Exhibits B-J are deleted in their entity and replaced with the following:

Exhibit B
Pricing

Software Pricing:

Software	Base Cost	Number of Users/Licenses	Total Cost with Discount	Per Seat Cost
Legal Files 6.0 User License Fee	$1,045.00	500 (individual user license)	40% Discount Based on Quantity of 500. $312,000.00	$625.00
Totals			**$312,000.00**	
Legal Files 6.0 User License Fee	$1,045.00	60 (individual user license)		$625.00
Totals			**$37,500.00**	
Future Legal Files 6.0 User License Fee	$1,045.00	60 (individual user license)		$625.00
Totals			**$37,500.00**	
Total License Fees			**$387,000.00**	

Software Maintenance Pricing[1]:

Item	Year 1	Year 2	Year 3	Year 4
500 - Legal Files 6.0 Licenses *18% of Base Cost for first year with 3% fixed increase per year thereafter.	$94,000	$96,820	$99,724	$102,715
60 Known Users	**$11,280.00**	**$11,618.40**	**$11,966.88**	**$12,325.80**
60 Unknown Users	**$11,280.00**	**$11,618.40**	**$11,966.88**	**$12,325.80**
Yearly Totals	**$116,560.00**	**$120,056.80**	**$123,657.76**	**$127,366.60**

Custom Programming/Configuration:

Item Number	Number of units	Unit Rate	Total Cost
Requirement ID # I Track multiple dispositions per party and multiple dispositions for multiple parties	40 hours	$200/hour	$8,000.00
Requirement ID # O Accounts Receivable and Collections tracking	140 hours	$200/hour	$28,000.00

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[1] Charges for maintenance begin ninety (90) days following Final Acceptance.

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Description		Number of units / days	Unit Rate	Total Cost
Configuration and Customization/Non Technical		15 days	$1,900/day	$28,500.00
Additional Items based on Exhibit D as deemed necessary by the State of Michigan			Exhibit D rates	$301,798.84
Additional Items based on Exhibit D as deemed necessary by the State of Michigan			Exhibit D rates	$150,000.00
Totals				**$516,298.84**

Data Conversion:

Description	Number of hours	Hourly Rate	Total Cost
Data Conversion at 100%			
Agenda	406 hours	$150/hour	$60,900.00
Revenue/Collections AR	70 hours	$150/hour	$10,500.00
Consumer Protection Intake	52 hours	$150/hour	$7,800.00
Charitable Trusts	44 hours	$150/hour	$6,600.00
Health Care Fraud	46 hours	$150/hour	$6,900.00
MDOT	22 hours	$150/hour	$3,300.00
Totals			**$96,000.00**

Training & Project Management:

Description	Number of units	Unit Rate	Total Cost
Training for Users Administrative Training for Project Team (2 sessions/4 days)	4 days	$1,900/day	$7,600.00
Train the Trainer Training for 40 Users (4 days per person/10 per class)	16 days	$1,900.00	$30,400.00
Floor Support Training	15 days	$1,400.00	$21,000.00
Technical Training for Custom Reports (2 days per session/2 sessions)	4 days	$2,400.00	$9,600.00
Technical Training during installation (2 days)	2 days	$2,400.00	$4,800.00
Training for Custom Reports	2 days	$2,400.00	$4,800.00
Legal Files Lead Training			$58,904.00
Additional Training as requested			$15,040.00
Total Training			**$152,144.00**
Implementation Guide			$22,560.00
Implementation Guide Total			**$22,560.00**
Conversion Acceptance and Test Plan (Data Mapping Document Agenda)	105 hours	$188.00	$19,740.00
Data Mapping Document	22 hours	$188.00	$4,136.00

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Revenue/Collections AR			
Data Mapping Document Consumer Protection Intake	18 hours	$188.00	$3,384.00
Data Mapping Document Charitable Trusts	13 hours	$188.00	$2,444.00
Data Mapping Document Health Care Fraud	13 hours	$188.00	$2,444.00
Data Mapping Document MDOT	9 hours	$188.00	$1,692.00
Data Mapping Total			**$33,840.00**
Ongoing Project Management	340 hours	$188.00	$63,920.00
Additional Project Management	157.66 hours	$188.00	29,640.00
Total Project Management			**$93,560.00**

Exhibit C
Organizational Chart, including Key Personnel

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                        ┌──────────────┐
                        │    Chief     │
                        │  Executive   │
                        │   Officer    │
                        └──────┬───────┘
         ┌─────────────────────┴─────────────────────┐
  ┌──────┴───────┐                           ┌────────┴──────┐
  │    Chief     │                           │    Chief      │
  │  Operating   │                           │  Technical    │
  │   Officer    │                           │   Officer     │
  └──────────────┘                           └───────────────┘
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Project Management (Project Managers)

Administration

Marketing

Sales

Customer Support

Research - (Product Manager)

Development - (Product Manager, Developers)

Maintenance

Testing – (Product Manager)

Documentation

Data Conversion (Data Conversion Specialists)

Education/Training (Administrative and End-User Trainers)

Help Desk

Michigan Department of Attorney General
DIT Services Request 05111DIT030D initiated 05-05-2008
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Michigan Department of Attorney General
DIT Services Request 05111DIT030D initiated 05-05-2008
Page 05111DIT030D-**17 of** 05111DIT030D-0**22**

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Legal Files Software, Inc. employs a full-time staff of professionals who have responsibility for implementing the Legal Files solution for our customers. This team includes project managers, data conversion specialists, system interface developers and trainers. Each individual is a specialist in his or her respective field and operates under the common goal of a successful implementation. Every employee is a daily user of the Legal Files application. Legal Files team members are readily available to fulfill the requirements of this project. Legal Files Software, Inc. proposes that only Legal Files personnel perform the tasks for this project. No subcontractors or third-party vendors will be needed or used.

Name	**Classification**
Mr. Jon Stearns	Chief Technology Officer
Mr. John Kanoski	Chief Executive Officer
Mr. Dale Lowrence	Project Manager (Key Personnel)
Mr. Mike Stults	Data Conversion Specialist/Senior Developer

Exhibit D
Labor Rates

Unit Pricing
Legal Files Software and Support:

Description	Cost
Desktop Product	
Legal Files Version 6.0 License Fee	$625 per user
Yearly Software Maintenance and Support	$188 per user
Web-Portal Product	
MyLegalFiles Version 3.0 License Fee (Application Mode)	$520 per user
Server License Fee	$1,500 per Server License
Yearly Software Maintenance and Support	$125 per user
Training Services:	
System Administration Training	$1,900 per day
End-User Training	$1,400 per day
One-on-One Training	$1,400 per day
Train the Trainer	$1,900 per day
Technical Training for report writing	$1,900 per day

Installation Services:

Description	Cost
Project Manager	$188 per hour
Project Implementation Specialist	$1,900 per day
Onsite Installer	$2,400 per day
Data Conversion Specialist	$150 per hour
Custom Programmer	$200 per hour
Administrator Trainer	$1,900 per day
End-User Trainer	$1,400 per day

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Exhibit H
Project Plan

The State is maintaining a master roll-out plan that is adjusted as necessary to meet the demands of the State and achieve reasonable delivery time frames.

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Exhibit I
Binding Commitments

John Kanoski
Chief Executive Officer

Ronald Kanoski
President & Secretary

Exhibit J
Approved Software

DESCRIPTION	Version
Microsoft 2003 Web Server	
Microsoft MS Windows Server 2003 - license	
Microsoft 2003 Standard Server	
Microsoft SQL Server licenses	
Microsoft MS Terminal Server license	
Citrix XP Server	
Citrix XPa Server license	
Crystal Reports	
ServletExec	

STATE OF MICHIGAN
DEPARTMENT OF MANAGEMENT AND BUDGET
PURCHASING OPERATIONS   **August 14, 2007**
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 3
TO
CONTRACT NO. ___071B6200072___
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR	TELEPHONE Gordon Hack
Legal Files Software, Inc. **1-800-500-0537 ext 247**	
2730 S. Mac Arthur Blvd.	VENDOR NUMBER/MAIL CODE
Springfield, IL 62704	
	BUYER/CA (517) 373-3993
	Dale Reif

Contract Compliance Inspector:
Database and Database Conversion - DIT

CONTRACT PERIOD:	From: **November 1, 2005**	To: **October 31, 2008**

TERMS	SHIPMENT
N/A	**N/A**

F.O.B.	SHIPPED FROM
N/A	**N/A**

MINIMUM DELIVERY REQUIREMENTS
N/A

NATURE OF CHANGE(S):

> **The purpose of this change is to exercise an option in the contract to extend the contract period to October 31, 2008. All other terms and conditions remain the same.**

AUTHORITY/REASON(S):

> **Per vendor letter dated August 3, 2007, agency agreement and DMB Purchasing Operations approval.**

Estimated Contract Value Remains: $1,639,044.00

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STATE OF MICHIGAN
DEPARTMENT OF MANAGEMENT AND BUDGET
PURCHASING OPERATIONS   December 29, 2006
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 2
TO
CONTRACT NO. ___071B6200072___
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR	TELEPHONE Gordon Hack
Legal Files Software, Inc.	**1-800-500-0537 ext 247**
2730 S. Mac Arthur Blvd.	VENDOR NUMBER/MAIL CODE
Springfield, IL 62704	
	BUYER/CA (517) 373-3993
	Dale Reif

Contract Compliance Inspector:		
Database and Database Conversion - DIT		
CONTRACT PERIOD: From: **November 1, 2005**		To: **October 31, 2007**
TERMS **N/A**		SHIPMENT **N/A**
F.O.B. **N/A**		SHIPPED FROM **N/A**
MINIMUM DELIVERY REQUIREMENTS **N/A**		

NATURE OF CHANGE(S):

Effective immediately, this contract is amended to incorporate the attached corrected Exhibit B Pricing (Revised).   The purpose of this change is to accurately reflect the correct pricing as agreed to in the contract. All other terms and conditions remain the same.

AUTHORITY/REASON(S):

Per vendor letter dated December 6, 2006, agency agreement and DMB Purchasing Operations approval.

Estimated Contract Value: $1,639,044.00

Exhibit B
Pricing
(Revised)

Software Pricing:

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Software	Base Cost	Number of Users/Licenses	Total Cost with Discount	Per Seat Cost
Legal Files 6.0 User License Fee	$1,045.00	500 (individual user license)	40% Discount Based on Quantity of 500. $312,000.00	$625.00
Totals			$312,000.00	
Legal Files 6.0 User License Fee	$1,045.00	60 (individual user license)		$625.00
Totals			$37,500.00	
Future Legal Files 6.0 License Fee	$1,045.00	Additional users as required (pro-rated)		$625.00
Totals			$37,500.00	
Total License Fees			$387,000.00	

Software Maintenance Pricing[1]:

920-45-11

Item	Year 1	Year 2	Year 3	Year 4
500 - Legal Files 6.0 Licenses *18% of Base Cost for first year with 3% fixed increase per year thereafter.	$94,000	$96,820	$99,724	$102,715
60 Known Users	$11,280.00	$11,618.40	$11,966.88	$12,325.80
Additional users as required (pro-rated)	$11,280.00	$11,618.40	$11,966.88	$12,325.80
Yearly Totals	$116,560.00	$120,056.80	$123,657.76	$127,366.60
Total Maintenance				$487,641.16

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[1] Charges for maintenance begin ninety (90) days following Final Acceptance.

918-29

Custom Programming/Configuration:

Item Number	I. Number of units	Unit Rate	Total Cost
Requirement ID # I Track multiple dispositions per party and multiple dispositions for multiple parties	40 hours	$200/hour	$8,000.00
Requirement ID # O Accounts Receivable and Collections tracking	140 hours	$200/hour	$28,000.00
Configuration and Customization/Non Technical	15 days	$1,900/day	$28,500.00
Additional Items based on Exhibit D as deemed necessary by the State of Michigan		Exhibit D rates	$301,798.84
Totals			$366,298.84

Data Conversion: 918-29

Description	II. Number of hours	Hourly Rate	Total Cost
a) Data Conversion at 100%			
Agenda	406 hours	$150/hour	$60,900.00
Revenue/Collections AR	70 hours	$150/hour	$10,500.00
Consumer Protection Intake	52 hours	$150/hour	$7,800.00
Charitable Trusts	44 hours	$150/hour	$6,600.00
Health Care Fraud	46 hours	$150/hour	$6,900.00
MDOT	22 hours	$150/hour	$3,300.00
Totals			$96,000.00

Training & Project Management: 924-36

Description	Number of units	Unit Rate	Total Cost
Training for Users Administrative Training for Project Team (2 sessions/4 days)	**4 days**	$1,900/day	$7,600.00

Train the Trainer Training for 40 Users (4 days per person/10 per class)	**16 days**	$1,900.00	$30,400.00
Floor Support Training	**15 days**	$1,400.00	$21,000.00
Technical Training for Custom Reports (2 days per session/2 sessions)	**4 days**	$2,400.00	$9,600.00
Technical Training during installation (2 days)	**2 days**	$2,400.00	$4,800.00
Training for Custom Reports	**2 days**	$2,400.00	$4,800.00
Legal Files Lead Training			$58,904.00
Total Training			**$137,104.00**
Implementation Guide and training plan	**120 hours**	$188.00	$22,560.00
Acceptance Test Plan	**80 hours**	$188.00	$15,040.00
Test Plan Total			**$37,600.00**
Conversion Acceptance and Test Plan (Data Mapping Document Agenda)	**105 hours**	$188.00	$19,740.00
Data Mapping Document Revenue/Collections AR	**22 hours**	$188.00	$4,136.00
Data Mapping Document Consumer Protection Intake	**18 hours**	$188.00	$3,384.00
Data Mapping Document Charitable Trusts	**13 hours**	$188.00	$2,444.00
Data Mapping Document Health Care Fraud	**13 hours**	$188.00	$2,444.00
Data Mapping Document MDOT	**9 hours**	$188.00	$1,692.00
Data Mapping Total			**$33,840.00**
Ongoing Project Management	**340 hours**	$188.00	$63,920.00
Additional Project Management	**157.66 hours**	$188.00	29,640.00
Total Project Management			**$93,560.00**

Summary of Totals:

Software Pricing	$387,000.00	208-37
Software Maintenance	$487,641.16	926-45
Custom Programming/Configuration	$366,298.84	918-29
Data Conversion	$96,000.00	918-29
Training	$137,104.00	924-36
Test Plan	$37,600.00	918-29
Data Mapping	$33,840.00	918-29
Project Management	$93,560.00	918-29
Contract Value	**$1,639,044.00**	

STATE OF MICHIGAN
DEPARTMENT OF MANAGEMENT AND BUDGET
ACQUISITION SERVICES
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933   **December 1, 2005**

CHANGE NOTICE NO. 1
TO
CONTRACT NO.   071B6200072
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR	TELEPHONE Gordon Hack
Legal Files Software, Inc. **2730 S. Mac Arthur Blvd.** **Springfield, IL 62704**	**1-800-500-0537 ext 247**
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 373-3993 **Dale Reif**

Contract Compliance Inspector:
Database and Database Conversion - DIT

CONTRACT PERIOD:	From: **November 1, 2005**	To: **October 31, 2007**

TERMS	SHIPMENT
N/A	**N/A**
F.O.B.	SHIPPED FROM
N/A	**N/A**

MINIMUM DELIVERY REQUIREMENTS
N/A

The terms and conditions of this Contract are those of ITB #071I5200259 this Contract Agreement and the vendor's quote. In the event of any conflicts between the specifications, terms and conditions indicated by the State and those indicated by the vendor, those of the State take precedence.

Estimated Contract Value: $1,639,044.00

Commodity Code	CS138	Description
208-37		Software-database
920-45-11	Nonjuris	Software maintenance
924-36	192S0002190	Training-computer related
920-17	Mixed	Installation (Computer related)
918-29	084S3000018	Software consultant
962-46	192S0002190	Installation Services (other)

STATE OF MICHIGAN
DEPARTMENT OF MANAGEMENT AND BUDGET
ACQUISITION SERVICES
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933   **November 9, 2005**

NOTICE
OF
CONTRACT NO.   071B6200072
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR	TELEPHONE Gordon Hack
Legal Files Software, Inc.	**1-800-500-0537 ext 247**
2730 S. Mac Arthur Blvd.	VENDOR NUMBER/MAIL CODE
Springfield, IL 62704	
	BUYER/CA (517) 373-3993
	Dale Reif

Contract Compliance Inspector:	
Database and Database Conversion - DIT	

CONTRACT PERIOD:	From: **November 1, 2005**	To: **October 31, 2007**

TERMS	SHIPMENT
N/A	**N/A**

F.O.B.	SHIPPED FROM
N/A	**N/A**

MINIMUM DELIVERY REQUIREMENTS
N/A

The terms and conditions of this Contract are those of ITB #071I5200259 this Contract Agreement and the vendor's quote. In the event of any conflicts between the specifications, terms and conditions indicated by the State and those indicated by the vendor, those of the State take precedence.

Estimated Contract Value: $1,639,044.00

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

CONTRACT NO.   071B6200072
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR **Legal Files Software, Inc.** **2730 S. Mac Arthur Blvd.** **Springfield, IL 62704**	TELEPHONE Gordon Hack **1-800-500-0537 ext 247**
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 373-3993 **Dale Reif**

Contract Compliance Inspector: **Database and Database Conversion - DIT**

CONTRACT PERIOD: From: **November 1, 2005**	To: **October 31, 2007**

TERMS **N/A**	SHIPMENT **N/A**
F.O.B. **N/A**	SHIPPED FROM **N/A**

MINIMUM DELIVERY REQUIREMENTS **N/A**

MISCELLANEOUS INFORMATION: **The terms and conditions of this Contract are those of ITB #071I5200259 this Contract Agreement and the vendor's quote. In the event of any conflicts between the specifications, terms and conditions indicated by the State and those indicated by the vendor, those of the State take precedence.** **Estimated Contract Value: $1,639,044.00**

THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the ITB No. 071I5200259. Orders for delivery of equipment will be issued directly by the Department of Information Technology through the issuance of a Purchase Order Form.

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

FOR THE VENDOR:

Legal Files Software, Inc.
Firm Name

_____
Authorized Agent Signature

_____
Authorized Agent (Print or Type)

_____
Date

FOR THE STATE:

_____
Signature
Elise Lancaster
Name

Deputy State Purchasing Director,
Acquisition Services
Title

_____
Date
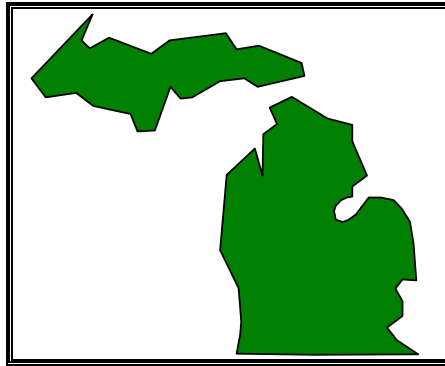
STATE OF MICHIGAN

Contract No 071B6200072
Database and Database Conversion
Department of Attorney General

Buyer Name: Dale N. Reif
Telephone Number: 517-373-3993
E-Mail Address: reifd@michigan.gov

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Article 1 - Statement of Work (SOW)

1.0   Project Identification

1.001   PROJECT REQUEST

The Department of Attorney General (Department), in conjunction with the Department of Information Technology (DIT) needs a new information management system (IMS) to replace its current case control system to monitor, increase accessibility, and provide reports on the Department's work. This IMS will combine functionality in the areas of scheduling management, litigation management, opinion management, correspondence management, transaction management, assignment management, and document management. The Department needs to be able to search across the IMS while maintaining security protocols. In addition, the Department needs to convert data from the current FileMaker Pro-based IMS (with multiple separate databases) to the new IMS and provide training to end users and IT staff. The Department will use a Commercial Off-The-Shelf (COTS) software package that meets the Department's requirements and is customizable to meet the requirements.

1.002   BACKGROUND

The Department is one of the largest law firms in Michigan and has approximately 500 staff located in Lansing (mostly), Detroit and surrounding area (several locations), Grand Rapids, Escanaba and Petoskey. A complete list of locations and organizational chart is attached. **Attachment A**. As a large law firm, the Department needs software to manage its core mission of providing effective and efficient legal representation to the State of Michigan.

The original Case Control system was put on-line mid-1988. It was developed in Informix with a Unix OS. The system tracked Administrative and Litigation cases. At the end of that first year, there were approximately 5,600 records. There was a separate Informix system for tracking of Citizen Letters and FOIA requests.

The Citizen Letter/FOIA system was moved to FileMaker mid-1990's along with all the other Informix systems - except Case Control. In mid-1999 the Calendaring and Docketing system was developed in FileMaker. The Case Control system stayed on Informix. On 1/1/2000, the Case Control system was put up in FileMaker (just Administrative/Litigation with the Calendaring and Docketing). Around 2001, the General Assignments section was added. Then, around 2002 Citizen Letters were incorporated. It was around this time that the system became known as AGENDA. Below is a list of the number of AGENDA records created each year since 2000:

2000 - 17,257	2003 - 25,867
2001 - 27,433	2004 - 28,130
2002 - 29,449	

Thus, the Department currently has a case control system in-house to track assignments (including transactional, administrative and litigation) based on a File Maker Pro (FMP) system that was developed in the mid-1990s. We expect continued growth in the size of this database as systems are centralized. This system also provides an integrated calendar and is able to generate about 50 standardized reports. There are four main separate databases to be merged into one. **Attachment B**. The front-end provides users with multiple screens based on user classification.

The Department has finished with the process of replacing its Macintosh-based system with a Windows environment and needs to create a more functional IMS to track information related to the work the Department performs and increase accessibility to relevant information. Reports must be generated regarding assignments for internal review, reports to the Legislature and to other areas of state government.

The current system(s) consist of a number of FMP databases, as well as other tracking documentation and systems. The largest of these databases is the AGENDA system that includes functions for case management, general assignments and citizen correspondence including calendaring, docketing, disposition, assignment tracking, costs and payments. In addition to AGENDA, the other databases listed in **Attachment B** will be converted as well. There are several other similar databases (mostly based in FMP; some in Access) that track individual division's needs. Attempts have been made to identify all databases for inclusion in this new system. However, additional specific needs may still be identified. Contractor will be responsible for converting databases not identified in Attachment B when requested by the Department for a fee established after agreement on the scope of the project.

Although the current system has done an adequate job in the past of meeting the information needs of the Department, it is outdated, unsustainable for the future, no longer supported by DIT, and it does not meet the increased reporting needs of the Department. In addition, various users have created Excel spreadsheets and Access databases to enter, maintain and report on information that is either not in one of the FMP databases or is not easily accessible. There is no standard "inventory" of these other applications, thus making enterprise-wide data sharing and reporting impossible. There is also no easy means to search for similar cases/assignments across the Department. Nor is it possible to search for relevant documents across the Department.

The business objective` is to create one single IMS with possibly varying user interfaces to house and track all information relative to the Department's core mission. Phase I of the project was the development of a detailed requirements document to be used in building the IMS. Phase II of the project will be the acquisition and customization of an IMS package and conversion of the current database systems. This SOW is for the purchase of software to meet the requirements developed in Phase I and provide for customization, conversion, and training. It is envisioned that the Contractor will use a piloted and phased approach to transition the Department to the new IMS in order to avoid any disruption to business processes.

It is critical that this application provides fast and efficient access to information across the Department and that it can be customized for individual needs as necessary. In addition, because this will be a new system, the Contractor will be expected to provide data conversion as identified and training for end users and IT staff. It is important that the Contractor is able to manage change.

1.1   Scope of Work and Deliverables

1.101 IN SCOPE
Everything contained in the Requirements Document (**Attachment C**) should be considered in-scope. Only those items in Attachment D are initially required. Contractor may be requested to convert anything currently within FMP.

1.102 OUT OF SCOPE
This SOW does not include trial presentation and discovery management software.

1.103 TECHNICAL ENVIRONMENT
The Department currently has a client-server environment with locally hosted applications, but may upgrade to a secure browser-based database in the future. The Department is on the State of Michigan WAN for most office areas, but has several smaller offices with slower connection speeds. The minimum desktop has a Pentium 3 processor with at least 256K RAM running on Windows XP. The Department uses the Microsoft Office XP Professional suite for word processing and office applications. In addition, the Department uses Adobe Acrobat 7.2 for creating and reviewing .pdf documents. The Department is

implementing a managed XP desktop environment where users do not have administrative rights to the desktop. The Department is currently using GroupWise 6.5 as its email client and will migrate to Microsoft Exchange/Outlook during this Contract. There is a very limited development, production and testing environment available. The Contractor must work with the Department to create a test and Quality Assurance environment using the minimum desktop standards before transition to the new system.

The Contractor will create a unified environment for storing and sharing information built on industry standards. The Contractor will use an ADO/ODBC compliant MS SQL database standard on this project running on Windows 95/98/NT/2000/XP desktops and on NT and Netware networks.

Contractor's client/server version is a 32-bit Windows application that will be deployed to run against Microsoft SQL Server database platform. The Contractor can provide a NT Domain Integrated Login Feature to ensure secure access to the application and data. The client/server development is completed in Visual Basic, Clarion, C++, ADO and Crystal Reports. The below diagram- provides a sample configuration for the IMS database system.

Example Internal ICA or RDP Solution:
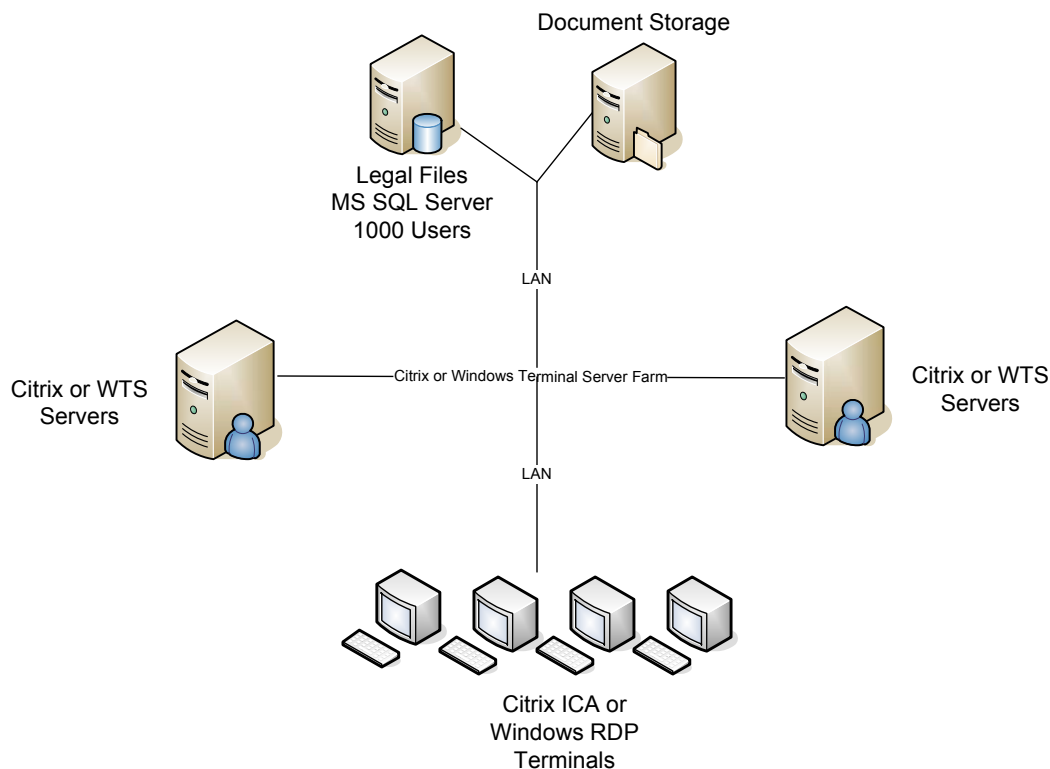
Document Storage

Legal Files
MS SQL Server
1000 Users

LAN

Citrix or WTS Servers — Citrix or Windows Terminal Server Farm — Citrix or WTS Servers

LAN

Citrix ICA or
Windows RDP
Terminals

1.104 WORK AND DELIVERABLES

Contractor shall provide Services and staff, and otherwise do all things necessary for, or incidental to the performance of work, as set forth below:

(A) **Kick-off Meeting** – The first Wednesday, or as soon thereafter as possible, following Contract Effective Date, Contractor's project staff will meet with the State of Michigan Project Manager, the AG Department, and DIT. A two-day coordination meeting is planned to kick-off the development of the project plan.

(B) **Implementation Guide** – Within thirty (30) days of Contract Effective Date, Contractor will provide a detailed implementation guide setting out a time-line and necessary steps for completion of the

project, including resource loading using Microsoft Project. Included in this Implementation Guide will be a list of any required hardware that may need to be purchased by the Department. The Implementation Guide must address delivery timelines for all Deliverables.

(C) **IMS Acceptance Test Plan** – Within ninety (90) days of Contract Effective Date, Contractor will provide an Acceptance Test Plan that will be used for determining Final Acceptance of the IMS according to the following:

1. The IMS shall be tested to verify its compliance with the specifications set forth in this Contract, including meeting the specifications in the Requirements Document, **Attachment D**. The basis for acceptance of the IMS shall be documented in an Acceptance Test Plan (ATP) document, which shall be developed by the Contractor and subject to review and acceptance by the State. These plans shall be designed to demonstrate the IMS compliance with the Contract and Requirements Document specifications.

2. The ATP shall be submitted to the State for approval. Both parties will mutually agree upon modification and changes. Tests will not be considered valid tests unless the ATP has received written State approval. All tests will be monitored by the State and only State monitored tests shall be considered valid. Acceptance testing will not commence before the State approves the ATP.

3. All tests executed shall be documented according to the approved ATP. All records kept during the Testing and Acceptance Process shall be made available to the State at any time and provided to the State as part of the deliverable documentation.

5. Documented test results shall consist of:
    Test Checklists - which shall be based on the specification and functional criteria associated with the IMS in the Requirements Document
    Project Punchlist - which shall be test items that failed and require corrective action or resolution, and
    Observation - a record of items observed during the tests.

5. Acceptance testing involves two levels of testing for the Contractor's solution. The first level involves testing for product functionality after the application has been fully configured and the existing data has been converted into Contractor's solution. This level of testing ensures that the application provides the desired functionality for the AG. The second level of testing is the technical, or "stress test" that is performed to ensure satisfactory performance of the Contractor's solution in the AG's technical environment. This test should be completed after successful completion of the functionality test.

(D) **Conversion Acceptance Test Plan** – Within one-hundred twenty (120) days of Contract Effective Date, Contractor will provide a Conversion Acceptance Test Plan that will be used for determining Final Acceptance of the fixed-price conversion of data from FMP to the new IMS according to the following:

1. The IMS shall be tested to verify its compliance with the specifications set forth in this Contract, including conversion of data identified in **Attachment B**. The basis for acceptance of the IMS shall be documented in a Conversion Acceptance Test Plan document, which shall be developed by the Contractor and subject to review and acceptance by the State. The Conversion Acceptance Test Plan shall be designed to demonstrate the IMS compliance with the Contract and Requirements Document specifications.

2. The Conversion Acceptance Test Plan shall be submitted to the State for approval. Both parties will mutually agree upon modification and changes. Tests will not be considered valid tests unless the Conversion Acceptance Test Plan has received written State approval. All tests will be monitored by the State and only State monitored tests shall be considered valid. Acceptance testing will not commence before the State approves the Conversion Acceptance Test Plan.

3.   All tests executed shall be documented according to the approved Conversion Acceptance Test Plan. All records kept during the Testing and Acceptance Process shall be made available to the State at any time and provided to the State as part of the deliverable documentation.

4.   Documented test results shall consist of:

Test Checklists - which shall be based on the valid conversion of data from FMP to the new IMS

Project Punchlist - which shall be test items that failed and require corrective action or resolution, and

Observation – a record of items observed during the tests.

(E) Data Conversion Acceptance Plan. Contractor will work with the AG to formulate a Data Conversion Plan that best meets the needs and minimizes the risks of the organization as it relates to data loss, downtime, confidentiality and duplication of effort. The Data Conversion Plan should include conversion preparation (including conversion rules, dependencies and acceptance criteria), risk associated with the data conversion and any exception processing that may be required, data cleansing processes and procedures, conversion products (staff required, time frames and conversion verification procedures) and the pilot test for the data conversion. This process will begin early in the project lifecycle and Contractor will perform the data conversion using automated tools that are already available.

Data conversions will be performed at Contractors facilities. The State must provide data on an acceptable readable format and provide to the Contractor on a hard drive, diskettes, CD-ROM, 4MM DAT tape, or in some other format pre-approved by the Contractor's Programming Department. If the data is in some way encrypted or password protected, Contractor must have instruction to decrypt or the password to unprotect the data so that it can be converted. The data must be corruption free.

Contractor will provide the AG with test conversion data and will work with the AG to review the test conversion data in advance of final conversion and program implementation. Adjustments to the conversion should be made at the request of the AG during the test conversion phase. To eliminate downtime and duplication of effort a final automated data conversion will be performed immediately prior to the "go-live" date. The Contractor will use the procedures detailed as follows:

Data Mapping and Data Mapping Review:
During this stage, the Contractor's Project Manager will educate the AG's project team as to the Contractors capabilities. The Contractor's Project Manager will also learn from the AG project team or selected personnel what the current case management system does. The education process on both sides is the basis for the data conversion/data mapping.

The Contractor's Project Manager will produce a data mapping report that will map existing data to Contractors solution field by field. The AG project team or designated personnel will review the data mapping report and authorize the Contractor to proceed with the data conversion coding from the Contractors Program Department.

Data Conversion and Data Conversion Review:
The Contractors Program Department will assign a programmer to begin coding the data conversion program. The programmer will work with the Contractors Project Manager about any questions that may arise. Once the program has been written it will be executed against the current data to convert into Contractors solution and create the new AG database. The Contractors Project Manager will review the new database for any errors or omissions. Once the Project Manager approves the conversion for customer review, the database will be transferred to a server that the AG project team will access.

The AG project team or designated personnel will begin to review the converted data in the new AG database for errors. The AG project manager will report any errors discovered during the review process to the Contractors Project Manager.

Data Conversion Adjustments:
The Contractors Project Manager will communicate with the AG Project Manager to make sure we understand the changes that are being requested. The Contractors Project Manager will then work with the programmer assigned to the AG conversion about the changes being requested. The programmer will make the changes to the conversion program and then re-run the conversion program against the current data. The Contractors Project Manager will review the new database for any errors or omissions in the requested changes. Once the Contractors Project Manager approves the conversion for customer review, the database will be transferred to a server that the AG project team will access.

Final Data Conversion Review and Sign Off:
The AG project team or designated personnel will begin to review the converted data and the requested changes in the new AG database for errors. The AG project manager will report any errors discovered during the review of the changes to the Contractors Project Manager. If no further changes are to be made, the AG will sign off on the converted database and return the sign-off form to the Contractor.

Once the converted database has been approved by the AG project team or designated personnel, it is scheduled for delivery. The executables are prepared by the Contractors Programmer and delivered to the Contractors Project Manager. The final conversion will take place onsite at the AG data facility a day or two before the live date. The data conversion executables will be run by Contractors technician and if preferred, with the assistance of an AG technician.

The stages of the process above will be repeated for each section prior to that section going live.

(F) Customization of COTS– No later than ninety (90) days after Contract Effective Date, the Contractor will present an IMS system. At this stage, the IMS need not contain converted data from the current FMP system and need not contain the Customizations identified in Attachment D. The Customization of COTS will be subject to testing requirements and the Acceptance process in the Contract. Even if the State accepts the Customization of COTS for this Deliverable, further customization may be required as part of the conversion of data from the current FMP system.

The Contractor will provide custom programming services for items in **Attachment D** not included with the base product. All pricing for such services are provided in the cost section of this Contract.

(G) **IMS** – Not more than eleven (11) months following Contract Effective Date, Contractor will implement a functional IMS that meets all of the requirements in the Requirements Document and contains converted data from the current FMP system. Contractor will convert 100% percent of the data without errors. The IMS will be subject to the testing requirements and Acceptance process in the Contract. All required hardware will be purchased independently by the State based on system requirements. All software must be licensed to the State of Michigan.

(H) **Manuals and System Documentation** – Any documentation to support the system, including system configuration settings, must be provided to the State not more than ten (10) months following Contract Effective Date\. Contractor must provide all title and licenses to any Hardware or Software to the State. These written Deliverables will be subject to the Acceptance process in the Contract.

Contractor's solution includes an extensive library of documentation. In addition, an online Help section within the program itself offers extensive information on various features, their location within the

application, and how users can access and leverage those features. With the online Help documentation, users can access information through Contents, Index or Search tabs. The online Help also includes a "What's New" feature that helps familiarize users with the newest features and enhancements. Updated documentation and online Help are available with every release.

(I) **Training Documentation -** Any materials used for training (including, at a minimum, written materials specifically designed to address the requirements of this Contract) must be provided to the State not more than ten (10) months following Contract Effective Date. The State reserves the right to videotape a training session and reuse it for future new employees. These written Deliverables will be subject to the Acceptance process in the Contract.

Contractor will publish a Client Resource Center on its web site where users may read current and all past issues of Hints & Helps and download documents on "What's New" about the newest features and enhancements. Contractor will also provide access, at this web site, to the latest versions of all training manuals, Help documentation, Help Desk publications and Build Notes.

(J) **Training** – This may include on-site training for up to 60 users and training for DIT support, train the trainer material, or remote training. The Contractor will develop a training plan to be delivered to the State not more than ninety (90) days following Contract Effective Date. The training plan needs to take into account that the Department training space is limited to approximately 30 users. Training for DIT support will be ongoing throughout the Contract.

Contractor will complete training in two separate phases.

The first phase will involve all members of the project team and includes both the System Administration and End User Training sessions. These five-day, classroom sessions can be held at Contractor's corporate training facilities, or at the AG's own training facilities, provided the project team is isolated from all other responsibilities during training. Contractor insists that key employees who will be responsible for the ongoing administration of the Contractors software solution complete administrative training.

System Administration Training will enable AG employees to establish system options and preferences. After training, the employees will be able to:

- Set up case menus
- Create custom checklists
- Establish appropriate user workgroups
- Decide and establish system security
- Create task wizards
- Create document assembly templates

The second phase of training will involve training all end users of the application for each section just prior to going live with the Contractors software solution. This two-day End User Training should take place at the AG's training facility. This training will provide instruction on the use of the case management and groupware features of the application.

Class sizes should be no more than 10 students per class, unless additional trainers are used to assist with the classes. This training session will take place with the system configured for use at the AG, maximizing the effectiveness of the training program.

Administrator and end user training guides are utilized during the training sessions and students will be encouraged to use these guides as a future reference tool.

Contractor may offer additional training courses such as refresher training, new features, etc.). Depending upon the type of course, instruction can be provided on-site, remotely or at Contractor training facilities.

During the first few days of program use, Contractor will supply one trainer to provide informal on-the-job training and assist AG employees as they begin using the program, answering questions and reinforcing training.

Contractor will conduct Train-the-Trainer sessions as a way to teach internal training resources how to train users on the application. These classes are not designed to accomplish initial end-user training but to reinforce training after implementation and train new employees. A mix of AG trainers and Contractor trainers may also be possible.

Contractor will also offer Technical Training for Report s generation. These classes should provide sufficient training to allow
   End user to
   ❑ Query data in numerous ways
   ❑ Generate reports from custom windows,
   ❑ Query single or multiple fields at the same time
   ❑ Display results on screen or export data to an Excel spreadsheet or Access database
and technical staff to
   ❑ Create custom reports
   ❑ Case summaries
   ❑ Ad-hoc reports through the use of any third-party report writer that is ODBC compliant
   ❑ Create a custom-built report in Crystal Reports using the Data Dictionary

Training on system-integrated reports will be held during administrative training, implementation assistance and through the Contractors Help Desk. Training on ad-hoc reports has two phases. The first phase is to learn the report tool and the second is to understand the database structure. Contractor will provide a data dictionary for third-party report writers and an optional technical training class. The class is held in two separate sessions, one day for each session at the Contractors facility.

Contractor will provide trainers with extensive professional experience in training clients in-house and on-site, answering and responding to Help Desk queries, creating training documentation (including customized documentation), developing curriculum and designing practice exercises. Trainers will possess excellent communication skills, a commitment to each student's success and the ability to show the relevance of the course material to the need. All instructors are certified as Contractors trainers and are required to meet continuing education requirements to maintain their certification.

1.2   Roles and Responsibilities

1.201   CONTRACTOR STAFF, ROLES, AND RESPONSIBILITIES
The project team will consist of a primary project manager from both Contractor and the AG who will have joint responsibility for meeting deadlines and keeping the project on track within their respective organizations. The project team will also consist of additional personnel who will be instrumental in the implementation and ongoing operation of the Contractors solution.

The Contractors Project Manager will be the central point of contact for all issues surrounding the implementation project. A dedicated project team should also be established and meet regularly during the implementation to address the business process, administrative, and technical issues that will arise. At a minimum, the Contractor and the AG agree the personnel listed below should be included on the project team:

- AG Project Manager—the primary point of contact for all matters surrounding the implementation of the system. This individual should have the authority to approve work and accept deliverables.
- Contractor System Administrator—the person or persons responsible for administering the Contractors application within the organization and providing assistance to individual users.
- An Information Technology representative—the contact to ensure all AG policies and procedures are adhered to during all phases of the implementation and assist with establishing policies for items such as database backup and network security rights after the system is put into production
- A representative(s) from each section—who is/are knowledgeable on the current operations and has authority to make decisions on how the system will be configured for the specific needs of each location.

1.202 STATE STAFF, ROLES, AND RESPONSIBILITIES
The DIT Contract Staff will be assigned to assist with contractual issues and concerns and coordinate with the DMB Buyer assigned.

The AG-IT Vision Committee (AG-IT-Vision-Committee@mi.gov) will provide strategic direction to the Contractor regarding development, testing, implementation and training. Acceptance of the final product will be based on the recommendation of the AG-IT Vision Committee.

Designated AG staff and DIT staff will be involved in managing the project:

Mitch Montgomery is part of the DIT CRM team for the Department and will provide project oversight and management of internal DIT issues.

Sherin Grossi is the current FMP Database Manager and will be involved in maintaining and supporting the new system, as well design modifications. It is expected that the Contractor will work with Ms. Grossi during the entire process in order to transfer knowledge and allow DIT to support the system. Ms. Grossi will oversee the day-to-day management of the Contract.

Deborah Devine is the Bureau Chief for the Economic Development and Oversight Bureau for the Department and the Department SLA Manager. She will provide Department executive insight for the project. Ms. Devine will provide the Department's recommendation to DIT for Final Acceptance.

Vaughn Bennett is the State of Michigan, Senior Project Manager assigned to this project. Mr. Bennett will provide project guidance and direction to ensure that requirements are met, the budget is maintained, the schedule is adhered to, compliance with DIT standards are followed, and that the client's expectations are delivered. Mr. Bennett will provide the project's Final Acceptance recommendation to the Attorney General's Office for approval, and he will provide written Final Acceptance of the delivered solution.

1.203 Reserved

1.3   Project Plan

1.301 PROJECT PLAN MANAGEMENT

This project must be completed within twelve (12) months of Contract Effective Date. Contractor will submit a proposed project plan to be finalized after Contract Effective Date. The proposed Project Plan will be used to create the Implementation Guide. The Contractor is encouraged to develop a timeline faster than that proposed by the State in this SOW.

The Contractor's Project Manager will be responsible for notifying the Senior Project Manager, the FMP Database Manager and the IT Vision Committee of any proposed changes to the Project Plan/Implementation Guide.

The Project Plan/Implementation Guide must be delivered within 30 days after the Effective Date of the Contract resulting from this SOW. The project plan must reflect the tasks lists identified in each appropriate section of this SOW. Any changes to scope or schedule or budget must follow a Change Management process (Section 1.403), and it must be agreed upon and communicated to the State's Project Manager in writing explaining the reason for the change and the impact.

The plan shall:

(a)   Provide documentation of management and system requirements that allows for a descriptive interpretation to understanding the management approach and the full system operability, usability, and maintainability. The amount, type, and format of project and system documentation required needs to be agreed upon, and it is dependent upon the size and scope of the project.

(b)   Provide the State with clearly written processes for managing updates to software during and after the implementation of the system.

(c)   Provide for a plan showing the Contractor's responsibility in leading and managing end user testing as specified by the SOW.

(d)   Provide a detailed process for controlling the development of all deliverables. This would include controlling access to documents and version control.

(e)   Provide a performance measurement system that addresses the continuous measurement of actual achievements against a detailed performance plan to be able to predict the final costs and final schedule results for the project or operations. For familiarity sake, this is sometimes referred to as "Earned Value Measurement."

The Contractor will use MS Project as the automated tool for planning, monitoring, and tracking the Contract's progress and the level of effort of any the Contractor's personnel spent performing Services under the Contract.

The use of automated project management tools shall include the capability to produce:

(a)   Staffing tables with names of personnel assigned to Contract tasks.

(b)   Project plans showing tasks, subtasks, deliverables, and the resources required and allocated to each (including detailed plans for all Services to be performed within the next sixty (60) calendar days, updated semi-monthly). Updates must include actual time spent on each task and a revised estimate to complete.

(c)   Graphs showing critical events, dependencies and decision points during the course of the Contract.

The Contractor must create a Risk Management plan for the project. A Risk Management plan format will be submitted to the State for approval within 30 days after the Effective Date of the Contract resulting from this SOW. The Risk Management plan will include those areas of risk identification, assessment, and control that affect budget, scope (performance and quality) and time (schedule) of the project. Once both parties have agreed to the format of the plan, it shall become the standard to follow for the duration of the Contract. The plan must be updated bi-weekly, or as agreed upon.

A Change Control Request (see **Attachment F**) will be the vehicle for communicating change. The Change Control Request must describe the change, the rationale for the change, and the effect the change will have on the project.

1.302   REPORTS
The Contractor will submit the following reports:

1. Monthly itemized billing showing specific projects worked on and time spent. The Department will not pay for travel costs. All costs must be included in the prices listed in **Exhibit B**.

2. Monthly Project status reports showing progress against the finalized Implementation Guide. Any deviations from the timelines in the Implementation Guide must be identified with a corrective action plan established.

    Reporting formats need to be submitted to the State for approval within 30 days after the Effective Date of the Contract resulting from this SOW. Once both parties have agreed to the format of the report, it shall become the standard to follow for the duration of the Contract. The Contractor shall submit bi-weekly, or as agreed upon, reports using the agreed upon format. These reports should contain, at a minimum, the following:

    - Accomplishments
    - Tasks to be accomplished
    - Hours expended during the report period, including estimated hours to complete
    - Funds expended during the report period, including estimated funding to complete
    - Issues or concerns, real or perceived

    Additionally, within 30 days after the Effective Date of the Contract resulting from this SOW, the parties shall determine an appropriate set of meetings to be held between representatives of the State and Contractor. Contractor shall prepare and circulate an agenda prior to the meeting(s).

3. Issue Management Report showing all identified issues, current resolution path and whether the issue has been escalated.

    An issue is an identified event that if not addressed may affect schedule, scope, quality, or budget.

    The Contractor shall maintain an issue log for the project. The issue management log must be communicated to the State's project manager, which could include bi-weekly, or as agreed upon, email notifications and updates as well as be electronically accessible at all times. The issue log must be updated bi-weekly, or as agreed upon, and must contain the following minimum elements:

    - Description of issue
    - Issue identification date
    - Responsibility for resolving issue.

- Priority for issue resolution (to be mutually agreed upon by the State and Contractor)
- Resolution date
- Resolution description

Our process for finalizing functional and technical specifications and subsequently tracing them to delivered product components typically relies upon a requirements traceability matrix that addresses the specification, our proposed response to the specification, the project phase where the specification will be addressed and the business function where the specification will be addressed. The client's written approval of this matrix is required.

Our approach for gathering requirements begins with getting users involved very early in the concept discussions. A standardized form is used to capture details regarding the requirement, including the key features and functions that the software must perform, areas of the systems impacted, benefits to the users, and the proposed outcome of the change. Once requirements are detailed in standardized formats, additional meeting(s) between Contractor and the AG are held to discuss and determine the tasks involved, time frames and priorities. This analysis phase is followed by a design phase that leads to the development of the project plan and timeline. The development phase begins and, approximately 75 percent into the development phase, testing begins. A test group is utilized and, upon successful completion of the testing, a final approval stage including sign-off completes the cycle.

1.4   Project Management

Contractor will manage the project in accordance with the best practices and guidelines established in PMBOK® (Project Management Body of Knowledge from the Project Management Institute) and in the framework outlined in the State of Michigan's Project Management Methodology (PMM), or as agreed upon by the two parties. The intent of these requirements are to deliver the highest quality solution by deploying and maintaining best practices, methodologies, tools, and knowledge within a structured framework.

Contractor's most experienced technical personnel who are fully qualified project managers will staff project management. Contractors Project Manager will possess strong management and leadership skills and will be highly knowledgeable as to the theory and concepts of IT management practices and approaches related to planning, organizing, staffing, monitoring and controlling. Contractor's staff assigned to this project will be experienced with both the Contractors application and the process to implement the product.

The project team will consist of a primary project manager from both the Contractor and the AG's office who will have joint responsibility for meeting deadlines and keeping the project on track within their respective organizations. The project team will also consist of additional personnel who will be instrumental in the implementation and ongoing operation of the Contractors solution.

Contractor will also work with the AG to establish the control procedures necessary to ensure that people working on the project are aware of the correct procedures to be followed. This ensures consistency is maintained and the "flow" of the project is not interrupted by a lack of direction or control. The major areas of the project that require effective control are quality, change (scope and requirements), progress, and organizational impact.

1.401   ISSUE MANAGEMENT

The Contractor will capture and report, semi-weekly, to the State's Project Manager and the IT Vision Committee on issues, real or perceived, that develop as the project goes forward and as they occur. Issues are imminent threats and events that may have already occurred that jeopardize the timely completion of the project. If applicable, Contractor will include a possible plan for addressing the issue. If the plan of action has

not been approved within one week, then the issue will be escalated to the Agency IO and Department Managers for resolution.

Contractor will use a five-step approach to Issue Management: identification, analysis, prioritizing, formulation and implementation of response(s) and evaluation/monitoring.

Once issues are identified, analyses of the issues begin and include: defining which stakeholder is affected by the issue and who is in a position to manage the issue. Historical (who identified/reported the issue), present (who is now involved) and future views (who will need to get involved) of participation will be determined. At this point in the issues management process, the project team, working together, filters and ranks the issues based upon strategy, relevance, actionable, condition (is the issue critical?) and urgency.

A response is formulated and, once approved, implemented. The response must include plan clarity, additional resources and timing, if applicable or determinable. The outcome of the response will be constantly monitored and evaluated to keep the strategy—and project—on track.

1.402 RISK MANAGEMENT

There are a number of possible Risks in the project. Risks are those things that you can assume or anticipate being obstacles to the timely completion of the project. Contractor will identify any additional foreseeable Risks, assign a level of priority based on probability and impact, define a mitigation strategy, and provide a plan for monitoring the risk mitigation strategy. The Department is aware of several Risks that the Contractor should address.

1.   Data loss – The Department is dependent on the current system for tracking the Departments work. Any loss or corruption of data would be unacceptable.

2.   Down time – Conversion from our current database to the new IMS will need to minimize downtime to the office. This may require conversion to occur during non-standard work hours and in stages.

3.   Confidentiality requirements – Much of the information contained in the Department database is subject to attorney-client privilege and subject to federal and state laws and regulations regarding disclosure. The Department has significant security obligations, even between staff within the office.

4.   Communication – This project affects a number of parties in both the Department and DIT and multiple parties need to be kept up to date concerning this project's progress.

5.   Duplication of Effort – Because the current system is used on a daily basis and continually changes, conversion of the data needs to have limited windows. The Department cannot afford significant staff time in duplicating entries into two systems.

The Contractor will report, at least semi-weekly or immediately or as agreed upon, to the state project manager and the IT Vision Committee any Risks that have developed as the project goes forward.

Contractors approach to Risk Management generally encompasses the following activities:

- *Risk Assessment* (determining what the risks are and their priorities)
  - o Developing a list of all potential items that may affect the project
  - o Assessing the probability of occurrence and potential impact of loss
  - o Ranking the items (from most to least dangerous)
- *Risk Control* (creating an action plan)
  - o Developing techniques and strategies to mitigate the highest ranked risks
  - o Implementing strategies to resolve the highest ranked risks
  - o Monitoring the strategies' effectiveness and the changing levels of risk throughout the project

Contractor will minimize the risks to the AG of data loss, downtime, confidentiality, communication and duplication of effort based on our years of experience implementing our system.

Communication:
To minimize the risk to all parties, periodic assessment of project progress is an integral part of this project. At the end of each phase of this project, an assessment is completed which serves to document and communicate the results of the current phase, prepares for the next phase, and incorporates the comments provided by the project team. This phase assessment provides an opportunity to come to agreement on any revisions to the project scope, the overall project approach and schedule, or the project control procedures. Additionally, the assessment may include:

- Description of the progress made against milestones and deliverables;
- Activities and results obtained for previously identified problem areas, with conclusions and recommendations;
- Any significant changes to our organization or method of operation, to the project management team, or to the deliverable schedule;
- Problem areas affecting cost, technical or scheduling elements, with background and any recommendations for solutions within or beyond the scope of the Contract;
- Summary of changes, including identification of proposed changes, approved changes and implemented changes.

1.403 CHANGE MANAGEMENT
Changes to the Implementation Guide, ATP, and the Requirements Document must be presented in writing to the State's Project Manager, IT Vision Committee, and the Agency IO. The State's Project Manager will provide final approval/denial of any proposed changes.

The following provides a detailed process to follow if a change to this SOW is required.

1. The designated Project Manager of the requesting party will review the proposed change and determine whether to submit the request to the other party.

2. The Contractor's Project Manager and the State will review the proposed change and approve it for further investigation or reject it. (The timing of signature by the State Project Manager will be in accordance with the State's Administrative Board or other applicable approval process). The investigation will determine the effect that the implementation of the PCR will have on price, schedule and other terms and conditions of the Agreement.

A written Change Authorization and/or Change Control Request -must be signed by both parties to authorize implementation of the investigated changes. Change Authorizations and/or Change Control Requests will be processed through the state's Acquisition Services Office pursuant to Section 2.106.

Contractor will utilize an in-house change management system. Once a change request is identified, it will be thoroughly documented, and assigned a tracking number. Critical information such as involved parties (including approvers, initiators, implementers, and verifiers), relevant dates (open, resolved, implemented, abandoned, etc.), and potential risks are also captured. The client is provided with status reports on a regular basis and will be an important part of driving the change request to its optimal conclusion.

1.5 Acceptance

1.501 CRITERIA
The Contractor must use the acceptance process in this Contract, as outlined in the Terms and Conditions, Sections 2.080 through 2.087.

1.502 FINAL ACCEPTANCE

Final Acceptance will occur after the application has been functioning in a production environment for thirty-days (30) on a Department-wide basis and has successfully completed the IMS ATP and Conversion ATP.

1.6   Compensation and Payment:

State shall pay Contractor an amount not to exceed one million six hundred thousand thirty nine dollars ($1,639,044.00) for the performance of all activities necessary for or incidental to the performance of work as set forth in this SOW.

The State will pay the Contractor as identified in **Exhibit B** pursuant to the Contract payment terms.

Article 2 – General Terms and Conditions

2.010 **Contract Structure and Administration**

2.011 Definitions
      Capitalized terms used in this Contract (including its Exhibits) shall have the meanings given below, unless the context requires otherwise:
      (a)   "Days" means calendar days unless otherwise specified.
      (b)   "24x7x365" means 24 hours a day, seven days a week, and 365 days a year (including the 366th day in a leap year).
      (c)   "Additional Service" means any Services/Deliverables within the scope of the Contract, but not specifically provided under any Statement of Work, that once added will result in the need to provide the Contractor with additional consideration. "Additional Service" does not include New Work.
      (d)   "Amendment Labor Rates" means the schedule of fully loaded hourly labor rates attached as **Exhibit D**.
      (e)   "Audit Period" has the meaning given in **Section 2.111(b)**.
      (f)   "Business Day," whether capitalized or not, shall mean any day other than a Saturday, Sunday or State-recognized legal holiday (as identified in the Collective Bargaining Agreement for State employees) from 8:00am EST through 5:00pm EST unless otherwise stated.
      (g)   "Incident" means any interruption in Services.
      (h)   "Business Critical" means any function identified in any Statement of Work as Business Critical.
      (i)   "Deliverable" means physical goods and/or commodities as required or identified by a Statement of Work
      (j)   "Key Personnel" means any Personnel designated in **Exhibit C** as Key Personnel.
      (k)   "New Work" means any Services/Deliverables outside the scope of the Contract and not specifically provided under any Statement of Work, that once added will result in the need to provide the Contractor with additional consideration. "New Work" does not include Additional Service.
      (l)   "Services" means any function performed for the benefit of the State.
      (m)   "State Location" means any physical location where the State performs work. State Location may include state-owned, leased, or rented space.
      (n)   "Subcontractor" means a company Contractor delegates performance of a portion of the Services to, but does not include independent contractors engaged by Contractor solely in a staff augmentation role.
      (o)   "Work in Process" means a Deliverable that has been partially prepared, but has not been presented to the State for Approval.

2.012 Exhibits
      All Exhibits attached to and all Statement(s) of Work attached to or referencing this Contract is incorporated in their entirety into, and form part of, this Contract.

2.013 Statements of Work
      (a)   The parties agree that the Services/Deliverables to be rendered by Contractor pursuant to this Contract (and any future amendments of it) will be defined and described in detail in Statements of Work or Purchase Orders executed under this Contract. Contractor shall not be obliged or authorized to commence any work to implement a Statement of Work until it is signed by both parties. Contractor shall perform in accordance with this Contract, including the Statements of Work/Purchase Orders executed under it.
      (b)   Unless otherwise agreed by the parties, each Statement of Work will include, or incorporate by reference to the appropriate Contract Exhibit containing, the following information:
      - a description of the Services to be performed by Contractor under the Statement of Work;
      - a project schedule (including the commencement and completion dates for all tasks, subtasks (for all projects of sufficient duration and complexity to warrant sub task breakdown), and Deliverables;

- a list of the Deliverables to be provided, if any, including any particular specifications and acceptance criteria for such Deliverables, and the dates on which the Deliverables are scheduled to be completed and delivered to the State;

- all Deliverable prices and other charges associated with the Statement of Work, the overall fixed price for such Statement of Work and any other appropriate pricing and payment terms;

- a specification of Contractor's and the State's respective performance responsibilities with respect to the performance or completion of all tasks, subtasks and Deliverables;

- a listing of any Key Personnel of Contractor and/or its Subcontractors for that Statement of Work and any future Statements of Work.

- any other information or provisions the parties agree to include.

(c)   Reserved.

(d)   The initial Statements of Work, as of the Effective Date, are attached to this Contract.

2.014   Issuing Office

This Contract is issued by the Department of Management and Budget, Acquisition Services ("DMB/AS") and Department of Attorney General (collectively, including all other relevant State of Michigan departments and agencies, the "State"). DMB/AS is the sole point of contact in the State with regard to all procurement and contractual matters relating to the Contract. DMB/AS is the only State office authorized to change, modify, amend, alter or clarify the prices, specifications, terms and conditions of this Contract. The Contractor Administrator within Acquisition Services for this Contract is:

Dale N. Reif
Acquisition Services
Department of Management and Budget
Mason Bldg, 2nd Floor
PO Box 30026
Lansing, MI 48909
reifd@michigan.gov
517-373-3993

2.015   Contract Consultant

Upon receipt at DMB/AS of the properly executed Contract, it is anticipated that the Director of Acquisition Services, DMB will direct that the person named below, or any other person so designated, be authorized to administer the Contract on a day-to-day basis during its term. However, administration of this Contract implies no authority to change, modify, clarify, amend, or otherwise alter the prices, terms, conditions and specifications of such Contract as that authority is retained by Acquisition Services. The Contract Consultant for this Contract is:

Barb Suska
Department of Information Technology
Constitutional Hall, Atrium-South Tower
525 W. Allegan Street
Lansing, MI 48913
suskab@michigan.gov
517 335-4067

2.016   Project Manager
The following individual will oversee the project:

Name: Vaughn Bennett
Department of Information Technology

111 S. Capitol Ave.
Lansing, MI, 48913
Email: bennettv@michigan.gov
Phone: (517) 241-0893
Fax: (517) 241-5855

2.020 **Contract Objectives/Scope/Background**

2.021 Background
        The Department of Attorney General is one of the largest "law offices" in Michigan and has approximately 500 staff located in Lansing (mostly), Detroit and surrounding area (several locations), Grand Rapids, Escanaba and Petoskey and others. The Department developed an IMS in-house to track assignments (including transactional, administrative and litigation) based on a File Maker Pro (FMP) system in the mid-1990s. This system also provides an integrated calendar and is able to generate about 50 standardized reports. The front-end provides users with multiple screens based on user classification. There are several other similar databases (mostly based in FMP; some in Access) that track individual division's needs. The office is almost finished with the process of replacing its Macintosh-based system with a Windows environment and needs to create a more functional IMS to track information related to the work the Department performs. Reports must be generated regarding assignments for internal review, reports to the Legislature and to other areas of state government. The business objective is to create one single IMS with possibly varying user interfaces to house and track all information relative to the Department's core mission. Phase II of the project will be the acquisition and customization of a COTS-IMS package and conversion of the current database systems. This Contract is for the purchase of software to meet the requirements developed in Phase I and provide for customization, conversion, and training.

2.022 Purpose
        The purpose of this Contract is to obtain an IMS package capable of meeting the requirements of the Department. In addition, Contractor will provide customization of the COTS and conversion of existing data into the new system. Finally, the Contractor will be asked to provide training on the solution to the Department. This Contract is solely for the Department of Attorney General and is not exclusive.

2.023 Objectives and Scope
        The Objectives and Scope of the Contract are defined in Article I, SOW.

2.024 Interpretation
        Sections 2.021 through 2.023 are intended to provide background and context for this Contract and are not intended to expand the scope of the obligations under this Contract or to alter the plain meaning of the terms and conditions of this Contract. However, to the extent the terms and conditions of this Contract are unclear or otherwise ambiguous, such terms and conditions are to be interpreted and construed in light of the provisions of this Section.

2.025 Form, Function and Utility
        If the Contract is for use of more than one State agency and if the Deliverable/Service does not the meet the form, function, and utility required by that State agency, that agency may, subject to State purchasing policies, procure the Deliverable/Service from another source.

2.030 **Legal Effect and Term**

2.031 Legal Effect
        Except as otherwise agreed in writing by the parties, the State assumes no liability for costs incurred by Contractor or payment under this Contract until Contractor is notified in writing that this Contract (or Change

Order) has been approved by the State Administrative Board (if required), approved and signed by all the parties, and a Purchase Order against the Contract has been issued.

2.032 Contract Term

This Contract is for a period of two (2) years commencing on the date that the last signature required to make the Contract enforceable is obtained ("Effective Date"). All outstanding Purchase Orders shall expire upon the termination of the Purchase Order.

2.033 Renewal

This Contract may be renewed in writing by mutual agreement of the parties not less than sixty (60) days before its expiration. The Contract may be renewed for up to three (3) additional one (1) year periods.

2.040 **Contractor Personnel**

2.041 Contractor Personnel

(a)   Personnel Qualifications. All persons assigned by Contractor to the performance of Services under this Contract shall be employees of Contractor or its majority-owned (directly or indirectly, at any tier) subsidiaries (or a State-approved Subcontractor) and shall be fully qualified to perform the work assigned to them. Contractor shall include a similar provision in any subcontract entered into with a Subcontractor. For the purposes of this Contract, independent contractors engaged by Contractor solely in a staff augmentation role shall be treated by the State as if they were employees of Contractor for this Contract only; however, the State understands that the relationship between Contractor and Subcontractor is an independent contractor relationship.

(b)   Key Personnel

(i)   In discharging its obligations under this Contract, Contractor shall provide the named Key Personnel on the terms indicated. **Exhibit C** provides an organization chart showing the roles of certain Key Personnel, if any.

(ii)   Key Personnel shall be dedicated as defined in **Exhibit C** to the Project for its duration in the applicable Statement of Work with respect to other individuals designated as Key Personnel for that Statement of Work.

(iii)   The State will have the right to recommend and approve in writing the initial assignment, as well as any proposed reassignment or replacement, of any Key Personnel. Before assigning an individual to any Key Personnel position, Contractor will notify the State of the proposed assignment, will introduce the individual to the appropriate State representatives, and will provide the State with a resume and any other information about the individual reasonably requested by the State. In the event the State finds a proposed individual unacceptable, the State will provide a written explanation including reasonable detail outlining the reasons for the rejection. Additionally, the State's request shall be based on legitimate, good-faith reasons. Proposed alternative for the individual denied, shall be fully qualified for the position.

(iv)   Contractor shall not remove any Key Personnel from their assigned roles or the Contract without the prior written consent of the State. If the Contractor does remove Key Personnel without the prior written consent of the State, it shall be considered an unauthorized removal ("Unauthorized Removal"). It shall not be considered an Unauthorized Removal if Key Personnel must be replaced for reasons beyond the reasonable control of Contractor, including illness, disability, leave of absence, personal emergency circumstances, resignation or for cause termination of the Key Personnel's employment. It shall not be considered an Unauthorized Removal if Key Personnel must be replaced because of promotions or other job movements allowed by Contractor personnel policies or Collective Bargaining Agreement(s) as long as the State receives prior written notice before shadowing occurs and Contractor provides thirty (30) days of shadowing unless parties agree to a different time period. The Contractor with the State shall review any Key Personnel replacements, and appropriate transition planning will be established. Any Unauthorized Removal may be considered by the State to be a

material breach of the Contract, in respect of which the State may elect to exercise its rights under **Section 2.210**.

(v)   It is acknowledged that an Unauthorized Removal will interfere with the timely and proper completion of the Contract, to the loss and damage of the State, and that it would be impracticable and extremely difficult to fix the actual damage sustained by the State as a result of any Unauthorized Removal. Therefore, Contractor and the State agree that in the case of any Unauthorized Removal in respect of which the State does not elect to exercise its rights under **Section 2.210**, the State may assess liquidated damages against Contractor as specified below.

For the Unauthorized Removal of any Key Personnel designated in the applicable Statement of Work, the liquidated damages amount shall be $25,000.00 per individual provided Contractor identifies a replacement approved by the State pursuant to **Section 2.041** and assigns the replacement to the Project to shadow the Key Personnel s/he is replacing for a period of at least thirty (30) days prior to such Key Personnel's removal.

If Contractor fails to assign a replacement to shadow the removed Key Personnel for at least thirty (30) days, in addition to the $25,000.00 liquidated damages for an Unauthorized Removal, Contractor shall pay the amount of $833.33 per day for each day of the thirty (30) day shadow period that the replacement Key Personnel does not shadow the removed Key Personnel, up to $25,000.00 maximum per individual. The total liquidated damages that may be assessed per Unauthorized Removal and failure to provide thirty (30) days of shadowing shall not exceed $50,000.00 per individual.

(c)   Re-assignment of non-Key Personnel. Prior to re-deploying to other projects, at the completion of their assigned tasks on the Project, teams of its non-Key Personnel who are performing Services on-site at State facilities or who are otherwise dedicated primarily to the Project, Contractor will give the State at least ten (10) Business Days notice of the proposed re-deployment to give the State an opportunity to object to the re-deployment if the State reasonably believes such team's Contract responsibilities are not likely to be completed and approved by the State prior to the proposed date of re-deployment.

(d)   Re-assignment of Personnel at the State's Request. The State reserves the right to require the removal from the Project of Contractor personnel found, in the judgment of the State, to be unacceptable. The State's request shall be written with reasonable detail outlining the reasons for the removal request. Additionally, the State's request shall be based on legitimate, good-faith reasons. Replacement personnel for the removed person shall be fully qualified for the position. If the State exercises this right, and the Contractor cannot immediately replace the removed personnel, the State agrees to an equitable adjustment in schedule or other terms that may be affected by the State's required removal.

(e)   Staffing Levels.

(i)   All staff requirements not specified in the applicable Statement of Work or State-approved project plan as State personnel will be supplied by Contractor. This includes secretarial, clerical and Contract administration support staff necessary for Contractor to perform its obligations hereunder.

(ii)   Contractor shall provide sufficient personnel resources for the completion of Contract tasks indicated in Contractor's project plan approved by the State. If the level of personnel resources is insufficient to complete any Contractor Contract tasks in accordance with the Contract time schedule as demonstrated by Contractor's failure to meet mutually agreed to time schedules, Contractor shall promptly add additional qualified personnel resources to the performance of the affected tasks, at no additional charge to the State, in an amount sufficient to complete performance of Contractor's tasks in accordance with the Contract time schedule.

(f)   Personnel Turnover. The Parties agree that it is in their best interests to keep the turnover rate of employees of Contractor and its Subcontractors who are performing the Services to a reasonable minimum. Accordingly, if the State determines that the turnover rate of such employees is excessive and so notifies Contractor, Contractor will meet with the State to discuss the reasons for the turnover rate and otherwise use commercially reasonable efforts to minimize such turnover rate. If requested to do so by the State, Contractor

will submit to the State its proposals for reducing the turnover rate to an acceptable level. In any event, notwithstanding the turnover of personnel, Contractor remains obligated to perform the Services without degradation and in accordance with the State-approved Contract schedule.

(g)   Location. All staff assigned by Contractor to work on the Contract will perform their duties either primarily at Contractor's offices and facilities or at State facilities. Without limiting the generality of the foregoing, Key Personnel will, at a minimum, spend at least the amount of time on-site at State facilities as indicated in the applicable Statement of Work. Subject to availability, selected Contractor personnel may be assigned office space to be shared with State personnel.

2.042   Contractor Identification
Contractor employees shall be clearly identifiable while on State property by wearing a State-issued badge, as required. Contractor employees are required to clearly identify themselves and the company they work for whenever making contact with State personnel by telephone or other means.

2.043   Cooperation with Third Parties
Contractor agrees to cause its personnel and the personnel of any Subcontractors to cooperate with the State and its agents and other contractors including the State's Quality Assurance personnel, and, as reasonably requested by the State, to provide to the State's agents and other contractors with reasonable access to Contractor's Project personnel, systems and facilities to the extent they relate to activities specifically associated with this Contract and will not interfere or jeopardize the safety or operation of the systems or facilities and provided Contractor receives reasonable prior written notice of such request. The State acknowledges that Contractor's time schedule for the Contract is very specific and agrees not to unnecessarily or unreasonably interfere with, delay or otherwise impeded Contractor's performance under this Contract with such requests for access.

2.044   Subcontracting by Contractor
(a)   Contractor shall have full responsibility for the successful performance and completion of all of the Services and Deliverables. The State will consider Contractor to be the sole point of contact with regard to all contractual matters under this Contract, including payment of any and all charges for Services and Deliverables.

(b)   Contractor shall not delegate any duties under this Contract to a Subcontractor unless the Department of Management and Budget, Acquisition Services has given written consent to such delegation. The State shall have the right of prior written approval of all Subcontractors and to require Contractor to replace any Subcontractors found, in the reasonable judgment of the State, to be unacceptable. The State's request shall be written with reasonable detail outlining the reasons for the removal request. Additionally, the State's request shall be based on legitimate, good-faith reasons. Replacement Subcontractor(s) for the removed Subcontractor shall be fully qualified for the position. If the State exercises this right, and the Contractor cannot immediately replace the removed Subcontractor, the State will agree to an equitable adjustment in schedule or other terms that may be affected by the State's required removal.
(c)   In any subcontracts entered into by Contractor for the performance of the Services, Contractor shall require the Subcontractor, to the extent of the Services to be performed by the Subcontractor, to be bound to Contractor by the terms of this Contract and to assume toward Contractor all of the obligations and responsibilities that Contractor, by this Contract, assumes toward the State. The State reserves the right to receive copies of and review all subcontracts, although Contractor may delete or mask any proprietary information, including pricing, contained in such contracts before providing them to the State. The management of any Subcontractor will be the responsibility of Contractor, and Contractor shall remain responsible for the performance of its Subcontractors to the same extent as if Contractor had not subcontracted such performance. Contractor shall make all payments to Subcontractors or suppliers of Contractor. Except as otherwise agreed in writing by the State and Contractor, the State will not be obligated to direct payments for the Services other than to Contractor. The State's written approval of any Subcontractor engaged by Contractor

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to perform any obligation under this Contract shall not relieve Contractor of any obligations or performance required under this Contract. Attached as **Exhibit E** is a list of the Subcontractors, if any, approved by the State as of the execution of this Contract, together with a copy of the applicable subcontract.

(d)   Except where specifically approved in writing by the State on a case-by-case basis, Contractor shall flow down the obligations in **Sections 2.040, 2.110, 2.150, 2.160, 2.171(c), 2.172(b), 2.180, 2.260, 2.276, 2.297** in all of its agreements with any Subcontractors.

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

2.045   Contractor Responsibility for Personnel
Contractor shall be responsible for all acts and omissions of its employees, as well as the acts and omissions of any other personnel furnished by Contractor to perform the Services.

2.050   **State Standards**

2.051   Existing Technology Standards
The Contractor will adhere to all existing standards as described within the comprehensive listing of the State's existing technology standards at http://www.michigan.gov/dit/0,1607,7-139-30639_30655---,00.html.

2.052   PM Methodology Standards
The State has adopted a standard documented Project Management Methodology (PMM) for use on all Information Technology (IT) based projects. See the State's PMM website at http://www.michigan.gov/projectmanagement.

The Contractor shall use the State's PPM to manage this Contract. If the Contractor requires training on the PMM, those costs shall be the responsibility of the Contractor, unless otherwise stated.

2.053   Reserved.

2.054   Acceptable Use Policy
To the extent that Contractor has access to the State computer system, Contractor must comply with the State's Acceptable Use Policy, see http://www.michigan.gov/ditservice/0,1607,7-179-25781-73760--,00.html. All Contractor employees must be required, in writing, to agree to the State's Acceptable Use Policy before accessing the State system. The State reserves the right to terminate Contractor's access to the State system if a violation occurs.

2.060   **Deliverables**

2.061   Ordering
(a)   Any Services/Deliverables to be furnished under this Contract shall be ordered by issuance of written Purchase Orders/Blanket Purchase Order by the State after approval by the Contract Administrator or his/her designee. All orders are subject to the terms and conditions of this Contract. In the event of conflict between an order and this Contract, the Contract shall take precedence as stated in **Section 2.293**. In no event shall any additional terms and conditions contained on a Purchase Order/Blanket Purchase Order be applicable, unless specifically contained in that Purchase Order/Blanket Purchase Order's accompanying Statement of Work.
(b)   DIT will continue to oversee the use of this Contract by End Users. DIT may, in writing, delegate to agencies the authority to submit requests for certain services directly to the Contractor. DIT may also designate, in writing, some services as non-delegated and require DIT review and approval before agency acquisition. DIT will use Contractor provided management reports and periodic random agency audits to monitor and administer contract usage for delegated services.

2.062   Software
        Exhibit J lists the items of software the State is required to purchase for execution the Contract. The list in **Exhibit J** includes all software required to complete the Contract and make the Deliverables operable; if any additional software is required in order for the Deliverables to meet the requirements of this Contract, such software shall be provided to the State by Contractor at no additional charge (except where agreed upon and specified in a Statement of Work or Contract Change Notice). **Exhibit J** also identifies certain items of software to be provided by the State.

2.063   Hardware
        Exhibit F lists the items of hardware the State is required to purchase for execution the Contract. The list in **Exhibit F** includes all hardware required to complete the Contract and make the Deliverables operable; if any additional hardware is required in order for the Deliverables to meet the requirements of this Contract, such hardware shall be provided to the State by Contractor at no additional charge (except where agreed upon and specified in a Contract Change Notice). **Exhibit F** also identifies certain items of hardware to be provided by the State.

2.064   Equipment to be New and Prohibited Products
        (a)   Equipment to be New
        If applicable, all equipment provided under this Contract by Contractor shall be new where Contractor has knowledge regarding whether the equipment is new or assembled from new or serviceable used parts that are like new in performance or has the option of selecting one or the other. Equipment that is assembled from new or serviceable used parts that are like new in performance is acceptable where Contractor does not have knowledge or the ability to select one or other, unless specifically agreed otherwise in writing by the State.
        (b)   Prohibited Products
        The State will not accept salvage, distressed, outdated or discontinued merchandise. Shipping of such merchandise to any State agency, as a result of an order placed against the Contract, shall be considered default by the Contractor of the terms and conditions of the Contract and may result in cancellation of the Contract by the State. The brand and product number offered for all items shall remain consistent for the term of the Contract, unless Acquisition Services has approved a change order pursuant to **Section 2.106**.

2.070   **Performance**

2.071   Performance, In General
        The State engages Contractor to execute the Contract and perform the Services/provide the Deliverables, and Contractor undertakes to execute and complete the Contract in its entirety in accordance with the terms and conditions of this Contract and with the participation of State representatives as specified in this Contract.

2.072   Time of Performance
        (a)   Contractor shall use commercially reasonable efforts to provide the resources necessary to complete all Services and Deliverables in accordance with the time schedules contained in the Statements of Work and other Exhibits governing the work, and with professional quality.
        (b)   Without limiting the generality of **Section 2.072(a)**, Contractor shall notify the State in a timely manner upon becoming aware of any circumstances that may reasonably be expected to jeopardize the timely and successful completion of any Deliverables/Services on the scheduled due dates in the latest State-approved delivery schedule and, in such event, shall inform the State of the projected actual delivery date.
        (c)   If Contractor believes that a delay in performance by the State has caused or will cause Contractor to be unable to perform its obligations in accordance with specified Contract time periods, Contractor shall notify the State in a timely manner and shall use commercially reasonable efforts to perform its obligations in accordance with such Contract time periods notwithstanding the State's failure. Contractor will not be in default for a delay in performance to the extent such delay is caused by the State.

2.073   Liquidated Damages
        The parties acknowledge that the failure to have a functioning system in place within twelve (12) months following Contract Effective Date will interfere with the timely and proper completion of the Contract, to the loss and damage of the State, and that it would be impracticable and extremely difficult to fix the actual damage sustained by the State as a result of any such delay. Therefore, Contractor and the State agree that in the case of Final Acceptance not being achieved by the first day of the thirteenth (13th) month following Contract Effective Date, in respect of which the State does not elect to exercise its rights under **Section 2.191**, the State may assess liquidated damages against Contractor as specified in this Section.

        If Final Acceptance has not occurred by the first day of the thirteenth (13th) month, then the State shall be entitled to collect liquidated damages in the amount of $5,000.00 and an additional $100.00 per day for each day Contractor fails to achieve Final Acceptance.

2.074   Bankruptcy
        If Contractor shall file for protection under the bankruptcy laws, or if an involuntary petition shall be filed against Contractor and not removed within thirty (30) days, or if the Contractor becomes insolvent, be adjudicated bankrupt, or if it should make a general assignment for the benefit of creditors, or if a receiver shall be appointed due to its insolvency, and Contractor and/or its affiliates are unable to provide reasonable assurances that Contractor and/or its affiliates can deliver the services provided herein, the State may, without prejudice to any other right or remedy, terminate this Contract, in whole or in part, and, at its option, may take possession of the "Work in Process" and finish such Works in Process by whatever appropriate method the State may deem expedient. Contractor will fix appropriate notices or labels on the Work in Process to indicate ownership by the State. To the extent reasonably possible, materials and Work in Process shall be stored separately from other stock and marked conspicuously with labels indicating ownership by the State.

        To secure the State's progress payments before the delivery of any services or materials required for the execution of Contractor's obligations hereunder, and any work which Contractor may subcontract in the support of the performance of its obligations hereunder, title shall vest in the State to the extent the State has made progress payments hereunder.

2.075   Reserved

2.076   Reserved

2.080   Delivery and Acceptance of Deliverables

2.081   Delivery Responsibilities
        Unless otherwise specified by the State within an individual order, the following shall be applicable to all orders issued under this Contract.
        (a)   Shipment responsibilities - Services performed/Deliverables provided under this Contract shall be delivered "F.O.B. Destination, within Government Premises." The Contractor shall have complete responsibility for providing all Services/Deliverables to all site(s) unless otherwise stated. Actual delivery dates will be specified on the individual purchase order.
        (b)   Delivery locations - Services will be performed/Deliverables will be provided at every State of Michigan location within Michigan unless otherwise stated in the SOW. Specific locations will be provided by the State or upon issuance of individual purchase orders.
        (c)   Damage Disputes - At the time of delivery to State Locations, the State shall examine all packages. The quantity of packages delivered shall be recorded and any obvious visible or suspected damage shall be noted at time of delivery using the shipper's delivery document(s) and appropriate procedures to record such.

Where there is no obvious or suspected damage, all deliveries to a State Location must be opened by the State and the contents inspected for possible internal damage not visible externally within fourteen (14) days of receipt. Any damage must be reported to the Contractor within five (5) days of inspection. If this inspection does not occur and damages not reported within thirty (30) days of receipt, the cure for such damaged deliveries shall transfer to the delivery signing party.

2.082 Delivery of Deliverables

(a) Where applicable, the Statements of Work/POs contain lists of the Deliverables to be prepared and delivered by Contractor including, for each Deliverable, the scheduled delivery date and a designation of whether the Deliverable is a document ("Written Deliverable"), a good ("Physical Deliverable") or a Service. All Deliverables shall be completed and delivered for State review and written approval and, where applicable, installed in accordance with the State-approved delivery schedule and any other applicable terms and conditions of the Contract.

2.083 Testing

(a) Prior to delivering any of the above-mentioned Statement of Work Physical Deliverables or Services to the State, Contractor will first perform all required quality assurance activities to verify that the Physical Deliverable or Service is complete and in conformance with its specifications listed in the applicable Statement of Work or Purchase Order. Before delivering a Physical Deliverable or Service to the State, Contractor shall certify to the State that (1) it has performed such quality assurance activities, (2) it has performed any applicable testing, (3) it has corrected all material deficiencies discovered during such quality assurance activities and testing, (4) the Deliverable or Service is in a suitable state of readiness for the State's review and approval, and (5) the Deliverable/Service has all Critical Security patches/updates applied.

(b) If a Deliverable includes installation at a State Location, then Contractor shall (1) perform any applicable testing, (2) correct all material deficiencies discovered during such quality assurance activities and testing, and (3) inform the State that the Deliverable is in a suitable state of readiness for the State's review and approval. To the extent that testing occurs at State Locations, the State shall be entitled to observe or otherwise participate in testing.

2.084 Approval of Deliverables, In General

(a) All Deliverables (Physical Deliverables and Written Deliverables) and Services require formal written approval by the State, in accordance with the following procedures. Formal approval by the State requires that the Deliverable be confirmed in writing by the State to meet its specifications, which will include the successful completion of Testing as applicable in **Section 2.083**, to be led by the State with the support and assistance of Contractor. The parties acknowledge that the approval process set forth herein will be facilitated by ongoing consultation between the parties, visibility of interim and intermediate Deliverables and collaboration on key decisions.

(b) The State's obligation to comply with any State Review Period is conditioned on the timely delivery of Deliverables/Services being reviewed.

(c) Prior to commencement of its review or testing of a Deliverable/Service, the State may inspect the Deliverable/Service to confirm that all components of the Deliverable/Service have been delivered without material deficiencies. If the State determines that the Deliverable/Service has material deficiencies, the State may refuse delivery of the Deliverable/Service without performing any further inspection or testing of the Deliverable/Service. Otherwise, the review period will be deemed to have started on the day the State receives the Deliverable or the Service begins, and the State and Contractor agree that the Deliverable/Service is ready for use and, where applicable, certification by Contractor in accordance with **Section 2.083(a)**.

(d) The State will approve in writing a Deliverable/Service upon confirming that it conforms to and, performs in accordance with, its specifications without material deficiency. The State may, but shall not be required to, conditionally approve in writing a Deliverable/Service that contains material deficiencies if the State elects to permit Contractor to rectify them post-approval. In any case, Contractor will be responsible for

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working diligently to correct within a reasonable time at Contractor's expense all deficiencies in the Deliverable/Service that remain outstanding at the time of State approval.

        (e)   If, after three (3) opportunities (the original and two repeat efforts), Contractor is unable to correct all deficiencies preventing Final Acceptance of a Deliverable/Service, the State may: (i) demand that Contractor cure the failure and give Contractor additional time to cure the failure at the sole expense of Contractor; or (ii) keep the Contract in force and do, either itself or through other parties, whatever Contractor has failed to do, in which event Contractor shall bear any excess expenditure incurred by the State in so doing beyond the Contract price for such Deliverable/Service and will pay the State an additional sum equal to ten percent (10%) of such excess expenditure to cover the State's general expenses provided the State can furnish proof of such general expenses; or (iii) terminate the particular Statement of Work for default, either in whole or in part by notice to Contractor provided Contractor is unable to cure such breach. Notwithstanding the foregoing, the State shall not use, as a basis for exercising its termination rights under this Section, deficiencies discovered in a repeat State Review Period that could reasonably have been discovered during a prior State Review Period.

        (f)   The State, at any time and in its reasonable discretion, may halt the testing or approval process if such process reveals deficiencies in or problems with a Deliverable/Service in a sufficient quantity or of a sufficient severity as to make the continuation of such process unproductive or unworkable. In such case, the State may stop using the Service or return the applicable Deliverable to Contractor for correction and re-delivery prior to resuming the testing or approval process.

2.085   Process For Approval of Written Deliverables

        The State Review Period for Written Deliverables will be the number of days set forth in the applicable Statement of Work following delivery of the final version of the Deliverable (failing which the State Review Period, by default, shall be five (5) Business Days for Written Deliverables of one hundred (100) pages or less and ten (10) Business Days for Written Deliverables of more than one hundred (100) pages). The duration of the State Review Periods will be doubled if the State has not had an opportunity to review an interim draft of the Written Deliverable prior to its submission to the State. The State agrees to notify Contractor in writing by the end of the State Review Period either stating that the Deliverable is approved in the form delivered by Contractor or describing any deficiencies that must be corrected prior to approval of the Deliverable (or at the State's election, subsequent to approval of the Deliverable). If the State delivers to Contractor a notice of deficiencies, Contractor will correct the described deficiencies and within thirty (30) Business Days resubmit the Deliverable in a form that shows all revisions made to the original version delivered to the State. Contractor's correction efforts will be made at no additional charge. Upon receipt of a corrected Deliverable from Contractor, the State will have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Deliverable to confirm that the identified deficiencies have been corrected.

2.086   Process for Approval of Services

        The State Review Period for approval of Services is governed by the applicable Statement of Work (failing which the State Review Period, by default, shall be thirty (30) Business Days for Services). The State agrees to notify Contractor in writing by the end of the State Review Period either stating that the Service is approved in the form delivered by Contractor or describing any deficiencies that must be corrected prior to approval of the Services (or at the State's election, subsequent to approval of the Service). If the State delivers to Contractor a notice of deficiencies, Contractor will correct the described deficiencies and within thirty (30) Business Days resubmit the Service in a form that shows all revisions made to the original version delivered to the State. Contractor's correction efforts will be made at no additional charge. Upon implementation of a corrected Service from Contractor, the State will have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Service for conformity and that the identified deficiencies have been corrected.

2.087   Process for Approval of Physical Deliverables

The State Review Period for approval of Physical Deliverables is governed by the applicable Statement of Work (failing which the State Review Period, by default, shall be thirty (30) continuous Business Days for a Physical Deliverable). The State agrees to notify Contractor in writing by the end of the State Review Period either stating that the Deliverable is approved in the form delivered by Contractor or describing any deficiencies that must be corrected prior to approval of the Deliverable (or at the State's election, subsequent to approval of the Deliverable). If the State delivers to Contractor a notice of deficiencies, Contractor will correct the described deficiencies and within thirty (30) Business Days resubmit the Deliverable in a form that shows all revisions made to the original version delivered to the State. Contractor's correction efforts will be made at no additional charge. Upon receipt of a corrected Deliverable from Contractor, the State will have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Deliverable to confirm that the identified deficiencies have been corrected.

2.088   Final Acceptance

Unless otherwise stated in the Statement of Work or Purchase Order, "Final Acceptance" of each Deliverable shall occur when each Deliverable/Service has been approved by the State following the State Review Periods identified in **Sections 2.080-2.087**. Payment will be made for Deliverables installed and accepted. Upon acceptance of a Service, the State will pay for all Services provided during the State Review Period that conformed to the acceptance criteria.

2.090   **Financial**

2.091   Pricing

(a)   Fixed Prices for Services/Deliverables

Each Statement of Work/PO issued under this Contract shall specify (or indicate by reference to the appropriate Contract Exhibit) the firm, fixed prices for all Services/Deliverables, and the associated payment milestones and payment amounts. To the extent the parties agree that certain specific Services will be provided on a time and materials basis, such Services shall be provided at the Amendment Labor Rates (**Exhibit D**). The State may make progress payments to the Contractor when requested as work progresses, but not more frequently than monthly, in amounts approved by the Contract Administrator, after negotiation. Contractor must show verification of measurable progress at the time of requesting progress payments.

(b)   Adjustments for Reductions in Scope of Services/Deliverables

If the scope of the Services/Deliverables under any Statement of Work issued under this Contract is subsequently reduced by the State, the parties shall negotiate an equitable reduction in Contractor's charges under such Statement of Work commensurate with the reduction in scope, using the rates in **Exhibit D** unless specifically identified in an applicable Statement of Work.

(c)   Services/Deliverables Covered

For all Services/Deliverables to be provided by Contractor (and its Subcontractors, if any) under this Contract, the State shall not be obligated to pay any amounts in addition to the charges specified in this Contract.

(d)   Labor Rates

All time and material charges will be at the rates specified in **Exhibit D**.

2.092   Invoicing and Payment Procedures and Terms

(a)   Invoicing and Payment – In General

(i)   Each Statement of Work issued under this Contract shall list (or indicate by reference to the appropriate Contract Exhibit) the prices for all Services/Deliverables, equipment and commodities to be provided, and the associated payment milestones and payment amounts.

(ii)   Each Contractor invoice will show details as to charges by Service/Deliverable component and location at a level of detail reasonably necessary to satisfy the State's accounting and charge-back requirements. The charges for Services billed on a time and materials basis shall be determined based on the actual number of hours of Services performed, at the applicable Labor Rates

specified in **Exhibit D**. Invoices for Services performed on a time and materials basis will show, for each individual, the number of hours of Services performed during the billing period, the billable skill/labor category for such person and the applicable hourly billing rate. Prompt payment by the State is contingent on the Contractor's invoices showing the amount owed by the State minus any holdback amount to be retained by the State in accordance with **Section 2.094**.

(iii)   Correct invoices will be due and payable by the State, in accordance with the State's standard payment procedure as specified in 1984 Public Act No. 279, MCL 17.51 et seq., within forty-five (45) days after receipt, provided the State determines that the invoice was properly rendered.

(b)   Taxes

The State is exempt from Federal Excise Tax, State and Local Sales Taxes, and Use Tax with respect to the sale to and use by it of tangible personal property. Such taxes shall not be included in Contract prices as long as the State maintains such exemptions. Copies of all tax exemption certificates shall be supplied to Contractor, if requested.

(c)   Out-of-Pocket Expenses

Contractor acknowledges that the out-of-pocket expenses that Contractor expects to incur in performing the Services/ providing the Deliverables (such as, but not limited to, travel and lodging, document reproduction and shipping, and long distance telephone) are included in Contractor's fixed price for each Statement of Work. Accordingly, Contractor's out-of-pocket expenses are not separately reimbursable by the State unless, on a case-by-case basis for unusual expenses, the State has agreed in advance and in writing to reimburse Contractor for such an expense at the State's current travel reimbursement rates. See http://www.mi.gov/dmb/0,1607,7-150-9141_13132---,00.html for current rates.

(d)   Pro-ration

To the extent there are any Services that are to be paid for on a monthly basis, the cost of such Services shall be pro-rated for any partial month.

(e)   Antitrust Assignment

The Contractor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to the Contractor, toward fulfillment of this Contract.

(f)   Final Payment

The making of final payment by the State to Contractor does not constitute a waiver by either party of any rights or other claims as to the other party's continuing obligations under the Contract, nor will it constitute a waiver of any claims by one party against the other arising from unsettled claims or failure by a party to comply with this Contract, including claims for Services and Deliverables not reasonably known until after acceptance to be defective or substandard. Contractor's acceptance of final payment by the State under this Contract shall constitute a waiver of all claims by Contractor against the State for payment under this Contract, other than those claims previously filed in writing on a timely basis and still unsettled.

2.093   State Funding Obligation

The State's obligation under this Contract is payable only and solely from funds appropriated for the purpose of this Contract. Contractor acknowledges and agrees that all funds for payments after the end of the current fiscal year are subject to the availability of a legislative appropriation for the purpose of this Contract. Events of non-appropriation are addressed further in **Section 2.210** of this Contract.

2.094   Reserved.

2.095   Electronic Payment Availability

Electronic transfer of funds is available to State contractors. Contractor is encouraged to register with the State electronically at http://www.cpexpress.state.mi.us.

2.100   **Contract Management**

2.101   Contract Management Responsibility

(a)   Contractor shall have overall responsibility for managing and successfully performing and completing the Services/Deliverables, subject to the overall direction and supervision of the State and with the participation and support of the State as specified in this Contract. Contractor's duties will include monitoring and reporting the State's performance of its participation and support responsibilities (as well as Contractor's own responsibilities) and providing timely notice to the State in Contractor's reasonable opinion if the State's failure to perform its responsibilities in accordance with **Exhibit H** (Project Plan) is likely to delay the timely achievement of any Contract tasks.

(b)   The Services/Deliverables will be provided by the Contractor either directly or through its affiliates, subsidiaries, subcontractors or resellers. Regardless of the entity providing the Service/Deliverable, the Contractor will act as a single point of contact coordinating these entities to meet the State's need for Services/Deliverables. Nothing in this Contract, however, shall be construed to authorize or require any party to violate any applicable law or regulation in its performance of this Contract.

2.102   Problem and Contract Management Procedures

Problem Management and Contract Management procedures will be governed by the Contract and the applicable Statements of Work.

2.103   Reports and Meetings

(a)   Reports.

Within thirty (30) days after the Effective Date, the parties shall determine an appropriate set of periodic reports to be issued by Contractor to the State. Such reports may include:

(i)   separately address Contractor's performance in each area of the Services;

(ii)   for each area of the Services, assess the degree to which Contractor has attained or failed to attain the pertinent objectives in that area, including on-time completion and delivery of Deliverables;

(iii)   explain the reasons for any failure to achieve on-time completion and delivery of Deliverables and include a plan for corrective action where appropriate;

(iv)   describe any circumstances that Contractor anticipates will impair or prevent on-time completion and delivery of Deliverables in upcoming reporting periods;

(v)   include plans for corrective action or risk mitigation where appropriate and describe the status of ongoing problem resolution efforts;

(vi)   provide reports setting forth a comparison of actual hours spent by Contractor (including its augmented personnel and Subcontractors) in performing the Project versus hours budgeted by Contractor.

(vii)   set forth a record of the material personnel changes that pertain to the Services and describe planned changes during the upcoming month that may affect the Services.

(viii)   include such documentation and other information may be mutually agreed to verify compliance with, and meeting the objectives of, this Contract.

(ix)   set forth an updated schedule that provides information on the status of upcoming Deliverables, expected dates of delivery (or redelivery) of such Deliverables and estimates on timing for completion of the Project.

(b)   Meetings.

Within thirty (30) days after the Effective Date, the parties shall determine an appropriate set of meetings to be held between representatives of the State and Contractor. Contractor shall prepare and circulate an agenda sufficiently in advance of each such meeting to give participants an opportunity to prepare for the meeting. Contractor shall incorporate into such agenda items that the State desires to discuss. At the State's request, Contractor shall prepare and circulate minutes promptly after a meeting.

2.104   System Changes

Contractor is not responsible for and not authorized to make changes to any State systems without written authorization from the State. Any changes Contractor makes to State systems with the State's approval

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shall be done in accordance with applicable State procedures, including security, access and configuration management procedures.

2.105   Reserved

2.106   Change Requests
The State reserves the right to request from time to time, any changes to the requirements and specifications of the Contract and the work to be performed by the Contractor under the Contract. During the course of ordinary business, it may become necessary for the State to discontinue certain business practices or create Additional Services/Deliverables. At a minimum, to the extent applicable, the State would like the Contractor to provide a detailed outline of all work to be done, including tasks necessary to accomplish the services/deliverables, timeframes, listing of key personnel assigned, estimated hours for each individual per task, and a complete and detailed cost justification.

If the State requests or directs the Contractor to perform any Services/Deliverables that are outside the scope of the Contractor's responsibilities under the Contract ("New Work"), the Contractor must notify the State promptly, and before commencing performance of the requested activities, that it believes the requested activities are New Work. If the Contractor fails to notify the State before commencing performance of the requested activities, any such activities performed before notice is given by the Contractor shall be conclusively considered to be in-scope Services/Deliverables, not New Work.

If the State requests or directs the Contractor to perform any services or provide deliverables that are consistent with and similar to the Services/Deliverables being provided by the Contractor under the Contract, but which the Contractor reasonably and in good faith believes are not included within the Statements of Work, then before performing such services or providing such deliverables, the Contractor shall notify the State in writing that it considers the services or deliverables to be an Additional Service/Deliverable for which the Contractor should receive additional compensation. If the Contractor does not so notify the State, the Contractor shall have no right to claim thereafter that it is entitled to additional compensation for performing that service or providing that deliverable. If the Contractor does so notify the State, then such a service or deliverable shall be governed by the Change Request procedure in this Section.

In the event prices or service levels are not acceptable to the State, the Additional Services or New Work shall be subject to competitive bidding based upon the specifications.
 (a)   Change Requests
(i)   State Requests
If the State should require Contractor to perform New Work, Additional Services or make changes to the Services that would affect the Contract completion schedule or the amount of compensation due Contractor (a "Change"), the State shall submit a written request for Contractor to furnish a proposal for carrying out the requested Change (a "Change Request").
(ii)   Contractor Recommendations
Contractor shall be entitled to propose a Change to the State, on its own initiative, should it be of the opinion that this would benefit the Contract.
(iii)   Upon receipt of a Change Request or on its own initiative, Contractor shall examine the implications of the requested Change on the technical specifications, Contract schedule and price of the Deliverables and Services and shall submit to the State without undue delay a written proposal for carrying out the Change. Contractor's proposal will include any associated changes in the technical specifications, Contract schedule and price and method of pricing of the Services. If the Change is to be performed on a time and materials basis, the Amendment Labor Rates shall apply to the provision of such Services. If Contractor provides a written proposal and should Contractor be of the opinion that a requested Change is not to be recommended, it shall communicate its opinion to the State but shall nevertheless carry out the Change as specified in the written proposal if the State directs it to do so.

(iv)   By giving Contractor written notice within a reasonable time, the State shall be entitled to accept a Contractor proposal for Change, to reject it or to reach another agreement with Contractor. Should the parties agree on carrying out a Change, a written Contract Change Notice shall be prepared and issued under this Contract, describing the Change and its effects on the Services and any affected components of this Contract (a "Contract Change Notice").

(v)   No proposed Change shall be performed until the proposed Change has been specified in a duly executed Contract Change Notice.

(vi)   If the State requests or directs Contractor to perform any activities that Contractor believes constitute a Change, Contractor must notify the State that it believes the requested activities are a Change prior to commencing the performance of the requested activities. If Contractor fails to so notify the State prior to commencing performance of the requested activities, such activities shall be considered to be performed gratuitously by Contractor, and Contractor shall not have any right thereafter to assert any claim for additional compensation or time for the performance of such activities. If Contractor commences performance of gratuitous services outside the scope of this Contract and subsequently elects to stop performing such out-of-scope services, Contractor must, at the request of the State, back out or reverse any changes resulting from such performance that would adversely affect the Contract.

2.107   Management Tools

Contractor will use an automated tool for planning, monitoring and tracking the Contract's progress. In addition, Contractor shall use automated project management tools as reasonably necessary to perform the Services, which tools shall include the capability to produce through the end of the Contract: (i) staffing tables with names of personnel assigned to Contract tasks, (ii) project plans showing tasks, subtasks, Deliverables and the resources required and allocated to each (including detailed plans for all Services to be performed within the next sixty (60) days, updated semi-monthly) and (iii) graphs showing critical events, dependencies and decision points during the course of the Contract. Any tool(s) used by Contractor for such purposes must produce information of a type and in a manner and format that will support reporting in compliance with the State's standard to the extent such information is described with reasonable detail in the Statements of Work and to the extent the related work is of sufficient project complexity and duration to warrant such reporting.

2.110   **Records and Inspections**

2.111a Records and Inspections

(a)   Inspection of Work Performed. The State's authorized representatives shall at all reasonable times and with ten (10) days prior written request, have the right to enter Contractor's premises, or any other places, where the Services are being performed, and shall have access, upon reasonable request, to interim drafts of Deliverables or work-in-progress. Upon ten (10) Days prior written notice and at all reasonable times, the State's representatives shall be allowed to inspect, monitor, or otherwise evaluate the work being performed and to the extent that such access will not reasonably interfere or jeopardize the safety or operation of the systems or facilities. Contractor must provide all reasonable facilities and assistance for the State's representatives.

(b)   Examination of Records. Contractor agrees that the State, including its duly authorized representatives, until the expiration of seven (7) years following the creation of the material (collectively, the "Audit Period"), shall, upon twenty (20) days prior written notice, have access to and the right to examine and copy any of Contractor's books, records, documents and papers pertinent to establishing Contractor's compliance with the Contract and with applicable laws and rules, including the State's procurement rules, regulations and procedures, and actual performance of the Contract for the purpose of conducting an audit, examination, excerpt and/or transcription but the State shall not have access to any information deemed confidential to Contractor to the extent such access would require such confidential information to become publicly available. This provision also applies to the books, records, accounts, documents and papers, in print

or electronic form, of any parent, affiliated or subsidiary organization of Contractor, or any Subcontractor of Contractor performing services in connection with the Contract.

(c)   Retention of Records. Contractor shall maintain at least until the end of the Audit Period all pertinent financial and accounting records (including time sheets and payroll records, and information pertaining to the Contract and to the Services, equipment, and commodities provided under the Contract) pertaining to the Contract in accordance with generally accepted accounting principles and other procedures specified in this Section. Financial and accounting records shall be made available, upon request, to the State at any time during the Audit Period. If an audit, litigation, or other action involving Contractor's records is initiated before the end of the Audit Period, the records must be retained until all issues arising out of the audit, litigation, or other action are resolved or until the end of the Audit Period, whichever is later.

(d)   Audit Resolution. If necessary, the Contractor and the State shall meet to review each audit report promptly after issuance. The Contractor will respond to each audit report in writing within thirty (30) days from receipt of such report, unless a shorter response time is specified in such report. The Contractor and the State shall develop, agree upon and monitor an action plan to promptly address and resolve any deficiencies, concerns, and/or recommendations in such audit report.

2.112   Errors

(a)   If the audit demonstrates any errors in the statements provided to the State, then the amount in error shall be reflected as a credit or debit on the next invoice and in subsequent invoices until the amount is paid or refunded in full. However, a credit or debit may not be carried for more than four (4) quarterly statements. If a balance remains after four (4) quarterly statements, then the remaining amount will be due as a payment or refund within forty-five (45) days of the last quarterly statement that the balance appeared on or termination of the contract, whichever is earlier.

(b)   In addition to other available remedies, the difference between the payment received and the correct payment amount is greater than ten percent (10%), then the Contractor shall pay all of the reasonable costs of the audit.

2.120   **State Responsibilities**

2.121   State Performance Obligations

(a)   Equipment and Other Resources. To facilitate Contractor's performance of the Services/Deliverables, the State shall provide to Contractor such equipment and resources as identified in the Statements of Work or other Contract Exhibits as items to be provided by the State.

(b)   Facilities. The State shall designate space as long as it is available and as provided in the Statement of Work, to house Contractor's personnel whom the parties agree will perform the Services/Deliverables at State facilities (collectively, the "State Facilities"). Contractor shall have reasonable access to, and unless agreed otherwise by the parties in writing shall observe and comply with all rules and regulations relating to, each of the State Facilities (including hours of operation) used by Contractor in the course of providing the Services. Contractor agrees that it will not, without the prior written consent of the State, use any State Facilities or access any State information systems provided for Contractor's use, or to which Contractor otherwise gains access in the course of performing the Services, for any purpose other than providing the Services to the State.

(c)   Return. Contractor shall be responsible for returning to the State any State-furnished equipment, facilities and other resources when no longer required for the Contract in the same condition as when provided by the State, reasonable wear and tear excepted.

(d)   Except as otherwise provided in **Section 2.220**, the State's failure to perform its responsibilities as set forth in this Contract shall not be deemed to be grounds for termination by Contractor. However, Contractor will not be liable for any default or delay in the performance of its obligations under this Contract to the extent such default or delay is caused by nonperformance of the State's obligations under this Contract, provided Contractor provides the State with reasonable written notice of such nonperformance and Contractor uses commercially reasonable efforts to perform notwithstanding the State's failure to perform. In addition, if

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the State's nonperformance of its responsibilities under this Contract materially increases the time required for Contractor's performance or Contractor's cost of performance, Contractor shall be entitled to seek an equitable extension via the Change Request process described in **Section 2.106**.

2.130   Security

2.131   Background Checks

The Contractor shall authorize the investigation of its personnel proposed to have access to State facilities and systems on a case by case basis. The scope of the background check is at the discretion of the State and the results will be used to determine Contractor personnel eligibility for working within State facilities and systems. Such investigations will include Michigan State Police Background checks (ICHAT) and may include the National Crime Information Center (NCIC) Finger Prints. Proposed Contractor personnel may be required to complete and submit an RI-8 Fingerprint Card for the NCIC Finger Print Check. Any request for background checks will be initiated by the State and will be reasonably related to the type of work requested.

All Contractor personnel will also be expected to comply with the State's security and acceptable use policies for State IT equipment and resources. See http://www.michigan.gov/ditservice/0,1607,7-179-25781-73760--,00.html. Furthermore, Contractor personnel will be expected to agree to the State's security and acceptable use policies before the Contractor personnel will be accepted as a resource to perform work for the State. It is expected the Contractor will present these documents to the prospective employee before the Contractor presents the individual to the State as a proposed resource. Contractor staff will be expected to comply with all Physical Security procedures in place within the facilities where they are working.

2.140   Reserved

2.150   Confidentiality

2.151   Freedom of Information

All information in any proposal submitted to the State by Contractor and this Contract is subject to the provisions of the Michigan Freedom of Information Act, 1976 Public Act No. 442, as amended, MCL 15.231, et seq (the "FOIA").

2.152   Confidentiality

Contractor and the State each acknowledge that the other possesses and will continue to possess confidential information that has been developed or received by it. As used in this Section, "Confidential Information" of Contractor shall mean all non-public proprietary information of Contractor (other than Confidential Information of the State as defined below) which is marked confidential, restricted, proprietary or with a similar designation. "Confidential Information" of the State shall mean any information which is retained in confidence by the State (or otherwise required to be held in confidence by the State pursuant to applicable federal, state and local laws and regulations) or which, in the case of tangible materials provided to Contractor by the State pursuant to its performance under this Contract, is marked as confidential, proprietary or with a similar designation by the State. In the case of information of either Contractor or the State "Confidential Information" shall exclude any information (including this Contract) that is publicly available pursuant to the Michigan FOIA.

2.153   Protection of Confidential Information

The State and Contractor will each use at least the same degree of care to prevent disclosing to third parties the Confidential Information of the other as it employs to avoid unauthorized disclosure, publication or dissemination of its own confidential information of like character, but in no event less than reasonable care. Neither Contractor nor the State will (i) make any use of the Confidential Information of the other except as contemplated by this Contract, (ii) acquire any right in or assert any lien against the Confidential Information of

the other, or (iii) if requested to do so, refuse for any reason to promptly return the other party's Confidential Information to the other party. Each party will limit disclosure of the other party's Confidential Information to employees and Subcontractors who must have access in order to fulfill the purposes of this Contract. Disclosure to, and use by, a Subcontractor is permissible where (A) use of a Subcontractor is authorized under this Contract, (B) such disclosure is necessary or otherwise naturally occurs in connection with work that is within such Subcontractor's scope of responsibility, and (C) Contractor obligates the Subcontractor in a written Contract to maintain the State's Confidential Information in confidence. At the State's request, any employee of Contractor and of any Subcontractor having access or continued access to the State's Confidential Information may be required to execute an acknowledgment that the employee has been advised of Contractor's and the Subcontractor's obligations under this Section and of the employee's obligation to Contractor or Subcontractor, as the case may be, to protect such Confidential Information from unauthorized use or disclosure.

2.154   Exclusions
Notwithstanding the foregoing, the provisions of this Section will not apply to any particular information which the State or Contractor can demonstrate (i) was, at the time of disclosure to it, in the public domain; (ii) after disclosure to it, is published or otherwise becomes part of the public domain through no fault of the receiving party; (iii) was in the possession of the receiving party at the time of disclosure to it without an obligation of confidentiality; (iv) was received after disclosure to it from a third party who had a lawful right to disclose such information to it without any obligation to restrict its further disclosure; or (v) was independently developed by the receiving party without reference to Confidential Information of the furnishing party. Further, the provisions of this Section will not apply to any particular Confidential Information to the extent the receiving party is required by law to disclose such Confidential Information, provided that the receiving party (i) promptly provides the furnishing party with notice of the legal request, and (ii) assists the furnishing party in resisting or limiting the scope of such disclosure as reasonably requested by the furnishing party.

2.155   No Implied Rights
Nothing contained in this Section shall be construed as obligating a party to disclose any particular Confidential Information to the other party, or as granting to or conferring on a party, expressly or impliedly, any right or license to the Confidential Information of the other party.

2.156   Remedies
Each party acknowledges that, if it breaches (or attempts or threatens to breach) its obligations under this Section, the other party may be irreparably harmed. Accordingly, if a court of competent jurisdiction should find that a party has breached (or attempted or threatened to breach) any such obligations, the non-breaching party shall be entitled to seek an injunction preventing such breach (or attempted or threatened breach).

2.157   Security Breach Notification
In the event of a breach of this Section, Contractor shall take (i) prompt corrective action to cure any such deficiencies and (ii) any action pertaining to such unauthorized disclosure required by applicable federal and state laws and regulations. Contractor and the State will cooperate to mitigate, to the extent practicable, the effects of any breach, intrusion, or unauthorized use or disclosure. Contractor shall report to the State in writing any use or disclosure of Confidential Information, whether suspected or actual, other than as provided for by the Contract within ten (10) days of becoming aware of such use or disclosure or such shorter time period as is reasonable under the circumstances.

2.158   Survival
The parties' respective obligations under this Section shall survive the termination or expiration of this Contract for any reason.

2.159   Destruction of Confidential Information

Promptly upon termination or cancellation of the Contract for any reason, Contractor shall certify to the State that Contractor has destroyed all State Confidential Information.

2.160 Proprietary Rights

2.161c COTS License

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

The State will own and hold all copyright, trademark, patent and other intellectual property rights in any derivative work, excluding any rights or interest in Software other than those granted in this Contract.

The State may copy each item of Software to multiple hard drives or networks unless otherwise agreed by the parties.

The State shall not reverse engineer or modify the Software.

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

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

2.162 Reserved.

2.163 Rights in Data

(a)   The State will be and remain the owner of all data made available by the State to Contractor or its agents, Subcontractors or representatives pursuant to the Contract. Contractor will not use the State's data for any purpose other than providing the Services, nor will any part of the State's data be disclosed, sold, assigned, leased or otherwise disposed of to the general public or to specific third parties or commercially exploited by or on behalf of Contractor, nor will any employee of Contractor other than those on a strictly need to know basis have access to the State's data. Contractor will not possess or assert any lien or other right against the State's data. Without limiting the generality of this Section, Contractor shall only use personally identifiable information as strictly necessary to provide the Services and shall disclose such information only to its employees who have a strict need to know such information. Contractor shall comply at all times with all laws and regulations applicable to such personally identifiable information.

(b)   The State is and shall remain the owner of all State-specific data pursuant to the Contract. The State may use the data provided by the Contractor for any purpose. The State will not possess or assert any lien or other right against the Contractor's data. Without limiting the generality of this Section, the State shall only use personally identifiable information as strictly necessary to utilize the Services and shall disclose such information only to its employees who have a strict need to know such information, except as provided by law. The State shall comply at all times with all laws and regulations applicable to such personally identifiable information. Other material developed and provided to the State shall remain the State's sole and exclusive property.

2.164 Ownership of Materials

State and Contractor will continue to own their respective proprietary technologies developed before entering into the Contract. Any hardware bought through the Contractor by the State, and paid for by the State, will be owned by the State. Any software licensed through the Contractor and sold to the State, will be licensed directly to the State.

2.165   Standard Software
        If applicable and necessary, all Standard Software used in performing the Services shall be provided to the State under a separate license agreement between the State and the owner (or authorized licensor) of such software. Standard Software to be licensed to the State is listed in **Exhibit J**.

2.166   Pre-existing Materials for Custom Software Deliverables
        Neither Contractor nor any of its Subcontractors shall incorporate any preexisting materials (including Standard Software) into Custom Software Deliverables or use any pre-existing materials to produce Custom Software Deliverables if such pre-existing materials will be needed by the State in order to use the Custom Software Deliverables unless (i) such pre-existing materials and their owners are identified to the State in writing and (ii) such pre-existing materials are either readily commercially available products for which Contractor or its Subcontractor, as the case may be, has obtained a license (in form and substance approved by the State) in the name of the State, or are materials that Contractor or its Subcontractor, as the case may be, has the right to license to the State and has licensed to the State on terms and conditions approved by the State prior to using such pre-existing materials to perform the Services.

2.167   General Skills
        Notwithstanding anything to the contrary in this Section, each party, its Subcontractors and their personnel shall be free to use and employ its and their general skills, know-how and expertise, and to use, disclose and employ any generalized ideas, concepts, know-how, methods, techniques or skills gained or learned during the course of performing the Services, so long as it or they acquire and apply the foregoing without disclosure of any confidential or proprietary information of the other party.

2.170   Warranties And Representations

2.171   Warranties and Representations
        The Contractor represents and warrants:
        (a)   It is capable in all respects of fulfilling and shall fulfill all of its obligations under this Contract. The performance of all obligations under this Contract shall be provided in a timely, professional, and workman-like manner and shall meet the performance and operational standards required under this Contract.
        (b)   The Contract Appendices, Attachments and Exhibits identify the equipment and software and services necessary for the Deliverable(s) to perform and Services to operate in compliance with the Contract's requirements and other standards of performance.
        (c)   It is the lawful owner or licensee of any Deliverable licensed or sold to the State by Contractor or developed by Contractor under this Contract, and Contractor has all of the rights necessary to convey to the State the ownership rights or licensed use, as applicable, of any and all Deliverables. None of the Deliverables provided by Contractor to the State under this Contract, nor their use by the State, will infringe the patent, copyright, trade secret, or other proprietary rights of any third party.
        (d)   If, under this Contract, Contractor procures any equipment, software or other Deliverable for the State (including equipment, software and other Deliverables manufactured, re-marketed or otherwise sold by Contractor under Contractor's name), then in addition to Contractor's other responsibilities with respect to such items in this Contract, Contractor shall assign or otherwise transfer to the State or its designees, or afford the State the benefits of, any manufacturer's warranty for the Deliverable.
        (e)   The contract signatory has the power and authority, including any necessary corporate authorizations, necessary to enter into this Contract, on behalf of Contractor.
        (f)   It is qualified and registered to transact business in all locations where required.

(g)   Neither the Contractor nor any Affiliates, nor any employee of either, has, shall have, or shall acquire, any contractual, financial, business, or other interest, direct or indirect, that would conflict in any manner or degree with Contractor's performance of its duties and responsibilities to the State under this Contract or otherwise create an appearance of impropriety with respect to the award or performance of this Agreement. Contractor shall notify the State within two (2) days of any such interest that may be incompatible with the interests of the State.

(h)   Neither Contractor nor any Affiliates, nor any employee of either has accepted or shall accept anything of value based on an understanding that the actions of the Contractor or Affiliates or employee on behalf of the State would be influenced. Contractor shall not attempt to influence any State employee by the direct or indirect offer of anything of value.

(i)   Neither Contractor nor any Affiliates, nor any employee of either has paid or agreed to pay any person, other than bona fide employees and consultants working solely for Contractor or such Affiliate, any fee, commission, percentage, brokerage fee, gift, or any other consideration, contingent upon or resulting from the award or making of this Contract.

(j)   The prices proposed by Contractor were arrived at independently, without consultation, communication, or agreement with any other bidder for the purpose of restricting competition; the prices quoted were not knowingly disclosed by Contractor to any other bidder; and no attempt was made by Contractor to induce any other person to submit or not submit a proposal for the purpose of restricting competition.

(k)   All financial statements, reports, and other information furnished by Contractor to the State as part of its response to the RFP or otherwise in connection with the award of this Contract fairly and accurately represent the business, properties, financial condition, and results of operations of Contractor as of the respective dates, or for the respective periods, covered by such financial statements, reports, other information. Since the respective dates or periods covered by such financial statements, reports, or other information, there have been no material adverse change in the business, properties, financial condition, or results of operations of Contractor.

(l)   All written information furnished to the State by or behalf of Contractor in connection with this Contract, including its bid, it true, accurate, and complete, and contains no untrue statement of material fact or omits any material fact necessary to make such information not misleading.

(m)   It is not in material default or breach of any other contract or agreement that it may have with the State or any of its departments, commissions, boards, or agencies. Contractor further represents and warrants that it has not been a party to any contract with the State or any of its departments that was terminated by the State or such department within the previous five (5) years for the reason that Contractor failed to perform or otherwise breached an obligation of such contract.

2.172   Software Warranties
(a)   <u>Performance Warranty</u>
The Contractor represents and warrants that Deliverables, after Final Acceptance, will perform and operate in compliance with the requirements and other standards of performance contained in this Contract (including all descriptions, specifications and drawings made a part of the Contract) for a period of at least ninety (90) days. In the event of a breach of this warranty, Contractor will promptly correct the affected Deliverable(s) at no charge to the State.
(b)   <u>No Surreptitious Code Warranty</u>
The Contractor represents and warrants that no copy of licensed Software provided to the State contains or will contain any Self-Help Code or any Unauthorized Code as defined below. This warranty is referred to in this Contract as the "No Surreptitious Code Warranty."

As used in this Contract, "Self-Help Code" means any back door, time bomb, drop dead device, or other software routine designed to disable a computer program automatically with the passage of time or under the positive control of a person other than the licensee of the software. Self-Help Code does not include Software routines in a computer program, if any, designed to permit an owner of the computer program (or other person

acting by authority of the owner) to obtain access to a licensee's computer system(s) (e.g. remote access via modem) for purposes of maintenance or technical support.

As used in this Contract, "Unauthorized Code" means any virus, Trojan horse, spyware, worm or other Software routines or components designed to permit unauthorized access to disable, erase, or otherwise harm software, equipment, or data; or to perform any other such actions. The term Unauthorized Code does not include Self-Help Code. Unauthorized Code does not include Software routines in a computer program, if any, designed to permit an owner of the computer program (or other person acting by authority of the owner) to obtain access to a licensee's computer system(s) (e.g. remote access via modem) for purposes of maintenance or technical support.

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

(c)   Calendar Warranty

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

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

(d)   Third-party Software Warranty

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

2.173   Equipment Warranty

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

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

Within two (2) business days of notification from the State, the Contractor shall adjust, repair or replace all equipment that is defective or not performing in compliance with the Contract. The Contractor shall assume all costs for replacing parts or units and their installation including transportation and delivery fees, if any.

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

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

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

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

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

2.175a DISCLAIMER
THE FOREGOING EXPRESS WARRANTIES ARE IN LIEU OF ALL OTHER WARRANTIES AND EACH PARTY EXPRESSLY DISCLAIMS ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, BY OPERATION OF LAW OR OTHERWISE, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

2.176 Consequences For Breach
In addition to any remedies available in law, if the Contractor breaches any of the warranties contained in this section, such breach may be considered as a default in the performance of a material obligation of this Contract.

2.180 Insurance

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

The Contractor waives all rights against the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents for recovery of damages to the extent these damages are covered by the insurance policies the Contractor is required to maintain pursuant to this Contract.

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

The insurance shall be written for not less than any minimum coverage specified in this Contract or required by law, whichever is greater.

The insurers selected by Contractor shall have an A.M. Best rating of A or better, or as otherwise approved in writing by the State, or if such ratings are no longer available, with a comparable rating from a recognized insurance rating agency. All policies of insurance required in this Contract shall be issued by companies that have been approved to do business in the State.
See http://www.mi.gov/cis/0,1607,7-154-10555_22535---,00.html.

Where specific limits are shown, they are the minimum acceptable limits. If Contractor's policy contains higher limits, the State shall be entitled to coverage to the extent of such higher limits.

Before the Contract is signed by both parties or before the purchase order is issued by the State, the Contractor must furnish to the Director of Acquisition Services, certificate(s) of insurance verifying insurance coverage ("Certificates"). The Certificate must be on the standard "accord" form or equivalent. **THE CONTRACT OR PURCHASE ORDER NO. MUST BE SHOWN ON THE CERTIFICATE OF INSURANCE TO ASSURE CORRECT FILING.** All Certificate(s) are to be prepared and submitted by the Insurance Provider. All Certificate(s) shall contain a provision indicating that coverages afforded under the policies WILL NOT BE CANCELLED, MATERIALLY CHANGED, OR NOT RENEWED without THIRTY (30) days prior written notice, except for ten (10) days for non-payment of premium, having been given to the Director of Acquisition Services, Department of Management and Budget. The notice must include the Contract or Purchase Order number affected and be mailed to: Director, Acquisition Services, Department of Management and Budget, P.O. Box 30026, Lansing, Michigan 48909. Failure to provide evidence of coverage, may, at the State's sole option, result in this Contract's termination.

The Contractor is required to pay for and provide the type and amount of insurance checked ☑ below:

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

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSUREDS on the Commercial General Liability certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

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

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSUREDS on the vehicle liability certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

☑   3.   Workers' compensation coverage must be provided in accordance with applicable laws governing the employees and employers work activities in the state of the Contractor's domicile. If the applicable coverage is provided by a self-insurer, proof must be provided of approved self-insured authority by the jurisdiction of domicile. For employees working outside of the state of qualification, Contractor must provide appropriate certificates of insurance proving mandated coverage levels for the jurisdictions where the employees' activities occur.

Any certificates of insurance received must also provide a list of states where the coverage is applicable.

The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company. This provision shall not be applicable where prohibited or limited by the laws of the jurisdiction in which the work is to be performed.

☑ 4. Employers liability insurance with the following minimum limits:
$100,000 each accident
$100,000 each employee by disease
$500,000 aggregate disease

☐ 5. Employee Fidelity, including Computer Crimes, insurance naming the State as a loss payee, providing coverage for direct loss to the State and any legal liability of the State arising out of or related to fraudulent or dishonest acts committed by the employees of Contractor or its Subcontractors, acting alone or in collusion with others, in a minimum amount of one million dollars ($1,000,000.00) with a maximum deductible of fifty thousand dollars ($50,000.00).

☐ 6. Umbrella or Excess Liability Insurance in a minimum amount of ten million dollars ($10,000,000.00), which shall apply, at a minimum, to the insurance required in Subsection 1 (Commercial General Liability) above.

☐ 7. Professional Liability (Errors and Omissions) Insurance with the following minimum coverage: three million dollars ($3,000,000.00) each occurrence and three million dollars ($3,000,000.00) annual aggregate.

☐ 8. Fire and Personal Property Insurance covering against any loss or damage to the office space used by Contractor for any reason under this Contract, and the equipment, software and other contents of such office space, including without limitation, those contents used by Contractor to provide the Services to the State, up to the replacement value thereof, where such office space and its contents are under the care, custody and control of Contractor. Such policy shall cover all risks of direct physical loss or damage, including without limitation, flood and earthquake coverage and coverage for computer hardware and software. The State shall be endorsed on the policy as a loss payee as its interests appear.
(b) Subcontractors
Except where the State has approved in writing a Contractor subcontract with other insurance provisions, Contractor shall require all of its Subcontractors under this Contract to purchase and maintain the insurance coverage as described in this Section for the Contractor in connection with the performance of work by those Subcontractors. Alternatively, Contractor may include any Subcontractors under Contractor's insurance on the coverage required in this Section. Subcontractor(s) shall fully comply with the insurance coverage required in this Section. Failure of Subcontractor(s) to comply with insurance requirements does not limit Contractor's liability or responsibility.
(c) Certificates of Insurance and Other Requirements
Contractor shall furnish to Acquisition Services certificate(s) of insurance verifying insurance coverage or providing satisfactory evidence of self-insurance as required in this Section (the "Certificates"). Before the Contract is signed, and not less than 20 days before the insurance expiration date every year thereafter, the Contractor shall provide evidence that the State and its agents, officers and employees are listed as additional insureds under each commercial general liability and commercial automobile liability policy. In the event the State approves the representation of the State by the insurer's attorney, the attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.

Contractor shall maintain all required insurance coverage throughout the term of the Contract and any extensions thereto and, in the case of claims-made Commercial General Liability policies, shall secure tail coverage for at least three (3) years following the expiration or termination for any reason of this Contract. The minimum limits of coverage specified above are not intended, and shall not be construed, to limit any liability or indemnity of Contractor under this Contract to any indemnified party or other persons. Contractor shall be responsible for all deductibles with regard to such insurance. If Contractor fails to pay any premium for required insurance as specified in this Contract, or if any insurer cancels or significantly reduces any required insurance as specified in this Contract without the State's written consent, at the State's election (but without any obligation to do so) after the State has given Contractor at least thirty (30) days written notice, the State may pay such premium or procure similar insurance coverage from another company or companies; and at the State's election, the State may deduct the entire cost (or part thereof) from any payment due Contractor, or Contractor shall pay the entire cost (or any part thereof) upon demand by the State.

2.190   Indemnification

2.191   Indemnification

(a)   General Indemnification

To the extent permitted by law, the Contractor shall indemnify, defend and hold harmless the State from liability, including all claims and losses, and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties), accruing or resulting to any person, firm or corporation that may be injured or damaged by the Contractor in the performance of this Contract and that are attributable to the negligence or tortuous acts of the Contractor or any of its subcontractors, or by anyone else for whose acts any of them may be liable.

(b)   Code Indemnification

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

(c)   Employee Indemnification

In any and all claims against the State of Michigan, its departments, divisions, agencies, sections, commissions, officers, employees and agents, by any employee of the Contractor or any of its subcontractors, the indemnification obligation under the Contract shall not be limited in any way by the amount or type of damages, compensation or benefits payable by or for the Contractor or any of its subcontractors under worker's disability compensation acts, disability benefit acts or other employee benefit acts. This indemnification clause is intended to be comprehensive. Any overlap in provisions, or the fact that greater specificity is provided as to some categories of risk, is not intended to limit the scope of indemnification under any other provisions.

(d)   Patent/Copyright Infringement Indemnification

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

In addition, should the equipment, software, commodity, or service, or its operation, become or in the State's or Contractor's opinion be likely to become the subject of a claim of infringement, the Contractor shall at the Contractor's sole expense (i) procure for the State the right to continue using the equipment, software, commodity or service or, if such option is not reasonably available to the Contractor, (ii) replace or modify to the State's satisfaction the same with equipment, software, commodity or service of equivalent function and performance so that it becomes non-infringing, or, if such option is not reasonably available to Contractor, (iii)

accept its return by the State with appropriate credits to the State against the Contractor's charges and reimburse the State for any losses or costs incurred as a consequence of the State ceasing its use and returning it.

Notwithstanding the foregoing, the Contractor shall have no obligation to indemnify or defend the State for, or to pay any costs, damages or attorneys' fees related to, any claim based upon (i) equipment developed based on written specifications of the State; or (ii) use of the equipment in a configuration other than implemented or approved in writing by the Contractor, including, but not limited to, any modification of the equipment by the State; or (iii) the combination, operation, or use of the equipment with equipment or software not supplied by the Contractor under this Contract.

2.192   Continuation of Indemnification Obligations
The Contractor's duty to indemnify pursuant to this Section continues in full force and effect, notwithstanding the expiration or early cancellation of the Contract, with respect to any claims based on facts or conditions that occurred prior to expiration or cancellation.

2.193   Indemnification Procedures
The procedures set forth below shall apply to all indemnity obligations under this Contract.
(a)   After receipt by the State of notice of the action or proceeding involving a claim in respect of which it will seek indemnification, the State shall promptly notify Contractor of such claim in writing and take or assist Contractor in taking, as the case may be, any reasonable action to avoid the imposition of a default judgment against Contractor. No failure to notify Contractor shall relieve Contractor of its indemnification obligations except to the extent that Contractor can demonstrate damages attributable to such failure. Within ten (10) days following receipt of written notice from the State relating to any claim, Contractor shall notify the State in writing whether Contractor agrees to assume control of the defense and settlement of that claim (a "Notice of Election"). After notifying Contractor of a claim and prior to the State receiving Contractor's Notice of Election, the State shall be entitled to defend against the claim, at Contractor's expense, and Contractor will be responsible for any reasonable costs incurred by the State in defending against the claim during such period.
(b)   If Contractor delivers a Notice of Election relating to any claim: (i) the State shall be entitled to participate in the defense of such claim and to employ counsel at its own expense to assist in the handling of such claim and to monitor and advise the State about the status and progress of the defense; (ii) Contractor shall, at the request of the State, demonstrate to the reasonable satisfaction of the State, Contractor's financial ability to carry out its defense and indemnity obligations under this Contract; (iii) Contractor shall periodically advise the State about the status and progress of the defense and shall obtain the prior written approval of the State before entering into any settlement of such claim or ceasing to defend against such claim and (iv) to the extent that any principles of Michigan governmental or public law may be involved or challenged, the State shall have the right, at its own expense, to control the defense of that portion of such claim involving the principles of Michigan governmental or public law. Notwithstanding the foregoing, the State may retain control of the defense and settlement of a claim by written notice to Contractor given within ten (10) days after the State's receipt of Contractor's information requested by the State pursuant to clause (ii) of this paragraph if the State determines that Contractor has failed to demonstrate to the reasonable satisfaction of the State Contractor's financial ability to carry out its defense and indemnity obligations under this Section. Any litigation activity on behalf of the State of Michigan, or any of its subdivisions pursuant to this Section, must be coordinated with the Department of Attorney General. In the event the insurer's attorney represents the State pursuant to this Section, the insurer's attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.

(c)   If Contractor does not deliver a Notice of Election relating to any claim of which it is notified by the State as provided above, the State shall have the right to defend the claim in such manner as it may deem appropriate, at the cost and expense of Contractor. If it is determined that the claim was one against which Contractor was required to indemnify the State, upon request of the State, Contractor shall promptly reimburse the State for all such reasonable costs and expenses.

2.200   **Limits of Liability and Excusable Failure**

2.201   Limits of Liability
　　　　The Contractor's liability for damages to the State shall be limited to two times the value of the Contract or $200,000, which ever is higher. The foregoing limitation of liability shall not apply to claims for infringement of United States patent, copyright, trademarks or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor; to claims covered by other specific provisions of this Contract calling for liquidated damages; or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on this Contract.

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

　　　　Neither the Contractor nor the State shall be liable to each other, regardless of the form of action, for consequential, incidental, indirect, or special damages. This limitation of liability shall not apply to claims for infringement of United States patent, copyright, trademark or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor; to claims covered by other specific provisions of this Contract calling for liquidated damages; or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on this Contract.

2.202   Excusable Failure
　　　　Neither party will be liable for any default, damage or delay in the performance of its obligations under the Contract to the extent such default, damage or delay is caused by government regulations or requirements (executive, legislative, judicial, military or otherwise), power failure, electrical surges or current fluctuations, lightning, earthquake, war, water or other forces of nature or acts of God, delays or failures of transportation, equipment shortages, suppliers' failures, or acts or omissions of common carriers, fire; riots, civil disorders; strikes or other labor disputes, embargoes; injunctions (provided the injunction was not issued as a result of any fault or negligence of the party seeking to have its default or delay excused); or any other cause beyond the reasonable control of such party; provided the non-performing party and its Subcontractors are without fault in causing such default or delay, and such default or delay could not have been prevented by reasonable precautions and cannot reasonably be circumvented by the non-performing party through the use of alternate sources, workaround plans or other means, including disaster recovery plans.

　　　　In such event, the non-performing party will be excused from any further performance or observance of the obligation(s) so affected for as long as such circumstances prevail and such party continues to use its commercially reasonable efforts to recommence performance or observance whenever and to whatever extent possible without delay and provided further that such party promptly notifies the other party in writing of the inception of the excusable failure occurrence, and also of its abatement or cessation.

　　　　If any of the above-enumerated circumstances substantially prevent, hinder, or delay Contractor's performance of the Services/provision of Deliverables for more than ten (10) Business Days, and the State determines that performance is not likely to be resumed within a period of time that is satisfactory to the State in its reasonable discretion, then at the State's option: (a) the State may procure the affected Services/Deliverables from an alternate source, and the State shall not be liable for payment for the unperformed Services/ Deliverables not provided under the Contract for so long as the delay in performance shall continue; (b) the State may terminate any portion of the Contract so affected and the charges payable there under shall be equitably adjusted to reflect those Services/Deliverables terminated; or (c) the State may terminate the affected Statement of Work without liability to Contractor as of a date specified by the State in a written notice of termination to Contractor, except to the extent that the State shall pay for Services/Deliverables provided through the date of termination.

Contractor will not have the right to any additional payments from the State as a result of any Excusable Failure occurrence or to payments for Services not rendered/Deliverables not provided as a result of the Excusable Failure condition. Defaults or delays in performance by Contractor which are caused by acts or omissions of its Subcontractors will not relieve Contractor of its obligations under the Contract except to the extent that a Subcontractor is itself subject to an Excusable Failure condition described above and Contractor cannot reasonably circumvent the effect of the Subcontractor's default or delay in performance through the use of alternate sources, workaround plans or other means.

2.203   Disaster Recovery
Contractor and the State recognize that the State provides essential services in times of natural or man-made disasters. Therefore, except as so mandated by Federal disaster response requirements, Contractor personnel dedicated to providing Services/Deliverables under this Contract will provide the State with priority service for repair and work around in the event of a natural or manmade disaster.

2.210   **Termination/Cancellation by the State**
The State may terminate this Contract without further liability or penalty to the State, its departments, divisions, agencies, offices, commissions, officers, agents and employees for any of the following reasons:

2.211   Termination for Cause
(a)   In the event that Contractor breaches any of its material duties or obligations under this Contract, which are either not capable of or subject to being cured, or are not cured within the time period specified in the written notice of breach provided by the State (such time period not to be less than thirty (30) days), or pose a serious and imminent threat to the health and safety of any person, or the imminent loss, damage or destruction of any real or tangible personal property, the State may, having provided written notice of termination to Contractor, terminate this Contract in whole or in part, for cause, as of the date specified in the notice of termination.
(b)   In the event that this Contract is terminated for cause, in addition to any legal remedies otherwise available to the State by law or equity, Contractor shall be responsible for all costs incurred by the State in terminating this Contract, including but not limited to, State administrative costs, reasonable attorneys' fees and court costs, and any reasonable additional costs the State may incur to procure the Services/Deliverables required by this Contract from other sources. Re-procurement costs shall not be considered by the parties to be consequential, indirect or incidental damages, and shall not be excluded by any other terms otherwise included in this Contract, provided such costs are not in excess of fifty percent (50%) more than the prices for such Service/Deliverables provided under this Contract.

(c)   In the event the State chooses to partially terminate this Contract for cause, charges payable under this Contract will be equitably adjusted to reflect those Services/Deliverables that are terminated and the State shall pay for all Services/Deliverables for which Final Acceptance has been granted provided up to the termination date. Services and related provisions of this Contract that are terminated for cause shall cease on the effective date of the termination.
(d)   In the event this Contract is terminated for cause pursuant to this Section, and it is determined, for any reason, that Contractor was not in breach of contract pursuant to the provisions of this section, that termination for cause shall be deemed to have been a termination for convenience, effective as of the same date, and the rights and obligations of the parties shall be limited to that otherwise provided in this Contract for a termination for convenience.

2.212   Termination for Convenience
The State may terminate this Contract for its convenience, in whole or part, if the State determines that such a termination is in the State's best interest. Reasons for such termination shall be left to the sole discretion of the State and may include, but not necessarily be limited to (a) the State no longer needs the Services or products specified in the Contract, (b) relocation of office, program changes, changes in laws, rules, or

regulations make implementation of the Services no longer practical or feasible, (c) unacceptable prices for Additional Services or New Work requested by the State, or (d) falsification or misrepresentation, by inclusion or non-inclusion, of information material to a response to any RFP issued by the State. The State may terminate this Contract for its convenience, in whole or in part, by giving Contractor written notice at least thirty (30) days prior to the date of termination. If the State chooses to terminate this Contract in part, the charges payable under this Contract shall be equitably adjusted to reflect those Services/Deliverables that are terminated. Services and related provisions of this Contract that are terminated for cause shall cease on the effective date of the termination.

2.213   Non-Appropriation

(a)   Contractor acknowledges that, if this Contract extends for several fiscal years, continuation of this Contract is subject to appropriation or availability of funds for this Contract. If funds to enable the State to effect continued payment under this Contract are not appropriated or otherwise made available, the State shall have the right to terminate this Contract and all affected Statements of Work, in whole or in part, at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of termination to Contractor. The State shall give Contractor at least thirty (30) days advance written notice of termination for non-appropriation or unavailability (or such time as is available if the State receives notice of the final decision less than thirty (30) days before the funding cutoff).

(b)   If funding for the Contract is reduced by law, or funds to pay Contractor for the agreed-to level of the Services or production of Deliverables to be provided by Contractor are not appropriated or otherwise made available, the State may, upon thirty (30) days written notice to Contractor, reduce the level of the Services or the change the production of Deliverables in such manner and for such periods of time as the State may elect. The charges payable under this Contract will be equitably adjusted to reflect any equipment, services or commodities not provided by reason of such reduction.

(c)   In the event the State terminates this Contract, eliminates certain Deliverables, or reduces the level of Services to be provided by Contractor pursuant to this Section, the State shall pay Contractor for all Work-in-Process performed through the effective date of the termination or reduction in level, as the case may be and as determined by the State, to the extent funds are available. For the avoidance of doubt, this Section will not preclude Contractor from reducing or stopping Services/Deliverables and/or raising against the State in a court of competent jurisdiction, any claim for a shortfall in payment for Services performed or Deliverables finally accepted before the effective date of termination.

2.214   Criminal Conviction

The State may terminate this Contract immediately and without further liability or penalty in the event Contractor, an officer of Contractor, or an owner of a 25% or greater share of Contractor is convicted of a criminal offense incident to the application for, or performance of, a State, public or private Contract or subcontract; convicted of a criminal offense, including any of the following: embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, attempting to influence a public employee to breach the ethical conduct standards for State of Michigan employees; convicted under State or federal antitrust statutes; or convicted of any other criminal offense which in the sole discretion of the State reflects upon Contractor's business integrity.

2.215   Approvals Rescinded.

The State may terminate this Contract without further liability or penalty in the event any final administrative or judicial decision or adjudication disapproves a previously approved request for purchase of personal services pursuant to Constitution 1963, Article 11, § 5, and Civil Service Rule 7-1. Termination may be in whole or in part and may be immediate as of the date of the written notice to Contractor or may be effective as of the date stated in such written notice.

2.216   Rights and Obligations Upon Termination

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

(b)   In the event the State terminates this Contract prior to its expiration for its own convenience, the State shall pay Contractor for all charges due for Services provided prior to the date of termination and, if applicable, as a separate item of payment pursuant to this Contract, for Work In Process, on a percentage of completion basis at the level of completion determined by the State. All completed or partially completed Deliverables prepared by Contractor pursuant to this Contract shall, at the option of the State, become the State's property, and Contractor shall be entitled to receive equitable fair compensation for such Deliverables. Regardless of the basis for the termination, the State shall not be obligated to pay, or otherwise compensate, Contractor for any lost expected future profits, costs or expenses incurred with respect to Services not actually performed for the State.

(c)   Upon a good faith termination, the State shall have the right to assume, at its option, any and all subcontracts and agreements for services and deliverables provided under this Contract, and may further pursue completion of the Services/Deliverables under this Contract by replacement contract or otherwise as the State may in its sole judgment deem expedient.

2.217   Reservation of Rights

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

2.218   Contractor Transition Responsibilities

In the event this contract is terminated, for convenience or cause, dissolved, voided, rescinded, nullified, expires or is otherwise rendered unenforceable, the Contractor agrees to comply with direction provided by the State to assist in the orderly transition of equipment, services, software, leases, etc. to the State or a third party designated by the State. In the event of termination or the expiration of this Contract, the Contractor agrees to make all reasonable efforts to effect an orderly transition of services within a reasonable period of time that in no event will exceed ninety (90) days. These efforts shall include, but are not limited to, the following:

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

(b)   Information - The Contractor agrees to provide reasonable detailed specifications for all Services/Deliverables needed by the State, or specified third party, to properly provide the Services/Deliverables required under this Contract. The Contractor will provide the State with asset management data generated from the inception of this Contract through the date on which this Contractor is

terminated in a comma-delineated format unless otherwise requested by the State. The Contractor will deliver to the State any remaining owed reports and documentation still in Contractor's possession subject to appropriate payment by the State.

(d)   Software. - The Contractor shall reasonably assist the State in the acquisition of any Contractor software required to perform the Services/use the Deliverables under this Contract. This shall include any documentation being used by the Contractor to perform the Services under this Contract. If the State transfers any software licenses to the Contractor, those licenses shall, upon expiration of the Contract, transfer back to the State at their current revision level. Upon notification by the State, Contractor may be required to freeze all non-critical changes to Deliverables/Services.

(e)   Payment - If the transition results from a termination for any reason, reimbursement shall be governed by the termination provisions of this Contract. If the transition results from expiration, the Contractor will be reimbursed for all reasonable transition costs (i.e. costs incurred within the agreed period after contract expiration that result from transition operations) at the rates specified by **Exhibit D**. The Contractor will prepare an accurate accounting from which the State and Contractor may reconcile all outstanding accounts.

2.219   State Transition Responsibilities

In the event that this Contract is terminated, dissolved, voided, rescinded, nullified, or otherwise rendered unenforceable, the State agrees to perform the following obligations, and any others upon which the State and the Contractor agree:

(a)   Reconciling all accounts between the State and the Contractor;
(b)   Completing any pending post-project reviews.

2.220   **Termination by Contractor**

If the State materially breaches its obligation to pay Contractor undisputed amounts due and owing under this Contract in accordance with **Section 2.090**, or if the State breaches its other obligations under this Contract to an extent that makes it impossible or commercially impractical for Contractor to perform the Services, and if the State does not cure the breach within the time period specified in a written notice of breach provided to the State by Contractor (such time period not to be less than thirty (30) days), then Contractor may terminate this Contract, in whole or in part based on Statement of Work for cause, as of the date specified in the notice of termination; provided, however, that Contractor must discharge its obligations under **Section 2.250** before any such termination.

2.230   **Stop Work**

2.231   Stop Work Orders

The State may, at any time, by written stop work order to Contractor, require that Contractor stop all, or any part, of the work called for by the Contract for a period of up to ninety (90) calendar days after the stop work order is delivered to Contractor, and for any further period to which the parties may agree. The stop work order shall be specifically identified as such and shall indicate that it is issued under this **Section 2.230**. Upon receipt of the stop work order, Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the stop work order during the period of work stoppage. Within the period of the stop work order, the State shall either: (a) cancel the stop work order; or (b) terminate the work covered by the stop work order as provided in **Section 2.210**.

2.232   Cancellation or Expiration of Stop Work Order

If a stop work order issued under this **Section 2.230** is canceled or the period of the stop work order or any extension thereof expires, Contractor shall resume work. The parties shall agree upon an equitable adjustment in the delivery schedule, the Contract price, or both, and the Contract shall be modified, in writing, accordingly, if: (a) the stop work order results in an increase in the time required for, or in Contractor's costs properly allocable to, the performance of any part of the Contract; and (b) Contractor asserts its right to an equitable adjustment within thirty (30) calendar days after the end of the period of work stoppage; provided

that, if the State decides the facts justify the action, the State may receive and act upon a Contractor proposal submitted at any time before final payment under the Contract. Any adjustment will conform to the requirements of **Section 2.106.**

2.233 Allowance of Contractor Costs
      If the stop work order is not canceled and the work covered by the stop work order is terminated for reasons other than material breach, such termination shall be deemed to be a termination for convenience under **Section 2.212**, and the State shall allow reasonable costs resulting from the stop work order in arriving at the termination settlement. For the avoidance of doubt, the State shall not be liable to Contractor for loss of profits because of a stop work order issued under this **Section 2.230**.

2.240 **Reserved**
2.250 **Dispute Resolution**

2.251 In General
      Any claim, counterclaim, or dispute between the State and Contractor arising out of or relating to the Contract or any Statement of Work shall be resolved as follows. For all Contractor claims seeking an increase in the amounts payable to Contractor under the Contract, or the time for Contractor's performance, Contractor shall submit a letter executed by Contractor's Contract Administrator or his designee certifying that (a) the claim is made in good faith, (b) the amount claimed accurately reflects the adjustments in the amounts payable to Contractor or the time for Contractor's performance for which Contractor believes the State is liable and covers all costs of every type to which Contractor is entitled from the occurrence of the claimed event, and (c) the supporting data provided with such an affidavit are current and complete to Contractor's best knowledge and belief.

2.252 Informal Dispute Resolution
      (a)   All operational disputes between the parties shall be resolved under the Contract Management procedures developed pursuant to **Section 2.100**. If the parties are unable to resolve any disputes after compliance with such processes, the parties shall meet with the Director of Acquisition Services, DMB, or designee, for the purpose of attempting to resolve such dispute without the need for formal legal proceedings, as follows:
          (i)   The representatives of Contractor and the State shall meet as often as the parties reasonably deem necessary in order to gather and furnish to each other all information with respect to the matter in issue which the parties believe to be appropriate and germane in connection with its resolution. The representatives shall discuss the problem and negotiate in good faith in an effort to resolve the dispute without the necessity of any formal proceeding.
          (ii)   During the course of negotiations, all reasonable requests made by one party to another for non-privileged information reasonably related to the Contract will be honored in order that each of the parties may be fully advised of the other's position.
          (iii)   The specific format for the discussions will be left to the discretion of the designated State and Contractor representatives, but may include the preparation of agreed upon statements of fact or written statements of position.
          (iv)   Following the completion of this process within sixty (60) calendar days, the Director of Acquisition Services, DMB, or designee, shall issue a written opinion regarding the issue(s) in dispute within thirty (30) calendar days. The opinion regarding the dispute shall be considered the State's final action and the exhaustion of administrative remedies.
      (b)   This **Section 2.250** will not be construed to prevent either party from instituting, and a party is authorized to institute, formal proceedings earlier to avoid the expiration of any applicable limitations period, to preserve a superior position with respect to other creditors, or pursuant to **Section 2.253**.
      (c)   The State will not mediate disputes between the Contractor and any other entity, except state agencies, concerning responsibility for performance of work pursuant to the Contract.

2.253   Injunctive Relief
        The only circumstance in which disputes between the State and Contractor will not be subject to the provisions of **Section 2.252** is where a party makes a good faith determination that a breach of the terms of the Contract by the other party is such that the damages to such party resulting from the breach will be so immediate, so large or severe and so incapable of adequate redress after the fact that a temporary restraining order or other immediate injunctive relief is the only adequate remedy.

2.254   Continued Performance
        Each party agrees to continue performing its obligations under the Contract while a dispute is being resolved except to the extent the issue in dispute precludes performance (dispute over payment shall not be deemed to preclude performance) and without limiting either party's right to terminate the Contract as provided in **Section 2.210** and **2.220**, as the case may be.

2.260   **Federal and State Contract Requirements**

2.261   Nondiscrimination
        In the performance of the Contract, Contractor agrees not to discriminate against any employee or applicant for employment, with respect to his or her hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, national origin, ancestry, age, sex, height, weight, marital status, physical or mental disability. Contractor further agrees that every subcontract entered into for the performance of this Contract or any purchase order resulting from this Contract will contain a provision requiring non-discrimination in employment, as specified here, binding upon each Subcontractor. This covenant is required pursuant to the Elliot Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, *et seq*., and the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, *et seq*., and any breach of this provision may be regarded as a material breach of the Contract.

2.262   Unfair Labor Practices
        Pursuant to 1980 PA 278, MCL 423.231, *et seq*., the State shall not award a Contract or subcontract to an employer whose name appears in the current register of employers failing to correct an unfair labor practice compiled pursuant to section 2 of the Act. This information is compiled by the United States National Labor Relations Board. A Contractor of the State, in relation to the Contract, shall not enter into a contract with a Subcontractor, manufacturer, or supplier whose name appears in this register. Pursuant to section 4 of 1980 PA 278, MCL 423.324, the State may void any Contract if, subsequent to award of the Contract, the name of Contractor as an employer or the name of the Subcontractor, manufacturer or supplier of Contractor appears in the register.

2.263   Workplace Safety and Discriminatory Harassment
        In performing Services for the State, the Contractor shall comply with the Department of Civil Services Rule 2-20 regarding Workplace Safety and Rule 1-8.3 regarding Discriminatory Harassment. In addition, the Contractor shall comply with Civil Service regulations and any applicable agency rules provided to the Contractor. For Civil Service Rules, see http://www.mi.gov/mdcs/0,1607,7-147-6877---,00.html.

2.270   **Litigation**

2.271   Disclosure of Litigation
        (a)   Disclosure. Contractor must disclose any material criminal litigation, investigations or proceedings involving the Contractor (and each Subcontractor) or any of its officers or directors or any litigation, investigations or proceedings under the Sarbanes-Oxley Act. In addition, each Contractor (and each Subcontractor) must notify the State of any material civil litigation, arbitration or proceeding which arises during the term of the Contract and extensions thereto, to which Contractor (or, to the extent Contractor is

aware, any Subcontractor hereunder) is a party, and which involves: (i) disputes that might reasonably be expected to adversely affect the viability or financial stability of Contractor or any Subcontractor hereunder; or (ii) a claim or written allegation of fraud against Contractor or, to the extent Contractor is aware, any Subcontractor hereunder by a governmental or public entity arising out of their business dealings with governmental or public entities. Any such litigation, investigation, arbitration or other proceeding (collectively, "Proceeding") must be disclosed in a written statement to the Contract Administrator within thirty (30) days of its occurrence. Details of settlements which are prevented from disclosure by the terms of the settlement may be annotated as such. Information provided to the State from Contractor's publicly filed documents referencing its material litigation will be deemed to satisfy the requirements of this Section.

    (b)   Assurances. In the event that any such Proceeding disclosed to the State pursuant to this Section, or of which the State otherwise becomes aware, during the term of this Contract would cause a reasonable party to be concerned about:

    (i)   the ability of Contractor (or a Subcontractor hereunder) to continue to perform this Contract in accordance with its terms and conditions, or

    (ii)   whether Contractor (or a Subcontractor hereunder) in performing Services for the State is engaged in conduct which is similar in nature to conduct alleged in such Proceeding, which conduct would constitute a breach of this Contract or a violation of Michigan law, regulations or public policy, then Contractor shall be required to provide the State all reasonable assurances requested by the State to demonstrate that:

    (A) Contractor and/or its Subcontractors hereunder will be able to continue to perform this Contract and any Statements of Work in accordance with its terms and conditions, and

    (B) Contractor and/or its Subcontractors hereunder have not and will not engage in conduct in performing the Services which is similar in nature to the conduct alleged in such Proceeding.

    (C)   Contractor shall make the following notifications in writing:

    (1)   Within thirty (30) days of Contractor becoming aware that a change in its ownership or officers has occurred, or is certain to occur, or a change that could result in changes in the valuation of its capitalized assets in the accounting records, Contractor shall notify Acquisition Services.

    (2)   Contractor shall also notify Acquisition Services within thirty (30) days whenever changes to asset valuations or any other cost changes have occurred or are certain to occur as a result of a change in ownership or officers.

    (3)   Contractor shall also notify Acquisition Services within thirty (30) days whenever changes to company affiliations occur.

2.272 Governing Law

The Contract shall in all respects be governed by, and construed in accordance with, the substantive laws of the State of Michigan without regard to any Michigan choice of law rules that would apply the substantive law of any other jurisdiction to the extent not inconsistent with, or pre-empted by federal law.

2.273 Compliance with Laws

Contractor shall comply with all applicable state, federal, and local laws and ordinances ("Applicable Laws") in providing the Services/Deliverables.

2.274 Jurisdiction

Any dispute arising from the Contract shall be resolved in the State of Michigan. With respect to any claim between the parties, Contractor consents to venue in Ingham County, Michigan, and irrevocably waives any objections it may have to such jurisdiction on the grounds of lack of personal jurisdiction of such court or the laying of venue of such court or on the basis of forum non conveniens or otherwise. Contractor agrees to appoint agents in the State of Michigan to receive service of process.

2.280 **Environmental Provision**

2.281   Environmental Provision

For the purposes of this Section, "Hazardous Materials" is a generic term used to describe asbestos, ACBMs, PCBs, petroleum products, such construction materials as paint thinners, solvents, gasoline, oil, etc., and any other material the manufacture, use, treatment, storage, transportation or disposal of which is regulated by the federal, state or local laws governing the protection of the public health, natural resources or the environment. This includes, but is not limited to, materials such as batteries and circuit packs, and other materials that are regulated as (1) "Hazardous Materials" under the Hazardous Materials Transportation Act, (2) "chemical hazards" under the Occupational Safety and Health Administration standards, (3) "chemical substances or mixtures" under the Toxic Substances Control Act, (4) "pesticides" under the Federal Insecticide Fungicide and Rodenticide Act, and (5) "hazardous wastes" as defined or listed under the Resource Conservation and Recovery Act. This Contract does not cover the handling, removal, or disposal of all Hazardous Materials.

(a)   The Contractor shall use, handle, store, dispose of, process, transport and transfer any material considered a Hazardous Material in accordance with all federal, State and local laws. The State shall provide a safe and suitable environment for performance of Contractor's Work. Prior to the commencement of Work, the State shall advise Contractor of the presence at the work site of any Hazardous Material to the extent that the State is aware of such Hazardous Material. If the Contractor encounters material reasonably believed to be a Hazardous Material and which may present a substantial danger, the Contractor shall immediately stop all affected Work, give written notice to the State of the conditions encountered, and take appropriate health and safety precautions.

(b)   Upon receipt of a written notice, the State will investigate the conditions. If (a) the material is a Hazardous Material that may present a substantial danger, and (b) the Hazardous Material was not brought to the site by the Contractor, or does not result in whole or in part from any violation by the Contractor of any laws covering the use, handling, storage, disposal of, processing, transport and transfer of Hazardous Materials, the State shall order a suspension of Work in writing. The State shall proceed to have the Hazardous Material removed or rendered harmless. In the alternative, the State shall terminate the affected Work for the State's convenience.

(c)   Once the Hazardous Material has been removed or rendered harmless by the State, the affected Work shall be resumed as directed in writing by the State. Any determination by the Michigan Department of Community Health and/or the Michigan Department of Environmental Quality (whichever is applicable) that the Hazardous Material has either been removed or rendered harmless shall be binding upon the State and Contractor for the purposes of resuming the Work.

(d)   If the Hazardous Material was brought to the site by the Contractor, or results in whole or in part from any violation by the Contractor of any laws covering the use, handling, storage, disposal of, processing, transport and transfer of Hazardous Material, or from any other act or omission within the control of the Contractor, the Contractor shall bear its proportionate share of the delay and costs involved in cleaning up the site and removing and rendering harmless the Hazardous Material in accordance with Applicable Laws to the condition approved by applicable regulatory agenc(ies). If the Contractor fails to take appropriate action pursuant to Applicable Laws and consistent with the State requirements, then the State may take appropriate action.

2.290   General

2.291   Amendments

The Contract may not be modified, amended, extended, or augmented, except by a writing executed by the parties.

2.292   Assignment

(a) Neither party shall have the right to assign the Contract, or to assign or delegate any of its duties or obligations under the Contract, to any other party (whether by operation of law or otherwise), without the prior written consent of the other party; provided, however, that the State may assign the Contract to any other State

agency, department, division or department without the prior consent of Contractor and Contractor may assign the Contract to an affiliate so long as such affiliate is adequately capitalized and can provide adequate assurances that such affiliate can perform the Contract. Any purported assignment in violation of this Section shall be null and void. It is the policy of the State of Michigan to withhold consent from proposed assignments, subcontracts, or novations when such transfer of responsibility would operate to decrease the State's likelihood of receiving performance on the Contract or the State's ability to recover damages.

(b) Contractor may not, without the prior written approval of the State, assign its right to receive payments due under the Contract. In the event of any such permitted assignment, Contractor shall not be relieved of its responsibility to perform any duty imposed upon it herein, and the requirement under the Contract that all payments shall be made to one entity shall continue.

2.293   Entire Contract; Order of Precedence

(a)   The Contract, including any Statements of Work and Exhibits, to the extent not contrary to the Contract, each of which is incorporated for all purposes, constitutes the entire agreement between the parties with respect to the subject matter and supersedes all prior agreements, whether written or oral, with respect to such subject matter and as additional terms and conditions on the purchase order shall apply as limited by **Section 2.061**.

(b)   In the event of any inconsistency between the terms of the Contract and a Statement of Work, the terms of the Statement of Work will take precedence (as to that Statement of Work only); provided, however, that a Statement of Work may not modify or amend the terms of **Sections 2.110 through 2.220** of the Contract, which may be modified or amended only by a formal Contract amendment.

2.294   Headings

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

2.295   Relationship of the Parties (Independent Contractor Relationship)

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

2.296   Notices

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

State of Michigan
Department of Management and Budget
Acquisition Services
Dale N. Reif
PO Box 30026
530 West Allegan
Lansing, Michigan 48909

with a copy to:

State of Michigan
Department of Information Technology
Jim Flowers
525 West Allegan
Constitutional Hall, Atrium-South Tower
Lansing, Michigan 48913

For Legal Files Software, Inc.:

LFS
Account Manager
Legal Files Software, Inc.
2730 South MacArthur Street
Springfield, IL 62704
Phone (217) 523-7480 ext. 247 Fax: (217) 523-2390

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

(b)   Binding Commitments

Representatives of Contractor identified in **Exhibit I** shall have the authority to make binding commitments on Contractor's behalf within the bounds set forth in such table. Contractor may change such representatives from time to time upon written notice.

2.297   Media Releases and Contract Distribution

(a)   Media Releases

Neither Contractor nor the State will make any news releases, public announcements or public disclosures, nor will they have any conversations with representatives of the news media, pertaining to the Contract, the Services or the Contract without the prior written approval of the other party, and then only in accordance with explicit written instructions provided by that party. In addition, neither Contractor nor the State will use the name, trademarks or other proprietary identifying symbol of the other party or its affiliates without such party's prior written consent. Prior written consent of the Contractor must be obtained from authorized representatives.

(b)   Contract Distribution

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

2.298   Reformation and Severability

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

2.299   Consents and Approvals

Except as expressly provided otherwise in the Contract, if either party requires the consent or approval of the other party for the taking of any action under the Contract, such consent or approval shall be in writing and shall not be unreasonably withheld or delayed.

2.300   No Waiver of Default

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

2.301   Survival

Any provisions of the Contract that impose continuing obligations on the parties including the parties' respective warranty, indemnity and confidentiality obligations, shall survive the expiration or termination of the Contract for any reason. Specific references to survival in the Contract are solely for identification purposes and not meant to limit or prevent the survival of any other section.

2.302   Covenant of Good Faith

Each party agrees that, in its dealings with the other party or in connection with the Contract, it shall act reasonably and in good faith. Unless stated otherwise in the Contract, the parties will not unreasonably delay, condition or withhold the giving of any consent, decision or approval that is either requested or reasonably required of them in order for the other party to perform its responsibilities under the Contract.

2.303   Permits

Contractor shall obtain and pay any associated costs for all required governmental permits, licenses and approvals for the delivery, installation and performance of the Services. The State shall pay for all costs and expenses incurred in obtaining and maintaining any necessary easements or right of way.

2.304   Website Incorporation

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

2.305   Taxes

Contractor will collect and pay all applicable federal, state, and local employment taxes, including applicable use taxes.

The State may refuse to award a future contract to any Contractor who has failed to pay any applicable State taxes. The State may refuse to award a future contract if Contractor has any outstanding debt with the State. Prior to any future award, the State will verify whether Contractor has any outstanding debt with the State.

2.306   Prevailing Wage

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

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

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

2.307   Call Center Disclosure

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

2.308   Future Bidding Preclusion

Contractor acknowledges that, to the extent this Contract involves the creation, research, investigation or generation of a future RFP, it may be precluded from bidding on the subsequent RFP. The State reserves the right to disqualify any bidder if the State determines that the bidder has used its position (whether as an incumbent Contractor, or as a Contractor hired to assist with the RFP development, or as a Vendor offering free assistance) to gain a leading edge on the competitive RFP.

2.310   **Reserved**

2.320   **Extended Purchasing**

2.321   MiDEAL

Public Act 431 of 1984 permits DMB to provide purchasing services to any city, village, county, township, school district, intermediate school district, non-profit hospital, institution of higher education, community, or junior college. A current listing of approved program members is available at: http://www.michigan.gov/doingbusiness/0,1607,7-146-6586-16656--,00.html. Unless otherwise stated, it is the responsibility of the Contractor to ensure that the non-state agency is an authorized purchaser before extending the Contract pricing.

The Contractor will supply Contract Services and equipment at the established State of Michigan contract prices and terms to the extent applicable and where available. Inasmuch as these are non-state agencies, all invoices will be submitted to and payment remitted by the local unit of government on a direct and individual basis.

To the extent that authorized local units of government purchase quantities of Services and/or equipment under this Contract, the quantities of Services and/or equipment purchased will be included in determining the appropriate rate wherever tiered pricing based on quantity is provided.

2.322   Reserved.

Attachment A

Location

1500 Abbott Rd, Suite 300, East Lansing
Cadillac, 10th Floor, Detroit
Cadillac, 9th Floor, Detroit
Escanaba
Eyde Bldg, East Lansing
Grand Rapids, 350 Ottawa, NW
LCC, CIS Bldg, 24155 Drake Rd., 1st Floor, Farmington
Lottery Bldg., 101 E. Hillsdale, Lansing
Mercantile, Suite 15, Lansing
Petoskey
Secondary Complex, 7150 Harris Drive, 2nd Floor, Wing A, Lansing
Transportation Bldg, 1st Floor, Lansing
Transportation Bldg, 4th Floor, Lansing
Wayne County, Juv. Court, Detroit
Williams, 3rd Floor, Lansing
Williams, 6th Floor, Lansing
Williams, 2nd Floor, Lansing
Williams, 7th Floor, Lansing
Williams, 5th Floor, Lansing
Williams, 4th Floor, Lansing

ATTACHMENT B

AGENDA

The AGENDA folder on database file server total size is 3.21 GB. With Filemaker the front-end and the back-end are one and the same. Therefore, this includes ALL of AGENDA.

AGENDA currently consists of approximately 35 tables. Here are some of the main ones:

CC.Docket.fp5 table (main AGENDA table) - 166,738 records - 1.18 GB
CC.Arc.Docket.fp5 (archive of AGENDA) -104,549 records - 552 MB
DC.Sched.fp5 table - 291,535 records - 609 MB
CC.Parties.fp5 table - 407,930 records - 291 MB

Health Care Fraud
Health Care Fraud folder size on server - 80 MB - 16 tables. Main table - HCF_referrals.fp5 - 38,436 records - 50 MB.

Consumer Protection Intake
Consumer Protection folder size on server - 1 GB - 16 tables.   Main tables - CP_Main_Record.fp5 - 150,512 records - 343 MB; Contact_Log.fp5 - 616,999 records - 586 MB.

Consumer Protection also has several other systems - Bonds, Estates, Franchises, and NIAs.

Charitable Trusts
Charitable Trusts folder size on server - 135 MB - 10 tables. Main table - CT_Main_Record.fp5 - 25,838 records - 62 MB.

Revenue AR
Revenue folder size 125 MB - 6 tables. Main tables - RAC_Master.fp5 - 10,958 records - 7 MB; RAC_Trans_Detail.fp5 - 78,097 records - 35 MB; RAC_Mo_Bal.fp5 - 632,608 records - 70 MB.

Collections AR
Collections folder size 252 MB - 8 tables. Main tables - CAC_Master.fp5 - 22,856 records - 15 MB; CAC_Trans_Detail.fp5 - 93,927 records - 40 MB; CAC_Mo_Bal.fp5 - 1,150,906 - 139 MB.

MDOT
FileMaker Pro has the AIC's Chron database which has 14,093 records.
Oracle databases contain their General Assignments and Memoranda of Advice databases.
General Assignments (including Correspondence and Administrative records) has 6,386 records; Memo of Advice has 1,897 records.

See also field definitions for these databases in separate .pdf.

ATTACHMENT C

Department of Attorney General

Requirements
Definition Document

Table of Contents

Introduction

This Requirements Definition Document for the proposed FileMaker Pro replacement project at the Department of the Attorney General (AG) is written based on information gathered during two facilitated requirements gathering sessions conducted July 14, 2004 and July 21-22, 2004 in Constitution Hall, Lansing, Michigan.

The AG user community has been experiencing significant productivity and performance related issues with the current IT environment. These issues include outdated/unsupported hardware, insufficient licenses to support the current number of users, unacceptable response time, unsupported software, etc. The AG is currently in the process of replacing some of its workstations, redesigning the server/storage environment and replacing outdated hardware. In addition, the AG needs to create a more functional system to track information related to the work the AG performs. This is not possible with the current FileMaker Pro system.

In support of this goal, an "executive-level" facilitated session was held July 14 to identify the core business processes performed by the Department of Attorney General and in particular, how the IT-environment affects those processes. The attendees were then asked to prioritize these processes into categories of "high" and "medium". Subject-matter experts were convened on July 21-22 to discuss the top seven high priority processes identified and gather the high-level requirements in support of these processes.

1.1 Executive Session Attendees

Name	Organization	Title	E-mail	Phone Number
Cindy Armstrong	AG	SEMA, EDOB	armstrongcl@michigan.gov	517-335-3645
Cindy Aven	AG	SEMA, GAB	avenc@michigan.gov	517-241-8887
Deena Bosworth	AG	Director of Legislative Relations	bosworthdm@michigan.gov	517-241-2168
Doug Bramble	AG	Director of Human Resources	brambled@michigan.gov	517-373-1114
Deb Devine	AG	Bureau Chief, EDOB	devined@michigan.gov	517-335-3645
Lynn Draschil	DIT	Chief Information Officer	draschil@michigan.gov	517-241-7423
Gary Gordon	AG	Bureau Chief, GAB	gordongp@michigan.gov	517-241-8887
Sherin Grossi	DIT	Information Systems Specialist	grossis@michigan.gov	517-334-9861
Judy Hartsfield	AG	Bureau Chief, CYSB	hartsfieldj@michigan.gov	313-833-1516
Jim Hert	Analysts International	Facilitator	hertj@michigan.gov	517-241-4805
Bob Ianni	AG	Bureau Chief, CPB	iannib@michigan.gov	517-335-3571
Jeanne Irwin	DIT	CSD	irwinjl@michigan.gov	517-334-9817
Carol Isaacs	AG	Chief Deputy Attorney General	isaacsc@michigan.gov	517-373-1115
Suzanna King	EDS	Account Rep	Suzanna.king@eds.com	517-272-6756
Carla Lechler	AG	SEMA, CJB	Lechlerc@michigan.gov	517-241-8885
Mitch Montgomery	DIT	Project Manager	montgomm@michigan.gov	517-334-9819
James Selleck	AG	Finance Director	Selleckj1@michigan.gov	517-335-6920

Name	Organization	Title	E-mail	Phone Number
Sandra Szul	AG	SEMA, Exec	szuls@michigan.gov	517-373-1115
Brenda Turner	AG	AIC, Criminal Appellate Division	turnerbe@michigan.gov	517-373-4875
Diane VanderMoere	AG	SEMA, CPB	vandermoered@michigan.gov	517-335-3571
Harriet Weaver	AG	SEMA, CYSB	weaverh@michigan.gov	313-833-1516
Diane Wolcott	Analysts International	Analyst	wolcottd@michigan.gov	517-373-7530

1.2 Facilitated Requirements Gathering Session Attendees (two day)

Name	Organization	Title	E-mail	Phone Number
Cindy Armstrong	AG	SEMA, EDOB	armstrongcl@michigan.gov	517-335-3645
Cindy Aven	AG	SEMA, GAB	avenc@michigan.gov	517-241-8887
Carol Dane	AG	Division Head Secretary, PSC Division	danec@michigan.gov	517-241-6696
Deb Devine	AG	Bureau Chief, EDOB	devined@michigan.gov	517-335-3645
Julie Edwards	AG	Complaint Examiner, CP Division	edwardsjl@michigan.gov	517-335-0844
Terrence P. Grady	AG	AIC, Finance Division	gradyt@michigan.gov	517-373-1130
Sherin Grossi	DIT	Information Systems Specialist	grossis@michigan.gov	517-334-9861
Jim Hert	Analysts International	Facilitator	hertj@michigan.gov	517-241-4805
Jeanne Irwin	DIT	CSD	irwinjl@michigan.gov	517-334-9817
Patrick Isom	AG	AIC-Transportation	isompf@michigan.gov	517-373-1479
Carla Lechler	AG	SEMA, CJB	Lechlerc@michigan.gov	517-241-8885
Mitch Montgomery	DIT	Project Manager	montgomm@michigan.gov	517-334-9819
Marilyn Reed	AG	Legal Secretary, CS Division	reedmm@michigan.gov	517-373-1111
Angie Ripley	AG	Charitable Trust	ripleya@michigan.gov	517-335-4815
Judy Rittenburg	MDOT	Division Head Secretary, Transportation Division	rittenburgjm@michigan.gov	517-373-1479
Susan Schaefer	AG	Inv. Secretary & System Admin, HCF Division	schaefers@michigan.gov	517-241-6525
Brenda Turner	AG	AIC, Criminal	turnerbe@michigan.gov	517-373-4875

Name	Organization	Title	E-mail	Phone Number
		Appellate Division		
Diane VanderMoere	AG	SEMA, CPB	vandermoered@michigan.gov	517-335-3571
David Voges	AG	AIC, PSC Division	vogesd@michigan.gov	517-241-6680
Diane Wolcott	Analysts International	Analyst	wolcottd@michigan.gov	517-373-7530
Mary Zischke	AG	Division Head Secretary, Corrections Division	zischkem@michigan.gov	517-335-7021

In addition, the following attended a portion of the two-day session to discuss their specific areas:

Name	Organization	Title	E-mail	Phone Number
Beth Ball	AG	Financial Analyst	ballbl@michigan.gov	517-335-0724
Ginny Joy	AG	Human Resource	joygr@michigan.gov	517-373-1114
Ann Lantzy	AG	Executive Secretary	lantzya@michigan.gov	517-373-6889
Sue Leffler	AG	Assistant Attorney General for Law	lefflers@michigan.gov	517-373-6889

1.3 Current System

The current system(s) consist of a number of FileMaker Pro databases. The largest of these is the Agenda system which includes functions for case management, general assignments and citizen correspondence which incorporates calendaring, docketing, disposition breakdown, costs and payments. A large number of other databases are being used to handle a variety of division-specific needs covering such areas as Appellate, Applicants, Book Orders, Child and Youth Services, Collections, Accounts Receivable, Asset Management, Opinions, Consumer Protection, Health Care Fraud, Asset Management, Travel Vouchers and Approval Forms.

Although the current system has done an adequate job in the past of meeting the information needs of the AG, it is outdated, unsustainable for the future, the technology will no longer be supported by Department of Information Technology (DIT) and it does not meet the increased reporting needs of the department. In addition, various users have created Excel spreadsheets and Access databases to enter, maintain and report on information that is either not in one of the FileMaker Pro databases or is not easily accessible. There is no standard "inventory" of these other applications, thus making enterprise-wide data sharing and reporting impossible.

A software program named Summation is currently being used in the AG office on very large volume cases. Summation will continue to be used in this manner.

Executive Summary

To kick off this project, it was determined the best approach was to hold facilitated sessions to gather high level business requirements. A facilitated session is one step in the process of implementing new or upgraded computer applications. It allows stakeholders and subject matter experts to provide input at the beginning of the process. This increases the likelihood for success of any project. The requirements gathered are then published in the form of a Requirements Definition Document (this document). The next step is to use this information to investigate what, if any, software products are available to meet the needs outlined or if the application needs to be designed and developed from scratch. From there, a general cost estimate can be developed and final approval to proceed secured.

Ideally, facilitated sessions are held offsite to minimize interruptions. A Facilitator leads the discussion following a pre-approved agenda. An Analyst is in attendance to capture and document those discussions. Attendees are chosen based on their subject matter expertise. For the AG office, two sessions were held. An Executive-level session was held to identify the core business processes performed by the Department of Attorney General and prioritize these processes into categories of "high" and "medium".

A second session was held whereby the items identified during the Executive session as high priority were discussed in detail, capturing information on features, users and business processes. The business processes were discussed in terms of current processes (as-is) and how they could be improved (to-be). The Requirements Definition Document is the outcome of those sessions. It will act as a source document for the next steps in the process.

The business processes identified during the Executive level session are as follows:

High Priority
Scheduling Management
- Tracking/Calendar
- Schedule order
Litigation Management
- Court
- Administrative
Opinion Management
Correspondence Management
Transaction Management
General Assignments (later renamed to Assignment Management)
- Legal advice
- Health care fraud
- Investigation
Document Management

Medium Priority
Human Resource/AG Resource Management
- As it applies to AG Office
- Policy/Process tasks
- Budget areas (fiscal management)
Media Management (public relations)
Legislative Relations Management
- Bill Analysis
- Contacts
Asset Management
- Asset inventory
- Office/lease information (facilities information)
Hourly Billings

The facilitated sessions held in July, 2004 addressed the high priority items. The medium priority items are out of the initial scope but will addressed in other phases or through the use of other tools.

- *Project Objective*

The business objective of this project is to create a single information system to house and track all information relative to the AG's core mission. This project will be successful if it can meet the majority of the needs of the AG through a single system.
More specifically, the current FileMaker Pro applications must be replaced with a system that offers versatility and increased functionality. Additional functions must be added to provide the ability to generate ad hoc queries and reports to support increased reporting requirements of the Executive and Division Management.
This new system must be applicable across the board, serving both enterprise-wide needs as well as the divisions and their clients. It is intended to replace a number of spreadsheets and small databases which have been developed by users to support their business needs, allowing common information to be shared between divisions and improving AG-wide reporting.

- ***Issues Being Addressed***

  - *The current FileMaker Pro system is slow and cumbersome to use and many users have not been adequately trained. Thus, many users do not use the system and rely on a select few to provide what is needed.*

  - *Because of the number of spreadsheets and small databases being maintained by different users throughout the organization, pertinent data is not being shared across divisions.*

  - *The current process needs to be streamlined. There currently are too many steps.*

  - *Inability to pull information from FileMaker Pro and merge to a Word document for a variety of purposes.*

  - *The current system has too many screens making it difficult to find the specific information you are looking for.*

  - *The current system cannot handle joint transactions, that is, one case being worked on by two divisions at the same time.*

  - *Searching for files takes too long and the current search capabilities are too limited (do not have total text search capability).*

  - *The current reporting is limited and inconsistent.*

  - *The lack of an ad hoc reporting tool makes it difficult to respond to various requests for information and results in redundant reporting.*

  - *Executive Management is unable to produce the reports they need without involvement of the divisions.*

  - *Reporting is not consistent from division to division.*

  - *Terms and definitions are not consistent across the board.*

  - *Currently, there are issues with stability, data integrity and the IT infrastructure.*

  - *The Accounts Receivable functions are not integrated with the rest of the FileMaker Pro applications. Thus, these functions are not being used across divisions.*

  - *The amount of manual time required to track time, track excess hours and produce time reporting is burdensome and inefficient.*

  - *With the current calendaring system, people are unable to look at everyone's calendar within a given Division, at the Bureau level or Department-wide.*

  - *Multiple calendaring systems are being used such as GroupWise, Outlook, Agenda and "wall/desk" calendars.*

- ***Business Needs Being Met***

Ad hoc query and reporting capabilities are needed to respond to a variety of management and client requests.
Within a secure framework, divisions need access to data created and maintained by other divisions.
Executive Management needs reporting on an AG-wide level. This would most effectively be accomplished with an integrated system used by all divisions.
Need to integrate the case data with word processing functions to produce documents and letters without re-keying.
Need to identify and report on "hot topics".

- ***Business Improvement***

Having enterprise-wide information in a single system would improve the AG's ability to respond to ad hoc requests from

clients, constituents, legislators and FOIA requests.
The improved ability to track cases and assignments would allow better management of workload, skill sets and scheduling.
Personnel turnover will not affect the quality of the data.
Having a single, integrated system would eliminate the need to enter the same information in more than one place.
Standard, flexible reporting will result in a reduction in redundant reporting and duplication of effort. It will also improve the accuracy of the reports.
Training for all staff (not just Division Head Secretaries) will assist in accurate information being reported.

General Features

Calendaring
- Calendaring functions which are quick, easy to use and flexible.

- Ability to look at the calendars of multiple attorneys or groups of people at the same time, on a Division level, Bureau level, or Department-wide. Must have the ability to block certain individuals or groups from seeing the details of appointments or block the details of specific appointments from being seen by all users.

- Ability to look at multiple cases on the calendar at the same time.

- Ability to schedule resources such as conference rooms and equipment Department-wide.

- Calendaring includes appearances, meetings, due dates and ticklers.

- Ability to interface to multiple calendar systems such as GroupWise and Outlook.

Query and Ad Hoc Reporting
- Very robust ad hoc querying and reporting tools included.

- Ability to query and report on any field in the database.

- Ad hoc query capability must be easy to use. Users in the AG office should be able to design and create queries and reports without resources from DIT.

- Need ability to include or omit data based on a given criteria.

- Ability to design, save and name "standard" queries and reports for re-use.

Record Management
- Ability to track a case as it goes through the system including numerous dates, case status, assignments, client agency, related matter and events.

- Track and retrieve transactional data.

- Support for multiple docket numbers and multiple courts during the life of a case. The history of this case must be maintained and accurate statistics gathered.

- Ability to track multiple dispositions for multiple parties.

- Ability to locate documents and files by keyword search

- Ability to open/close a matter multiple times.

- When inputting a new case, search for potential duplicate records by name entered and provide message.

- *Ability to record one matter being assigned and worked on by multiple divisions at the same time. However, reporting must recognize this as one case and not "double count" the case or dollar disposition. This must be done within the security parameters.*

- *Designate specific fields to be required fields, such as date opened.*

- *Link to State Bar of Michigan Web site for current attorney information.*

Time Reporting
- *Need to produce a variety of statistical reports containing information such as number of meetings/month, number of hours spent on a given case, number of phone call, etc.*

- *Ability to do consolidated time reporting on multiple levels, i.e. attorney, division, bureau, in a streamlined, consistent fashion.*

- *Caseload and workload information for each attorney.*

Miscellaneous
- *Support for laptops and personal data assistants (PDA's).*

- *OCR (optical character recognition) ability for consumer complaint forms.*

- *Ability to "port" data if/when divisions merge or reorganize.*

- *Multiple security levels, down to the field level. Allow divisions to share data in some cases, block access to that data in other cases. Allow individual users to see data in some cases, block access to data in other cases.*

- *Accounts Receivable and Collections tracking.*

- *Ability to export any data from the database to another common format such as .xls (Excel) or .csv.*

- *Ability to customize screens for specific users or divisions.*

- *System needs to be easy to use and intuitive.*

- *System includes a definition of terms to maintain consistency from division to division.*

- *Applications and certain forms can be completed via the Web and imported to the system.*

- *Ability to FAX and email from the system.*

- *Budget information for all divisions.*

- *Maintain and track a variety of financial information.*

- *Ability to access system remotely (i.e. from home) including calendar and case management functions.*

- *Standard address book maintained with multiple categories such as attorneys, judges, legislators, investigators, witnesses, CPA's, banks, etc. that is integrated into form completion and letter completion tasks.*

- *Ability to generate a "felony" packet including forms such as warrant and subpoenas.*

- *Ability to merge data in the database with Microsoft Word to generate correspondence.*

- *Flexibility in database to easily add additional fields.*

- *Ability to access resumes of attorneys and investigators, including current photos, credentials and specialties.*

User Community

- ### *User Roles*

User Classification	Approx. # of users	Primary Uses of the Application
Support Staff	200	Add/edit/delete record information, view, create reports, generate letters, inquiry functions, maintain and update calendars. Within security guidelines, will have read/write access to all system functions.
Investigators	50-60	Limited data entry (status notes), search, report generation, view capability, remote access and calendaring functions.
Attorneys	200	Limited data entry (status notes, attorney notes), search, view capability, report generation, calendaring functions, remote access.
Management	40-50	Limited data entry, inquiry functions, view, report generation, calendaring functions, remote access.
System Administrator (Privacy Officer)	2	Set up new users, password maintenance.

- ### *User Locations*

Location	Approx. # of users	Current Connection
Various AG Offices Statewide	520	State of Michigan network

Business Processes

- ### *Business Process Map – Current State*

The seven high priority business processes identified during the Executive Session were as follows:
- *Litigation Management*

- *Schedule Management*

- *Transaction Management*

- *Assignment Management*

- *Correspondence*

- *Opinion Management*

- *Document Management*

Although the specifics vary from division to division and task to task, it was determined that most processes of the AG office follow a similar high level process. A request is received, a record is set up, data is entered initially and during the life of the item, and then the item is closed. Along the way, numerous standard and ad hoc reports are prepared. **Litigation Management**, **Schedule Management**, **Correspondence**, **Transaction Management** *and* **Assignment Management** *follow this flow.*
The following is a graphical representation of this process.

Contract No. 071B6200072

Current Process

Start

Request Received

Can be email, Phone, FAX, Letter, etc.

Designated Staff Sets Up Initial Record and Enters Data

FMP

Initial

Reports Go To Management, Support Staff and Client Agencies

Numerous Reports/ Inquiries Generated by Support Staff, Attorneys and Mgmt

Data Added by Support Staff and Attorneys

FMP

Life of the Item

Reports go to Management, Support Staff and Client Agencies

Numerous Reports/ Inquiries Generated by Support Staff, Attorneys and Mgmt

Record Closed, Data Entered by Designated Staff

FMP

Closure

End

The process flow for Opinion Management is slightly different:

Opinion Management Current Process

Initial

Start

Request for Opinion Received

Assigned AG# and Input into System — FMP

Life of Item

FMP

Reviewed by Assistant AG for Law

Respond?
- No → Letter Sent, System Updated → Letter → Done
- Yes → Record Duplicated Then Assigned to Division → Second AG# Assigned — FMP

Attorney Prepares Draft

Reviewed by Assistant AG for Law

Closure

Revisions?
- Yes → Attorney Prepares Draft
- No → Signed and Issued

Notice to Division to Close their record

Division Record Closed — FMP

Original Record Closed — FMP

Formal Opinions to Media, Web and Publisher

Done

- ### *Business Process Map – Future State*

The following diagram shows the new process as supported by the new system.

New Process

Start

Request Received

Can be email, Phone, FAX, Letter, etc.

Designated Staff Sets Up Initial Record and Enters Data

Initial

Numerous Reports/ Inquiries Generated by Support Staff, Attorneys, Management

Data Added by Support Staff, Investigators and Attorneys

Life of the Item

Numerous Reports/ Inquiries Generated by Support Staff, Attorneys, Management

Record Closed, Data Entered by Designated Staff

Closure

End

For Opinion Management, the new process will not change significantly.

Opinion Management New Process

Initial

- Start
- Request for Opinion Received
- Assigned AG# and Input into System

Life of Item

- Reviewed by Assistant AG for Law
- Respond?
  - No → Letter Sent, System Updated → Letter → Done
  - Yes → Assigned to Division → Attorney Prepares Draft → Reviewed by Assistant AG for Law → Revisions?
    - Yes → (back to Attorney Prepares Draft)
    - No → Signed and Issued

Closure

- Record Closed
- Formal Opinions to Media, Web and Publisher
- Done

- ### *Business Process Improvement*

For the seven high priority business processes identified in the Executive Session, the following documents the information gathered for each. This is not an all-inclusive list. It is intended to provide a general idea of the categories and types of information required by the AG. During the design phase of this project, information on specific fields will be gathered.

It is assumed that the new system will provide all of the same functionality as listed in the "Current Information/Functions" column (with improvements). The "New Information/Functions" column shows additional functionality as defined in the session.

Litigation Management

This area involves court actions the AG is involved in. It covers situations where the AG office is suing, when a client is served with a case, and when the AG is served with a case.

Item	Current Information/Functions	New Information/Functions
Initial Record Opened	"Parties" information such as client name, judge, defendant, attorney, assistant, contractors, sub-contractors, witnesses, respondent, etc. Type of litigation AG# Court Actions (several) Case number Internal Calendar which can be linked to a matter record Division specific case type codes Dates (several fields) Jurisdiction Division Bureau Description Dollar amount sought Child/Family fields such as custodial parents, children, guardian, relationships, etc.	Link to calendaring system Link to State Bar of Michigan for attorney information Special Assistant Attorney General (SAAG) information Related matter Link to parties name/address to avoid re-keying Ability to flag as a hot topic Relief sought
Life of the Case	Status changes Attorney notes Assignment changes All fields can be updated or changed with the exception of open and close dates which can only be modified by designated staff Calendar updates Docketing New issues New parties Link to briefs Most fields editable	Related cases Ability for Investigators to view and add status info and notes Link to associated documents Ability to export/merge this information into Word to produce documents and letters Tracking history of assigned individual Track amount of time spent on a case in total Search any field or all key fields
Closure	Disposition/resolution	Additional fields required, some common, some division-

Item	Current Information/Functions	New Information/Functions
	Dates (several fields such as closed, date of order, judgment, etc.)	specific
	Amounts (several fields such as paid, received, saved, awarded, etc.)	
	Sentencing information	
	Type of disposition (how closed)	
	Litigation costs (several fields such as attorney fees, travel, investigative costs, etc.)	
	Payment type	
	Blanket Purchase Order #	
	Who was awarded money, who paid, who received	
	Division specific disposition codes	
Reporting/Viewing	Standard report of cases open/closed/pending	Ad hoc reporting
	View entire life of case through the courts from inception thru appeals	Calendar year reports
		Fiscal year reports
	Multiple dockets	Attorney-friendly
	Felony package/subpoena prepared and printed	Weekly reports
	Letters to victims using Word	
	Accounting-type reports	
	Monthly reports	
	Quarterly reports	
	Awarded vs. collected reports	

Schedule Management

These functions cover the areas of scheduling and tracking people, resources and tasks. Currently this involves a combination of Palm Pilots, FileMaker Pro, GroupWise, Outlook, Access, wall calendars, desk calendars and sticky notes.

Item	Current Information/Functions	New Information/Functions
Initial Item Created	Event type (meeting, vacation, sick time, out of office, due date, deadline, conference call, etc)	Person who scheduled the item
		Attendees
		Conference room availability and scheduling
	Dates such as due dates, deadlines, court rules, statutory rules, internal due dates, external due dates, reporting deadlines, client deadlines, court appearances	Ability to synchronize with Palm Pilots and lap tops
	AG#	Keyword search capability
	Link to AG#	Everyone using the same system
	Ticklers	Automate court rules
	Who involved	Identify hot topics
	When	Link to related documents
	Where	
	Why	
	What	

Item	Current Information/Functions	New Information/Functions
Life of the Item	Ability to modify any of the above Reschedule Complete Cancelled	Ability to modify all items Search any field or all key fields
Closure	N/A	N/A
Reporting/Viewing	Brief due dates (manually calculated) View schedules (for multiple people) Daily Activity Report (manually created) Excess Hours Report (manually created) Due dates (multiply types) Work loads Gather statistics for Daily Activity Report such as # phone calls, # motions, court hearings, etc. Multiple views i.e. daily, weekly, monthly, by division, etc. Workload and assignments reports	Ability to look at multiple people's calendars at the same time, division wide and AG-wide. Must be easy access for management team. Ad hoc reporting Ability to track and report hours Ability to track and reports hours to specific funds Fast/easy to use AG-wide Weekly reports Quarterly reports

Transaction Management

These functions cover transactions, primarily financial in nature, that are performed by multiple divisions of the AG. This would include bond issuance, note issuance, loans, investing work for pension funds, bids, contracts, etc. Generally, these processes are done manually using productivity tools such as Microsoft Excel. Under Assignment Management - Legal Advice, it was determined during the session, those processes and required fields were similar to transaction management and thus have been combined into this area.

Item	Current Information/Functions	New Information/Functions
Initial Item Created	AG# Transaction Type "Parties" information such as client, attorneys Dates such as due, schedule, close Goal Related items Amounts such as value of assignments Division codes Description Summary House bills Client's file number Subject Divisions (can be more than one) Logged onto Work in Process report Ability to link to calendar Generate Assignment Memo	Flag as hot topic Link to related transactions Multiple date fields Additional fields required Expanded information on type of transaction Requestor Contact Transaction title Vendor (multiple contacts) Link to advice document or memo Search by subject matter key words Ability to link to external calendar if needed
Life of the Item	Status updates (manual) Notes (manual) Ability to search by division or AG-wide	Ability to search by bureau Tracking history of assigned individual Status updates Notes

Item	Current Information/Functions	New Information/Functions
		Ability to export/merge to Word
Closure	Resolution/closure (manual)	Who was awarded money, who paid, who received
	Dollar amounts (manual)	
	Descriptive information (manual)	Search any field or all key fields
	Resolution	
	Closure	
	Work in Process report updated	
	Descriptive information	
	Transaction date closed	
	Report date closed	
	Dollar amounts (could be several)	
	Dates (several fields)	
	Costs (numerous fields)	
Reporting/Viewing	Work in Progress report (manual)	Graphs and pie charts (automated)
	Month end report	Year by year increases (automated)
	Excel spreadsheets	Report by bureau
	Month end report	Ad hoc reporting
	Statistical reports such as number of deals, dollar value	Year end reports
	Report by division and/or AG-wide	Calendar year reports
	Ability to search on any field	Weekly reports
	Report by client agency	Quarterly reports
	Graphs and pie charts (manual)	
	Year by year increases (manual)	

Assignment Management

These functions cover a variety of the work performed by the AG Office such as health care fraud, investigations, requests for advice, requests for opinion, franchises and charitable trusts. In some instances, a citizen complaint gets referred to this process. Although legal advice falls under this category, the information maintained is similar to that of transaction management. The transaction management table includes legal advice fields that were noted in the session.

Item	Current Information/Functions	New Information/Functions
Initial Item Created	AG #	Flag as hot topic
	"Parties" such as complainant, requestor, officer, suspect, agent, attorney, witnesses	OCR complaints received
	Source	
	Allegation	
	Type of provider	
	Division codes (>190, nursing home, doctor, foster care)	
	Division case type codes	
	Agency (state, federal, local)	
	Health care facility information	
	Evidence (multiple descriptive fields)	
	Evidence tracking	
	Property seized	

Item	Current Information/Functions	New Information/Functions
	Evidence disposition	
	Type of issue (fraud, patient abuse, financial)	
	Child support information such as parent, child, custodial parent, relationships, dollar amount)	
Life of the Item	Internal tracking Status notes Referred to attorney Opinion log (for division level) Summary of investigation Link to calendaring	Track amount of time spent on a case in total, by an investigator or by an attorney Special security on identify theft cases because of amount of financial information maintained Ability to link to external calendar if needed Tracking history of assigned individual Search any field or all key fields
Closure	Disposition (goes to litigation, closed without further action, referred to another agency) Close date Referred to agency Fees (restitution, investigative cost, other agency monies) Division disposition type codes	Fee codes for multiple types
Reporting/Viewing	Federal reporting, quarterly and annually for IRS, Medicaid, etc. Federal reporting annually for federal grants Information to federal agencies such as HHS Notifications to state agencies Various internal reports such as assignments and workloads (manual) Reports for Executive Office Opinions Monthly reports Quarterly reports	Status reports Statistical reporting Information to state agencies such as Consumer and Industry Services (Department of Labor and Economic Growth) Ad hoc reports Investigative reports Ability to export/merge to Word Flag as and report on hot topics Generate a search warrant Year end reports Calendar year reports Weekly reports

Correspondence Management/Citizen Letters

There are three categories of correspondence that is tracked, Freedom of Information requests, consumer complaints and citizen letters. Currently all consumer complaints are scanned and the image saved electronically.

Item	Current Information/Functions	New Information/Functions
Initial Item Created	AG # Requestor Date Received Subject matter Company information Contact information (email, FAX) Dates Codes (type of complaint)	Link to documents Link to investigations area if a complaint gets forwarded Flag as hot topic Link to calendaring Link to related investigation OCR ability to scan complaints and put in database

Item	Current Information/Functions	New Information/Functions
	Status	
	Complaint number	
	Division codes	
Life of the Item	Action log	Link to calendar for ticklers
	Send letters	Tracking history of assigned individual
	Track dates of letters sent to various parties	
	Update status	
	Modify all fields	
	Attorney notes	
Closure	Disposition	
	Dates (close)	
	Amounts (money refunded or forgiven)	
	Parties who paid money	
	Parties who received money	
	Notice of Intended Action (NIA) mailed or FAX'd	
Viewing/Reporting	Search by subject	Ability to export/merge to Word
	Email and FAX existing complaints	Search any field or all key fields
	Send letters	History of item if referred to another division or received from another division
	Status updates to clients	Complaint history
	Link to email system	Ad hoc reporting
	Reports on companies	Intake System functionality integrated into enterprise system
	National Association of Attorneys General requests for information	Weekly reports
	Top ten list of complaints	History of letters sent
	Weekly status reports	Ability to change the wording of a template letter
	Monthly status reports	Mail merge a single letter or batch of letters
	Year end reports	
	Actions of all users in a department – who is doing what	
	Export information to spreadsheets	
	Batch letters sent to multiple parties	
	Allow divisions to see each other's correspondence (Agenda only)	
	Quarterly reports	

Opinion Management

There are two types of opinions, formal and informal. This covers the requirements to log an opinion, assign it to a division, follow it through the process and close the opinion when complete.

Item	Current Information/Functions	New Information/Functions
Initial Item Created	AG #	Flag as hot topic
	Duplicate record created when assigned to a division	Remove the necessity of duplicating the record when assigning to a division
	Log created (status of opinion)	
	Requestor	

Item	Current Information/Functions	New Information/Functions
	Date Action to be taken Assigned to Location (in the process) Type of opinion Subject matter	
Life of the Item	Division assigned Attorney assigned Dates Status notes Log updated and maintained to track all steps in process	Need multiple divisions and multiple attorneys for the same opinion Status log cannot be viewed by the divisions Tracking history of assigned individual Search any field or all key fields
Closure	Date Disposition Formal opinions are published to the Web Formal opinions are submitted electronically to the media and to a publisher	
Viewing/Reporting	Statistical reporting such as number of days between request and closure, number of informationals, number of turndowns, number for legislature, etc. Report of opinions and breakdown	Ad hoc reporting Ad hoc queries

Document Management

A document management system has been identified as being one of the high priority processes of the AG. This is a broad topic that touches all areas of the AG and integrates with the processes defined above at numerous points. It should be treated as a distinct phase of the project and detailed requirements need to be gathered. During the two day session, a discussion was held as to what the term "document management system" meant to the attendees as well as some general ideas of how that technology could be used.

Definition: All documents, produced or received, pertaining to all things AG is responsible for handling.

Requirements:

- *Retain functionality they currently have in this area*

- *Division-specific needs*

- *Ability to integrate "path" to documents with all other areas such as litigation and calendaring*

- *Way to identify/index documents to find them easily and quickly (coding and identifying)*

- *Maintain a history of documents*

- *Must conform to disposal/retention schedule established by each division according to the law*

- *Business rules must be developed to determine what documents should be scanned and maintained. The threshold question needs to be "Are you going to use this document again?"*

- *Development and maintenance of a brief bank with associated fields, such as disposition*

- *Investigate the use of work flows for opinions*

- *Search by division, bureau or AG-wide*

- *Images of documents with links to the database*

- *Search by varying time spans*

Common Use Case Scenarios

User	Use Case
Support Staff	1. **Litigation Management** Input initial record, update calendar with appropriate tasks and appointments, update all fields during the life of the litigation, inquiry, create letters, create reports and close out record. 2. **Schedule Management** Enter and edit appointments, deadlines, due dates, schedule conference rooms, print reports, print schedules and other reports as requested by management. 3. **Transaction Management** Input initial record, update calendar with appropriate tasks and appointments, prepare correspondence, create reports, update all fields during the life of the transaction, and close out the transaction. 4. **Assignment Management** Input initial record, update all fields during the life of assignment, update calendar with appropriate tasks and appointments, create numerous AG reports, create federal reports, create reports for other State agencies, prepare and print documents/forms/letters, print search warrants and close out the record. 5. **Correspondence** Scan letters received, input initial record, perform inquiry of similar complaints, update calendar with appropriate tasks and assignments, download citizen complaints which have come in from the Internet, update all fields during the life of the correspondence, prepare outgoing correspondence, prepare reports, prepare requests for information from numerous sources, maintain action log and close out the record. 6. **Opinion Management** Input initial record, update all fields during life of assignment, update and maintain status log, publish formal opinions to Web and close out record. 7. **Document Management** Scan and index correspondence received, find and view documents, maintain history and indexing of appropriate outgoing correspondence.
Investigators	1. **Litigation Management** View case information, update status, add notes, search for cases, create reports, view case information and update calendar with appropriate tasks and appointments. 2. **Schedule Management** Update calendar with appropriate tasks and appointments. 3. **Assignment Management** View case information, update status, search for case information, generate reports, add notes, input evidence information (Division specific) and update calendar with appropriate tasks and appointments. 4. **Document Management**

User	Use Case
	Find and view documents.
Attorneys	**1. Litigation Management** View case information, add attorney notes, update calendar with appropriate tasks and appointments and generate reports. **2. Schedule Management** Enter and edit appointments, deadlines, due dates, view ticklers, print reports, print schedules, synchronize calendar to PDA and laptop, prepare Daily Activity Report and Excess Hours Report. **3. Transaction Management** View transaction details, update dates, update notes, update calendar with appropriate tasks and appointments. **4. Assignment Management** View case information, update calendar with appropriate tasks and appointments, update status, add attorney notes and generate reports. **5. Correspondence** View correspondence record and update notes. **6. Opinion Management** View portions of opinion record, add attorney notes, prepare draft of opinion, view past opinions, update calendar with appropriate tasks and appointments. **7. Document Management** Find and view documents.
Management	**1. Litigation Management** View case information, add notes, update calendar with appropriate tasks and appointments, and generate reports. **2. Schedule Management** Enter and edit appointments, deadlines, due dates, view ticklers, print reports, print schedules, and synchronize calendar to PDA and laptop. **3. Transaction Management** Prepare Work in Process report, prepare pie charts and bar charts for reporting, create reports, view transaction information, update calendar with appropriate tasks and appointments, update status and add notes. **4. Assignment Management** View case information, update calendar with appropriate tasks and appointments, update status, and print reports. **5. Correspondence** View correspondence record, update notes, update status and print reports. **6. Opinion Management** View opinion record, update status, view past opinions, print reports, update calendar with appropriate tasks and appointments. **7. Document Management** Find and view documents.
Privacy Officer	The Privacy Officer will most likely be an AG staff member who has other responsibilities as outlined in one of the use cases above. The specific Privacy Officer functions include creating new users, deleting users, assigning passwords, setting user security levels, re-setting user passwords and setting file privileges.

Project Impact

- *Related Initiatives*

  - *Workstation replacement (currently in process, termed as Phase I).*

  - *Server and storage systems replacement (Phase II).*

  - *PACC/PAAM – Unknown at this time if the functionality in this system will be replaced by the new system.*

  - *Database Of Legal Information (DOLI) – MDOT database upgrade to Oracle.*

  - *Efile to and from outside agencies*

  - *Interface with other State agencies' systems. Potentially HRMN.*

  - *Link to State Bar of Michigan Web site for attorney information. Unknown if this would be a link or a download.*

  - *DCDS for time tracking information.*

- *People Impacted*

When implemented, the new system should affect all employees of the Department of Attorney General. It is not anticipated, however, that the new system would directly affect clients, legislators or constituents.

- *Systems Impacted*

All current FileMaker Pro applications
PACC/PAAM
HRMN (potential)

- *Context Diagram*
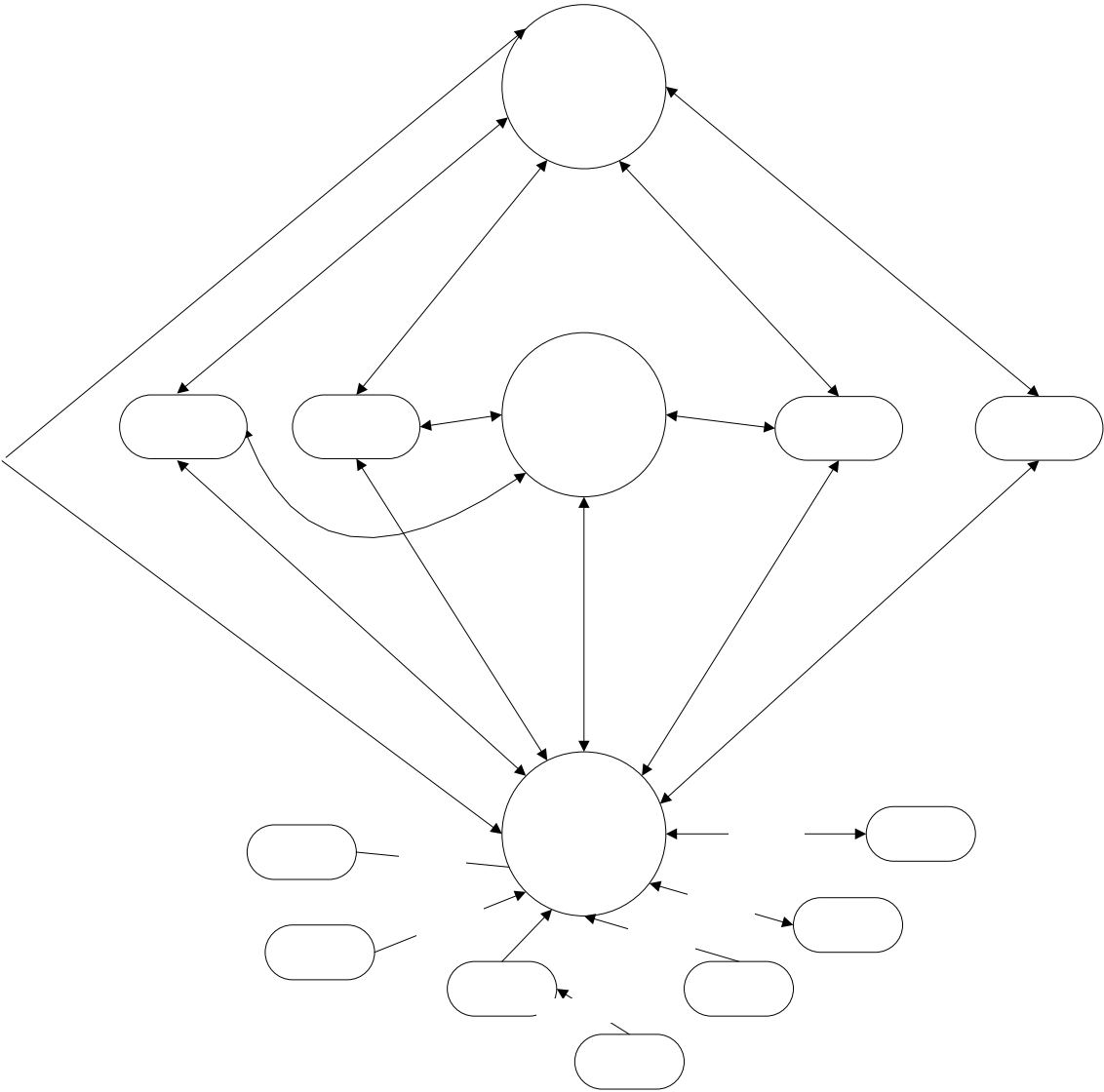
AG
Management

AG Support
Staff

Organizational Data

- ### *High-Level Data Sets*

High-Level Data Set	Source	Description
Business Action (AG System)	Internally Generated	All of the information related to the business of the Department of the Attorney General, such as Litigation, Assignments, Opinions, Transactions, and Correspondence.
Scheduling	Internally Generated	All of the date and time information related to resources and events.
Documents	Internally Generated	All of the documents that are produced by or come into Department of the Attorney General. Some are scanned images of documents.

- ### *Entity Relationship Diagram*
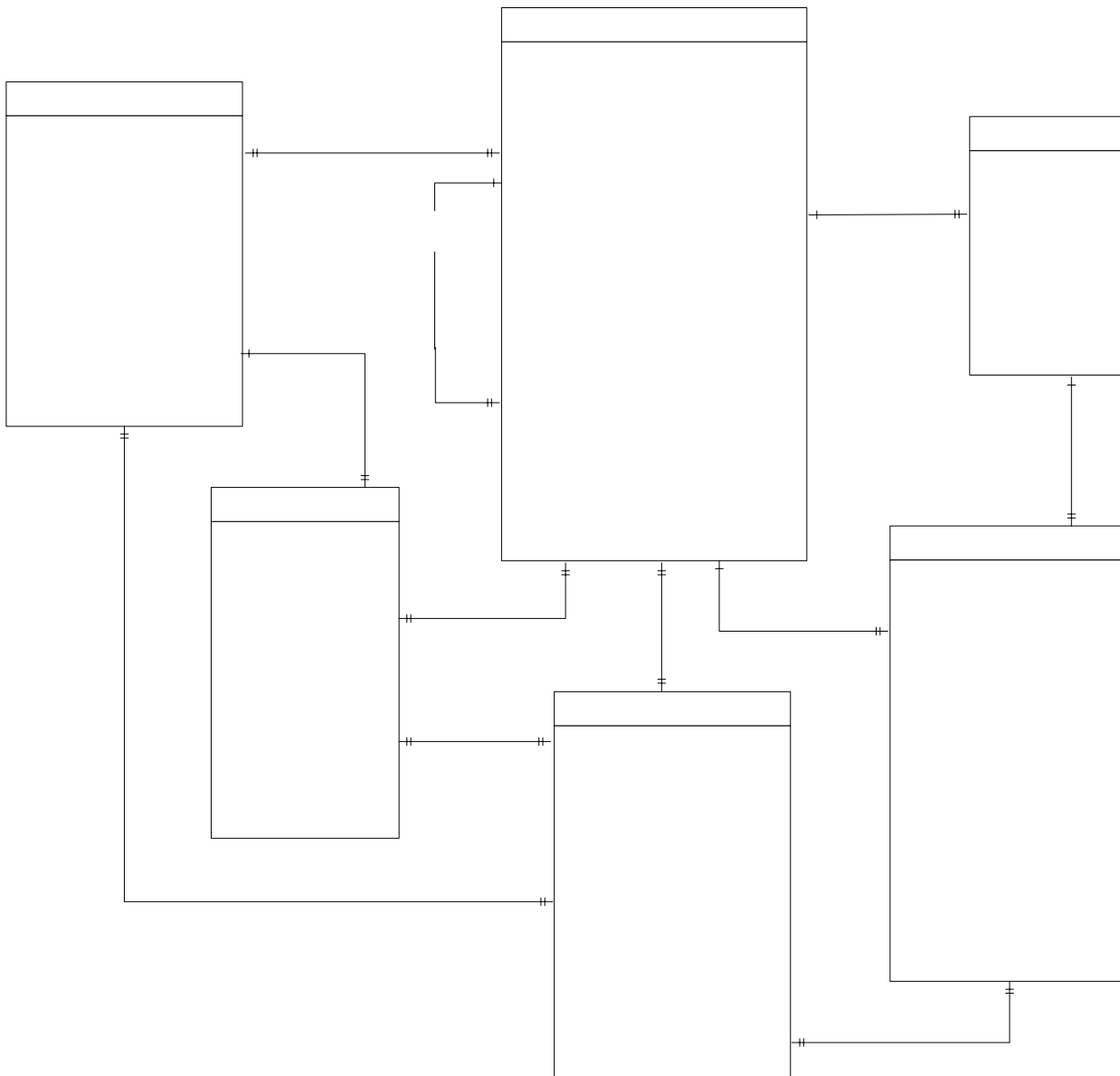
- *Entity Definitions*

Entity	Definition
People	Information about all of the people, internal and external, involved with the business of the Department of the Attorney General.
Matter	Information related to the subject matter of the cases and assignments of the Department of the Attorney General.
Schedule / Calendaring	Information detailing the schedules and calendars of resources and events pertaining to the business of the Department of the Attorney General.
Documents	The Documents as produced by or received by the Department of the Attorney General and information about those documents.
Correspondence / Citizen Letters	Records of correspondence and letters as well as related information pertaining to the correspondence as sent to and from the Department of the Attorney General. This may become part of Matter.
Financial Data	Various dollar amount and account information related to the matters and correspondence of the business of the Department of the Attorney General.

Functional Application Map

- *Login*

Type	Description	Complexity (L, M, H)
Screen	Log In	L
	Change password	L

- *Litigation Management*

Type	Description	Complexity (L, M, H)
Screen	Add case information (some information could be links)	M
Screen	Edit case information	M
Screen	View case information	L
Screen	Search/Inquire	H
Screen	Close case	M
Screen	View history	M
Print	Generate letters/other documents	M
Print	Generate standard reports	M
Print	Print forms	M

- **Schedule Management**

Type	Description	Complexity (L, M, H)
Screen	Add item (includes link to documents)	M
Screen	Edit item	L
Screen	Delete item	M
Screen	View item(s)	L
Screen	Search/Inquire	H
Print	Generate standard reports	M
Print	Print calendar(s)	M
Print	Print task list	L

- **Transaction Management**

Type	Description	Complexity (L, M, H)
Screen	Add transaction (includes links)	M
Screen	Edit transaction	L
Screen	View transaction	L
Screen	Search/Inquire	H
Screen	Close transaction	M
Screen	View history	L
Print	Generate standard reports	M
Print	Generate letters/other documents	M

- **Assignment Management**

Type	Description	Complexity (L, M, H)
Screen	Add item (includes link to calendaring)	M
Screen	Edit item	L
Screen	View item	L
Screen	Search/Inquire	H
Screen	Close item	M
Screen	View history	M
Print	Generate letters/other documents	M
Print	Generate standard reports	M

- **Correspondence Management/Citizen Letters**

Type	Description	Complexity (L, M, H)
Screen	Add item (could include links to documents and calendar)	H

Type	Description	Complexity (L, M, H)
Screen	Edit item	L
Screen	View item	L
Screen	Search/Inquire	M
Screen	Close item	M
Screen	View history	L
Print	Print/FAX/Email letters with attachments	M
Screen	Email and FAX	M
Print	Generate standard reports	M
Print	Generate letters/other documents	M
Print	Generate form letters	M

- *Opinion Management*

Type	Description	Complexity (L, M, H)
Screen	Add item	M
Screen	Edit item	L
Screen	View item	L
Screen	Search/Inquire	M
Screen	Close item	M
Screen	View history	L
Screen	View status log	M
Print	Generate standard reports	M
Print	Generate letters/other documents	M

- *Document Management*

Type	Description	Complexity (L, M, H)
Screen	Add files	H
Screen	Search files	M
Screen	View files	M

- *Reporting*

Type	Description	Complexity (L, M, H)
Print	Create report	H
Screen	Save report	M
Print	Print report	M

- *Export*

Type	Description	Complexity (L, M, H)
Screen	Export user selected data	H

- *Security*

Type	Description	Complexity (L, M, H)
Screen	Create new user	L
Screen	Assign user rights	H
Screen	Modify user security	M
Screen	Delete user	M

- *Interfaces*

Type	Description	Complexity (L, M, H)
Interface	HRMN	M
Interface	State Bar of Michigan	M

Requirements

- *Layout ("Look and Feel") Requirements*

    - *Layout of the screens must be designed in such a way that data is displayed without the use of horizontal scroll bars.*

    - *The new system must adhere to MDIT look and feel standards as specified on* http://michigan.gov/dit*, "Managing Technology", "DIT Policies and Standards" link.*

- *Navigational Requirements*

    - *Screens should be designed in such a way as to support a logical sequence for data entry.*

    - *Use of the tab key, as well as the mouse, to navigate between fields.*

    - *Use of drop downs for data entry where appropriate.*

    - *The new system must adhere to MDIT navigation standards as specified on* http://michigan.gov/dit*, "Managing Technology", "DIT Policies and Standards" link.*

- *Scalability Requirements*

It is expected that the workload of the AG will grow at a steady rate. New divisions, such as Child Support will grow geometrically. New initiatives, such as Identity Theft will grow geometrically. The number of users is not expected to significantly increase.

- *Maintainability Requirements*

    - *It should be easy to add additional fields to the database and screens.*

- *It should be easy for users to create new reports without the assistance of DIT.*

- *Stability and availability of the system are key.*

- ### *System Useful Life*

This system is expected to be a long term solution, lasting 10 years or more. Any enhancements or replacements will be governed by technology and budget.

- ### *Availability Requirements*

It is expected that the system be available 24/7 with the exception of routine maintenance. This maintenance should be performed during off peak hours. Planned downtime should be communicated to the users well in advance.

- ### *Performance Requirements*

Stability and reliability of the system are key. Speed of the system should be in line with industry standards.

- ### *Security Requirements*

It has been suggested that the AG appoint a Privacy Officer. This person would be responsible for creating new users, managing password issues and setting permissions. He/she would have an agency-specific background. This would enable the AG office to control some of the system functions related to their installation without the assistance of DIT.

Security for this system must be extremely flexible. Some information can be shared from division to division and some cannot. In some instances, one user creates a file then a group of users can view parts of this file, but not the entire file. Occasionally, a specific user must be prevented from seeing files related to a specific case or client. In the case of opinions, divisions can see the draft of the opinion but not the accompanying tracking log. Security requirements should be at the field level.

In addition, security should adhere to any MDIT security standards as specified on http://michigan.gov/dit*, "Managing Technology", "DIT Policies and Standards" link.*

- ### *Auditing Requirements*

The system should track who changed what data and when. This should be viewable as a separate log if/when needed by a System Administrator.

- ### *Data Archiving and Purging Requirements*

A great deal of flexibility will need to be built into this area. The kind of history and amount varies by item type.
Correspondence can be archived after two years. Other items can be archived five years after the item is closed. An easy to use "search" function should be available to find archived information.
Calendar items and citizen letters can be purged after a given amount of time. Some transactions, such as bonds, can be open and active 30-35 years. Some legal cases can be open and active for 15 years or more.
Some retention rules are pursuant to statutes.

- ### *System Interface Requirements*

DCDS – It is likely that some sort of time entry system will be required as a part of this project. It needs to be determined if data currently keyed into DCDS should be made available to the new system, if the data keyed into the new system should be made available to DCDS or if the two systems should remain separate.
PACC/PAAM – It needs to be determined if the new system will replace the functions in PACC/PAAM or if the two systems will run concurrently.
HRMN – There are a number of human resource (HR) functions within the AG office that are currently being handled by the FileMaker Pro system. These HR functions were identified during the Executive session as being a "medium" priority and thus were not part of the larger two-day session. In addition, it was learned that employees key some of the same data in HRMN, then in FileMaker Pro then in DCDS. Requirements for the HR area will have to be gathered in detail at a future time and a recommendation made as to the best way to provide this functionality. This may include an interface to or a download from HRMN.
State Bar of Michigan – State Bar of Michigan maintains a directory of attorneys. Would like the ability to pull current attorney address information from the State Bar Web site and put in a pleading.
DOLI – It needs to be determined if the new system will replace the functions currently in the DOLI system or if the

two systems will run concurrently. This is an example of one of the unique, "division-specific" systems which may or may not be replaced with the new system. Further analysis in this area is required.

- ### *Technical Constraints*

Any technical constraints will be defined by DIT standards. However, an exception to these standards may be required for an off-the-shelf package.

Implementation Considerations

- ### *Existing Related Data Sets*

No known external datasets were identified that the new system would use.

- ### *Data Migration Requirements*

All of the data currently contained in the FileMaker Pro databases needs to be migrated to the new system.
If it is determined the AG use of the PACC/PAAM system will be replaced with this new system, the information from PACC/PAAM needs to be migrated to the new system.
The other Access databases and Excel spreadsheets will be evaluated on a division by division basis to determine if that information is still needed, if it should be migrated, if it should be re-keyed or if it should remain in its current format.

- ### *Current Infrastructure*

Category	Description
Network	Using State of Michigan Network CBDS connections to various sites.
Operating Systems	OS will be Microsoft for server environment
LAN/WAN structure	State of Michigan network
Database	Currently, FileMaker Pro. Future will be Oracle or SQL Server.
Equipment (bar code scanners, printers, etc.)	Standard network and workstation printers will be used. Recently purchased scanners will be implemented in the document management phase of this project.
Client PC	Standard workstation running Microsoft Windows XP operating system.
Client Browsers	Internet Explorer 6.0

Since major changes to the infrastructure are currently underway, it is anticipated that additional changes will not be required under the new system.

- ### *Implementation Requirements*

Training will be a key component to the success of this project.
- *Training should be held classroom style, in small groups, led by an instructor in a hands-on environment. A small manual should be provided as a handout. It was discussed that this type of training has been more successful in the past than computer-based or self-study training.*

- *Training should take place one to two weeks prior to the implementation of the system (just-in-time training).*

- *On-going training needs could be handled by a small group of employees (probably the SEMA's) because of their subject matter expertise and familiarity with all aspects of the system. They would provide on-going support as well as new employee training.*

- ### *Implementation Timeline/Phases*

Most likely, this project will be implemented in phases. Those phases and timelines will be determined when the appropriate alternatives are determined.

The ideal time to implement would be February through May. Because of fiscal year responsibilities, September would be the worst time.

Assumptions

- *The Consumer Complaint Division uses IKON scanners and a Windows environment to scan in all citizen complaints. The FileMaker system is set up to work with these scanners. A migration plan will need to be written to migrate the existing data from the current system to the new.*

- *All employees will use the same calendaring system if it is easy to use and readily available.*

- *It will need to be determined within the AG who is allowed to enter and modify data.*

- *Current staff numbers will remain relatively stable over the next few years. The new system will have to be implemented with the current staff.*

- *Management will need to decide which documents will be included in the document management system.*

- *MacIntosh computers/scanners are used by various divisions to OCR documents. A product called TextBridge software has recently been ordered. When implemented, documents will be scanned via the IKON devices to a .tiff file then TextBridge will OCR that scan.*

- *Specific requirements for many application areas, such as Charitable Trusts licensing functions, have not been completely documented. As this project moves forward, additional detailed requirements will be gathered for those areas.*

- *If it is determined that the new system will replace the current functionality of the PACC/PAAM system, a migration plan will need to be developed to move the existing data from the PACC/PAAM system to the new system.*

- *If it is determined that the new system will replace the current functionality of the DOLI system, a migration plan will need to be developed to move the existing data from the DOLI system into the new system.*

Risk Assessment

- *Field names and definitions are not used consistently from user to user.*

- *Willingness of appropriate staff to maintain database information to assure current, accurate reports.*

- *May not get everyone in the department to do calendaring the same way.*

- *Client systems (particularly calendaring) may not be compatible with the AG system.*

- *AG needs a Privacy Officer on staff to set up users, passwords, security levels, etc. This individual should have an agency-specific background.*

- *Needs to be cross-training on this system from a support standpoint.*

Glossary of Terms

Term	Definition
AAG	Assistant Attorney General
ACT	Adult Case Tracking System
AIC	Assistant in Charge
CJB	Criminal Justice Bureau
CPB	Consumer Protection Bureau
CFSB	Child and Family Services Bureau
DCDS	Data Collection Distribution System – time tracking and reporting system used by State of Michigan
DHS	Division Head Secretary
DOLI	Database of Legal Information – an Oracle database currently on the Michigan Department Of Transportation file servers, used by the Transportation Division
EDOB	Economic Development and Oversight Bureau
FOIA	Freedom of Information Act - Queries will be performed against database to satisfy FOIA requests.
GAB	Governmental Affairs Bureau
HHS-OIG	Health and Human Services – Office of Inspector General - a federal agency that requires reporting from the AG
NAAG	National Association of Attorneys General
NIA	Notice of Intended Action
PACC/PAAM	Prosecuting Attorney Coordinating Council/Prosecuting Attorney Association of Michigan
SAAG	Special Assistant Attorney General
SEMA	Senior Executive Management Assistant

ATTACHMENT D

ID	Contractor must provide response to:	Contractor Name: Legal Files Software, Inc.	Specifications
1	(23) Please describe your product's text search capabilities and any limitations, i.e. all fields or key fields only. Is a separate product required? How robust is this functionality?	Legal Files offers built-in queries for the majority of the 1,000's of fields within the software, including full note text searching and full document text searching. Legal Files enables users to query the text of documents using a Boolean type search. This very robust functionality also allows users to search any customized field because any field that you create within Legal Files has a built-in search function. Using any third-party report writer will allow you to search any field. Document Profile Searching can also be conducted, allowing users to search documents by name, author, number, type, classification, created by, or the date the document was last modified.	• full note text searching • full document text searching • search any customized field • any third-party report writer will allow you to search any field • search documents by name, author, number, type, classification, created by, or the date the document was last modified
2	(2) The AG office has identified a number of "hot topics" for special tracking and reporting. We need the ability to identify a given case as pertaining to a particular hot topic then perform querying and reporting based on that specific topic, i.e. how many cases do we currently have open regarding non-payment of child support? How would your product support this?	Legal Files provides the ability to organize and categorize all cases/matters by categories and sub categories. In Legal Files you can organize your matters/cases using the three Type/Category fields within our file setup window. This will allow the Division to manage its matters on three levels and it is completely customizable. Legal Files provides a fourth level of categorization called Key Word, which will allow the AG to track "hot topics". Each Division will have the ability to rename the field labels through the use of the powerful custom prompts feature and also control the entries through the use of a customizable pick list or lookup. The AG office would use Legal Files' query and reporting tools to track and report "hot topics" and trends. By using the reporting capability in Legal Files to identify critical issues and trends in case types and demographics, the AG will be able to allocate resources to areas and situations that pose the greatest need. Legal Files offers a suite of more than 90 standard reports, which allow the end-user to query data in numerous ways, plus the capacity and flexibility to generate custom reports. Legal Files also works with any third-party report writer that is ODBC/ADO compliant. Legal Files can help your managers and investigators take a proactive, rather than reactive, approach to providing services and allocating resources. In this particular example of open cases regarding non-payment of child support, the AG would use the File Query Report filtering open case files by menu type or file type, as well as any other needed criteria. One of the most popular and robust reports within Legal Files, the File Query Report can display on the screen, print or export as an ASCII file that users import into other programs for advanced formatting and calculations. Users may also customize the last three columns of the report, selecting the information desired.	• ability to organize and categorize all cases/matters by categories and sub categories • it is completely customizable • provides a fourth level of categorization called Key Word, which will allow the AG to track "hot topics • control the entries through the use of a customizable pick list or lookup • offers a suite of more than 90 standard reports • capacity and flexibility to generate custom reports • works with any third-party report writer that is ODBC/ADO compliant • File Query Report can display on the screen, print or export as an ASCII file. Users may also customize the last three columns of the report, selecting the information desired
3	(15) Within the calendaring functions, need to set up different item types such as meetings, appearances, due	Legal Files offers a customizable Calendar Event Pick list, which is also useful for filtering calendar displays and reports. My Pick List/Descriptions are separate from the Master Pick List/Description, allowing an individual user to find frequently used types quickly and easily. Pick lists may include any type of calendar items, including meetings,	• customizable Calendar Event Pick list • Pick lists may include any type of calendar items, including meetings, appearances, due dates,

	dates and ticklers. Describe your system's functionality in this area.	appearances, due dates, ticklers, personal items, vacation, etc.
		
		Legal Files offers one, central location for all information related to each case or matter, including alarms (or alerts) with automatic notification, reminders and due dates.
		
		Many Legal Files users schedule ticklers through one or more Legal Files wizards. The Task To-Do Wizard automatically assigns tasks and due dates to users based on their role in a file. The Task To-Do Wizard uses a Task Wizard Template. The template standardizes each step in a process into a task with an assigned role, ensuring that nothing will be forgotten. The Wizard assigns the tasks to the appropriate user in the file in one, simple step.
		
		Wizard Triggers define conditions that trigger the sending of e-mail to both Legal Files users and to Internet recipients, notifying those recipients that a specific condition has been met, or it can trigger another action to occur. In addition to sending e-mail to recipients, the Wizard Trigger may be configured to launch the Task To-Do Wizard, with or without a default Task To-Do Wizard specified.
		
		A Wizard Trigger is allowed to run unattended or in Wizard mode. When run unattended, the Wizard Trigger will perform the process silently (no user interaction required). When run as a Wizard, the user may interact with the Wizard Trigger, adding other recipients to the list for notification or additional tasks to complete.
		
		Wizard Triggers can be launched:
		    When a File is opened
		    When a File is closed
		    When a File Status Changes from…
		    When a File Status Changes to…
		    When a User is assigned to a File
		    When a User is un-assigned from a File
		
		Users may set a calendar item themselves or others, and even schedule office resources such as conference rooms, with the Legal Files Calendar. Multiple appointments may be scheduled for one or more people in one easy step with one of the calendar wizards. The Legal Files calendar automatically points out scheduling conflicts, allowing you to make adjustments as needed. You also can designate a Legal Files user as your Calendar Assistant, giving this person access to your locked and private appointments.
			ticklers, personal items, vacation, etc
			• one, central location for all information related to each case or matter, including alarms (or alerts) with automatic notification, reminders and due dates
			• Wizzard Triggers
			• A Wizard Trigger is allowed to run unattended or in Wizard mode
			• Wizard Triggers can be launched:
			  When a File is opened
			  When a File is closed
			  When a File Status Changes from…
			  When a File Status Changes to…
			  When a User is assigned to a File

4	(24) We have a requirement for extremely flexible, robust and easy to use ad hoc querying and reporting. Please describe in detail your product's capabilities in this area as well as any limitations. Is this provided in the base product or is an add-	Legal Files contains more than 90 different reports that are integrated into the system. These reports allow the end user to query data in numerous ways. Legal Files also contains the Custom Window Query Report, which allows a user to generate a report from custom windows, which contain data fields that the division has created. The report will allow single or multiple fields to be queried at the same time. Results can be viewed from within Legal Files or data can be exported to an Excel spreadsheet for further sorting and manipulating. The report can be generated division wide or for an individual user.	• contains more than 90 different reports • contains the Custom Window Query Report, which allows a user to generate a report from custom windows, which contain data fields that the division has created • allow single or multiple fields to be queried at the same time

	on module required? How is this querying capability affected by security parameters? Do you have the ability to query any field in the database?	Legal Files also allows for the creation of custom reports and matter summaries. Legal Files allows for ad-hoc reports through the use of any third-party report writer that is ODBC compliant. Legal Files contains a feature called Add Ons, which allows Legal Files to integrate with Crystal Reports, SQL scripting and other third-party report tools. Add Ons provides the ability to create a custom-built report in Crystal using the Legal Files Data Dictionary. The report will then be attached to the Add Ons feature. Add Ons maintains the structure of the Legal Files security system and allows users to generate custom-built reports from within Legal Files. Legal Files also provides its data element dictionary to all customers after a valid license agreement has been signed. This gives the customer additional options for creating customized reports and data extracts. Once the customized reports are created, then the Report Management features in Legal Files allow the creation of customized menus of reports that are controlled administratively. The menus can contain a combination of custom reports and built-in reports. The menus are controlled by security, providing each user with appropriate access to reports. Legal Files built-in reports are separated into six categories: File and Matter, Name Card, Contact, Marketing, User, and Administrative. Most reports begin with a Selection Criteria window used to filter the report to display information about only particular files or records. You can also specify how you want the report sorted, or organized, and if you want to export the report. Not every option is available for every report. A user may view a report on her monitor or send it directly to the printer. Some reports are generated as word processing or HTML documents, providing even greater flexibility within and outside of Legal Files. Some can also be exported in ASCII format for easy import into other programs. A user can only run these reports if they have been given security rights to the individual reports. A "super admin" user will be able to run all reports—office wide. A user who has security to run a report, but who does not have access to a specific file will not be able to access information from these files on certain reports. Legal Files offers built-in queries for the majority of the 1,000's of fields within the software; using any third-party report writer will allow you to search any field.	• report can be generated division wide or for an individual user • allows for the creation of custom reports and matter summaries • allows for ad-hoc reports through the use of any third-party report writer that is ODBC compliant • Add Ons, which allows Legal Files to integrate with Crystal Reports, SQL scripting and other third-party report tools • Report Management features in Legal Files allow the creation of customized menus of reports that are controlled administratively • built-in reports are separated into six categories: File and Matter, Name Card, Contact, Marketing, User, and Administrative. Most reports begin with a Selection Criteria window • A user can only run these reports if they have been given security rights to the individual reports
5	(26) Query and ad hoc reporting tool will be used by users with a diverse set of computer skills. Please describe the process involved in creating a new query and what skill set your product is targeted for, i.e. end user, system	With the use of the Legal Files built-in query tools, which is for the majority of the 1,000's of fields within the software, very little if no training is required. Legal Files designed the query tools specifically for users whose computer skills are not the strongest. But for the advanced users, one of the most significant features of Legal Files is ad-hoc report creation. Legal Files is designed to make report generation easy—eliminating the need for programmer intervention and putting the process in your hands. Legal Files provides you with access to the data entered into your system when you need it most. Through	

	administrator.	the use of any third-party report writer that is ODBC compliant, Legal Files allows for the creation of any custom report, plus case summaries. Legal Files also offers integration with Crystal Reports, allowing the creation of these reports and also importing these reports into Legal Files. This also allows the generation of those reports from within Legal Files, and the ability to have the Legal Files security system manage those reports. For customers wishing to develop Crystal Report writing skills and discover reporting methods to extract information from their Legal Files database beyond the numerous standard reports already offered in Legal Files, Legal Files offers a two-day training course. Participants gain an understanding of the Legal Files database structure and learn a number of Crystal Report writing tips and tricks. The course covers report design and layout, formatting, record selection, sorting/grouping/summarizing, and creating and using formulas. A half-day planning/design session precedes the hands-on report creation component of the course. Both end users and system administrators have successfully completed this course.	
6	(27) Need the flexibility within a query to omit certain data, i.e. all cases not closed during 2003. How does your product provide that?	Legal Files provides this functionality through custom-written or Crystal reports.	
7	(1) Need the ability to track a case as it moves through the court systems, potentially all the way up through the Supreme Court. Need to maintain the history of this case as it moves to the next level as well as multiple docket numbers. How would your product support this?	Legal Files helps you manage cases from "cradle to grave," and can easily handle court information including court dates and docket numbers, if needed. Legal Files provides the capability to track court information through the use of the pre-built window called filing information. The filing information window provides the ability to insert an unlimited amount of windows storing all the court systems of a case/matter in one place. In addition to tracking the court information, case status tracking is accomplished through the extensive file status/history on the File Setup window. Legal Files includes the ability to capture multiple statuses, in addition to the primary open/closed status. Each Legal Files customer can have its own applicable file status selection list to ensure only valid selections appear for the type(s) of statuses for which it handles. The file status feature can be tracked as a separate part of the file setup window and allows you to separate security for the file status and file setup windows.	• Each Legal Files customer can have its own applicable file status selection list to ensure only valid selections appear for the type(s) of statuses for which it handles.
8	(3) After cases are closed, how does your system maintain history? Are closed cases easily accessible? Can you search on closed cases? Is there a limit, either time, number or size, on cases in history?	Legal Files maintains all information associated with a case when it is closed. Closed cases are easily accessible and can be searched easily. Legal Files currently has customers with over 100,000 matters both open and closed in their databases. The volume of data that can be maintained in Legal Files is truly only restricted by the database platform and server hardware selected. Legal Files also includes a mechanism for comparing past relationship of parties to the AG and between each other, including the review of closed cases.	• maintains all information associated with a case when it is closed • includes a mechanism for comparing past relationship of parties to the AG and between each other, including the review of closed cases

9	(5) In many cases, there are multiple parties and multiple dispositions per party. How does you system handle, track and report on this? Is there a limit to the number of parties or dispositions?	Legal Files maintains a disposition/outcomes log for each person associated with a case/matter. In addition to tracking the disposition of each person related to a case or matter, Legal Files also provides a secondary status of active or inactive. The status allows users to change file related people without affecting the history of the case or matter. Legal Files provides for an unlimited amount of file/case related parties and tracks one disposition per file/case related party. Legal Files will provide custom programming to add the ability to have multiple dispositions per file/case related party. Since a case could have multiple outcomes, Legal Files includes the ability to capture and report on multiple—and unlimited—outcomes, in addition to a primary reason that the case is being closed. Each Legal Files customer can have its own applicable outcome selection list to ensure only valid selections appear for the type(s) of cases for which it handles. Legal Files can capture multiple parties (and party types) for a case, multiple contacts for a party, and one contact for multiple parties.	• maintains a disposition/outcomes log for each person associated with a case/matter • provides a secondary status of active or inactive • provides for an unlimited amount of file/case related parties and tracks one disposition per file/case related party • ability to capture and report on multiple—and unlimited—outcomes, in addition to a primary reason that the case is being closed • CUSTOM PROGRAMMING – Allow multiple dispositions for multiple parties (40 Hours)
10	(21) Need the ability to generate statistical reports such as number of hours, number of phone calls, number of meetings, etc. by person or by case. Please describe the statistical reporting your system provides.	With the unique interface of the ToolBar and ToolBox, Legal Files maintains to-do lists, calendars, time entries and phone messages, both at the case and/or end-user level. This provides information in Legal Files that allows managers to report, track, monitor and successfully manage cases, office workflow, and individual and departmental workloads. With Legal Files, managers can view both completed activities and work in progress. Legal Files also has the ability to track time spent on e-mail, the Internet and phone calls with use of the Activity Log. Using the built in reports in Legal Files, managers may generate statistical reports on activity by utilizing the Time Query report, Phone Log report, Calendar & To-do reports. Legal Files also provides the flexibility for the creation of custom statistical reports on activity specific to the AG's requirements through the use of any third-party report writer that is ODBC compliant. Legal Files contains a feature called Add Ons, which allows Legal Files to integrate with Crystal Reports, SQL scripting and other third-party report tools. Add Ons provides the ability to create a custom-built report in Crystal using the Legal Files Data Dictionary. The report will then be attached to the Add Ons feature. Add Ons maintains the structure of the Legal Files security system and allows users to generate custom-built reports from within Legal Files.	• maintains to-do lists, calendars, time entries and phone messages, both at the case and/or end-user level • can view both completed activities and work in progress • ability to track time spent on e-mail, the Internet and phone calls with use of the Activity Log. • managers may generate statistical reports on activity by utilizing the Time Query report, Phone Log report, Calendar & To-do reports
11	(20) We have the need to do flexible time reporting without spending a lot of time inputting. Time entry must be easy and fast. Time reporting must be done at various levels, i.e. case, division, bureau, AG-wide. Please describe	Legal Files can capture time manually or automatically. Tracking time automatically in Legal Files is accomplished through an automatic timer, which starts when a case/matter is opened and prompts the end-user to generate a time slip when exiting the case. Legal Files provides several ways to input and track time entries on an individual's time or on total time on a case. Legal Files allows the auto-generation of a time slip from groupware items such as a note, calendar, to-do, document, phone messages and mail messages. Time entries can be viewed on screen within several built-in views of total time.	• capture time manually or automatically • input and track time entries on an individual's time or on total time on a case • auto-generation of a time slip from groupware items such as a note, calendar, to-do, document, phone messages and mail

	the types of time reports available in your system and how/if this consolidation can be accomplished. Describe the manner in which time is entered.	As a backup, Legal Files' Activity View automatically displays activities captured by your system as a user works throughout the day. If a user has forgotten that he/she generated a document today because the document is currently being reviewed by a supervisor, the time spent on that document can be turned into actual time. The Activity View can serve as a reminder about the activity. Plus, any of the items in the Activity Log can be converted into a time slip.

Legal Files also provides the ability to identify time entries through its built-in Time Query Report. Legal Files allows the reporting of Time Tracked in many ways by using the Time Query Report. Legal Files also has the ability to track time spent on e-mail, the Internet and phone calls with use of either the Automatic Timer or the Activity Log. The Time Query Report allows a user to generate a list of time slip entries for a particular case, case type, and organization-wide. The report has the ability to query all or a combination of the following fields within a date range*: User, For, Task, Activity, Status* and *Type of file*. Legal Files also provides you with the ability to generate custom reports and query tools to search for missing time entries. All the information on time capturing is reported using the Time Query Report.

Legal Files also allows for the creation of custom time reports specific to the AG's requirements through the use of any third-party report writer that is ODBC compliant. Legal Files contains a feature called Add Ons, which allows Legal Files to integrate with Crystal Reports, SQL scripting and other third-party report tools. Add Ons provides the ability to create a custom-built report in Crystal using the Legal Files Data Dictionary. The report will then be attached to the Add Ons feature. Add Ons maintains the structure of the Legal Files security system and allows users to generate custom-built reports from within Legal Files. | messages
•   Activity View automatically displays activities captured by your system as a user works throughout the day
•   provides the ability to identify time entries through its built-in Time Query Report
•   provides the ability to identify time entries through its built-in Time Query Report
•   the ability to query all or a combination of the following fields within a date range*: User, For, Task, Activity, Status* and *Type of file* |
| 12 | (22) Need caseload and workload information by attorney. Information should be easily accessible. Please describe how your system provides that information. | Legal Files provides the features to view, report, assign and reassign workload by attorney or staff member. The powerful feature in Legal Files called File Assignments is to track the staff assigned to a case or matter. The File Selection window allows users to view the case/matter load of an attorney or staff person. Also from the File Selection window, through the File Query report, users can report on the case/matter load by an attorney or staff person.

File Assignments consists of a two-step process of assigning users to a file. The first step is the assignment of users. Legal Files allows an unlimited number of assigned users with each user having defined role. The second step is the assignment of File Managers. Legal Files allows a file to contain up to three managers and the definition of each manager is controlled administratively.

Legal Files offers a tool to more effectively utilize File Assignments. It is called Team Management. Through the use of teams, Legal Files can automatically assign one or more people to a case and set up all three File Managers. Teams are similar to groups functionality, but offers more flexibility and scope. Teams may automatically create file assignments using the File Opening Wizard. Legal Files has | •   provides the features to view, report, assign and reassign workload by attorney or staff member |

| | | the uncommon ability to track users as well as cases.

Legal Files maintains to-do lists at the case or end-user level from the To-Do Selection window. Legal Files allows managers to track, monitor and successfully manage cases, office workflow, and individual and departmental workloads through task delegation. With Legal Files, managers can view both completed activities and work in progress.

Managers using Legal Files can automatically and electronically delegate tasks. Managers can also track assignments because Legal Files has the ability to monitor not just the status of a project or issue, but users as well—something not all case management programs offer. Legal Files makes it possible to comprehensively view assigned tasks—by individual, by case or project, or by office. | |
|---|---|---|---|
| 13 | (6) We are currently organized into bureaus and divisions. If this organizational structure changes, how flexible is your software in accommodating those changes? If two or three divisions merge, how would that affect the reporting of existing cases? | Legal Files is scalable, which means it complements the size of any organization. Legal Files is also flexible which means that as the information needs of our clients change and grow, Legal Files can change and grow with them.

By utilizing the Enterprise System of Legal Files, which allows the AG to add a layer of security to separate the divisions, it also adds the file transfer feature. The File Transfer feature of Legal Files provides a mechanism that will allow cases to be transferred from one (site) division or bureau to another. This transfer will maintain the history of the case or matter and all data and documents are brought into the new site (division), without having to re-enter any of the case or matter information. | •   is scalable |
| 14 | (28) Please describe in detail the security features of your product. Include information such as by user, by role or by field. | **<u>User Security</u>**
A user is someone who has access to functions and procedures in Legal Files. Users must be added to the system and assigned a unique user ID and password before they can access the application. The system administrator is generally responsible for adding users to the system, assigning security rights and access to users, and adjusting or removing those rights as job functions or employment statuses change. All security changes take effect immediately.

Every user must be assigned to a security group. User groups and teams are named collections of users designed to make groupware and file administrative functions more efficient. Legal Files' security management was designed to make it easy to manage individuals, and groups of users as a whole. Legal Files can also utilize an NT Domain Integrated Login Feature. Program feature security is provided by an internal security mechanism to reduce administrative time required.

Legal Files installation includes three predefined security groups:

•   *Administrative Super Group* has access to all functions and procedures. The first user added to the system during installation is automatically assigned to the Administrative Super Group.
•   *Administrative Group* has access to most functions.
•   *Standard Employee Group* has limited access to administrative functions, but can generally access | •   Users must be added to the system and assigned a unique user ID and password before they can access the application
•   All security changes take effect immediately
•   Every user must be assigned to a security group
•   Legal Files installation includes three predefined security groups:

➢ *Administrative Super Group* has access to all functions and procedures. The first user added to the system during installation is automatically assigned to the Administrative Super Group.
➢ *Administrative Group* has access to most |

all other functions and procedures.

Security rights can be adjusted for any of these default security groups. You can establish as many additional groups as necessary. Security groups must be set up before users can be added to the system. All users must be assigned to a group when they are added to the system. When a user is assigned to a group, the user inherits all of the group rights. Group rights can be overridden for individual users within a group.

Information Security
Highlights of Legal Files' security include:

- Ability to restrict and grant access by employee user-defined positions (manager, attorney, support staff, technical, staff etc.)
- Ability to restrict and grant access by function (add, update, delete, view only).
- Ability to restrict and grant access to data by organizational level (department, office, regional, organizational wide, ad hoc group.
- Ability to restrict and grant access to data at the row or record level.
- Ability to create "private" contact records and files.
- Ability to administer security globally.
- Ability to expire passwords after a specified period.
- Ability for users to change their own passwords.
- Ability to restrict user access after a specified number of unsuccessful login attempts.

If desired, access to matters can be further limited to only those matters to which an individual user has been assigned. You may also assign rights to groups of users, and expand or reduce an individual's access by overriding the group specifications. Only users with correct passwords will gain access. Assigned a password to access the database when he or she is added to the system, users have the ability to change their own password. Administrators also have the ability to change a user's password.

In addition, Legal Files can be set to automatically create an activity log for each individual user that will capture every matter and record that a user access while they are logged on to the system.

Legal Files includes a date/time/user ID stamp for all entries and updates to data within the system. In instances where this data is not visible on the specific screen itself, the data can be retrieved in the appropriate database table.

Matter/Case Security
Legal Files provides a powerful security feature that provides a firewall for sensitive cases called Private Files. All file/case types have the ability to utilize the Private Files function which provides an additional layer of security and tool for administrators and other users with proper security to open a file restricted to only those given a password to access the file. Only those assigned to the file can view that it exists in the database.

functions.
- *Standard Employee Group* has limited access to administrative functions, but can generally access all other functions and procedures
- Security rights can be adjusted for any of these default security groups
- **Information Security**
- Highlights of Legal Files' security include:
  - ➢ Ability to restrict and grant access by employee user-defined positions (manager, attorney, support staff, technical, staff etc.)
  - ➢ Ability to restrict and grant access by function (add, update, delete, view only).
  - ➢ Ability to restrict and grant access to data by organizational level (department, office, regional, organizational wide, ad hoc group.
  - ➢ Ability to restrict and grant access to data at the row or record level.
  - ➢ Ability to create "private" contact records and files.
  - ➢ Ability to administer security globally.
  - ➢ Ability to expire passwords after a specified period.
  - ➢ Ability for users to change their own passwords.
  - ➢ Ability to restrict user access after a specified number of unsuccessful login attempts.
- may also assign rights to groups of users, and expand or reduce an individual's access by overriding the group specifications.
- Administrators also have the ability to change a user's password
- can be set to automatically create an activity log for each

An additional advantage of Legal Files security and customization for the Sections of the AG is the *Enterprise System*. Legal Files Software, Inc. designed its unique *Enterprise System* solution to meet the needs of organizations with multiple offices or multiple sections in the same or different locations. Under the *Enterprise System*, an organization has a single database containing several distinct, separate and secure "views" of the data. Each view can represent a different Section or business unit.

There are many advantages to using the *Enterprise System*. Certain program configurations can be shared among all views or sites for consistency, while at the same time allowing for local or site-specific settings. Likewise, each site only accesses its own data, eliminating potential conflicts and reducing the clutter of unwanted information.

If needed, designated users, such as management or supervisory staff, can be given access to more than one site. Legal Files provides a means for reporting across sites or the entire enterprise, offering prompt, cumulative data that can be used to more accurately and consistently track workload activity across locations or sections units. With the *Enterprise System*, AG learns, uses and supports just one program, sharing whatever information is necessary with other offices and maintaining the autonomy and functionality of each. *Enterprise* provides the flexibility to share resources with minimal effort and still function as an independent entity.

Data Security
At the system level, Legal Files' technical infrastructure provides security to protect system resources and assets from inappropriate use and access:

Traditional Client/ Server Technology
The client workstation where the Legal Files application is installed communicates with the database server using TCPIP, ODBC and ADO. The user is authenticated at the domain level (standard window logon) using NTLM or Active Directory and at the database server through ODBC using domain authenticated logon credentials. Legal Files application-level security controls access to screens, fields and functions within the application. ODBC transmission can be secured utilizing strong encryption.

Thin Client/ Server Technology
The thin client connects to the application server in your LAN or WAN using SSL over TCPIP. Legal Files thin client application server provides the ability to encrypt all traffic between the client and the host using Windows 2000 Server high encryption and/or SSL and PKI.

The server where the Legal Files application is installed communicates with the database server using TCPIP, ODBC and ADO. The user is authenticated at the domain level (standard window logon) using NTLM or Active Directory and at the database server through ODBC using domain authenticated logon credentials. Legal Files application-level security controls access to screens, fields and functions

individual user
- can be set to automatically create an activity log for each individual user that will capture every matter and record that a user access while they are logged on to the system
- includes a date/time/user ID stamp for all entries and updates to data within the system
- All file/case types have the ability to utilize the Private Files function which provides an additional layer of security and tool for administrators and other users with proper security to open a file restricted to only those given a password to access the file
- client application server provides the ability to encrypt all traffic between the client and the host using Windows 2000 Server high encryption and/or SSL and PKI

		within the application. ODBC transmission can be secured utilizing strong encryption. **Web Client** Security for the web portal can utilize a wide variety of industry standard web enabled application security models, including: digital certificates, SSL/https, PKI, Integrated authentication and form based authentication, among others. This applies to the network layer, host layer and application layer. In addition, the transactions between the database server and application server can be secured using high encryption. Legal Files places all imported documents, pictures, mail, etc. in a directory structure specified in the application configuration. Standard Windows domain security protocols should be applied to this directory structure.	
15	(29) As the AG office is not a typical law firm in the sense of billings, there are some accounts receivable functions needed. In particular, payments are received and tracked. Describe the accounts receivable functions of your product.	Legal Files currently will provide debt collection functionality but would provide custom programming to satisfy this requirement.	• CUSTOM PROGRAMMING - will provide debt collection/accounts receivable functionality (140 Hours)
16	(30) Describe your product's screen customization functions. Particularly, we are interested in the following questions. Can fields be added to the screen or can you only rename existing fields? Can fields be removed from the screen? What is the maximum number of fields that can be added to a screen? Can these modifications be accomplished by the end user or is a system person required? Is a screen customized by user, by division or by function?	One of the biggest advantages of Legal Files customization for the AG is the *Enterprise System*. Legal Files designed its unique *Enterprise System* solution to meet the needs of organizations with multiple offices and/or multiple sections or divisions. Under the *Enterprise System*, an organization has a single database containing several distinct, separate and secure "views" of the data. Each view can represent a different section or division. There are many advantages to using the *Enterprise System*. Certain program configurations can be shared among all views or sites for consistency, while at the same time allowing for local or site-specific settings. Likewise, each site only accesses its own data, eliminating potential conflicts and reducing the clutter of unwanted information. If needed, designated users, such as management or supervisory staff, can be given access to more than one site. Legal Files provides a means for reporting across sites or the entire enterprise, offering prompt, cumulative data that can be used to more accurately and consistently track workload activity across sections or divisions. With the *Enterprise* System, the AG learns, uses and supports just one program sharing whatever information is necessary with other offices and maintaining the autonomy and functionality of each. *Enterprise* provides the flexibility to share resources with minimal effort and still function as an independent entity. **Legal Files was designed to allow non-technical users to administer and customize critical aspects of the application, including security, file menus, custom windows, document templates and department-defined look-up tables. Legal Files can be easily customized from**	• a single database containing several distinct, separate and secure "views" of the data • allow non-technical users to administer and customize critical aspects of the application, including security, file menus, custom windows, document templates and department-defined look-up tables • custom menus allow cases or file structure to be customized based on the types of cases an Section handles • provides the ability to design windows • Each template can have up to 300 fields. When a note is included in a custom window template, the template can have up to 290 fields • Custom windows can contain default values so when the custom window is first created, the value already exists for either a

within the program itself. In addition to the Enterprise System the AG will rely upon the additional powerful Customization features of Legal Files to mold to each Section appropriately. Following is a brief explanation of the Customization features:

Custom Menus:
Legal Files custom menus allow cases or file structure to be customized based on the types of cases an Section handles. A Legal Files menu will exist for each type of case. Legal Files contains many pre-made case/file management windows as well as offering a Custom Windows features, for creating windows that suit specific needs. Users can control the size, color, content and text of any menu, allowing the creation of a customized system of menu templates specific to a Section. Both of these items reside on Legal Files Custom Case Menus. Through Legal Files unique Custom Case Menus, a user can, with the proper security, decide which windows and language are used for each type of Case/File and hide those that aren't used. The result is a clean case menu that displays only the information each department requires.

Custom Windows:
Legal Files custom windows are powerful tools that are simple to create and can be attached to any Name Card or file. The Legal Files' custom windows feature provides the ability to design windows that meet specific needs and the flexibility to change when the AG's needs change. Data from custom windows can be used in ad hoc reports and merged into documents using document assembly features. Each template can have up to 300 fields. When a note is included in a custom window template, the template can have up to 290 fields. Legal Files treats notes on a custom window just like every other note. Custom window notes can be included in queries and tagged as priority items.

Custom windows can contain default values so when the custom window is first created, the value already exists for either a Name Card or file. Custom windows also can contain required controls, displaying a prompt in the user's smart color prompting. The custom window validates that required fields have a value input.

When a custom window is attached to a Name Card, it is stored with all other Name Card data. A name card can also have a default custom window for every new Name Nard added to the system.

Because Legal Files is flexible, custom window templates can be attached to more than one file. When a template is attached to a file, it becomes a custom window. Though based on the same template, custom windows can have a unique name in each file.

Legal Files custom windows are attached to a file using the file menu structure. This allows the user to create menu items that will go directly to a particular custom window. There is no limit to how many custom windows may be on a file menu. Legal Files also gives the user the ability to create and label multiple tabs on a custom window. When adding a

Name Card or file
- custom window templates can be attached to more than one file
- no limit to how many custom windows may be on a file menu
- Tabs may contain between 1 and 10 controls and the user can determine which controls should appear on which tab. Custom window control (field) types include entry, date, money, number, pick list, drop down list, check box (yes/no), URL, decimal, calculated, note and tab
- custom prompts allow the flexibility to change the field labels and required controls on existing Legal Files windows
- custom-defined look-ups allow for the customization and control of a certain type of field called pick lists

		tab to a custom window template, the user can select it as a control type. Tabs may contain between 1 and 10 controls and the user can determine which controls should appear on which tab. Custom window control (field) types include entry, date, money, number, pick list, drop down list, check box (yes/no), URL, decimal, calculated, note and tab. Legal Files also provides two other control (field) types in a custom window that enhances the launching or integration to third party products from a custom window. First, Legal Files has added the powerful Add Ons feature to the custom windows that allow users to launch to a custom report, another software program or generate an export query right from a custom window. Secondly, Legal Files has added an integration control type to the custom windows that allows launching to a Legal Files document/imaging integration partner (iManage, LiveNote or I-Pro) right from the custom window with direct access to the image or document. **Custom Prompts:** Legal Files custom prompts allow the flexibility to change the field labels and required controls on existing Legal Files windows. Custom prompts enable users to leverage the powerful pre-built screens within Legal Files, while still allowing the flexibility necessary for users to incorporate customized language. **Custom Defined Look-Ups:** Legal Files custom-defined look-ups allow for the customization and control of a certain type of field called pick lists. Legal Files pick lists benefit end users in three ways: providing the flexibility to incorporate customized language, providing ease of use to speed data input and providing the necessary structure to standardize data entry.	
17	(32) In an effort to maintain consistency in the use of fields by a variety of end users, is a definition of the fields and their uses available? What format is it in?	"Tool tips," a small panel of text appearing on-screen, are used throughout Legal Files to display the name of fields or functions in the program. When creating a custom field, you may enter an explanation of the field in the Tool Tip. Legal Files also provides a data element dictionary to all customers after a valid license agreement has been signed. This gives the customer additional options for creating customized reports and data extracts.	• you may enter an explanation of the field in the Tool Tip • provides a data element dictionary to all customers after a valid license agreement has been signed
18	(33) Can the database accept information which has been submitted via a form over the Web?	Integration is key. Because Legal Files fits into your existing environment, Legal Files helps protect and enhance your current technology investment. Depending on the sophistication of the data feed, files/cases in Legal Files could be opened automatically throughout this process. Legal Files Software, Inc. has extensive knowledge and experience developing automated data feeds from existing legacy systems and databases. Legal Files will provide a fixed bid estimate based your requirements and our experience with past projects. We will work with the AG to determine the scope of the integration and required functionality.	• CUSTOM PROGRAMMING – Ability to accept data feed from Internet form without additional human interaction (30 Hours)

19	(13) Does your product have the ability to FAX and email directly from the case record?	Legal Files offers e-mail integration with Microsoft Outlook. The integration allows a Legal Files user to send e-mails from within Legal Files, automatically attaching them to the appropriate case/matter. The Heads Up display feature also allows a user to read, reply or assign to a case/matter an e-mail that resides in Microsoft Outlook. Legal Files e-mail integration offers two advantages. All e-mail relating to a particular case/matter is stored in one place and is stored in the same place as all other case related data and documents. Legal Files also provides advanced email integration with Microsoft Outlook through the use of the Legal Files/Outlook Plug-in. Once a document is attached to the Legal Files document management system, faxing can be accomplished from the Microsoft Office Products through the setup of the Microsoft Fax wizard.	• offers two-way integration with Microsoft Outlook • provides advanced email integration with Microsoft Outlook through the use of the Legal Files/Outlook Plug-in
20	(34) Describe the unique features of the address book/contact list.	Name Cards provides users an office-wide Rolodex, which becomes the foundation of your Legal Files database. Name Cards store basic information on every person and company associated with your office, from clients, attorneys, witnesses, and any other file related people. Type a name, address and phone number once and never have to type it again. With the integration of document assembly, users can automatically merge names and addresses into documents. The powerful Custom Windows features are also available at the Name Card level providing Allmerica with unlimited amount of data content that can be stored at the contact level. Contact management also features an exhaustive conflicts and involvements system. The system automatically logs the information when a contact is attached to a file and assigned a role and purpose. The Conflict System contains extensive reporting on contacts and the roles they are performing in the files. The conflicts and involvements system is an integral component of Legal Files. As Name Cards are linked to related files/matters, an involvement "flag" is automatically created. Subsequently, when a Name Card is viewed from the organization-wide Rolodex, any and all files to which that Name Card has been linked can also be viewed. Legal Files allows users to define a role and purpose for each person attached to a file. This information automatically activates the conflicts and involvements system. Legal Files has extensive conflict and involvement reporting that can be viewed on screen or in a report format. This report allows queries against single or multiple contacts within the database enabling viewing of file relationships and all relevant data. Legal Files Name Card system has the ability to track different information regarding a company versus a person. **Other Features of Name Cards:** • Mailing Lists • Conflicts & Involvements • Relationships • Multiple Addresses/International Addresses (No	• Name Cards provides users an office-wide Rolodex • store basic information on every person and company associated with your office • can automatically merge names and addresses into documents • allows each user to maintain a private Name Cards list, which is controlled by the user's login • provides the ability to track all file/case related contacts using the File Related People window • File Related People feature allows for the single entry of contact information as well as the flexibility of attaching more than one contact type

limit)
- Multiple Phone Numbers/International Phone Numbers (No limit)
- Private Name Cards
- Internet addresses and e-mail addresses
- Index of City, State, and ZIP codes
- Categories: classify staff members into groups and then query that data. Examples include opposing counsel, experts and pro bono attorneys
- Custom Windows (Multiple windows)
- Notes
- Referral Information
- Photo Attachment
- Calendar and To-do's
- Phone Messages
- Document Assembly

Legal Files allows each user to maintain a private Name Cards list, which is controlled by the user's login. Private Name Cards also have security features attached to them that allow users to add their private name cards to another user's list.

Legal Files provides the ability to track all file/case related contacts using the File Related People window. From the File Opening Wizard or after a case/matter is created, file related people (party, witnesses, opposing counsel, etc.) can be inserted from the File Related Person Selection window, using the File Related Person Update window.

Legal Files includes a "File Related People" screen that manages the involvement (contact type) of all parties and users within a case. Information from the central "rolodex" does not need to be re-entered in the case. Instead, a relationship is made between a person or company and the case in which they play a role. Information from the central Name Card carries forward to the case/matter, which provides users quick access to phone number, address and e-mail address of all contacts within a case/matter. The e-mail link at the bottom of the screen allows users to pre-populate e-mail with the correct address without leaving the case/matter.

The File Related People feature allows for the single entry of contact information as well as the flexibility of attaching more than one contact type. Once entered into your Legal Files system as a Name Card, users may be referenced (assigned) to an unlimited number of matters.

| 21 | (31) Does your product offer the ability to add additional fields to the database? What is the maximum number of fields that can be added? Can it be accomplished by the end user or is a system person required? Can you report on any field that has been added? | **Legal Files was designed to allow non-technical users to administer and customize critical aspects of the application, including security, file menus, custom windows, document templates and department-defined look-up tables. Legal Files can be easily customized from within the program itself.**

Following is a brief explanation of the Custom Window features:

Custom Windows:
Legal Files custom windows are powerful tools that are simple to create and can be attached to any Name Card or file. The Legal Files' custom windows feature provides the ability to design windows that meet specific needs and the flexibility to change when the AG's needs change. Data from custom windows can be used in ad hoc reports and merged into documents using document assembly features. Each template can have up to 300 fields. When a note is included in a custom window template, the template can have up to 290 fields. Legal Files treats notes on a custom window just like every other note. Custom window notes can be included in queries and tagged as priority items.

Custom windows can contain default values so when the custom window is first created, the value already exists for either a Name Card or file. Custom windows also can contain required controls, displaying a prompt in the user's smart color prompting. The custom window validates that required fields have a value input.

When a custom window is attached to a Name Card, it is stored with all other Name Card data. A name card can also have a default custom window for every new Name Nard added to the system.

Because Legal Files is flexible, custom window templates can be attached to more than one file. When a template is attached to a file, it becomes a custom window. Though based on the same template, custom windows can have a unique name in each file.

Legal Files custom windows are attached to a file using the file menu structure. This allows the user to create menu items that will go directly to a particular custom window. There is no limit to how many custom windows may be on a file menu. Legal Files also gives the user the ability to create and label multiple tabs on a custom window. When adding a tab to a custom window template, the user can select it as a control type. Tabs may contain between 1 and 10 controls and the user can determine which controls should appear on which tab. Custom window control (field) types include entry, date, money, number, pick list, drop down list, check box (yes/no), URL, decimal, calculated, note and tab.

Legal Files also provides two other control (field) types in a custom window that enhances the launching or integration to third party products from a custom window. First, Legal Files has added the powerful Add Ons feature to the custom windows that allow users to launch to a custom report, another software program or generate an export query right | |

		from a custom window. Secondly, Legal Files has added an integration control type to the custom windows that allows launching to a Legal Files document/imaging integration partner (iManage, LiveNote or I-Pro) right from the custom window with direct access to the image or document. Legal Files also provides the Custom Window Query Report, which allows a user to generate a report from custom windows, which contain data fields that the division has created. The report will allow single or multiple fields to be queried at the same time. Results can be viewed from within Legal Files or data can be exported to an Excel spreadsheet for further sorting and manipulating. The report can be generated division wide or for an individual user.	
22	(7) Within a case file, can links be set up to various documents? If so, what kinds of documents, i.e. emails, Word documents, etc. We need the ability to call up a case and see all pertinent information associated with that case. How does your system provide that functionality?	Legal Files contains a complete and fully functional document management program. With Legal Files Document Management, users have at their fingertips every document anyone has created or copied into Legal Files. Legal Files offers multiple ways to access documents. **Copy External Document Wizard** Legal Files Document Management System also offers a Copy External Document Wizard which provides the ability to copy a single or multiple documents from a user's computer or desktop (external from Legal Files), import them into Legal Files and attach them to the appropriate case or matter. The Copy External Document Wizard uses Microsoft Windows and Explorer to help users find and attach documents using "drag and drop" functionality. **Microsoft Word Plug-in** Legal Files Document Management System also offers the Microsoft Word plug-in, which allows users to quickly and conveniently store any document that is opened in Word to Legal Files. The plug-in allows users from within the Word's interface to store documents to the appropriate matter in Legal Files without leaving Word. Below is a screen print of the Word plug-in. **Document Check-in/Check-out** The Legal Files Document Management System contains a check-in and check-out feature that allows users to "check-out" documents from the document management system. The feature is controlled by security and allows an administrative setting that brings the document back into the document management system as a new version or an overwrite. **Document Versioning** The Legal Files Document Management System contains a feature called Document Versioning that allows the end-user to track multiple versions of the same document, maintaining the history of the current version. The Document Selection Window and Update Window automatically capture the version of the document being used. **Document Security** Legal Files document security has two levels. The first level of document security is at the file/case level. If a user does	• Copy External Document Wizard which provides the ability to copy a single or multiple documents from a user's computer or desktop (external from Legal Files), import them into Legal Files and attach them to the appropriate case or matter • Microsoft Word plug-in, which allows users to quickly and conveniently store any document that is opened in Word to Legal Files • check-in and check-out feature that allows users to "check-out" documents from the document management system • Document Versioning that allows the end-user to track multiple versions of the same document, maintaining the history of the current version • document security has two levels • audit trail tracks activity on the check-in, check-out, creation, modification and viewing of the document • indexes documents for easy storage and retrieval. • Document Text Searching can be conducted, allowing users to query the text of documents using a Boolean type search • Pleadings Index Report builds automatically as documents are created and

not have access to a case, then the user does not have access to the documents. Once a user has access to a file/case, then the second level of security occurs: access, read only or no access.

Document Auditing
Legal Files document management system contains an extensive document security and audit trail. The audit trail tracks activity on the check-in, check-out, creation, modification and viewing of the document. The deletion of a document is controlled by the Legal Files security system.

Document Indexing
Legal Files indexes documents for easy storage and retrieval. Legal Files contains a complete and fully functional document management program. Every document anyone has created or copied into Legal Files can be retrieved quickly and easily. Legal Files offers multiple ways to access documents. Fully integrated with Microsoft Word and WordPerfect, documents are assembled and managed in your word processor within Legal Files.

Document Searching
Once documents are within Legal Files Document Management System, Document Text Searching can be conducted, allowing users to query the text of documents using a Boolean type search. Document Profile Searching can also be conducted, allowing users to search documents by name, author, number, type, classification, or created by.

Pleadings Index Report
The Pleadings Index Report builds automatically as documents are created and logged into the system. The report orders the documents, classified as a Discovery or Pleading entry, by the date filed. Legal Files then assigns an index number to each item. You can filter the items by date filed, index numbers, specific volume number or category. The output of the report is user definable. Optional heading values, as well as optional detail column values, can be selected and ordered. Since the report output is in HTML format it can be saved as a file document.

Other Advantages of Legal Files Document Management:
- Documents Sent/Read-Only Lock: When a document has a sent date, the document will be marked as "read only" and locked from further editing.
- Document Numbering: Document Numbering is the capability to associate a document number with a document during document creation. The document number uniquely identifies the document in the system.
- Blank Document Wizard: The Blank Document Wizard enables users to automatically open their word processor to a new, blank document and attach that document to a file or Name Card.
- Copy Internal Document Wizard: The Copy Internal Document Wizard allows documents to be copied from file to file within Legal Files.
- Document Routing: Legal Files Document

logged into the system
- **Other Advantages of Legal Files Document Management:**
  - Documents Sent/Read-Only Lock: When a document has a sent date, the document will be marked as "read only" and locked from further editing.
  - Document Numbering: Document Numbering is the capability to associate a document number with a document during document creation. The document number uniquely identifies the document in the system.
  - Blank Document Wizard: The Blank Document Wizard enables users to automatically open their word processor to a new, blank document and attach that document to a file or Name Card.
  - Copy Internal Document Wizard: The Copy Internal Document Wizard allows documents to be copied from file to file within Legal Files.
  - Document Routing: Legal Files Document Management System includes a feature called Document Routing, which allows users to electronically route documents to a single user or to multiple users at the same time with a note attached
- Scanned Documents/Images provides the ability to attach any type of file (image, document, PDF or video) to Legal Files through the attachment field.
- provides a generic

		Management System includes a feature called Document Routing, which allows users to electronically route documents to a single user or to multiple users at the same time with a note attached. **Scanned Documents/Images** Legal Files provides the ability to attach any type of file (image, document, PDF or video) to Legal Files through the attachment field. Attachment fields are found in many places within Legal Files windows, such as the Mail Log, To-do, Evidence update, Transcript update and many other places. Legal Files also provides a generic index within the case/matter where users can attach and index any type of file such as PDF's, images and documents.	index within the case/matter where users can attach and index any type of file such as PDF's, images and documents
23	(4) Need the ability to re-open a case after it has been closed, possibly more than once. Can your software handle this functionality? Will it track the dates of each time the item was opened and closed and maintain the history?	Legal Files does have the ability to re-open a case an unlimited amount of times. Legal Files utilizes the file status features to track the dates and number of times a case has been re-opened. Users may use File Status to track the various stages of a file, as well as the number of days for each stage and the total number of days the file has been opened.	• does have the ability to re-open a case an unlimited amount of times • track the various stages of a file, as well as the number of days for each stage and the total number of days the file has been opened
24	(14) Does your product offer the ability to view multiple case records at the same time?	The powerful user interface of Legal Files does allow the ability to view multiple cases at the same time automatically minimizing the prior case to eliminate user confusion and error.	• allow the ability to view multiple cases at the same time automatically
25	(16) Need the ability to set up pre-defined groups then view the calendars of everyone in that group at the same time. These groups could cross bureaus or divisions. How would your system provide that functionality?	Legal Files Group Calendar provides the ability to view pre-defined groups of users and their calendars scheduled per day. The Group Calendar allows for a graphical view of all calendars for a particular group providing the ability to schedule an appointment for one or all users. With the use of the Legal Files Enterprise System providing an extra layer of security between divisions, group calendaring across divisions would be provided with a calendar report.	• Group Calendar provides the ability to view pre-defined groups of users and their calendars scheduled per day
26	(35) How would your product allow you to generate unique forms such warrants and subpoenas directly from the case record? Is any additional software required?	Legal Files offers built-in document assembly, providing powerful tools to create, send, receive, locate and manage all documents relating to a case/matter or Name Card. Fully integrated with Microsoft Word, users can create and edit documents in their word processor without ever having to leave Legal Files. Also as an added feature Legal Files is integrated with Microsoft Word, allowing users to have at their fingertips all the features of Microsoft Word for creating and formatting document templates. With Legal Files Document Assembly, users can create a single template for any type of document, and then, from within a case/matter or Name Card, automatically generate new documents based on that template using data from the case/matter or Name Card.	• users can create and edit documents in their word processor without ever having to leave Legal Files with Microsoft Word • With Legal Files Document Assembly, users can create a single template for any type of document, and then, from within a case/matter or Name Card, automatically generate new documents based on that template

		Document Assembly has thousands of data fields (tokens) available to create master templates. Custom window data can also be merged into a document. Users can create their own tokens that prompt for data insertion when a document is generated. The Legal Files Document Assembly offers the ability to attach a Legal Files task wizard to a document template. With the wizard attached to a template it will automatically generate a follow-up task(s) based on the customized rule applied to the task wizard. Other Advantages of Legal Files Document Assembly: • Group Token Management • Custom Tokens • Token Management • Template Properties • Customer Specific Tokens • Spell Checker • Copy Document Template Wizard	using data from the case/matter or Name Card • Document Assembly has thousands of data fields (tokens) available to create master templates
27	(36) Can your product interface to Microsoft Word so that a mail merge can be accomplished between the records in the data base and a form letter set up in Word?	Legal Files is integrated with Microsoft Word, allowing users to have at their fingertips all the features of Microsoft Word for creating and formatting document templates.	
28	(37) Please describe the auditing features of your product.	Legal Files can be set to automatically create an activity log for each individual user that will capture every matter and record that a user accesses while they are logged on to the system. Legal Files includes a date/time/user ID stamp for all entries and updates to data within the system. In instances where this data is not visible on the specific screen itself, the data can be retrieved in the appropriate database table.	
29	(17) What other vendors' calendars does your software interface with? Please describe the interface, i.e. two-way, one-way, etc. We are particularly interested in Outlook and GroupWise.	Legal Files has developed a comprehensive tool to integrate with Microsoft Outlook 2000 and higher. The Legal Files Outlook Synchronizer keeps a user's calendars, contacts, and tasks in synch between the two systems and provides individual users the option of using their preferred system to manage their contacts and daily activities. **Microsoft Outlook Calendar Integration:** Legal Files includes a synchronization program to keep a users personal Outlook calendar in synch with their Legal Files calendar so each individual user can choose the calendaring system that they prefer to use. Appointments added in Outlook will be automatically created on their Legal Files calendar and Appointments, Hearings, Depositions, and Trials added to a user's Legal Files calendar will be automatically created in Outlook for the user. Date and/or Time changes made to any calendar event in either system will be automatically updated in the corresponding system independent of where the calendar event was originally	• Microsoft Outlook Calendar Integration includes a synchronization program to keep a users personal Outlook calendar in synch with their Legal Files calendar • Microsoft Outlook Contacts Integration includes the ability to keep Outlook Contacts in synch with Legal Files Name Cards • Microsoft Outlook Tasks Integration includes a bi-directional link between Microsoft Tasks, and Legal Files To-Dos • Palm Integration offers

created. The Outlook Synchronizer can be set to run automatically at every system login, and/or "on demand" based on the individual users preferences.

Microsoft Outlook Contacts Integration:
The Legal Files Outlook Synchronization feature also includes the ability to keep Outlook Contacts in synch with Legal Files Name Cards. An individual user can select Contacts from their personal Outlook Contacts list and the Outlook Synchronizer will automatically create Legal Files Name Cards and keep the two records in synch. In addition, Legal Files Name Cards can be selected on an individual user basis, and the Outlook Synchronizer will create the Outlook contacts and again, keep the two records in synch.

Changes to names, phone numbers, and addresses from within either system will be synchronized to the other independent of where the contact originated. The Outlook Synchronizer can be set to run automatically at every system login, and/or "on demand" based on the individual users preferences.

Microsoft Outlook Tasks Integration:
Legal Files also includes a bi-directional link between Microsoft Tasks, and Legal Files To-Dos. To-Dos created in Legal Files can automatically be displayed in Microsoft Outlook using the Legal Files Outlook Synchronizer. Likewise, Tasks created in Outlook can automatically be created and displayed in Legal Files. Completion or changes to a Task or To-Do from within either system will automatically be updated in the corresponding system the next time the user synchronizes.

Furthermore, if a Task that was created in Outlook should be also related to a Legal Files case, the To-Do can be updated from within Legal Files and it will then appear on the cases To-Do list and diary as well as the users Task and To-Do lists. The Outlook Synchronizer can be set to run automatically at every system login, and/or "on demand" based on the individual users preferences.

Palm Integration:
Legal Files offers the ability to synchronize with PDAs. Legal Files synchronization works directly to the Palm operating system for client and contact information, calendar and to-do's.

PDA Synchronization with Legal Files Outlook Sync:
Legal Files also offers the ability to synchronize with any PDA's that sync with Outlook through our two-way or bi-directional Outlook Synchronizer. Legal Files calendars, to-dos and Name Cards may be sent to Outlook, creating a link between a Legal Files item and an Outlook item. Outlook calendars, tasks and contacts may be sent to Legal Files, creating a link between an Outlook item and Legal Files item. With our bi-directional link, a user may choose the direction in which to synchronize, from Legal Files to Outlook or from Outlook to Legal Files.

the ability to synchronize with PDAs

- PDA Synchronization with Legal Files Outlook Sync offers the ability to synchronize with any PDA's that sync with Outlook through our two-way or bi-directional Outlook Synchronizer

- GroupWise Integration would need to provide custom programming to complete a bi-directional synchronization to GroupWise calendar system

30	(25) Can queries and custom reports be saved and re-run with different parameters, such as a different date range?	A Legal Files user can save report query settings on both standard and custom reports. You may determine your own selection criteria (or parameters) to display only the information you need. You can also specify the sort order for the report.	• user can save report query settings on both standard and custom reports. You may determine your own selection criteria (or parameters) to display only the information you need. You can also specify the sort order for the report
31	(38) What common formats will your product export the data to?	Some reports are generated as word processing or HTML documents, providing even greater flexibility within and outside of Legal Files. Some can also be exported in ASCII format for easy import into other programs, such as Excel. Legal Files also offers the ability to generate reports as HTML documents that can be edited, printed, and used as e-mail attachments. Data can be extracted from the database via a number of utilities and tools. Legal Files includes a number of reports that can be used to export data from the database and save it in various formats, including ASCII, Excel, HTML, and Word file formats. Since Legal Files can be deployed on Oracle, Microsoft SQL Server, and Sybase database platforms, any third-party program or tool can also be utilized to extract data from the database through an ODBC database connection. Most popular third-party reporting tools including Crystal Reports and even Microsoft Access can be utilized to extract data from your Legal Files database.	• the ability to generate reports as HTML documents that can be edited, printed, and used as e-mail attachments • Data can be extracted from the database via a number of utilities and tools. Legal Files includes a number of reports that can be used to export data from the database and save it in various formats, including ASCII, Excel, HTML, and Word file formats
32	(39) Describe any budgeting functions that are part of your product.	With Legal Files, you can track your file or matter related expenses and tie them directly to the file to which they were incurred. Any expense such as research fees, records fees, copying, or outside counsel fees can be entered easily into the system directly from the file menu. Legal Files can categorize expenses by date, amount, type, etc. Legal Files also offers a budgeting feature that will allow users to track, at any given time, expenses to date on a matter versus the budgeted amount. Once entered, expenses can be reviewed and approved, and exported to many popular accounting programs for payment, keeping a permanent record in Legal Files of all expenses.	• you can track your file or matter related expenses and tie them directly to the file to which they were incurred • a budgeting feature that will allow users to track, at any given time, expenses to date on a matter versus the budgeted amount • a permanent record in Legal Files of all expenses • CUSTOM PROGRAMMING –Track information related to Division budgets (50 Hours)

33	(40) We have the need to archive and purge records based on varying schedules. Please describe how your product handles archiving and purging of records.	Legal Files includes the ability to archive files/matters on an individual basis, or in bulk based on criteria entered by the administrative user. Archived matters can be completely removed from the database and the process includes the ability to archive all related data and documents along with the matter information. Once a file is archived, it can be backed up to a storage device and can be easily restored in the future should it be needed. Legal Files customers typically change the status of a matter from "open" to "closed," instead of formally archiving a matter. All open and closed matters may be searched together or separately.	• ability to archive files/matters on an individual basis, or in bulk based on criteria entered by the administrative user
34	(8) Need the ability for multiple divisions to work on the same case at the same time. How would your product handle that? What security issues are involved? Are any limitations involved?	One of the biggest advantages of Legal Files, is the security and customization features that the *Enterprise System* offers. Legal Files Software, Inc. designed its unique *Enterprise System* solution to meet the needs of organizations with multiple divisions or multiple sections in the same or different locations. Under the *Enterprise System*, an organization has a single database containing several distinct, separate and secure "views" of the data. Each view can represent a different section or division unit. The security model allows for the management of users and the access or no access they have to cases in another division's site. This provides the AG with a powerful security feature but provide flexibility to the users that need to cross over to other divisions.	
35	(10) When a new case is originally created, need the system to search for any existing cases which could be a duplicate and inform the user. How does your system handle duplicate records?	The Name Card Duplicate Checker can help prevent the creation of duplicate Name Cards. This feature is controlled under System Setup. When activated, the Name Card Duplicate Checker window is displayed when you insert a Person or Company Name Card. The Duplicate Checker compares up to six fields of Name Card information with Name Cards already in the database and displays potential duplicates. The user must determine if any of the potential duplicates are actually a duplicate of the Name Card he is trying to enter. In addition, Legal Files has a number of utilities built into the application to "merge" duplicate records, or pick list values or for the mass re-assignment of files or tasks in the event that an employee leaves a customer's organization. These functions have been built based on feedback from existing customers and are included with the Legal Files application to ensure our customers can continually maintain a clean and accurate Legal Files database.	• Duplicate Checker compares up to six fields of Name Card information with Name Cards already in the database and displays potential duplicates
36	(41) Describe the capabilities your software has to synchronize with lap top computers and PDA's.	**Palm Integration:** Legal Files offers the ability to synchronize with PDAs. Legal Files synchronization works directly to the Palm operating system for client and contact information, calendar and to-do's. **PDA Synchronization with Legal Files Outlook Sync:** Legal Files also offers the ability to synchronize with any PDA's that sync with Outlook through our two-way or bi-directional Outlook Synchronizer. Legal Files calendars, to-dos and Name Cards may be sent to Outlook, creating a link between a Legal Files item and an Outlook item. Outlook calendars, tasks and contacts may be sent to Legal Files, creating a link between an Outlook item and Legal Files	

		item. With our bi-directional link, a user may choose the direction in which to synchronize, from Legal Files to Outlook or from Outlook to Legal Files.	
37	(42) Does your product work with any OCR equipment as an input method to the database?	Legal Files would need to provide custom programming to satisfy this requirement.	• CUSTOM PROGRAMMING – Ability to take OCR'ed document, extract necessary information, and open record without human interaction. System can prompt for additional actions as necessary or automatically generate certain documents (30 Hours)
38	(43) Does your product provide a place for lawyer resumes, including photos?	Legal Files Name Card system provides the ability to attach photos and/or documents right to the lawyers Name Card.	• Name Card system provides the ability to attach photos and/or documents right to the lawyers Name Card
39	(18) Within the calendar, need the ability to link to documents or files pertinent to the calendar item. Describe how does your system handles this.	Legal Files currently does not have the capability to link from a calendar item to a document but does provide the ability to link from a to-do to a document. Custom programming would need to be provided to fully satisfy this requirement.	
40	(12) Within a case record, can your system link to the calendar module for scheduling? How seamless is this integration?	In Legal Files, a user is only one click away from scheduling a calendar entry no matter what feature they are utilizing.	• a user is only one click away from scheduling a calendar entry no matter what feature they are utilizing
41	(44) Can information, such as a listing of attorneys from the State Bar, be imported into your database?	Legal Files provides a general Name Card importer that will populate the Legal Files database from a text file.	• provides a general Name Card importer that will populate the Legal Files database from a text file
42	(9) From a security standpoint, need the ability to allow one division to view a case set up by another division. Also need the ability to prevent one division from viewing a case set up by another division. How does your product handle this?	One of the biggest advantages of Legal Files, is the security and customization features that the *Enterprise System* offers. Legal Files Software, Inc. designed its unique *Enterprise System* solution to meet the needs of organizations with multiple divisions or multiple sections in the same or different locations. Under the *Enterprise System*, an organization has a single database containing several distinct, separate and secure "views" of the data. Each view can represent a different section or division unit.

The security model allows for the management of users and the access or no access they have to cases in another division's site. This provides the AG with a powerful | |

		security feature but provide flexibility to the users that need to cross over to other divisions.	
43	(19) Need the ability within the calendaring module to schedule resources other than people, such as equipment and conference rooms. Can your product provide that capability?	The Legal Files Calendar system does allow for the tracking of a resource on a calendar through the use of the resource field. The resource-calendaring feature provides users with the ability to reserve equipment or conference rooms as appointments are being scheduled. In addition to the scheduling of resources, Legal Files provides a resource view, which provides a graphical calendar that shows blocks of time by day that resources are scheduled. The resource calendaring also provides an automatic conflict notification during the scheduling of a calendar when a conflict exists for the resource selected.	• Calendar system does allow for the tracking of a resource on a calendar through the use of the resource field • provides a resource view, which provides a graphical calendar that shows blocks of time by day that resources are scheduled
44	(45) Describe how your system handles remote access, what technologies are required and any limitations. The system must be designed to support multiple locations as well as individual users accessing from home.	The MyLegalFiles web product provides our clients with "web access" that can be easily integrated into their existing website for real-time access to matter data. MyLegalFiles was designed to allow platform independency by using Java2 technologies and an N-Tier architecture. It was written in HTML and JavaScript, while the server utilizes Java Server Pages accessing Java beans and custom tag libraries to speed development and insure timely updates and enhancements. MyLegalFiles can be accessed by Microsoft Internet Explorer 5.5 and higher clients, while the server architecture was left open to industry standard web enablement. It also deploys an independent multi-threaded document upload server developed utilizing Enterprise Java bean technology. In developing *MyLegalFiles*, Legal Files Software, Inc. made a conscious effort to keep the system as pure as possible to support the broadest range of technical environments and policies. Included in this was the decision NOT to use any Applets or Active X components that must be downloaded to the local browser in order to run the application. *MyLegalFiles* opens to a specific user's home page containing user-specific calendars, tasks, events, recently accessed files and Heads Up!, Legal Files' notification system. You can customize the different areas of *MyLegalFiles* including "Manage My Day," "Manage My Files," "Manage My Users," and "Manage My Contacts." Web users have access to the full functionality of calendars, documents, e-mail, notes, mail logs, phone logs, time slips and to-do's.	

45	(46) Does your product offer the ability to electronically file information with other agencies, such as the IRS?	Legal Files does provide the ability to upload documents to an external source but for the creation of a PDF, Legal Files would rely on the industry standard of Adobe Acrobat. At this time, Legal Files does not provide direct integration with other agencies websites like the IRS.	• ability to upload documents to an external source but for the creation of a PDF, Legal Files would rely on the industry standard of Adobe Acrobat • CUSTOM PROGRAMMING – Ability to take XML data stream and create records without additional human interaction. System can prompt for additional actions as necessary (64 Hours)
46	(11) Can certain fields in the case record be designated as required fields? Is this user definable?	Legal Files custom prompts allow the flexibility to change the field labels and required controls on existing Legal Files windows. Custom prompts enable users to leverage the powerful pre-built screens within Legal Files, while still allowing the flexibility necessary for users to incorporate customized language. In addition to existing windows that contain the custom prompt feature, all custom windows have the ability to designate fields as required fields.	• custom prompts allow the flexibility to change the field labels and required controls on existing Legal Files windows
		Appended Requirements from the Statement of Work	
47			• Users must be able to control the size, color, content and text of any menu, allowing the creation of a customized system of menu templates
48			• "Office Files" can be used for tracking non-case-related matters
49			• Office Files can include a history of all communications related to the matter, as well as a listing of staff or other related individuals.
50			• Legal Files' client/server architecture uses 32-bit ODBC compliant databases.
51			• Contractor will implement a case, calendar, and document management system

ATTACHMENT F

State of Michigan
(Insert Project Name Here)
Change Control Request

A. General Information

Information to be provided in this section gives a specific name to the project as well as pertinent information about the personnel involved.

Project Id:		*Date:*	
Controlling Agency:		*Modification Date:*	
		Control Number:	
Prepared by:		*(From Control Log)*	

B. Requestor Information

Proposed Change Description and References:
The requestor will provide information concerning the requested change along with any supporting documentation.

Justification:

Impact of Not Implementing Proposed Change:

Alternatives:

C. Initial Review Results of the Change Request

Initial Review Date: **Assigned to:**

☐ **Approve for Impact Analysis**
☐ **Reject**
☐ **Defer Until:**
Reason:

D. Initial Impact Analysis

Baselines Affected:
Configuration Items Affected:
Cost / Schedule Impact Analysis Required?   Yes ☐   No ☐
Impact on Cost:
Impact on Schedule:
Impact on Resources:
Final Review Results:
Review Date:
Classification: ☐ **HIGH**   ☐ **MEDIUM**   ☐ **LOW**

E. Impact Analysis Results

Specific Requirements Definition:

Additional Resource Requirements	Work Days	Cost
TOTAL		

Impact of Not Implementing the Change:

Alternatives to the Proposed Change:

Final Recommendation:

F. Signatures

Governance Body:

Name/Title	Signature	Date

ATTACHMENT G

Executive Summary

Legal Files Software, Inc. is honored to present this proposal to the State of Michigan Department of Attorney General. This proposal provides an integrated, off-the-shelf product solution that meets or exceeds nearly all of the case management requirements of the AG. We believe that the Legal Files case management system offers the best solution for the AG's functional and technical requirements because of its comprehensive functionality, ease of customization and its flexibility to grow and change as the AG grows and changes.

The Legal Files solution is the company's only product and, as such, the company is able to devote 100 percent of its energy and resources to the application. In addition, since Legal Files Software, Inc. is not a subsidiary of another foreign-owned organization with other, unrelated lines of business and interest, the company is able to provide a true partnership with its clients that results in a level of customer service that is truly unique in the legal software industry.

Legal Files Software, Inc. has successfully implemented fully integrated solutions for 400+ installations throughout the world. Developed with input from nationally recognized experts, the unique features in Legal Files were created specifically for an organization as a whole, from a management perspective, rather than simply a case/file perspective.

A very diverse set of customers use Legal Files software. Our reference list alone provides evidence of the program's flexibility in handling almost any kind of case or matter. Today, Legal Files' customers include attorneys generals offices and other government agencies, law firms, corporations, insurance companies, universities, and legal services clinics, each with their own unique requirements, using the same solution included in this proposal.

Because Legal Files offers comprehensive case/office management features in a single, unified program, Legal Files can help eliminate the known issues created by the AG's current systems. Specifically, Legal Files functionality provides:

√   **Support of both common and unique aspects of all of the AG's operations**
Legal Files is fully customizable—and it's easy. Designed for non-technical people, no programming ability is required. The Attorney General can tailor Legal Files for the specific needs of each section or division. With the proper security and training, section personnel can create their own fields, menus and windows. Plus, users can search, query and import into documents every field the section creates.

Since Legal Files was designed with a customizable menu system, it can handle all types of matters, including both litigated and non-litigated cases, with ease. Custom menus allow cases or file structure to be customized based on the types of cases a section handles. A Legal Files menu may exist for each type of case. Legal Files contains many pre-made case/file management windows, as well as offering a custom windows feature for creating windows that suit specific needs. Users can control the size, color, content and text of any menu, allowing the creation of a customized system of menu templates specific to their section. Through Legal Files' unique custom case menus, a user can, with the proper security, decide which windows and language are used for each type of case/matter and hide those that aren't used. The result is a clean case menu that displays only the information appropriate for each section.

One of the biggest advantages of Legal Files customization for AG is the *Enterprise System*. Legal Files Software, Inc. designed its unique *Enterprise System* solution to meet the needs of organizations with multiple offices or multiple sections in the same or different locations. Under the *Enterprise System*, an

organization has a single database containing several distinct, separate and secure "views" of the data. Each view can represent a different section or business unit.

There are many advantages to using the *Enterprise System*. Certain program configurations can be shared among all views or sites for consistency, while at the same time allowing for local or site-specific settings. Likewise, each site only accesses its own data, eliminating potential conflicts and reducing the clutter of unwanted information.

If needed, designated users, such as management or supervisory staff, can be given access to more than one site. Legal Files provides a means for reporting across sites or the entire enterprise, offering prompt, cumulative data that can be used to more accurately and consistently track workload activity across locations or sections units. With the *Enterprise System*, the AG learns, uses and supports just one program, sharing whatever information is necessary with other offices and maintaining the autonomy and functionality of each. *Enterprise* provides the flexibility to share resources with minimal effort and still function as an independent entity.

In addition to its comprehensive case management capabilities, Legal Files also includes a feature called "Office Files" that can be used for tracking non-case-related matters. For example, Office Files can be set up for storing and tracking information on collections, investigations, projects, etc.

As with regular case files, Office Files can include a history of all communications related to the matter, as well as a listing of staff or other related individuals. If greater security is needed, (i.e., victim, witness, personnel issues) Office Files can be marked as "private" making them accessible to only those staff assigned to the matter.

√ **A single, agency-wide integrated point of access**

Your Legal Files database has a place for everything and everything is stored in one place. That means one, central location for all information related to each matter or file, including file docket, notes, tasks, documents and alerts. The multiple data relationships built into Legal Files mean there is no redundant data entry. Navigation is direct and straightforward. Information is at your fingertips, no matter who, in what office, entered it. Any type of file contains a File Summary button that provides users with quick, one-button access to vital information, regardless of where it resides in the file. Your information is stored in one, centralized location, assuring that everyone has access to the most current information. Plus, Legal Files' unique desktop design allows users to access functions and information on BOTH the user and case/file level at the same time, eliminating the need to traverse several levels of hierarchy, saving both time and effort.

Legal Files creates a unified environment for storing and sharing information built on proven and reliable industry standards. Legal Files' client/server architecture uses 32-bit ODBC compliant databases. Your data moves quickly and securely from workstation to server within the AG.

Legal Files' Conflict Check Wizard can determine whether an entity (person or company) has ever been involved in a case/file, either currently or in the past. Running a conflict check can protect the AG and its staff against unintentional conflicts of interest. The Conflict Checker wizard can search for conflicts on multiple people at once; search your site or, for users of Legal Files *Enterprise*, search every site; and specify search criteria based on *Exact Match*, *Contains Match*, *Sounds Like Match*, and *Begins With*, helping to ensure that a name is not missed because of the use (or non-use) of initials or similarly sounding names (*OBrian* and *O'Brien)*.

√ **Ease of Use**

For the AG, Legal Files Software, Inc. will implement a case, calendar and document management system that will provide their lawyers and staff with a powerful, yet simple tool to manage case and matter data, documents and communications in one place.

Legal Files contains perhaps the friendliest user interface on the market today. Legal Files is a very logically designed application and many of our customers have licensed the Legal Files application primarily because of its intuitive user interface. The application uses many shortcuts providing the ability to quickly retrieve information in a case or matter. Legal Files is consistent throughout the application with basic functions and mimics basic Microsoft commands.

Legal Files' logical design, advanced customization capabilities and unique "ToolBar-ToolBox" interface means a shorter learning curve and increased efficiency and productivity. One of Legal Files' biggest asset and one of the main reason people buy Legal Files is our user interface. Legal Files has a unique way of organizing your information, called the ToolBar and ToolBox. It is where you are going to accomplish all your work for the day. The ToolBar, a set of horizontal icons, are for items that relate to the user. The ToolBox, a set of vertical icons, are for items that relate to the case that is open.

Users have the option of creating an item within a file, which is on the ToolBox, or creating an item within a user's index on the ToolBar and then referencing the appropriate file if necessary. This eliminates unwanted steps and allows the user to have the groupware items displayed in multiple places with a single entry.

√ **Automation of office procedure**

Legal Files automates the routine. With Legal Files, you can use a wizard to generate to-do's, or any other kind of repetitive task, for you automatically. Create as many as you need or want to automate any kind of routine task. Select a reference, starting date and task style—that's all there is to it. Legal Files also saves time by automating the production of routine documents, eliminating the time spent searching for files, allowing access to all documents electronically, allowing anytime access (by laptop, Internet or personal digital assistants), reducing the time spent producing and generating reports and standardizing procedures.

Legal Files can capture time manually or automatically. Tracking time automatically in Legal Files is accomplished through an automatic timer, which starts when a case/matter is opened and prompts the end-user to generate a time slip when exiting the case. Legal Files provides several ways to input and track time entries on an individual's time or on total time on a case. Legal Files allows the auto-generation of a time slip from groupware items such as a note, calendar, to-do, document, phone messages and mail messages. Time entries can be viewed on screen within several built-in views of total time.

As a backup, Legal Files' Activity View automatically displays activities captured by your system as a user works throughout the day. If a user has forgotten that he/she generated a document today because the document is currently being reviewed by a supervisor, the time spent on that document can be turned into actual time. The Activity View can serve as a reminder about the activity. Plus, any of the items in the Activity Log can be converted into a time slip.

Legal Files also provides the ability to identify time entries through its built-in Time Query Report. Legal Files allows the reporting of Time Tracked in many ways by using the Time Query Report. The Time Query Report allows a user to generate a list of time slip entries across all files or for a particular file. The report has the ability to query all or a combination of the following fields within a date range: *User, For, Task, Activity, Status* and *Type of file*. Legal Files also provides you with the ability to generate custom reports and query tools to search for missing time entries.

√   **A flexible platform for future data sharing initiatives**

Legal Files is scalable, which means it complements the size of any organization. Legal Files is also flexible, which means that as the information needs of the AG change and grow, Legal Files can change and grow with you. Legal Files will be the last case management system the AG will need to purchase or its employees will need to learn.

Legal Files Software, Inc. offers the *MyLegalFiles* web product that offers efficient and secure access for remote users, functions on multiple platforms and provides menu customization capabilities. Providing anytime/anywhere access to your Legal Files data, *MyLegalFiles* reduces the need for expensive IT resources since it is easy to deploy, maintain and upgrade.

Having the entire organization utilize the same case management application requires a solution that is flexible enough to meet individual requirements. Equally important is finding an application that can grow and change as the AG's requirements continue to evolve. Legal Files can meet this challenge with an easily customizable look and feel for each department, while maintaining the management level reporting that provides a "big picture" view of activities, assignments and productivity.

With all its power and innovative development, Legal Files remains simple to use. Its logical design, advanced customization capabilities, and intuitive interface mean a shorter learning curve. Efficiency and productivity will increase quickly, and administrators will have the tools to be more effective.

Legal Files Software, Inc. understands the risks and challenges with implementing any IT solution and has refined its project approach over the years to minimize the risk and interruption of business to our clients. Our approach centers on open communication and a solid project plan. Our project staff is experienced with both the Legal Files application, and the process of implementing it. They are equally experienced with both the technical and personnel issues that are inevitable with a project such as this. We are committed to ensuring the implementation is on time, and on budget.

Legal Files is backed by a team of professionals dedicated to your satisfaction and success. Our service extends beyond comprehensive training and help desk support. We work closely with our customers to ensure our software meets their evolving needs.

Exhibit A
Statement(s) of Work

See Article 1 - Statement of Work. Additional Statement(s) of Work may be added by the mutual agreement of the parties.

Exhibit B
Pricing

Software Pricing:

Software	Base Cost	Number of Users/Licenses	Total Cost with Discount	Per Seat Cost
Legal Files 6.0 User License Fee	$1,045.00	500 (individual user license)	40% Discount Based on Quantity of 500. $312,000.00	$625.00
Totals			**$312,000.00**	

Software Maintenance Pricing[2]:

Item	Year 1	Year 2	Year 3	Year 4
500 - Legal Files 6.0 Licenses *18% of Base Cost for first year with 3% fixed increase per year thereafter.	$94,000	$96,820	$99,724	$102,715
Totals	**$94,000**	**$96,820**	**$99,724**	**$102,715**
Grand Total				**$393,259.00**

Custom Programming/Configuration:

Item Number	Number of units	Unit Rate	Total Cost
Requirement ID # I Track multiple dispositions per party and multiple dispositions for multiple parties	40 hours	$200/hour	$8,000.00
Requirement ID # O Accounts Receivable and Collections tracking	140 hours	$200/hour	$28,000.00
Configuration and Customization/Non Technical	15 days	$1,900/day	$28,500.00
Totals			**$64,500.00**

Data Conversion:

Description	Number of hours	Hourly Rate	Total Cost
Data Conversion at 100%			
Agenda	406 hours	$150/hour	$60,900.00
Revenue/Collections AR	70 hours	$150/hour	$10,500.00
Consumer Protection Intake	52 hours	$150/hour	$7,800.00
Charitable Trusts	44 hours	$150/hour	$6,600.00
Health Care Fraud	46 hours	$150/hour	$6,900.00

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[2] Charges for maintenance begin ninety (90) days following Final Acceptance.

MDOT	22 hours	$150/hour	$3,300.00
Totals			**$96,000.00**

Training & Project Management:

Description	Number of units	Unit Rate	Total Cost
Training for Users Administrative Training for Project Team (2 sessions/4 days)	4 days	$1,900/day	$7,600.00
Train the Trainer Training for 40 Users (4 days per person/10 per class)	16 days	$1,900.00	$30,400.00
Floor Support Training	15 days	$1,400.00	$21,000.00
Technical Training for Custom Reports (2 days per session/2 sessions)	4 days	$2,400.00	$9,600.00
Technical Training during installation (2 days)	2 days	$2,400.00	$4,800.00
Implementation Guide and training plan	120 hours	$188.00	$22,560.00
Acceptance Test Plan	80 hours	$188.00	$15,040.00
Conversion Acceptance and Test Plan (Data Mapping Document Agenda)	105 hours	$188.00	$19,740.00
Data Mapping Document Revenue/Collections AR	22 hours	$188.00	$4,136.00
Data Mapping Document Consumer Protection Intake	18 hours	$188.00	$3,384.00
Data Mapping Document Charitable Trusts	13 hours	$188.00	$2,444.00
Data Mapping Document Health Care Fraud	13 hours	$188.00	$2,444.00
Data Mapping Document MDOT	9 hours	$188.00	$1,692.00
Ongoing Project Management	340 hours	$188.00	$63,920.00
Totals			**$208,760.00**

Total Software and Services reduced from Original Proposal = $493.085.00

Other Custom Programming Items that may be added:

Requirement ID # R Ability to accept forms that are submitted via the Internet * The cost is an estimate based on per form with 10 fields per form.	30 hours	$200/hour	$6,000.00
Requirement ID # FF Budget information by division	50 hours	$200/hour	$10,000.00

Requirement ID # KK OCR capability * Once OCR is available, the cost is an estimate based per form with 10 fields per form.	30 hours	$200/hour	$6,000.00
Requirement ID # MM Within calendar, links to documents or files	8 hours	$200/hour	$1,600.00
Requirement ID # TT E-file to and from outside agencies	64 hours	$200/hour	$12,800.00

Exhibit C
Organizational Chart, including Key Personnel

Chief
Executive
Officer

Chief
Operating
Officer

Chief
Technical
Officer

Project Management
(Project Managers)

Administration

Research - (Product Manager)

Marketing

Development - (Product Manager, Developers)

Sales

Maintenance

Customer Support

Testing – (Product Manager)

Documentation

Data Conversion
(Data Conversion Specialists)

Education/Training
(Administrative and End-User Trainers)

Help Desk
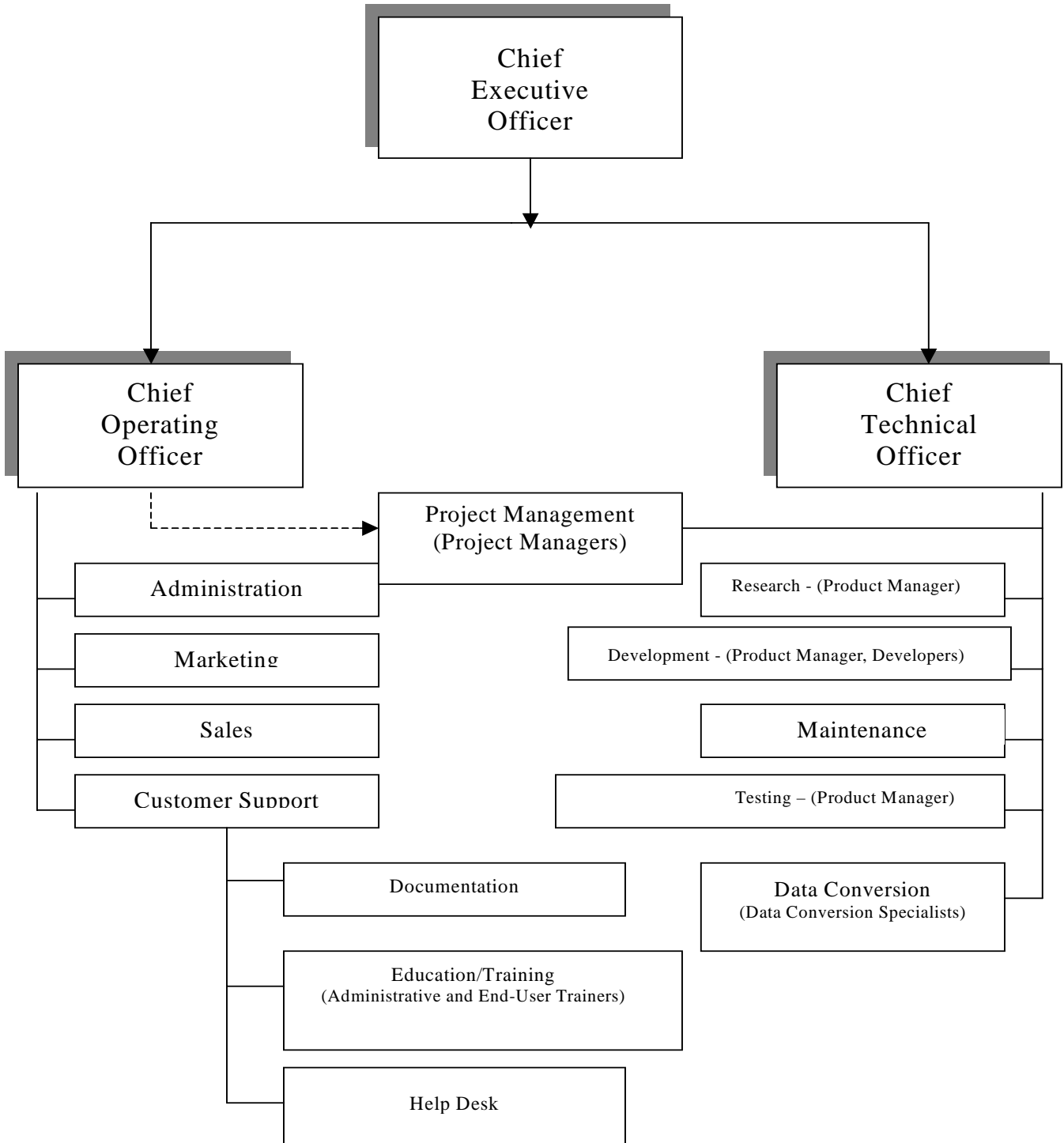
Exhibit C
Organizational Chart, including Key Personnel

Legal Files Software, Inc. employs a full-time staff of professionals who have responsibility for implementing the Legal Files solution for our customers. This team includes project managers, data conversion specialists, system interface developers and trainers. Each individual is a specialist in his or her respective field and operates under the common goal of a successful implementation. Every employee is a daily user of the Legal Files application. Legal Files team members are readily available to fulfill the requirements of this project. Legal Files Software, Inc. proposes that only Legal Files personnel perform the tasks for this project. No subcontractors or third-party vendors will be needed or used.

Name	**Classification**
Mr. Jon Stearns	Chief Technology Officer
Mr. John Kanoski	Product Manager
Ms. Melissa K. Farley	Project Manager (Key Personnel)
Ms. Amy B. Scudder	Project Lead (Key Personnel)
Mr. Mike Stults	Data Conversion Specialist/Senior Developer

Exhibit D
Labor Rates

Unit Pricing
Legal Files Software and Support:

Description	Cost
Desktop Product	
Legal Files Version 6.0 License Fee	$625 per user
Yearly Software Maintenance and Support	$188 per user
Web-Portal Product	
MyLegalFiles Version 3.0 License Fee (Application Mode)	$520 per user
Server License Fee	$1,500 per Server License
Yearly Software Maintenance and Support	$125 per user

Training Services:

System Administration Training	$1,900 per day
End-User Training	$1,400 per day
One-on-One Training	$1,400 per day
Train the Trainer	$1,900 per day
Technical Training for report writing	$1,900 per day

Installation Services:

Description	Cost
Project Manager	$188 per hour
Project Implementation Specialist	$1,900 per day
Onsite Installer	$2,400 per day
Data Conversion Specialist	$150 per hour
Custom Programmer	$200 per hour
Administrator Trainer	$1,900 per day
End-User Trainer	$1,400 per day

Exhibit E
Approved Subcontractors

Reserved

Exhibit F
Approved Hardware

Recommended Hardware Configuration:
1-Legal Files Document Storage Server:
Document storage can be placed in the existing SAN, or NAS, architecture. If a new system is used please follow the following system requirements to maintain document integrity and to allow for faster recovery.
Document Storage Server:
• Pentium xeon Processor (2,000 MHz or better)
• 1-2 GB RAM
• 200 GB free hard disk space 'NTFS'
• CD Rom Drive
• SVGA Monitor (800 x 600 resolution)
• Windows Server NT, 2000, or 2003
• Windows Keyboard and Mouse
• Backup device or integrated into existing Disaster Recovery procedure

Legal Files Microsoft SQL Server 2000 Configuration:
Please follow the following server requirements for your MSSQL server environment.
1-Microsoft SQL Server:
• 2-4 Pentium xeon Processors (2,000 MHz or Better)
• 2-4 GB RAM
• 100 GB free hard disk space
• CD Rom Drive
• SVGA Monitor (800 x 600 resolution)
• Windows Server NT, 2000, or 2003
• Windows Keyboard and Mouse
• Backup device or integrated into existing Disaster Recovery procedure
• Microsoft SQL 2000 SP 3a

Legal Files IIS Web Server Configuration:
Please follow the following server requirements for your Web server environment.
1-Web Server:
• 2-4 Pentium xeon Processors (2,000 MHz or Better)
• 4 GB RAM
• 20 GB free hard disk space
• CD Rom Drive
• SVGA Monitor (800 x 600 resolution)
• Windows Server 2000, or 2003
• Windows Keyboard and Mouse
• Backup device or integrated into existing Disaster Recovery procedure
• Microsoft IIS 5 or better

Legal Files Citrix Server Configuration:
Please follow the following server requirements for your Citrix server environment.
2-Citrix Server: (75 Concurrent users per server)
• 2-4 Pentium xeon Processors (2,000 MHz or Better)
• 4 GB RAM
• 20 GB free hard disk space
• CD Rom Drive

• SVGA Monitor (800 x 600 resolution)
• Windows Server 2000, or 2003
• Windows Keyboard and Mouse
• Backup device or integrated into existing Disaster Recovery procedure
• Microsoft MS Terminal Server
• Citrix Xpa Server

Legal Files Workstation Configuration:
Please follow the following workstation requirements for your environment.
Web Server:
• Pentium Processors (1,000 MHz or Better)
• 256 MB RAM
• 1 GB free hard disk space
• SVGA Monitor (800 x 600 resolution)
• Windows 2000 and higher

Exhibit G
Deliverables

Deliverable	Week Completed
Kick-off Meeting	Week 2
Implementation Guide	Week 4
Training Plan	Week 4
Installation of Software for Project Team	Week 4
Requirements Report	Week 8
Monthly Reports	Week 8
Acceptance Plan	Week 12
Monthly Reports	Week 12
Installation Plan	Week 14
Data Conversion Plan	Week 16
Monthly Reports	Week 16
Installation of Software	Week 20
Monthly Reports	Week 20
Monthly Reports	Week 24
Monthly Reports	Week 28
Custom Programming	Week 30
Monthly Reports	Week 32
Monthly Reports	Week 36
Training Documentation	Week 38
Monthly Reports	Week 40
End-User Training	Week 40
System Documentation	Week 43
Monthly Reports	Week 44
Go-Live Date	Week 45

Exhibit H
Project Plan

Legal Files Software, Inc. has developed a preliminary project work plan based on information known about the project at this time. It is fully expected that changes will need to be made to the preliminary work plan. A formal project work plan utilizing Microsoft Project will be delivered after the project is initiated.

Week of Project	Deliverable	Task Description	Number of Days	Resources
Week 1		Contract Award	1 day	AG
Week 2	▲	Project Kick-Off Meeting	2 days	AG and LFS
Week 3		Complete Final Project Plan	5 days	AG and LFS
Week 4	▲	Complete Implementation Guide	1 day	AG
	▲	Training Plan Review & Approval	1 day	AG
	▲	Initial SW Installation for Project Team	2 days	Legal Files
	▲	Monthly Reports	1 day	Legal Files
Week 5		Admin. Training for Project Team	4 days	AG and LFS
Week 6		Requirements Definitions	5 days	AG and LFS
Week 8	▲	Requirements Report	1 day	AG
	▲	Monthly Reports	1 day	Legal Files
Week 10		Acceptance Testing Planning	5 days	AG and LFS
		Data Conversion Planning	5 days	AG and LFS
Week 12	▲	Acceptance Plan Review & Approval	1 day	AG
		Installation Planning	2 days	AG and LFS
		Admin. Training for Project Team	4 days	AG and LFS
	▲	Monthly Reports	1 day	Legal Files
Week 14	▲	Installation Plan Review & Approval	1 day	AG
		Data Conversion Planning	5 days	AG and LFS
Week 16	▲	Data Conversion Acceptance Plan	1 day	AG
	▲	Monthly Reports	1 day	Legal Files
Week 17		Initial Data Conversion	60 days	Legal Files
Week 20	▲	Installation of Software	2 days	Legal Files
		Technical Training	3 days	AG and LFS
	▲	Monthly Reports	1 day	Legal Files
Week 21		Technical Acceptance Test	2 days	AG and LFS
Week 22		Custom Programming Review	3 days	AG and LFS
Week 24	▲	Monthly Reports	1 day	Legal Files
Week 25		Data Conversion Review & Approval	5 days	AG
Week 26		Data Conversion Adjustments	30 days	Legal Files
Week 28	▲	Monthly Reports	1 day	Legal Files
Week 30	▲	Custom Programming for Functional Specs.	1 day	Legal Files
Week 30		Functional Acceptance Test	2 days	AG and LFS
		Data Conversion Review & Approval	5 days	AG
Week 31		Data Conversion Adjustments	30 days	Legal Files
Week 32	▲	Monthly Reports	1 day	Legal Files
Week 35		Data Conversion Review & Approval	3 days	AG
		Data Conversion Adjustments	30 days	Legal Files
Week 36	▲	Monthly Reports	1 day	Legal Files
Week 38	▲	Delivery of Training Documentation		LFS
Week 40	▲	End User Training	20 days	AG and LFS

Week of Project	Deliverable	Task Description	Number of Days	Resources
	▲	Monthly Reports	1 day	Legal Files
Week 43	▲	Delivery of System Documentation	1 day	Legal Files
Week 44		Final Data Conversion	1 day	Legal Files
	▲	Monthly Reports	1 day	Legal Files
Week 45	▲	Go Live Date	1 day	AG and LFS
		Walk Around Training	30 days	Legal Files
Week 50		Project Wrap-Up Meeting	1	AG and LFS

Exhibit I
Binding Commitments

Greg O'Connor
Chief Executive Officer

Ronald Kanoski
President & Secretary

Exhibit J
Approved Software

DESCRIPTION	Version
Microsoft 2003 Web Server	
Microsoft MS Windows Server 2003 - license	
Microsoft 2003 Standard Server	
Microsoft SQL Server licenses	
Microsoft MS Terminal Server license	
Citrix XP Server	
Citrix XPa Server license	
Crystal Reports	
ServletExec	

Exhibit K
Service Level Agreement

MAINTENANCE AND SUPPORT AGREEMENT FOR
LEGAL FILES CASE MANAGEMENT SOFTWARE

THIS SOFTWARE MAINTENANCE AGREEMENT (this "Agreement") is entered into between Legal Files Software, Inc. ("Vendor"), having its principal office at Springfield IL, and the State of Michigan. ("Customer").

Introduction

Vendor licenses the software program known as Legal Files Case Management Groupware, referred to as the "Software."

Vendor and Customer agree as follows:

Section 1. Software Maintenance Services

1.1 Vendor agrees to provide to Customer corrected or modified versions of the Software in the form of fixes and further releases that Vendor makes generally available to end-users.

1.2 Such modifications, when delivered and installed, shall become part of the Software and shall otherwise be subject to all of the terms of the License in Section 2.160.

Section 2. Error Correction Services

2.1 Vendor shall use reasonable commercial efforts to correct or provide a usable work-around solution for any reproducible material error in the Software, within a reasonable period of time. If Vendor, in its discretion, requests written verification of an error or malfunction discovered by Customer, Customer shall promptly provide such verification, by email, telecopy, or overnight mail, setting forth in reasonable detail the respects in which the Software fails to perform. An error or malfunction shall be "material" if it represents a nonconformity with Vendor's current published specifications for the Software that interferes with the usability of the Software. Vendor is not obligated to fix errors that are not material. Upon request, Customer may provide Vendor remote access to Customer's computer system for the purpose of remote diagnostics.

2.2 Customer shall pay Vendor at Vendor's then current time and material rates for work of Vendor spent investigating an error or malfunction that Vendor reasonably determines to have been caused by a modification to the Software not made nor authorized by Vendor. Modification of the Software shall be terms for revocation of software license and termination of further technical support by Vendor.

2.3 If in the reasonable judgment of the parties, an on-site visit to the customer is necessary to solve a Critical Problem, Vendor will make an on-site visit. If the Critical Problem was not caused by a defect in the current or immediately preceding release of the Software, Customer shall reimburse Vendor for its personnel who made the on-site visit at the rates in Exhibit D.

Section 3. Telephone Support

3.1 Vendor shall, during the hours of 8:00 a.m. to 5:30 p.m. in central time zone on weekdays (exclusive of holidays), make reasonable telephone support available to Customer's authorized contact person and alternate contact person of Customer who have been trained by Vendor in the use of the Software.

Section 4. Exclusions

4.1 Legal Files' service obligations set forth in Sections 1, 2 and 3 do not include circumstances where: (a) Corruption or loss of the Software or data due to hardware failure or fault has occurred, although Legal Files personnel will use reasonable efforts to assist if such problems arise; (b) Corruption to the Software or data due to the interference or modification of the Software by the Customer or third party except as allowed hereunder in the Documentation or with LFS permission; (c) The failure of the Customer to implement recommendations in respect of or solutions to faults previously advised by LFS or to install an Enhancement made available under Section 1.1 of this Agreement; (d) Customer is in breach of this Agreement.

Section 5. Request for Modification of the Software

5.1 Customer may at any time request in writing that Vendor make additional modifications to the Software to add functions or improve performance. All such requests will be evaluated by the Vendor for future inclusion.

Section 6. Delivery

6.1   In order to satisfy any delivery obligation, Vendor may, at its option, send to, have delivered to or email to Customer corrected Software or "patches" in electronic, CD-ROM or magnetic form a copy of any modification, error correction, fix, or release to the Software provided pursuant to this Agreement.

Section 7. Fees for Services

7.1   Licensee shall pay Licensor a fee as provided in Exhibit B for each calendar year of Software Maintenance under this Agreement. All such fees are payable in advance.

7.2   If this Agreement is terminated by Customer, Customer may reinstate support and maintenance for the Software only by paying Vendor all annual maintenance fees that would have been paid, but for the termination.

7.3   Where this Agreement requires Customer to pay an additional time and materials, hourly, or per diem charge, such charge shall be billable to Customer at the rates in Exhibit B and Exhibit D.

7.4   Reserved.

Section 8. Intellectual Property
8.1   The modifications to the Software, including all intellectual property rights associated therewith, made or provided by Vendor pursuant to this Agreement, whether alone or with any contribution from Customer or its personnel, shall be owned exclusively by Vendor.

Section 9. Limited Warranty; Disclaimers
9.1   Vendor warrants that it will render services under this Agreement in a professional manner. As Vendor's sole responsibility and Customer's exclusive remedy in the event of any material failure to meet such standard, Vendor shall make a reasonable effort to remedy any resulting discrepancies. Any claim based on the foregoing warranty must be submitted in writing within ninety (90) days after delivery or the date of required delivery of such service.

9.2   EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, VENDOR MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, ITS SERVICES, ANY PROGRAMMING, OR ANY RESULT OF SOFTWARE USE. VENDOR SPECIFICALLY DISCLAIMS, WITHOUT LIMITATION, ANY IMPLIED WARRANTY, INCLUDING, WITHOUT LIMITATION, IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

9.3   CUSTOMER'S EXCLUSIVE AND SOLE REMEDY FOR BREACH OF THE WARRANTY GIVEN IN SECTION 9.1 SHALL BE LIMITED TO REPAIR OF DEFECTS OR REPLACEMENTS OF THE SOFTWARE, OR, IN THE EVENT THE VENDOR IS UNABLE TO EFFECTUATE SUCH REPAIR OR REPLACEMENT WITHIN A REASONABLE PERIOD OF TIME, CUSTOMER SHALL BE ENTITLED TO A REFUND OF ALL AMOUNTS PAID TO VENDOR UNDER THIS MAINTENANCE AGREEMENT DURING THE TWELVE (12) MONTHS PRECEDING THE BREACH.

Section 10. Limitation of Liability
10.1   THE AGGREGATE LIABILITY OF VENDOR (INCLUDING ITS SUBCONTRACTORS AND VENDORS) FOR ALL CLAIMS, WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE AND PRODUCT LIABILITY), OR OTHERWISE, ARISING OUT OF, CONNECTED WITH, OR RESULTING FROM ANY PERFORMANCE OR NONPERFORMANCE OF THIS MAINTENANCE AGREEMENT SHALL BE LIMITED TO THE MAINTENANCE FEES ACTUALLY PAID TO VENDOR UNDER THIS AGREEMENT IN THE TWELVE (12) MONTHS PRECEDING THE BREACH. IN NO EVENT SHALL VENDOR BE LIABLE FOR ANY INCIDENTAL, CONSEQUENTIAL, INDIRECT, OR SPECIAL DAMAGES, INCLUDING, WITHOUT LIMITATION, DAMAGES FOR LOSS OF REVENUE, COST OF CAPITAL, CLAIMS OF CUSTOMERS FOR SERVICE INTERRUPTIONS OR FAILURE OF SUPPLY, AND COSTS AND EXPENSES INCURRED IN CONNECTION WITH ALTERNATE REPAIRS AND CORRECTION SERVICES.

Section 11. Terms
11.1   This Agreement shall commence on the date when Legal Files Software has been installed on the server and the State has provided Final Acceptance to LegalFiles as provided in Section 1.502. Unless sooner terminated in accordance with this Contract, this Agreement shall continue in effect for the Contract Term as identified in Section 2.030, subject to renewal and payment of the maintenance fee identified in Exhibit B by the State.

Michigan Department of Treasury
3337 (Rev. 10-03)

Vendor, Contractor or Subcontractor Confidentiality <u>Agreement</u>

The Revenue Act, Section 28(1)f, 1941 PA 122, MCL 205.28(1)(f), makes all information gained in administering taxes confidential, except as otherwise provided in the Act. The Act holds a vendor, contractor or subcontractor and their employees who sell a product or provide a service to the Michigan Department of Treasury to the strict confidentiality provisions of the Act. Confidential tax information includes, but is not limited to, information obtained in connection with administration of a tax or information or parameters that would enable a person to ascertain the audit selection or processing criteria of the Michigan Department of Treasury for a tax administered by the department.

INSTRUCTIONS: Read this entire form before you sign it. If you do not complete this agreement, you will be denied access to Michigan Department of Treasury and federal tax information. After you sign and date this form, keep a copy for your records. Send the original to: Michigan Department of Treasury, Office of Policy Communications and Disclosure, Disclosure Officer, 430 W. Allegan, Lansing, MI 48922.

Company Name and Address (Street or RR#, City, State, Zip Code)	Official or Employee Name
	Employee Identification Number or Driver's License Number

Name of State of Michigan Agency	Sub-Contractor's Name if Product/Service Furnished to Contractor
Describe here or in a separate attachment the product or service being provided to the State of Michigan Agency.	

Confidentiality Provisions. It is illegal to reveal or inspect (browse), except as authorized:

- All tax return information obtained in connection with the administration of a tax. This includes information from a tax return or audit and any information about the selection of a return for audit, assessment or collection, or parameters or tolerances for processing returns.

- All Michigan Department of Treasury or federal tax returns or tax return information made available, including information marked "Official Use Only". Tax returns or tax return information shall not be divulged or made known in any manner to any person except as may be necessary for the performance of official duties. Access to Treasury or federal tax information, in paper or electronic form, is allowed on a **need-to-know** basis only. Disclosure of return information to other employees of your department, agency, division or office, must meet **need-to-know** criteria and be required to perform official duties.

Penalty. Violating confidentiality laws is a felony, with penalties as described:

Michigan Penalties
The Michigan Revenue Act, 1941 PA 122, MCL 205.28(2), imposes criminal penalties of up to $5,000 and/or imprisonment for five years, plus costs of prosecution, if it is found that an individual has made an unauthorized inspection or disclosure of a tax return or tax return information or divulged audit selection criteria or processing parameters. Inspection (browsing) is defined as examining a return or return information without authorization and without a need to know the information to perform official duties.

Federal Penalties
The Internal Revenue Code (IRC), Section 7213, 26 USC 7213, imposes a felony penalty up to $5,000 and/or imprisonment of not more than five years, plus cost of prosecution, for willful **disclosure** to any person of federal tax return and tax return information obtained by the Michigan Department of Treasury under its agreement with the IRS. In addition to the above penalties, IRC Section 7213A, 26 USC 7213A, imposes a fine up to $1,000 and/or imprisonment up to one year, plus cost of the action, for unauthorized **inspection (browsing)** of federal tax return or tax return information.

The IRS amended IRC Section 7431, 26 USC 7431, to provide an expanded cause of action for civil damages for unauthorized inspections, as well as disclosures of returns or return information. The IRS must notify the affected taxpayer if a federal or state employee or contractor is criminally charged under either of the above IRC sections. The injured taxpayer may bring civil action within two years against the United States and against the employee or contractor. The penalty is $1,000 or actual damages sustained by the taxpayer, plus cost of the action and attorney's fees.

CERTIFICATION

I acknowledge that I have read this Agreement, which is intended to help me understand applicable Michigan and Federal law related to the protection of confidential information. I understand that failure to comply with applicable law, including the laws referenced in this Agreement, may subject a violator to criminal and civil penalties.

Print name of person signing this agreement	Signature of person named above	Date signed

WITNESS

Print name of witness	Signature of witness	Date signed

HIPAA BUSINESS ASSOCIATE ADDENDUM

The parties to this Business Associate Addendum ("Addendum") are the State of Michigan, acting by and through the Department of Management and Budget, on behalf of the Michigan Department of Attorney General ("State") and _____, ("Contractor"). This Addendum supplements and is made a part of the existing contract(s) or agreement(s) between the parties including the following Contract(s):_____ ("Contract").

For purposes of this Addendum, the Department of Attorney General is (check one):

(X)   Covered Entity ("CE")

( )   Business Associate ("Associate")

and Contractor is (check one):

( )   Covered Entity ("CE")

(X)   Business Associate ("Associate")

RECITALS

A.   Pursuant to the terms of the Contract, CE wishes to disclose certain information to Associate, some of which may constitute Protected Information (defined below). In consideration of the receipt of Protected Information, Associate agrees to protect the privacy and security of the information as set forth in this Addendum.

B.   CE and Associate intend to protect the privacy and provide for the security of Protected Information disclosed to Associate pursuant to the Contract in compliance with the Health Insurance Portability and Accountability Act of 1996, Public Law 104-191 ("HIPAA") and regulations promulgated thereunder by the U.S. Department of Health and Human Services and other applicable laws, as amended.

C.   As part of the regulations promulgated under HIPAA, the Privacy Rule and the Security Rule (defined below, but collectively the "HIPAA Regulations") require CE to enter into a contract containing specific requirements with Associate prior to the disclosure of Protected Information, as set forth in, but not limited to, 45 CFR §§ 160.103, 164.314, 164.502(e), and 164.504(e), and contained in this Addendum.

D.   All requirements under this Addendum relating to the Security Rule are not effective until the Security Rule becomes effective on April 21, 2005 or such later date as announced by the federal government ("Security Rule Effective Date").

In consideration of the mutual promises below and the exchange of information pursuant to this Addendum, the parties agree as follows:

1.   Definitions.

        a.   Except as otherwise defined herein, capitalized terms in this Addendum shall have the definitions set forth in the HIPAA Regulations at 45 CFR Part 160 and Subparts A and C of Part 164 ("Security Rule"), and Subparts A and E of Part 164 ("Privacy Rule").

        b.   "Agreement" means both the Contract and this Addendum.

        c.   "Contract" means the underlying written agreement or purchase order between the parties for the goods or services to which this Addendum is added.

        d.   "Electronic Protected Information" shall mean Protected Information in electronic form.

        e.   "Protected Health Information" or "PHI" shall have the same meaning as the term "protected health information" under the Privacy Rule in 45 CFR § 164.501.

        f.   "Protected Information" shall mean PHI provided by CE to Associate or created or received by Associate on CE's behalf.

        g.   "Required by Law" shall have the same meaning as the term "required by law" in 45 CFR § 164.501.

        h.   "Security Incident" shall have the same meaning as the term "security incident" in 45 CFR § 164.304.

2.   Obligations of Associate.

        a.   Permitted Uses. Associate shall not use Protected Information except for the purpose of performing Associate's obligations under the Contract and as permitted under this Agreement and except as Required by Law. Further, Associate shall not use Protected Information in any manner that would constitute a violation of the HIPAA Regulations if so used by CE, except that Associate may use Protected Information: (i) for the proper management and administration of Associate; (ii) to carry out the legal responsibilities of Associate; or (iii) for Data Aggregation purposes for the Health Care Operations of CE. Additional provisions, if any, governing permitted uses of Protected Information are set forth in Attachment A to this Addendum.

        b.   Permitted Disclosures. Associate shall not disclose Protected Information in any manner that would constitute a violation of the HIPAA Regulations if disclosed by CE, except that Associate may disclose Protected Information: (i) in a manner permitted pursuant to the Contract and this Addendum; (ii) for the proper management and administration of Associate; (iii) as Required by Law; (iv) for Data Aggregation purposes for the Health Care Operations of

CE; (v) to report violations of law to appropriate federal or state authorities, consistent with 45 CFR § 164.502(j)(1); or (vi) to carry out the legal responsibilities of Associate consistent with 45 CFR § 164.504(e)(4)(i)(B). To the extent that Associate discloses Protected Information to a third party as provided in subsections 2.b.(ii) or (vi) above, Associate must obtain, prior to making any such disclosure: (i) reasonable assurances from such third party that such Protected Information will be held confidential as provided pursuant to this Addendum and only disclosed as Required by Law or for the purposes for which it was disclosed to such third party; and (ii) an agreement from such third party to promptly notify Associate of any breaches of confidentiality of the Protected Information or any Security Incident (after the Security Rule Effective Date), to the extent it has obtained knowledge of such breach. Additional provisions, if any, governing permitted disclosures of Protected Information are set forth in Attachment A.

       c.   <u>Appropriate Safeguards.</u> Associate shall implement appropriate safeguards as are necessary to protect against the use or disclosure of Protected Information other than as permitted by the Contract or this Addendum.

       d.   <u>Reporting of Improper Use or Disclosure</u>. Associate shall report to CE in writing any use or disclosure of Protected Information, whether suspected or actual, other than as provided for by the Contract and this Addendum within ten (10) days of becoming aware of such use or disclosure.

       e.   <u>Associate's Agents.</u> If Associate uses one or more subcontractors or agents to provide services under this Agreement, and such subcontractors or agents receive or have access to Protected Information, each subcontractor or agent shall sign an agreement with Associate containing substantially the same provisions as this Addendum. Associate shall implement and maintain sanctions against agents and subcontractors that violate such restrictions and conditions and shall mitigate, to the extent practicable, the effects of any such violation.

       f.   <u>Access to Protected Information</u>. Associate shall make Protected Information regarding an Individual maintained by Associate or its agents or subcontractors in Designated Record Sets available to such Individual for inspection and copying in order to meet the requirements under 45 CFR § 164.524. Any Individual request for access must be submitted on standard request forms available from Associate. If CE receives a request for access, CE, in addition to addressing the request on its behalf, will forward the request in writing to Associate.

       g.   <u>Amendment of Protected Information</u>. Associate agrees to make any amendment(s) to Protected Information in a Designated Record Set to meet the requirements of 45 CFR § 164.526 at the request of an Individual. Any Individual amendment requests must be submitted on standard forms available from Associate. If CE receives a request for an amendment, CE, in addition to addressing the request on its on behalf, will forward the request in writing to Associate.

       h.   <u>Accounting Rights</u>. Associate agrees to respond to a request by an Individual for an accounting of disclosures of Protected Information in accordance with, 45 CFR § 164.528. Associate agrees to document such disclosures of Protected Information and information related to such disclosures as would be required to respond to a request by an Individual for an

accounting of disclosures of Protected Information in accordance with 45 C.F.R. § 164.528. Any Individual requests for a report of accounting must be submitted on standard request forms available from Associate. If CE receives a request for an accounting, CE, in addition to addressing the request on its own behalf, will forward the request, in writing, to Associate.

i.   <u>Governmental Access to Records</u>. Associate shall make its internal practices, books and records relating to the use and disclosure of Protected Information available to the Secretary of the U.S. Department of Health and Human Services (the "Secretary"), in a time and manner designated by the Secretary, for purposes of determining CE's compliance with applicable HIPAA Regulations.

j.   <u>Minimum Necessary</u>. Associate (and its agents or subcontractors) shall only request, use and disclose the minimum amount of Protected Information necessary to accomplish the purpose of the request, use or disclosure, in accordance with the requirements of the Privacy Rule, including, but not limited to 45 CFR §§ 164.502(b) and 164.514(d).

k.   <u>Reserved</u>.

l.   <u>Retention of Protected Information</u>. Notwithstanding Section 5(d) of this Addendum, Associate and its subcontractors or agents shall retain all Protected Information throughout the term of the Contract and shall continue to maintain the information required under Section 2(h) of this Addendum for a period of six (6) years from the date of creation or the date when it last was in effect, whichever is later, or as Required by Law. This obligation shall survive the termination of the Contract.

m.   <u>Destruction of Protected Information</u>. Associate agrees to implement policies and procedures for the final disposition of Electronic Protected Information and/or the hardware and equipment on which it is stored, including but not limited to, removal before re-use after the Security Rule Effective Date.

n.   <u>Notification of Breach</u>. During the term of the Contract or this Addendum, Associate shall notify CE within ten (10) days of becoming aware of any unauthorized use or disclosure of Protected Information and/or any use or disclosure of data in violation of any applicable federal or state laws or regulations. Associate shall take (i) prompt corrective action to cure any such deficiencies and (ii) any action pertaining to such unauthorized disclosure required by applicable federal and state laws and regulations. CE and Associate will reasonably cooperate to mitigate, to the extent practicable, any harmful effect that is known to either of a use or disclosure of Protected Information or, after the Security Rule Effective Date, of a Security Incident, contrary to the terms of the Contract or this Addendum.

o.   <u>Audits, Inspection and Enforcement</u>. CE and its representatives may audit Associate in accordance with the provisions of the audit provision of the Contract, except that instead of an audit of claims, it will be an audit to verify Associate's compliance with this Addendum for the twenty-four (24) month (or less) period prior to the notice from CE to Associate; provided, however, that: (i) Associate and CE shall mutually agree in advance upon the scope, timing and location of such an inspection; (ii) CE shall protect the confidentiality of

all confidential and proprietary information of Associate to which CE has access during the course of such inspection; and (iii) CE or Associate shall execute a nondisclosure agreement, if requested by Associate or CE. The fact that CE inspects, or fails to inspect, or has the right to inspect, Associate's facilities, systems, books, records, agreements, policies and procedures does not relieve Associate of its responsibility to comply with this Addendum, nor does CE's (i) failure to detect or (ii) detection, but failure to notify Associate or require Associate's remediation of any unsatisfactory practices, constitute acceptance of such practice or a waiver of CE's enforcement rights under this Agreement.

       p.   After the Security Rule Effective Date, Associate shall be responsible for using Security Measures to reasonably and appropriately maintain and ensure the Confidentiality, Integrity, and Availability of Electronic Protected Information transmitted to CE pursuant to this Agreement, in accordance with the standards and requirements of the HIPAA Regulations, until such Protected Information is received by CE, and in accordance with any specifications set forth in Attachment A.

       q.   <u>Confidential Communication Request</u>. Associate agrees to respond to a request by an Individual for confidential communications of Protected Information in accordance with 45 C.F.R. § 164.522.

       r.   <u>Restriction of Uses</u>. Associate agrees to respond to a request by an Individual for restriction of uses and disclosures of Protected Information in accordance with 45 C.F.R. § 164.522. Any restriction requests must be submitted on standard request forms available from Associate.   Associate will generally not agree to restriction requests. If Associate does agree, Associate will comply with the restriction until it is terminated by the Individual or by Associate.

3.   <u>Obligations of CE</u>.

       a.   <u>Safeguards During Transmission</u>. After the Security Rule Effective Date, CE agrees that it will use Security Measures to reasonably and appropriately maintain and ensure the Confidentiality, Integrity, and Availability of Protected Information transmitted to Associate pursuant to this Agreement, in accordance with the standards and requirements of the HIPAA Regulations, until such Protected Information is received by Associate, and in accordance with any specifications set forth in Attachment A.

       b.   <u>Notice of Changes</u>. CE shall notify Associate of any limitation(s) in its notice of privacy practices of CE in accordance with 45 C.F.R. § 164.520, to the extent that such limitation may affect Associate's use or disclosure of Protected Information.. To the extent that it may affect Associate's permitted use or disclosure of Protected Information, CE shall notify Associate of any restriction on the use or disclosure of Protected Information that CE has agreed to in accordance with 45 CFR § 164.522. CE shall notify Associate of any changes in, or revocation of, permission by Individual to use or disclose Protected Information, to the extent that such changes may affect Associate's use or disclosure of Protected Information.

4.   <u>Term</u>. This Addendum shall continue in effect as to each Contract to which it applies until such Contract is terminated or is replaced with a new contract between the parties

containing provisions meeting the requirements of the HIPAA Regulations, whichever first occurs. However, certain obligations will continue as specified in this Addendum.

5.   Termination.

        a.   Material Breach. In addition to any other provisions in the Contract regarding breach, a material breach by Associate of any provision of this Addendum shall provide grounds for termination of the Contract by CE pursuant to the provisions of the Contract covering termination for cause. If the Contract contains no express provisions regarding termination for cause, the following shall apply to termination for breach of this Addendum, subject to 5.b.:

                (1)   Default. If Associate refuses or fails to timely perform any of the provisions of this Addendum, CE may notify Associate in writing of the non-performance, and if not corrected within thirty (30) days, CE may immediately terminate the Agreement. Associate shall continue performance of the Agreement to the extent it is not terminated.

                (2)   Associate's Duties. Notwithstanding termination of the Agreement, and subject to any directions from CE, Associate shall take timely, reasonable and necessary action to protect and preserve property in the possession of Associate in which CE has an interest.

                (3)   Compensation. Payment for completed performance delivered and accepted by CE shall be at the Contract price.

                (4)   Erroneous Termination for Default. If after such termination it is determined, for any reason, that Associate was not in default, or that Associate's action/inaction was excusable, such termination shall be treated as a termination for convenience, and the rights and obligations of the parties shall be the same as if the contract had been terminated for convenience, as described in this Addendum or in the Contract.

        b.   Reasonable Steps to Cure Breach. If CE knows of a pattern of activity or practice of Associate that constitutes a material breach or violation of the Associate's obligations under the provisions of this Addendum or another arrangement and does not terminate the Agreement pursuant to Section 5(a), then CE shall take reasonable steps to cure such breach or end such violation, as applicable. If CE's efforts to cure such breach or end such violation are unsuccessful, CE shall either (i) terminate the Agreement, if feasible or (ii) if termination of the Agreement is not feasible, CE shall report Associate's breach or violation to the Secretary of the Department of Health and Human Services.

        c.   Reserved.

        d.   Effect of Termination.

                (1)   Except as provided in paragraph (2) of this subsection, upon termination of the Agreement, for any reason, Associate shall return or destroy all Protected Information that Associate or its agents or subcontractors still maintain in any form, and shall retain no copies of such Protected Information. If Associate elects to destroy the Protected Information, Associate shall certify in writing to CE that such Protected Information has been destroyed.

(2)   If Associate believes that returning or destroying the Protected Information is not feasible, including but not limited to, a finding that record retention requirements provided by law make return or destruction infeasible, Associate shall promptly provide CE notice of the conditions making return or destruction infeasible. Upon mutual agreement of CE and Associate that return or destruction of Protected Information is infeasible, Associate shall continue to extend the protections of Sections 2(a), 2(b), 2(c), 2(d) and 2(e) of this Addendum to such information, and shall limit further use of such Protected Information to those purposes that make the return or destruction of such Protected Information infeasible.

6.   Reserved.

7.   No Waiver of Immunity. No term or condition of this Agreement shall be construed or interpreted as a waiver, express or implied, of any of the immunities, rights, benefits, protection, or other provisions of the Michigan Governmental Immunity Act, MCL 691.1401, *et seq*., the Federal Tort Claims Act, 28 U.S.C. 2671 *et seq.*, or the common law, as applicable, as now in effect or hereafter amended.

8.   Reserved.

9.   Disclaimer. CE makes no warranty or representation that compliance by Associate with this Addendum, HIPAA or the HIPAA Regulations will be adequate or satisfactory for Associate's own purposes. Associate is solely responsible for all decisions made by Associate regarding the safeguarding of Protected Information.

10.   Reserved.

11.   Amendment.

a.   Amendment to Comply with Law. The parties acknowledge that state and federal laws relating to data security and privacy are rapidly evolving and that amendment of this Addendum may be required to provide for procedures to ensure compliance with such developments. The parties specifically agree to take such action as is necessary to implement the standards and requirements of HIPAA, the HIPAA Regulations, and other applicable laws relating to the security or privacy of Protected Information. Upon the request of either party, the other party agrees to promptly enter into negotiations concerning the terms of an amendment to this Addendum embodying written assurances consistent with the standards and requirements of HIPAA, the HIPAA Regulations, or other applicable laws. A party may terminate the Agreement upon thirty (30) days written notice in the event the other party does not promptly enter into negotiations to amend this Agreement when requested by the first party pursuant to this Section.

b.   Amendment of Attachment A. Attachment A may be modified or amended by mutual agreement of the parties in writing from time to time without formal amendment of this Addendum.

12.   <u>Assistance in Litigation or Administrative Proceedings</u>. Each party shall make itself, and any subcontractors, employees or agents assisting it in the performance of its obligations under this Agreement, to the extent that the time required of them is reasonable under the circumstances, available to the other party to testify as witnesses, or otherwise, in the event of litigation or administrative proceedings being commenced against a party, its directors, officers or employees, departments, agencies, or divisions based upon a claimed violation of HIPAA, the HIPAA Regulations, or other laws relating to security and privacy of Protected Information, except where the other party or its subcontractor, employee or agent is a named adverse party.

13.   <u>No Third Party Beneficiaries</u>. Nothing express or implied in this Agreement is intended to confer, nor shall anything herein confer, upon any person other than CE, Associate and their respective successors or assigns, any rights, remedies, obligations or liabilities whatsoever.

14.   <u>Effect on Contract</u>. Except as specifically required to implement the purposes of this Addendum, or to the extent inconsistent with this Addendum, all other terms of the Contract shall remain in force and effect. This Addendum is incorporated into the Contract as if set forth in full therein. The parties expressly acknowledge and agree that sufficient mutual consideration exists to make this Addendum legally binding in accordance with its terms. Associate and CE expressly waive any claim or defense that this Addendum is not part of the Agreement between the parties under the Contract.

15.   <u>Interpretation and Order of Precedence</u>. This Addendum is incorporated into and becomes part of each Contract identified herein. Together, this Addendum and each separate Contract constitute the "Agreement" of the parties with respect to their Business Associate relationship under HIPAA and the HIPAA Regulations. The provisions of this Addendum shall prevail over any provisions in the Contract that may conflict or appear inconsistent with any provision in this Addendum. This Addendum and the Contract shall be interpreted as broadly as necessary to implement and comply with HIPAA and the HIPAA Regulations. The parties agree that any ambiguity in this Addendum shall be resolved in favor of a meaning that complies and is consistent with HIPAA and the HIPAA Regulations. This Addendum supercedes and replaces any previous separately executed HIPAA addendum between the parties.   In the event of any conflict between the mandatory provisions of the HIPAA Regulations and the provisions of this Addendum, the HIPAA Regulations, as applicable, shall control. Where the provisions of this Addendum differ from those mandated by the HIPAA Regulations, but are nonetheless permitted by the HIPAA Regulations, the provisions of this Addendum shall control.

16.   <u>Effective Date</u>. This Addendum is effective upon receipt of the last approval necessary and the affixing of the last signature required. The provisions related to the requirements of the Security Rule are not effective until the Security Rule Effective Date.

17.   <u>Survival of Certain Contract Terms</u>. Notwithstanding anything herein to the contrary, Associate's obligations under Section 5(d) and record retention laws ("Effect of Termination") and Section 13 ("No Third Party Beneficiaries") shall survive termination of this Agreement and shall be enforceable by CE as provided herein in the event of such failure to perform or comply by Associate.

18.   Representatives and Notice.

        a.   Representatives. For the purpose of this Agreement, the individuals identified in the Contract shall be the representatives of the respective parties. If no representatives are identified in the Contract, the individuals listed below are hereby designated as the parties' respective representatives for purposes of the Agreement. Either party may from time to time designate in writing new or substitute representatives.

        b.   Notices. All required notices shall be in writing and shall be hand delivered or given by certified or registered mail to the representatives at the addresses set forth below.

Covered Entity Representative:

        Name: _____
        Title:_____
        Department and Division: _____
        Address: _____
                 _____
                 _____

Business Associate Representative:

        Blue Cross and Blue Shield of Michigan
        Attention: Corporate Secretary
        600 Lafayette East, MC 1929
        Detroit, Michigan 48226

Any notice given to a party under this Addendum shall be deemed effective, if addressed to such party, upon: (i) delivery, if hand delivered; or (ii) the third (3rd) Business Day after being sent by certified or registered mail.

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum as of June __, 2003.

Associate	**Covered Entity**
BLUE CROSS AND BLUE SHIELD OF MICHIGAN	STATE OF MICHIGAN
	By:_____
By:_____	
Print Name: _____	Print Name:_____
Title:_____	Title:_____

ATTACHMENT A

This Attachment sets forth additional terms to the HIPAA Business Associate Addendum dated _____, between the State of Michigan and Blue Cross Blue Shield of Michigan ("Addendum") and is effective as of _____ (the "Attachment Effective Date"). This Attachment applies to the specific contracts listed below covered by the Addendum. This Attachment may be amended from time to time as provided in Section 11(b) of the Addendum.

1.   Specific Contract Covered. This Attachment applies to the following specific contract covered by the Addendum:_____

2.   Additional Permitted Uses. In addition to those purposes set forth in Section 2(a) of the Addendum, Associate may use Protected Information as follows:
_____
_____
_____

3.   Additional Permitted Disclosures. In addition to those purposes set forth in Section 2(b) of the Addendum, Associate may disclose Protected Information as follows:
_____
_____
_____

4.   Subcontractor(s). The parties acknowledge that the following subcontractors or agents of Associate shall receive Protected Information in the course of assisting Associate in the performance of its obligations under the Contract and the Addendum:
_____
_____
_____

5.   Receipt. Associate's receipt of Protected Information pursuant to the Contract and Addendum shall be deemed to occur as follows, and Associate's obligations under the Addendum shall commence with respect to such Protected Information upon such receipt:
_____
_____
_____

6.   Additional Restrictions on Use of Data. CE is a Business Associate of certain other Covered Entities and, pursuant to such obligations of CE, Associate shall comply with the following restrictions on the use and disclosure of Protected Information:
_____
_____
_____

7.   Additional Terms. *[This section may include specifications for disclosure format, method of transmission, use of an intermediary, use of digital signatures or PKI, authentication, additional security of privacy specifications, de-identification or re-identification of data and other additional terms.]*

_____
_____
_____
_____
_____
_____

Associate   **Covered Entity**

BLUE CROSS BLUE SHIELD OF   STATE OF MICHIGAN
MICHIGAN

By:_____   By:_____

Print Name: _____   Print Name: _____

Title:_____   Title: _____

Date:_____   Date:_____