

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

December 11, 2009

CONTRACT CHANGE NOTICE NO. 2
TO
CONTRACT NO. 071B6200246
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR HTC Global Services 3270 West Big Beaver Road Troy, MI 48084 Email: gary.laroy@htcinc.com	TELEPHONE Gary LaRoy (248) 530-2520
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-3215 Steve Motz
Contract Compliance Inspector: Mary Ladd Michigan Automated Prescription System (MAPS)	
CONTRACT PERIOD: From: May 4, 2006 To: May 4, 2011	
TERMS Net 45 Days	SHIPMENT N/A
F.O.B. N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	
MISCELLANEOUS INFORMATION:	

NATURE OF CHANGE (S):

Effective immediately, the contract rates for .Net Programmer Analyst are reduced from \$60/hour to \$54/hour, in exchange for the State exercising a 1 year optional extension through 5/4/2011. All other terms, conditions, specifications and pricing remain unchanged.

AUTHORITY/REASON:

Per Agency request and Vendor concurrence.

ESTIMATED CONTRACT VALUE REMAINS: \$610,436

>>> "Gary LaRoy" <Gary.LaRoy@HTCinc.com> 10/22/2009 11:49 AM >>>

Chris,

Following is a contract-by-contract recap of our discussion today:

ORS Staffing (071B9200218)

This is a new contract, beginning in May, 2009. The hourly rates for this contract have resulted in a net savings of 32.4% over the prior contract. Please refer to the attached invoice for July, 2009, updated with additional columns to show prior rates and savings. The cost savings in July alone were \$72,064.

<<ORS- July Invoice with Savings.xls>>

Please note that 83% of the prior contract staff was retained on the new contract at the reduced rates. No further rate reductions are possible without replacing this retained staff with lesser-qualified staff. This would expose ORS to significant business risk.

Michigan Automated Prescription System (071B62000246)

HTC agreed to a 10% rate reduction, from \$60/hour to \$54/hour, in exchange for an additional option year ending 5/4/2011. We understand that the State may exercise the termination clause prior to the end of the additional option year upon successful completion of transition to MDIT staff.

Enterprise E-Grant Systems (071B6200065)

We agreed upon a rate reduction from \$80/hour to \$78/hour for both base technical services and additional technical services.

Re:START -- Treasury (071B7200200)

We understand that no additional contract extension is possible. We agreed to a 10% rate reduction for the remaining term of this contract.

Re:START -- Michigan State Police (071B9200080)

We agreed to a 10% rate reduction with one additional option year, ending 3/2/2011. (Contract Change Notice was issued with the rate reduction but without the option year and needs to be corrected.)

HTC is committed to be a partner to the State of Michigan throughout the current budget challenges. Please let me know if there are any further questions regarding this initiative.

Thanks!

Gary LaRoy
Director, Strategic Partnerships
HTC Global Services, Inc.
Work: 248-530-2520
Mobile: 248-981-5761
Email: Gary.LaRoy@HTCinc.com
Web: <http://www.htcinc.com> <<http://www.htcinc.com>>

STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET

July 15, 2009

P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

CONTRACT CHANGE NOTICE #1
TO
CONTRACT NO. 071B6200246
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR HTC Global Services 3270 West Big Beaver Road Troy, MI 48084 Email: gary.laroy@htcinc.com		TELEPHONE Gary LaRoy (248) 530-2520
		VENDOR NUMBER/MAIL CODE
		BUYER/CA (517) 241-3215 Steve Motz
Contract Compliance Inspector: Mary Ladd Michigan Automated Prescription System (MAPS)		
CONTRACT PERIOD: From: May 4, 2006 To: May 4, 2010		
TERMS Net 45 Days	SHIPMENT N/A	
F.O.B. N/A	SHIPPED FROM N/A	
MINIMUM DELIVERY REQUIREMENTS N/A		
MISCELLANEOUS INFORMATION:		

NATURE OF CHANGE (S):

Effective immediately, the end date for this contract is **EXTENDED** to May 4, 2010, per the attached MAPS Transition Statement of Work.

Summary of Contract Options

Exercised CN#1	Option 1	(5/5/2009 – 5/4/2010)
	Option 2	(5/5/2010 – 5/4/2011)

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

AUTHORITY/REASON:

Per Agency request and Vendor concurrence (See attached Statement of Work).

ESTIMATED CONTRACT VALUE REMAINS: \$610,436

MAPS Transition Statement of Work

Background

HTC Global Services (HTC) has provided product support for the Michigan Automated Prescription System (MAPS) for the Michigan Departments of Community Health (DCH) and Information Technology (DIT) since 2006. HTC recently informed DCH and DIT of HTC's intent to drop support of MAPS as a standard product.

Under terms of HTC's contract, Section 2.162, "Source Code Escrow", DCH and DIT have requested that HTC provide the source code for MAPS to DIT. Under terms of Section 2.218, Contractor Transition Responsibilities, DCH and DIT have requested that HTC provide a full-time, on-site resource to facilitate transition of support responsibilities to DIT personnel.

Scope of Work

1. HTC will deliver source code and all supporting documentation for the MAPS system to DIT as soon as practical after DIT identifies an authorized representative to receive the materials and a desired format and media
2. HTC grants to the State of Michigan a non-exclusive, irrevocable license to use, reproduce, modify, maintain, support, update, have made, and create derivative works, using the materials delivered by HTC to DIT.
3. HTC will provide a full-time Net Programmer/Analyst to work at the direction and under the supervision of DIT and DCN to provide support, maintenance, and enhancement services for the MAPS system. This individual will also work at the direction of DIT to provide knowledge transfer and mentoring as required for DIT to assume these responsibilities in the future.
4. HTC's Net Programmer/Analyst will work on-site at a State of Michigan office to be determined by DIT and DCH. With permission DIT, this individual may occasionally work at HTC offices in Troy, MI, to take advantage of HTC's experts in the MAPS system and related technologies. HTC will not bill the State of the time these experts spend with the Net Programmer/Analyst.

Minimum Qualifications - .Net Programmer/Analyst

Three years .Net development experience, including the following specific experience:

- Mandatory:
 - o .NET development using C# and ASP.NET
 - o Expertise in MS SQL Server T-SQL Stored Procedures (MS SQL Server 2000/2005)
 - o Expertise in Crystal Reports
- Desirable:
 - o Expertise in Business Objects
 - o Expertise in Performance Tuning (SQL, .NET applications)

4. Price

This resource will be billed at the rate of \$60.00 per hour, monthly in arrears base upon approved time sheets. No travel time or expenses will be billed unless specifically authorized by the State.

5. Term

May 4, 2009, through May 3, 2010.

HTC Global Services, Inc.

Department of Information Technology (DIT)

By: [Signature]

By: [Signature]

Name: SUTBIKANDHAWA

Name: TOUNIE DIFAN

Title: VP

Title: ITMIS

Date: 2/23/2009

Date: 4.1.09

STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET

June 12, 2006

P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

NOTICE
 OF
 CONTRACT NO. 071B6200246
 between
 THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF VENDOR HTC Global Services 3270 West Big Beaver Road Troy, MI 48084 jjoseph@htcinc.com	TELEPHONE James Joseph 284-786-2500, Ext 128
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-3215 Steve Motz
Contract Compliance Inspector: Mary Ladd Michigan Automated Prescription System (MAPS)	
CONTRACT PERIOD: From: May 4, 2006 To: May 4, 2009	
TERMS Net 45 Days	SHIPMENT N/A
F.O.B. N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	
MISCELLANEOUS INFORMATION:	

Estimated Contract Value: \$610,436

STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET

P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

CONTRACT NO. 071B6200246
 between
THE STATE OF MICHIGAN
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NAME & ADDRESS OF VENDOR HTC Global Services 3270 West Big Beaver Road Troy, MI 48084 jjoseph@htcinc.com	TELEPHONE James Joseph 284-786-2500, Ext 128
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CONTRACT PERIOD: From: May 4, 2006 To: May 4, 2009	
TERMS Net 45 Days	SHIPMENT N/A
F.O.B. N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	
MISCELLANEOUS INFORMATION: The terms and conditions are of this contract. 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: \$610,436	

THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the [ITB No. 07116200084](#). 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:	FOR THE STATE:
HTC Global Services, Inc. Firm Name	Signature Greg Faremouth, Buyer Specialist
Authorized Agent Signature	Name IT Division, Acquisition Services
Authorized Agent (Print or Type)	Title
Date	Date



STATE OF MICHIGAN
Department of Management and Budget
Acquisition Services

Contract No. 071B6200246
[Michigan Automated Prescription System \(MAPS\)](#)

Buyer Name: [Steve Motz](#)
Telephone Number: [517-241-3215](#)
E-Mail Address: motzs@michigan.gov



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Article 1 – Statement of Work (SOW)

1.0 Project Identification

1.001 PROJECT SUMMARY

The State of Michigan (State), through the Michigan Department of Community Health (MDCH) and the Michigan Department of Information Technology (MDIT), with assistance of the Michigan Department of Management & Budget (MDMB), will work with HTC Global (Contractor) to purchase, modify, implement and support a technologically current, web-based software application package to replace the current application providing controlled substance prescription-monitoring in support of the State of Michigan's controlled substance prescription reporting function performed by the MDCH Bureau of Health Professions (BHP). The Contractor will also provide conversion of legacy data into the new software application.

The Contractor may, at the State's option, procure the necessary hardware and peripheral software needed for full implementation of the application.

The State seeks to have services begin **May 4, 2006**, with full implementation of the system to be completed by **October 16, 2006**.

This Contract is fixed price, and have a maximum term of **three (3)** years with **two (2)** additional one **(1) year** renewal periods. Renewal of the contract will be at the sole discretion of the State and will be based upon the acceptable performance of the Contractor as determined by the State.

The Contractor will provide the following:

- Web-enable the system for easy access to data and reports by all stakeholders.
- Remove an intermediate contractor for data entry and loading and hence reduce the cost of maintenance for BHP.
- Provide controlled substance prescription monitoring by:
 - Generating comprehensive patient, drug or practitioner specific reports through advanced search and ad-hoc reporting.
 - Identifying and reporting the abuse of Schedule 2 through 5 controlled substances using alerts and messages.

Overall Process flow

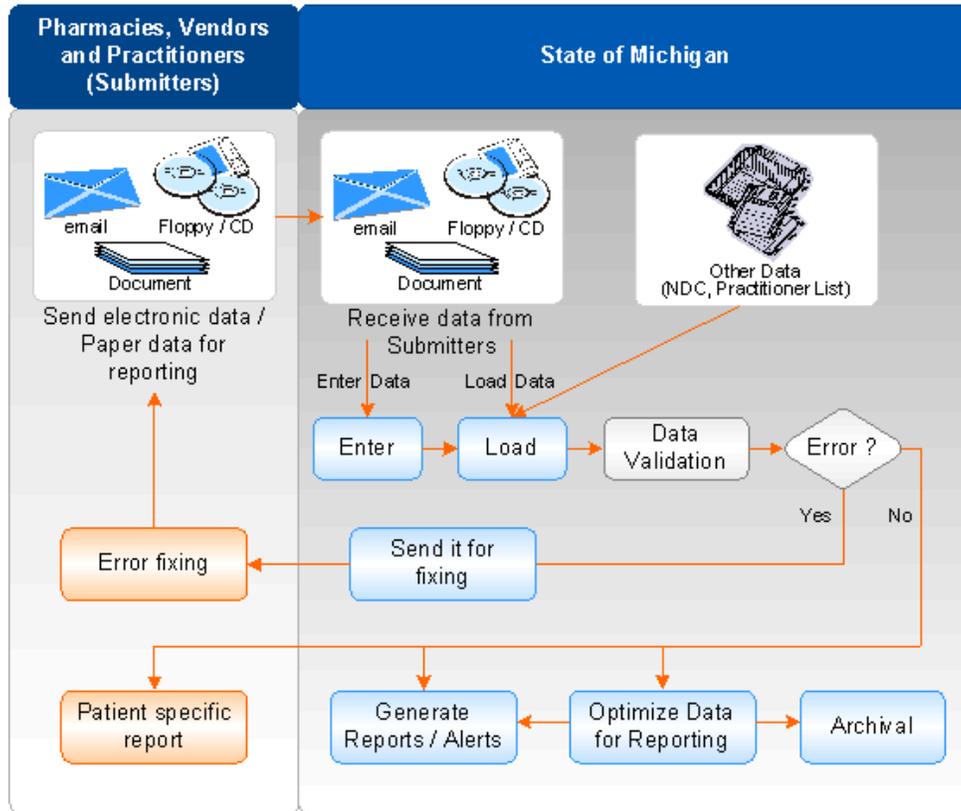
The overall workflow for the new MAPS application is explained below:

1. Submitters including Pharmacies, Practitioners and Vendors will submit the prescription data (scripts) to the State either through secure Web based transmission, data in electronic format (EDI - CD/ Floppy/ other Magnetic media) or as hardcopy (paper format).
2. Data Entry Personnel (DEP) at State will manually data enter paper forms.
3. Data Load Personnel (DLP) at State will process electronic data using a combination of automated and manual processes. System will process electronic data in an automated fashion with very minimal user intervention.
4. DEP/DLP will contact the submitters either manually or electronically to fix the errors (based on a configurable threshold).
5. The Submitters will fix the errors and resubmit the scripts to the State (electronically).
6. Once data is accepted by BHP, system will perform data optimizations for reporting purposes.



7. Standard and ad-hoc reports can be generated from optimized data by the State.
8. Dispensers / Pharmacies/ Practitioners can obtain reports by raising a request through the MAPS.

Overall Work Flow Model



The MAPS application will be modular in design and allow the individual modules to function independently without the entire system complement. The new MAPS application will comprise of the following modules.

1. Data Entry
2. Data Load
3. Error Correction
4. Alerts and messages
5. Administration & Security
6. Data Control
7. Inquiries and Reports
8. Archival
9. Data Migration

For a detailed description of each module see [Appendix 3](#).

1.002 BACKGROUND

The MDCH Bureau of Health Professions provides administrative services to 32 health care occupations. Six of these occupations (licensees) have authority to prescribe controlled substances. These licensees include Dentists, Allopathic Physicians, Osteopathic Physicians, Podiatric Physicians, Veterinarians and recently, Optometrists. BHP issues controlled substance licenses to these six licensees to prescribe, dispense, or administer controlled substances. The Bureau also issues controlled substance licenses to pharmacists and pharmacies to dispense controlled substances. Delegated prescribing is allowed by Nurse Practitioners, Nurse



Midwives and Physicians' Assistants. There are approximately 2,550 licensed pharmacies and approximately 60,000 potential prescribers of controlled substances either directly or by delegation.

BHP has been operating a Prescription Drug Monitoring Program (PDMP) in various forms since August 1, 1989. The first was as a triplicate form submitted via hardcopy to a reporting database. From 1995 through 2002, a serialized form was used that could be submitted electronically, or by hardcopy. Previous programs tracked Schedule 2 controlled substances except for methylphenidate, and selected Schedule 3 anabolic steroids.

Since January 1, 2003, the State has been collecting controlled substance prescription data via the Michigan Automated Prescription System (MAPS) application. MAPS requires reporting of all controlled substance prescription data in Schedule 2 through Schedule 5 dispensed by pharmacies, physicians, podiatrists, dentists, and veterinarians. Out-of-state pharmacies dispensing to an address in Michigan are also required to report this data. MAPS reporting is electronic, utilizing the ASAP (American Society for Automation in Pharmacy) format which is also used by pharmacies for insurance billing.

The software selected by this RFP will replace the MAPS software application now in use within Michigan. It was written, maintained and supported by GC Services, LP. The Windows 2000 SQL database is approximately 60 GB in size. The legacy data must be converted into the new application.

Practitioners and pharmacies who do not have the capability to report electronically may request a waiver for paper reporting. Over 1.2 million controlled substance prescriptions are reported to the state's contractor each month. Approximately 0.2% of those prescriptions are reported by hardcopy. Reporting is required by the 15th of the month following the month the controlled substance is dispensed. Controlled substances administered to patients are not reported. Controlled substance samples and Schedule 5 exempt cough syrups which do not require a prescription are not reported.

The objective of this program is to improve patient care for legitimate patients who require long-term prescribing of controlled substances such as those with chronic pain. Physicians claim that approximately 20% of patients receiving controlled substances are not always forthright with their doctor(s) regarding treatment and the prescribing of controlled substances by multiple physicians.

The MAPS program provides a venue whereby authorized practitioners (i.e., physicians, pharmacists, and veterinarians) may obtain a comprehensive patient-specific report that will include all controlled substances dispensed to that patient, including the identity of the prescribing licensee and the dispensing pharmacies. Patients who engage in the practice of "doctor shopping" can be identified, and the aberrant behavior addressed. In addition, BHP utilizes the data to identify the abuse and diversion of Schedule 2 through 5 controlled substances.

To the best of the MDCH's and MDIT's knowledge, the information provided herein is accurate. However, the State does not warrant such accuracy, and any variations subsequently determined will not be construed as a basis for invalidating the Contract.

The State has standards and guidelines that Contractors are expected to follow. Specifically, the State's Project Management Methodology (PMM) must be followed. The PMM may be reviewed at www.michigan.gov/projectmanagement.

1.1 *Scope of Work and Deliverables*

1.101 IN SCOPE

The Contractor will provide the following components and services:



1. Identification of business requirements

- a. Perform a requirements analysis for a web-based reporting system for Michigan practitioners and pharmacies to report controlled substance abuse prescription data.

Contractor will assign a Project Manager and Business Analysts at the State’s facility to gather detailed business and technical requirements from the stakeholders and end-users. Contractor will use the requirements provided in the **Appendix 1** and **Appendix 2** of the Contract as the basic requirements to conduct the requirements gathering sessions.

Contractor will analyze the current system by interviewing stakeholders, including the management, staff, and end-users, and identify any gaps in the current system. The requirements gathering sessions will also focus on security and access requirements, test data requirements and reporting mechanisms with the appropriate State officials during the contract period.

Contractor will document the requirements gathered from the interviews to ensure that the requirements of the new MAPS application are clearly identified.

2. Verification and validation of business requirements

Contractor’s Business Analysts will verify and validate the business and system requirements keeping in view the overall State objectives in implementing the new web-based Michigan Automated Prescription System (MAPS). The Business Analysts will confirm that the new MAPS application will meet key stakeholders requirements, by documenting the desired requirements of the system, and verifying them with stakeholders. During the evaluation of the requirements, the Business Analysts will prepare and submit a detailed **System Requirement Specification (SRS) Document** to the State project team for review and approval.

3. Procurement of software to meet the defined business requirements

Contractor will analyze the controlled substance reporting business processes, infrastructure, interface, and conversion needs to architect the optimum solution that will support current business processes and adapt to future processes with ease. The web-based MAPS application will be developed based on business requirements approved by BHP. Interfaces and conversion programs will be built and tested to validate the entire business system. Training plans, training materials, and the implementation strategy will be finalized with the approval of State Project Manager.

4. Identification of hardware and peripheral software needed to implement the application

Contractor will identify all the hardware and peripheral software required to efficiently operate the new MAPS application. The required hardware and software is identified in [Section 1.104 Work and Deliverables – Phase 1](#), and pricing has been provided in the respective tables in [Article 1, Attachment A](#).

5. Installation of software

Contractor will deploy the new MAPS application onto the State’s hardware environment. Contractor will submit a **Detailed Installation Plan** along with the **System Requirement Specification (SRS) Document**. The Installation Plan will cover the activities to be done for the successful implementation of the new MAPS application. The Contractor Project team will provide the State with a detailed demonstration of the installed application that will align with the objective, goals and requirements of the MAPS reporting system. This activity will be carried out **onsite at the BHP office**.

6. Services to implement the application, including

- a. Configuration,
- b. Customization,
- c. Modification,
- d. Interfaces,
- e. Data conversion,
- f. Integration and
- g. Testing,

Upon completion of the **detailed requirements study**, Contractor will submit an **SRS** to the State project team for review and approval. On approval from the State, Contractor will prepare **Design Documents** to develop the new MAPS application. Contractor will perform coding, unit testing and integration testing at its facilities. The data in current SQL database will be cleaned and the fields of the existing database will be mapped to the fields in the new MAPS



application. Contractor will use Data Transformation Service tool to migrate data from the existing database to the new MAPS database. [See Section 1.104 Work and Deliverables](#) for details on the application development approach for the new MAPS application.

7. Transition of business operations to the new application, including

a. Data migration

Contractor will follow its data migration methodology to migrate data from the current system to the new MAPS application. Refer to [Section 1.104 Work and Deliverables – Phase 4 Uploading of Legacy Data](#) for details on activities involved in uploading the legacy data

8. Knowledge transfer to State operations and technical staff

Contractor will involve the State’s Project team in each phase of the new MAPS project. During project initiation the responsibilities of the State and Contractor teams will be clearly defined. The State Project team will have the opportunity to review and provide inputs on the interim project deliverables. This will help the State team in effective understanding of the proposed system. Contractor will conduct separate training sessions for the State’s operations and technical staff and transfer the knowledge on operation and maintenance of the new MAPS application.

9. Training

- a. Train the trainer
- b. Application administrator
- c. End user
- d. Technical

Contractor will provide training to users identified by the State Project team using a “Train the Trainer” model to train the selected users of the State in the new MAPS application. The State team will then have the responsibility of training the other end users. The categories of trainees to be trained by Contractor includes end users, application administrators and operations personnel. Please refer to Section [1.104 Work and Deliverable - Phase 5 Training and Documentation](#) for Contractors methodology on training the State personnel on new MAPS application.

10. Documentation, to include

- a. User manuals
- b. Technical manuals
- c. Training materials
- d. Administrator’s manual

Contractor will provide the following documents for the new MAPS application:-

- Training materials such as documents and power point slides
- Online Help
- User Manual
- System Administrator’s Guide
- Technical manuals with detailed descriptions process flows, entity relationship diagrams and table descriptions.

Please refer to Section [1.104 Work and Deliverable - Phase 5 Training and Documentation](#) for more details on the documentation to be provided for the new MAPS application

11. Maintenance

Contractor will provide ongoing support and maintenance upon deploying the new MAPS application as per a mutually agreed Service Level Agreement with the State. Please refer to Section [1.104 Work and Deliverable – Phase 8 Maintenance](#) for details on our maintenance activities

12. Support for State personnel and remote users of the application.

- a. Help Desk
- b. Technical

Upon signing the Service Level Agreement with the State, Contractor will submit a **support plan** that includes details of the support team, support period, frequency of visits, reporting plans and escalation level details. Contractor will provide Level 1-Helpdesk support and Level 2-Technical support to the State. Please refer to Section [1.104 Work and Deliverable – Phase 7 Support](#) and [1.104 Work and Deliverable – Phase 8 Maintenance](#) for details on Contractor’s Support process for the new MAPS application.



1.102 OUT OF SCOPE

Any aspect not related to one that licenses the State of Michigan, Bureau of Health Professions, and technical support, to collect prescription data and disseminate reports to practitioners and pharmacists.

1.103 ENVIRONMENT

Overview of Existing State Operating Environments

Information regarding the State’s information technology architecture and standards may be found at: <http://www.michigan.gov/dit/0,1607,7-139-34305---,00.html>.

The following information describes the State’s current operating environment, as it relates to the services requested in this RFP.

MAPS hardware and software elements:

	Component	Details
1.	Hardware	Intel based server
2.	Operating System	Windows 2000
3.	Web/Application Server	IIS 5.0
4.	Development tool	Visual Basic 6.0 Professional (Visual Studio 6.0)
5.	Component Technology	COM+
6.	Database	MS SQL Server 2000
7.	Report Server	Crystal Reports Enterprise Server 8.0 and Professional (8.5)
8.	Other Software	MS Word 2001/XP (User Manual/Online Help)

Contractor will use the following software elements to implement the new MAPS application:

Component	Details
Operating System	Windows 2003
Web/Application Server	IIS 6.0
Development tool	Microsoft Visual Studio .NET 2003 (C#, ASP.NET)
Database	MS SQL Server 2000
Report Server	Crystal Reports XI Server Edition
Other Software	Microsoft Office 2000 or above

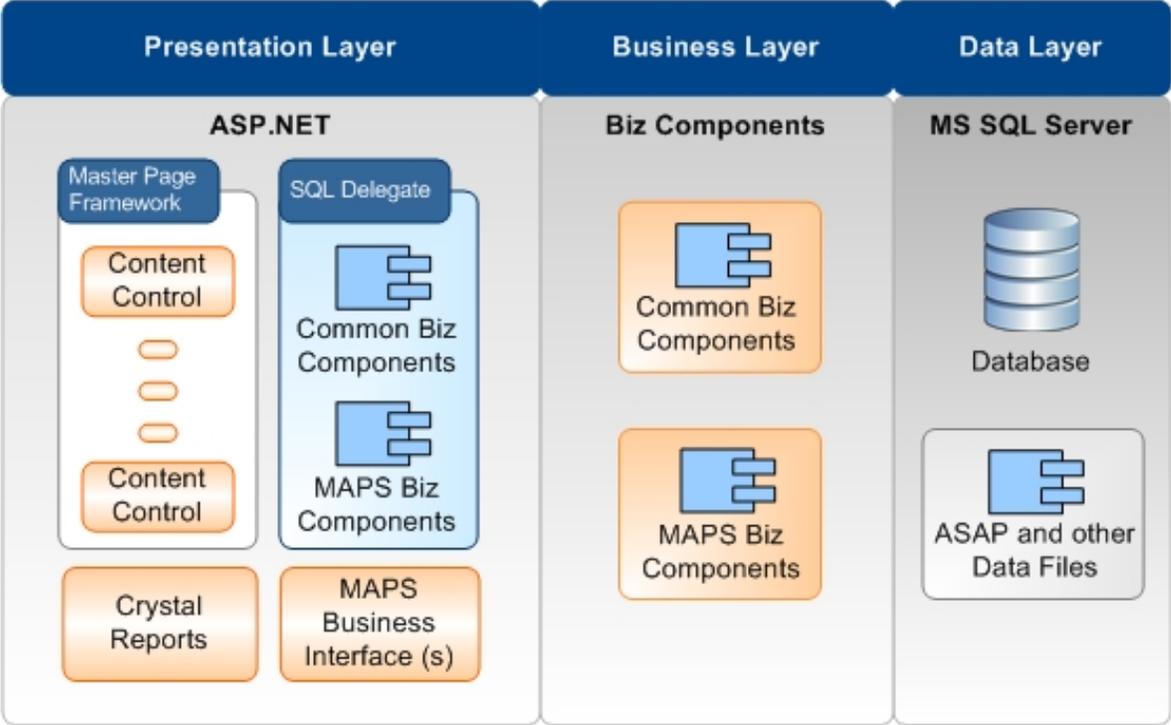
System Architecture

Contractor will develop the new MAPS application using a three-tier architecture comprising of presentation, business and data layers. This architectural approach provides the following benefits to the State:

- Modularity and Reusability of Components
- Enhanced Maintainability
- Scalability for future requirements
- Better Performance
- Reduced development cost (by leveraging existing components from Contractor’s framework)

The architectural framework is modular and separates the presentation, business and data tiers. The diagram below shows the logical separation of the tiers. The presentation tier will make use of Contractor’s MasterPages framework. This framework provides a flexible way of managing layout and helps make quick changes to the presentation tier. Crystal Reports will interface to this tier to provide reporting capabilities. The tiers will be built loosely coupled, thus providing the ability to separate them physically and logically. This will be achieved via the use of many design patterns, such as “Business Delegate” and “Data Access Object” pattern.

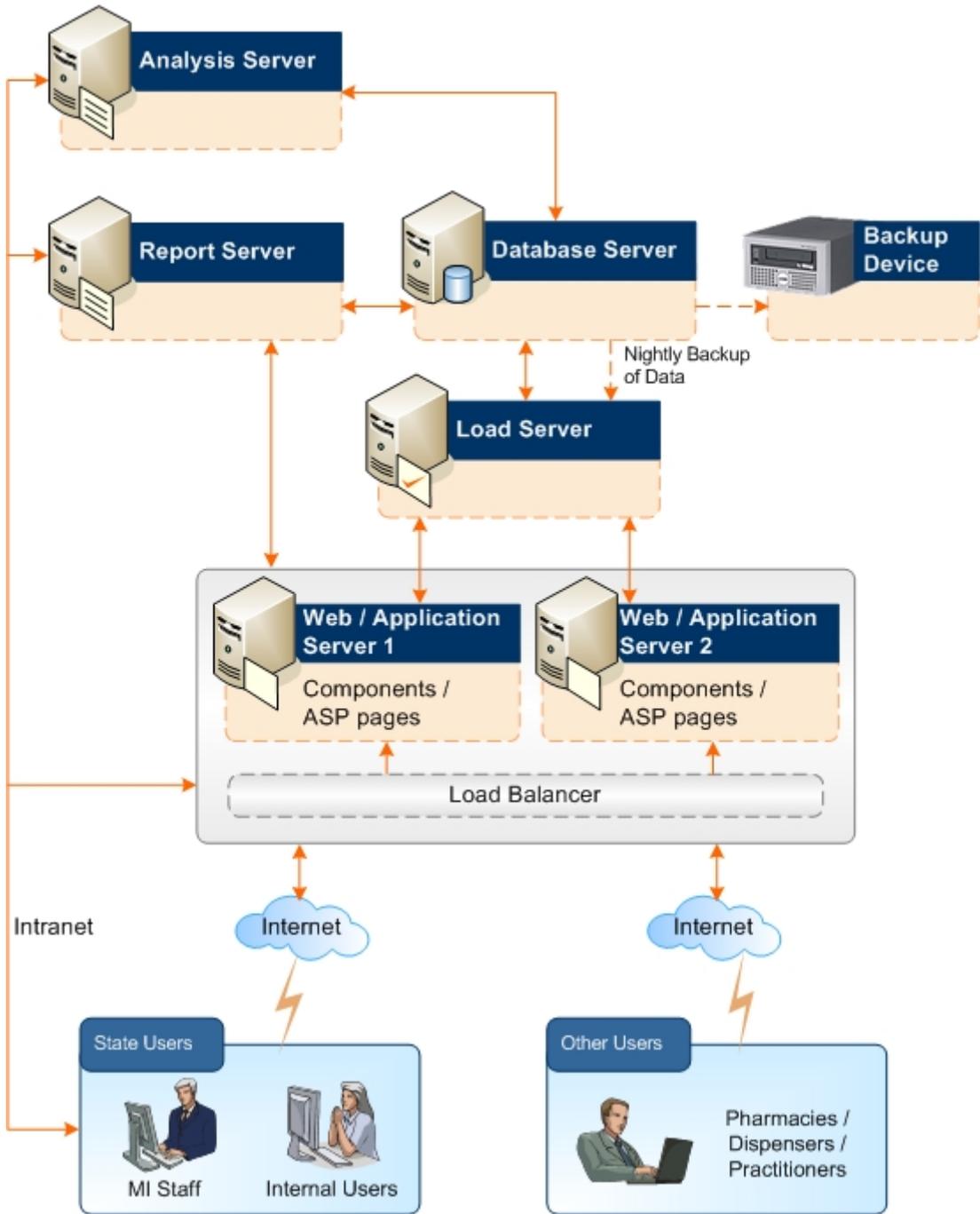
System Architecture



The BHP users can access the MAPS application through the Internet / Intranet, and the submitters can access the application using the Internet. The following diagram describes the proposed deployment diagram for the new MAPS application:



MAPS Deployment Diagram



1.104 WORK AND DELIVERABLE

I. Requirements

- A. **General Technical Requirements** – The Contractor shall comply with applicable general technical requirements for information technology projects attached as [Appendix 1](#).
- B. **Agency-Specific Requirements** – The application must meet Agency specific requirements attached as [Appendix 2](#).

II. Services – At a minimum, the Contractor shall:



PHASE 1 Conduct Requirements Analysis

1. Define the processing requirements for the new controlled substance prescription reporting system.

Contractor will follow its standard Software Development Life Cycle Methodology to develop the new MAPS application for the State. The major phases of SDLC are as follows

- ◆ Project Initiation
- ◆ Requirement Analysis
- ◆ Design
- ◆ Coding
- ◆ Testing
- ◆ Acceptance
- ◆ System Implementation
- ◆ Maintenance

On award of contract, a project initiation meeting will be held at the State designated location. The objective of this meeting is to formally introduce the State and Contractor project teams, present the draft project schedule, and decide on addressing common, dependent issues related to the project.

During the Requirements Analysis Phase, Contractor Project Manager and Business Analysts will gather detailed business and technical requirements from the business and end-user community. At the end of the Requirement Analysis phase Contractor will submit a detailed **System Requirement Specification (SRS) document** that defines the processing requirements for the new system.

2. Interview key user management and staff, as well as providers, to develop process flows and functional requirements to support revised system features and functions.

Contractor team of Project Manager and Business Analysts will interview MAPS stakeholders and the end users to understand the desired features and functionalities of the new web based MAPS application. In addition to the functional requirements, Contractor will also discuss the security and access requirements, test data requirements and reporting mechanisms. The Business Analysts will develop the process flows, use cases and the mock up screens based on the requirements gathered from the management staff and end users within the State.

3. Perform demonstrations of proposed systems features to allow the key stakeholders to determine how new system could impact their operations.

Contractor team will validate the requirements captured in the business use cases, screen mockups and requirements documents. The existing requirements will be refined based on discussions with State project team. Contractor will develop a prototype with identified core requirements of the new MAPS application and demonstrate to the State Project team. The business use cases, screen mockups and other requirement documents will be updated based on the feedback from the State during the demonstrations. The modified requirements and business use cases will be reviewed and baselined. Any new requirements resulting in change of scope will be accommodated through the change control process.

4. Provide a requirements document that outlines the key processes to be supported by the new controlled substance prescription reporting system, functional and information requirements needed to support the processes, and technology alternatives to meet the requirements.

On completion of the prototype demonstration, Contractor will evaluate the requirements, prepare and submit **System Requirements Specifications (SRS) document** to the State Project Team for review and approval. The SRS document will detail the processes to be supported by the new system, suggest technology alternatives for the new system and any other functional and informational requirements for the system



5. Provide a complete listing of all hardware and peripheral software required for full implementation of the software application.
 - a. Equipment must comply with State IT Standards as defined in Section 2.051-2.054.
 - b. Assist with the selection and, as needed, the purchase of required central site server hardware and software.
 - c. Provide support and assistance with the installation and start up of central system hardware and software needed to operate the system.
 - d. Depending on cost and other factors and at the discretion of the State, these items may be purchased from other resources.

Contractor has reviewed the existing technical environment information provided in the ITB. Contractor's proposed hardware and software requirements for the new MAPS application complies to the State's IT Standards. Please refer to [Article 1- Attachment A Pricing](#) section for details of requirements and their pricing.

On award of contract, Contractor will study the existing infrastructure including the hardware, network, server software such as operating system and database.

Contractor will assist the State in the selection, purchase and installation of the suggested hardware and software.

The details of the hardware and software required and the configuration are provided in the table below.

Contractor suggests two web servers to run the application. The two web servers will present the portal to submitters for them to self-register, fix errors and check their submission status. The load balancing between the two web servers will be achieved through a web load balancer. The web application will run on these servers and will directly access the database. These servers will also run an FTP server for FTP uploads of files, upon State's approval.

The recommended hardware specification for the Web Server is provided below:

Type	Description
Model #	Dell Power Edge 1425
Processor	Single Processor - Intel Xeon 3.0 GHz w/2 MB L2 Cache/800 MHz FSB
Memory	2 GB
Hard Drive	2 * 80 GB SATA Drives attached to SATA Controller
Network	Gigabit
Operating System	Windows Server 2003 Standard Edition
Warranty:	3 Yrs 24 x 7 Warranty
Quantity	2

Contractor suggests one Load server to perform the actual data loads. The database server will act as a backup load server. The load server will in turn act as back up database server. If the database server fails, the database name in the web server will point to the load server. The load server will always have nightly backups restored every night.

The hardware configuration for the Load Server is given below:

Type	Description
Model #	Dell Power Edge 2850



Processor	Dual Processor - Intel Xeon 3.4 GHz w/2 MB L2 Cache/800 MHz FSB
Memory	8 GB
Hard Drive	On-Board RAID 5, 3 drives connected to on-board RAID. Five 73GB,10K RPM, 1in (Ultra 320) SCSI Hot Plug Hard Drive
Network	Gigabit
Operating System	Windows Server 2003 Standard Edition
Warranty	3 Yrs 24 x 7 Warranty
Quantity	1

Contractor recommends a separate report server to run the Crystal Reports software since the report runs are very resource intensive. The State users will connect directly to the Reports server through the intranet.

The hardware specification for the Reports Server is provided below:

Type	Description
Model #	Dell Power Edge 1850
Processor	Dual Processor - Intel Xeon 3.0 GHz w/2 MB L2 Cache/800 MHz FSB
Memory	4 GB (4 * 1 GB DIMM)
Hard Drive	On-Board RAID 5, 3 drives connected to on-board RAID. Three 73GB,10K RPM, 1in (Ultra 320) SCSI Hot Plug Hard Drive
Network	Gigabit
Operating System	Windows Server 2003 Standard Edition
Warranty	3 Yrs 24 x 7 Warranty
Quantity	1

The database server will be connected to the reports server, the load server, the analysis server (that runs the OLAP tool) and the web/application servers. The database server will act as a back up load server if the load server fails.

The hardware configuration for the Database Server is provided below:

Type	Description
Model #	Dell Power Edge 2850
Processor	Dual Processor - Intel Xeon 3.4 GHz w/2 MB L2 Cache/800 MHz FSB



Memory	8 GB
Hard Drive	On-Board RAID 5, 3 drives connected to on-board RAID. Five 73GB,10K RPM, 1in (Ultra 320) SCSI Hot Plug Hard Drive
Network	Gigabit
Operating System	Windows Server 2003 Standard Edition
Warranty	3 Yrs 24 x 7 Warranty
Quantity	1

Contractor recommends a backup device to be connected to the database server. This device will be attached directly to the database server and will backup other servers via the network.

The specifications of the Back Up Device are as follows:

Type	Description
Model #	Dell PowerVault 110T LTO-2-L
Capacity	200 GB
Transfer Rate	86.4GB/hr
Chassis	Dell Rapid Rails
Warranty	3Yr Ltd Warranty + 3Yr Same Day 4Hr On-Site Service (7Days x24Hrs)

Contractor recommends Microsoft SQL Analysis OLAP tool for intelligent data mining and dynamic multi-dimensional analysis. This tool will run on a separate Analysis server.

The configuration for the Analysis Server is provided below:

Type	Description
Model #	Dell Power Edge 1425
Processor	Single Processor - Intel Xeon 3.0 GHz w/2 MB L2 Cache/800 MHz FSB
Memory	2 GB
Hard Drive	2 * 80 GB SATA Drives attached to SATA Controller
Network	Gigabit
Operating System	Windows Server 2003 Standard Edition
Warranty	3 Yrs 24 x 7 Warranty
Quantity	1



PHASE 2 Implementation Plan

1. Assemble information gathered during the Requirements Analysis into an Implementation Plan.
 - a. Outline timelines, milestones and deliverables including required State personnel activities, development, testing, piloting, signoff, and rollout steps.
 - b. All tasks within the plan that require the involvement of and/or the approval of State of Michigan staff or subcontractors working under the direction of State of Michigan staff must be identified.
 - c. The system shall go productional no later than **October 16, 2006**. In order to meet these objectives, the following project milestones must be met.
 - i. **May 4, 2006**: Project Initiation
 - ii. **May 29, 2006**: System requirements developed and timeline for implementation in place
 - iii. **July 17, 2006**: Alpha version of system available for acceptance testing
 - iv. **August 17, 2006**: Beta version of software suitable for pilot testing
 - v. **September 18, 2006**: Finalized software package available for rollout
 - vi. **October 16, 2006**: Full implementation by

Contractor is an ISO 9001:2000 and CMM Level 5 certified organization and has proven process and methodologies to develop IT solutions. **Contractor will manage this project in accordance to the PMBOK™ (Project Management Institute) and the State’s PMM methodology.**

Contractor will perform a detailed project planning during the initial stage of the project. Upon completion of the requirements analysis, Contractor will prepare and follow detailed project management plans that will serve as controlling documents for the project. These documents will include

Project Management Plan – This document identifies the project organization, management activities, technical activities and a schedule baseline.

Quality Assurance Plan – This document describes the quality objective of the project and highlights the review and audit process metrics, problem reporting and corrective actions.

Risk Management Plan – This document identifies the potential risks on the project together with the impact and mitigation plan.

Communication Plan – This document describes the type of communication to ensure timely generation, collection, dissemination and disposition of project information.

Configuration Management Plan – This document identifies all the configurable items, change control and change management procedures.

Client Acceptance Plan – This document describes the client acceptance procedure including problem reporting and resolution process.

Contractor’s project management methodology for development projects is supported by mature processes and an in-house software tool – Process and Project Management Automation (PPMA). Project management processes include resource management, time management, issue management, change management, configuration management, and risk management. PPMA automates these processes and provides a system for the extensive gathering of operational metrics to facilitate the continuous improvement of processes. Contractor Project Manager will utilize PPMA to help in the planning, tracking, execution and controlling of the various phases and activities in the project.

Contractor will submit a detailed project schedule in the beginning of the project. The State Project team will review the schedule and on approval, the schedule will be base-lined. The approved schedule will form the basis for project monitoring. The schedule will include dependency links to internal tasks and tasks related to the State. Contractor Project manager will update the schedule on a weekly basis to reflect the actuals.

PHASE 3 Software Development

1. Replace the current MAPS application with a technologically current web-based, and at minimum, equivalent application for implementation by September 30, 2006
 - a. Online help must be provided within the application.

Contractor will design the new MAPS application using a high-level, functional architecture obtained from the



SRS. The detailed design and functioning of the system are well-defined in this phase, with the establishment of the functional and physical guidelines governing the system. The document also establishes the structure of the database and/or files systems and finalizes the input and output formats.

Contractor will convert the developed data model into a functional database. Contractor will write and compile the program code, resulting in an error-free, compiled program code based on the program specifications as well as the programming standards and guidelines. Contractor will develop the application using .NET technology.

2. Ensure the application contains all the functional features within the current MAPS application and new features that leverage new technological capabilities as outlined in [Appendix 2](#).

The new web based MAPS application will provide all the functionalities in the existing MAPS application and those identified in [Appendix 2](#). Contractor will develop the application based on the SRS document approved by the State. Contractor will perform quality checks to ensure that the developed application meets all the requirements identified in the SRS document.

3. Ensure data integrity and security and meet all MDIT requirements for system security. See Sections 2.051-2.054 of this Contract.

Contractor will ensure data integrity and security and meet all the requirements for system security mentioned in the RFP. Data integrity will be ensured by following industry and MDIT standards for relational databases, including the use of database constraints, referential integrity and other features provided by MS SQL Server. Contractor will enforce strict security standards to ensure that sensitive data is protected. Contractor will ensure that physical access is controlled when the data is handled during development, and will use isolated networks and servers to achieve this. Contractor will discuss the procedures and requirements with BHP during the project initiation phase to ensure that the State is made aware of all the steps taken by Contractor.

4. Modify and implement the controlled substance prescription reporting system software that includes all the features and functions listed in [Appendix 2](#) in addition to the features identified in this solicitation and as agreed and approved within Phase One Deliverable.

Contractor will design, develop and implement a user friendly web based controlled substance reporting system software that meets all the technical and agency specific requirements mentioned in the Attachments and Appendices of the Contract.

5. Create a testing plan and test case documentation.

Contractor will carry out the follow steps to create a testing plan and test case documents.

- ◆ On completion of the Requirements Analysis, Contractor testing team will plan the testing activities and develop test cases, system testing and user acceptance plan.
- ◆ On completion of Architectural Design a test plan will be developed for integration testing.
- ◆ On completion of detailed design, Contractor will develop a test plan for unit testing.

Contractor will conduct unit, integration and system tests of new MAPS application. The test cycles will be repeated till all the bugs identified during testing are fixed.

6. Provide and install software for acceptance testing, for piloting, and then for final rollout.

The components of the new system will be integrated and the system tested against business and technical requirements by the Contractor team. Contractor will conduct reliability testing to verify that all applications work, active buttons are really active and important text messages are correct.

On completion of testing, Contractor will install the new MAPS application in State's environment for acceptance testing during pilot and rollout phase. Contractor team will draft a detailed **Installation Plan** along with **the System Requirement Specification document**. The Installation Plan will cover the activities to be done for the successful implementation of the new MAPS application. Contractor will demonstrate State users that the installed solution meets the requirements of the State. This activity will be carried out onsite.



PHASE 4 Uploading of Legacy Data

- 1. Provide an effective strategy and methodology for converting and uploading data from the current MAPS system.

Contractor will leverage its knowledge in working with GC Services for the development of controlled substance reporting system for the State of Michigan. Contractor will develop processes and procedures for converting and loading the data from the current MAPS to the new MAPS application seamlessly without disturbing the existing system

- 2. Develop applications and procedures for conversion and uploading of legacy data that permit retention and utilization of historic data and enables a seamless conversion from old to new controlled substance prescription reporting systems.
 - a. Approximately 3 years of data or 40 million records must be converted and available during acceptance testing.

Contractor will analyze the data to be converted and develop tools to convert the data from existing system. Contractor will ensure that there is no downtime and the migration from the current system to the new system is smooth. During data migration, Contractor will handle data integration issues such as missing fields, data type mismatch, split fields, structure mismatch, calculated fields, data source differences and dirty data issues

- 3. Develop all software and procedures for use in converting and uploading legacy data for seamless upgrading from the current system to the new system on the same timeline as the overall software.

Contractor will follow its proven five-phase approach to convert and upload the legacy data. The data migration activities will be planned and completed within the overall project timeline for implementation of the new MAPS application.



HTC's Data Migration Approach

Phase- 1: This phase involves scope definition and planning, comprising of activities such as analysis of the existing database structures and identifying the data to be converted with the result that Contractor will evolve/ provide a detailed conversion roadmap.

Phase- 2: This phase involves mapping of the source data formats with the target data formats and identifying the data conversion tools

Phase- 3: This phase involves development and customization of tools required for conversion of data. These tools handle data cleansing and the issues related to data type inconsistencies

Phase- 4: This phase involves actual reading of data from the source database, conversion of data and writing of the data into the target database

Phase- 4: This phase involves testing and validating the converted data. The testing activities include unit testing, integration testing, system testing, stress testing and performance tuning.

PHASE 5 Training and Documentation

- 1. Provide training materials for each user audience, i.e. physicians, pharmacies, and State staff that includes the following;
 - a. A user's guide.
 - i. Include screen formats, generic instructions, and report format samples.
 - b. A training version of the database.
 - c. An application administrator's manual.
 - d. A technical manual that includes, at a minimum, the process flow, table elements, field descriptions, relationships, and an entity relationship diagram.

Michigan Public Health Institute's (MPHI) trained technical writing and training staff will work in collaboration with Contractor to provide training materials suitable for physicians, pharmacies, MDCH staff and all MAPS



stakeholders. This documentation will include:

- a. A user’s guide including screen formats, generic instructions, and report format samples.
- b. A training version of the database.
- c. An application administrator’s manual.

A technical manual that includes, process flow, table elements, field descriptions, relationships, and an entity relationship diagram.

2. The Contractor will provide documentation updates as additional capabilities, enhancements, or improvements are made to the system.

MPHI will work in partnership with Contractor to provide documentation updates as additional capabilities, enhancements or improvements are made to the system.

3. Provide training

- a. On-site training utilizing a ‘train the trainer’ approach, which will involve 10 MDCH staff members.
- b. Training for up to 4 application administrators.

MPHI will provide instructor led, specialized training appropriate to each target audience. MPHI will use a “train the trainer” approach on this project. The training will be provided on-site, for up to 10 MDCH staff members. MPHI will also provide on-site training for up to four MDCH application administrators.

4. Technical documentation including, at a minimum, process flows, table elements, field descriptions, relationships, and entity relationship diagram(s) is required.

Contractor is a CMM Level 5 and an ISO-9001:2000 organization and follows all industry recommended levels of documentation. Contractor will provide technical documentation with detailed descriptions process flows, entity relationship diagrams and table descriptions

5. The Contractor will submit the following documentation.

- a. System-wide documentation and specifications
- b. Installation procedure
- c. Configuration documents sufficient for configuration maintenance purposes
- d. Testing scripts
- e. Specification documentation
- f. Production migration

Contractor will deliver the following documents during the course of this project.

Phase	Documentation
Project Initiation	<ul style="list-style-type: none"> ▪ Modified Contract, after any revisions (if any) ▪ Kick-off Meeting MOM ▪ Draft Project Plan
Requirements Gathering	<ul style="list-style-type: none"> ▪ Project Plan ▪ Project Management Plan ▪ Approved Software Requirements Specifications ▪ Deployment and Acceptance Plan
Design	<ul style="list-style-type: none"> ▪ Test Plan and Test Cases ▪ Data Model Design ▪ Interface Requirement Plan
Testing	<ul style="list-style-type: none"> ▪ Testing Scripts ▪ Test Cases
Data Migration	<ul style="list-style-type: none"> ▪ Data Migration Plan



	Implementation	<ul style="list-style-type: none"> ▪ Training Materials ▪ On-Line Help ▪ Technical Manuals ▪ Production Migration 	
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6. The Contractor will provide documentation in State-approved electronic format of upgrades/modifications of the applications that affect end-user functionality.

Contractor will provide the upgrades/modifications of the applications in State-approved electronic format.

7. The Contractor will provide the State with clearly written processes for managing updates to the software during and after the implementation of the system.

Contractor will provide the State with the software deployment plan and procedures manual in electronic format. The deployment document will detail the processes and procedures required to deploy the new MAPS application. The procedures manual will identify details of managing updates to the new MAPS application.

8. System and training documentation is required in draft form on or before user acceptance testing.

Contractor will provide draft documentation of the user manual before user acceptance test phase. Contractor will discuss with the State Project team on the format and contents for the training material to be provided. Contractor will provide a draft copy of the training material to the State before the commencement of the training phase.

Contractor also recommends supplemental **web-based training** designed to conveniently reinforce new MAPS functionality. MPHI provides a complete continuum of customized learning services. From instructor led courses to online learning, MPHI can create an environment built to MDCH specifications. e-Learning courses range from simple information dispersion to multi-media task simulated training programs. Blended courses and webinars on (www.mihealth.org) are also available training options. MPHI's Learning Management System (LMS) is a training resource housing complete learning information including the training registration process, available courses (instructor led, online, webinars and seminars,) course resources, facility/room management and enterprise reporting capabilities. MPHI's experienced staff and depth of customizable training tools and capabilities will ensure all MAPS stakeholders have information, skills, and resources they need for successful implementation.

9. Final documentation due at least 1 month prior to system rollout.

Based on the feedback from the State, Contractor will update the draft documentation and submit the final documentation to the State one month prior to roll out.

PHASE 6 Testing and Implementation

1. Provide a revised and finalized system for final rollout that meets or exceeds the requirements stipulated by this RFP and as identified and agreed upon within the requirements analysis.

Contractor will capture all the stated and implied needs of the users of existing MAPS application and translate them as functionalities of the new MAPS application. Contractor will develop the new MAPS application according to the approved SRS document. Contractor will test the application at each stage and ensure that the new MAPS application is defect free. Contractor will deliver the application for final rollout on successful completion of user acceptance test by the State.

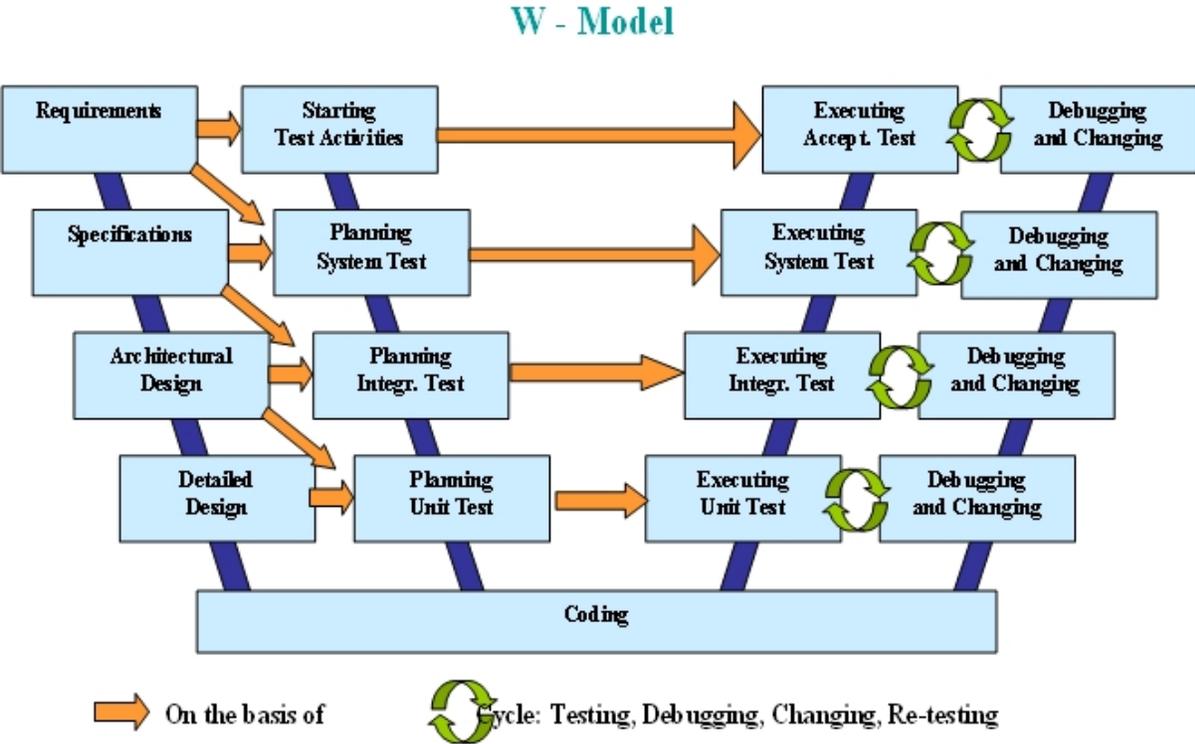
2. Test all phases of the application including, but not limited to: data input, data transmission, data loading, and legacy data.

- a. Testing will be completed by State identified testers using the test plan and test cases documented in Phase Three.
- b. The application will be implemented only upon written acceptance by the State Project Managers following successful completion of all testing.

Contractor has a dedicated testing team with proven expertise in a variety of testing tools and technology platforms. This team is responsible for creating test plans, testing at various stages of the project, recording defects and ensuring the applications are defect free. Contractor follows 'W' model for testing process, where the "W" describes the graphical arrangement of the individual phases. By the ordering of activities in time sequence



and with abstraction levels the connection between development and test activities becomes clear.



Contractor will carry out the following testing activities at various level of application development:

Unit Testing: The basic software unit, such as a single screen or unit is tested based on the test cases prepared as part of the design process. The test cases are available to the testing team upon completion of the coding and code walk through processes.

Integration Testing: Two or more independently developed units of code are integrated and tested to ensure the interaction among units of code, and to make sure that the units function correctly together with related units. The test cases for each hierarchy of integration are developed during the design phase of partitioning the high-level design into low-level design. This hierarchy of testing identifies the testing to be carried out as each unit of software is combined to create another whole at a higher level.

System Testing: The developed software is tested for final validation against the original requirements. It is a level higher than module testing (or integration testing) and tests the functionality of the software as a whole. System Test conditions include all user acceptance test conditions.

User Acceptance Testing: Contractor will deliver the new MAPS application for acceptance testing by the State identified testers. Contractor will provide training to State identified testers on conducting user acceptance test and support the team during User Acceptance test (UAT). Contractor will develop the Acceptance test cases based on the functional requirements and provide the test cases to the State. On completion of training, Contractor will assist the State in preparing testing environment for the new application based on the configuration requirements evolved by Contractor during the design phase. Contractor will deploy the developed new MAPS application at the State test environment and ensure that it is ready for user acceptance test. Contractor will record the reported bugs from the State testers and track them to closure. This activity will be carried out onsite at State’s facility.

PHASE 7 Support

1. Provide system support, including all remote system users including State of Michigan BHP personnel, physicians, pharmacies, podiatrists, dentists, optometrists, and veterinarians, and the Department of Information Technology, during piloting and rollout implementation.

MPHI will provide system support to all MAPS stakeholders including remote system users, MDIT, State of Michigan BHP personnel, physicians, pharmacies, podiatrists, dentists, optometrists, and veterinarians during the pilot and rollout phase of implementation. Two experienced, responsive, and knowledgeable help desk staff



will be available to answer questions about the new MAPS system via a **toll-free hotline** from **8AM to 5PM Eastern Standard Time, Monday through Friday**. Additional help desk staff is available if call volumes are more than expected. MPH's technical support hotline is committed to courteous, informed, and responsive service. If they cannot answer the question immediately, or if additional investigation is necessary, the caller will be contacted by MPH with a response in one business day or less.

PHASE 8 Maintenance

1. Provide maintenance and support on a calendar year basis thereafter, based on a fixed price per year.
2. Support must include support for central system operations and for central and remote users.
3. The level of support required is 8 to 5 Eastern Time (ET) telephone support Monday through Friday with 24/7 support on a call back basis.
4. The Contractor's maintenance program will commence at the end of the warranty period.
5. All maintenance will be performed by qualified personnel who are familiar with the system.
6. The Contractor will provide backup maintenance resources.
7. The Contractor will provide for escalation of maintenance issues to ensure critical issues are resolved.
8. The Contractor will provide remote diagnostic capabilities.
9. The Contractor will provide one point of contact to report system malfunction whether malfunction is due to software or is of unknown origin. The Contractor will then be responsible for providing the appropriate remedy.

Contractor will provide ongoing maintenance and support for the new MAPS application on a mutually agreed Service Level Agreement. The agreement period will be for a calendar year and will commence on completion of warranty period. Upon signing the agreement, Contractor will submit a support plan that includes details of the support team, schedule, frequency of visits, reporting plans and escalation level details. Contractor will provide Level 1 and Level 2 support to the State operations personnel and central and remote users of the new MAPS application.

Level 1 Support

This is the first level support offered through helpdesk service. The State users can avail support over telephone, fax, email between 8.00 a.m. and 5.00 PM Eastern Standard Time 5 days (Monday through Friday) a week. The helpdesk team will respond to the queries posted by the end users within 1 business hour from the time user called the help desk number. The team will use Contractor's Issue Tracking module- advanced issue resolution software to log incoming service requests / trouble tickets, and track these to satisfactory closure. Most user requests are sorted out at the Level1 support. Problems that need troubleshooting by experienced consultants are escalated to Level 2 Support.

Level 2 Support

Level 2 Support will comprise of team with expert knowledge of new MAPS application and troubleshooting capabilities. On receipt of the request from the helpdesk, the team will analyze the problem, plan the resolution process and respond to the State within 4 business hours (between 8.00 a.m. and 5.00 p.m. E.S.T. 5 days (Monday through Friday) a week). The response will resolve or provide an indicative time frame to resolve the problem. Based on the complexity and severity of the issue, the resolution may be done onsite or offsite. The issue and resolution details will be logged into our Issue Tracking module.

Contractor support team will respond to incidents based on their Severity Levels. The severity of the issue will determine the response time and action expected from Contractor.

1.2 Roles and Responsibilities

1.201 CONTRACTOR STAFF, ROLES, AND RESPONSIBILITIES

The Contractor must provide a project team, headed by a single point of contact Project Manager, that possesses talent and expertise in the area of developing controlled substance prescription reporting systems that improve the efficiency of provider reporting and effectively satisfy State requirements for such reporting.



The Contractor has provided resumes for staff in [Article 1, Attachment B](#) including subcontractors, who will be assigned to the Contract, indicating the responsibilities and qualifications of such personnel, and stating the amount of time each will be assigned to the project. The Contractor will commit that staff identified in its proposal will actually perform the assigned work and identify where these personnel will be physically located during the time they are engaged in the work. Any staff substitution must have the prior approval of the State.

[Article 1, Attachment B](#) includes an organizational chart indicating lines of authority for personnel involved in performance of this Contract and relationships of this staff to other programs or functions of the firm. This chart shows lines of authority to the next senior level of management and indicates who within the firm will have prime responsibility and final authority for the work.

Participating staff must remain on-site for the completion of the Requirements Analysis phase of the project. They also must be on-site for Testing and Implementation. Contractor location during the remainder of the project is negotiable.

Contractor’s staff must be able to pass a security clearance check conducted by the Contractor. Contractors must present certifications evidencing satisfactory background checks and drug tests for all staff identified for assignment to this project. Contractor is responsible for any costs associated with ensuring their staff meets all requirements.

The Contractor will identify a Contract Administrator. The duties of the Contract Administrator shall include, but not be limited to: i) supporting the management of the Contract, ii) facilitating dispute resolution, and iii) advising the State of performance under the terms and conditions of the Contract. The State reserves the right to require a change in the current Contract Administrator if the assigned Contract Administrator is not, in the opinion of the State, adequately serving the needs of the State.

The Contract Administrator shall be identified as a Key Personnel subject to the State’s interview and approval.

The Contractor's project manager responsibilities include, at a minimum:

- Manage all defined Contractor responsibilities in this Scope of Services.
- Manage Contractor’s subcontractors, if any
- Develop the project plan and schedule, and update as needed
- Serve as the point person for all project issues
- Coordinate and oversee the day-to-day project activities of the project team
- Assess and report project feedback and status
- Escalate project issues, project risks, and other concerns
- Review all project deliverables and provide feedback
- Proactively propose/suggest options and alternatives for consideration
- Utilize change control procedures
- Prepare project documents and materials
- Manage and report on the project’s budget

The Contractor will provide sufficient qualified staffing to satisfy the deliverables of this Statement of Work.

Contractor will identify a Contract Administrator who will act as a Single Point of Contact for Contract related matters. Contractor’s Project Manager will be the Single point of Contact (SPOC) for all the project related issues. Contractor Project Manager will head Contractor project team comprising of Developers, Configuration Management Specialists, Business Analysts, QA Managers, System Architects and Database Administrators. The organizational chart in Section [Article 1, Attachment B](#) shows the line of authority to the next senior level of management and indicates the prime responsibility and final authority for the work.

Contractor’s training and support partner is the Michigan Public Health Institute (MPHI). Resumes for MPHI proposed staff is included in [Article 1, Attachment B](#).

The following table describes the responsibilities of Contractor’s project team.



Role	Responsibility
Contract Administrator	<ul style="list-style-type: none"> ▪ Single Point of Contact to the State for contract related issues ▪ Facilitate dispute resolution ▪ Advise the State of performance under the terms and conditions of the contract
Contractor Project Manager	<ul style="list-style-type: none"> ▪ Manage all defined Contractor responsibilities in this Scope of Services. ▪ Develop the project plan and schedule, and update as needed ▪ Serve as Single Point of Contact (SPOC) for all project issues ▪ Coordinate and oversee the day-to-day project activities of the project team ▪ Assess and report project feedback and status ▪ Escalate project issues, project risks, and other concerns ▪ Review all project deliverables and provide feedback ▪ Proactively propose/suggest options and alternatives for consideration ▪ Utilize change control procedures ▪ Prepare project documents and materials ▪ Manage and report on the project's budget
Business Analyst	<ul style="list-style-type: none"> ▪ Conduct onsite requirement gathering sessions with the State project team ▪ Perform all functional aspects related to the project including requirements analysis, functional specifications, test cases, etc ▪ Interview business process owners ▪ Understand the business process ▪ Analyze user interface requirements ▪ Coordinate business objectives with the project deliverables ▪ Guide in preparation of training materials ▪ Assist in conducting 'train-the-trainer' training sessions
System Architect	<ul style="list-style-type: none"> ▪ Develop architectural design and architecture plan documents ▪ Coordinate between Business Analyst and Development Team Lead
Development Team Lead	<ul style="list-style-type: none"> ▪ Control all development aspects related to the project including requirements specifications, technical design ▪ Ensure all project deliverables meet the quality standards ▪ Manage project on a day-to-day basis as per project plans ▪ Mentor development and quality teams on project details ▪ Identify any project problems and initiate corrective actions ▪ Release project deliverable and approve changes to project work items
Developer/ Programmer	<ul style="list-style-type: none"> ▪ Program / code according to specifications ▪ Perform self test of the developed program / code ▪ Fix the bugs detected at integration, system and acceptance testing
QA Manager	<ul style="list-style-type: none"> ▪ Ensure implementation of standards mentioned in the Quality Management System. ▪ Co-ordinate the system test plans development.



	<ul style="list-style-type: none"> ▪ Review / Inspect the project work products that may include requirements, design, unit & system test plans, code etc. ▪ Supervise all aspects of system testing ▪ Report defects / bugs to the Project lead ▪ Approve work products fitting the Quality standards ▪ Set-up independent teams to verify project compliance with the Quality Management System ▪ Conduct periodic reviews / audits on project work products ▪ Guide the development team on the Quality Management System as and when required
<p>QA Test Team Lead</p>	<ul style="list-style-type: none"> ▪ Prepare and maintain the test environment ▪ Prepare test plans and test schedules ▪ Identify the staffing requirement ▪ Supervise testers and allocate tasks to appropriate testers. ▪ Ensure proper design of all test cases assigned to testers ▪ Ensure the execution of all test cases assigned to testers ▪ Maintain the Defect tracking system ▪ Prepare weekly status reports ▪ Provide quality feedback for go/no go meetings and rollouts ▪ Setup Defect review meetings ▪ Build Acceptance reports or certification reports ▪ Prepare study reports on productivity and efficiency ▪ Release checklists
<p>QA Tester</p>	<ul style="list-style-type: none"> ▪ Execute all assigned test cases. ▪ Perform unit, integration and system tests ▪ Assist with preparation of test plans. ▪ Prepare test data ▪ Ensure all defects are put into the defect tracking system. ▪ Retest resolved defects on each release
<p>Database Administrator</p>	<ul style="list-style-type: none"> ▪ Set-up and install the server database ▪ Analyze the existing systems interfaces ▪ Allocate table space and maintain database backup ▪ Tune the database to optimize performance ▪ Perform data migration, data mapping and system integration pertaining to the customer requirements and analysis ▪ Perform overall database management
<p>CM Specialist</p>	<ul style="list-style-type: none"> ▪ Maintain the configuration library ▪ Control changes to baselined items ▪ Organize and control software components and documents related to the project ▪ Review Configuration Management plan



	<ul style="list-style-type: none"> ▪ Participate in CCB meetings as a member of Change Control Board
Training Administrator	<ul style="list-style-type: none"> ▪ Develop Training materials ▪ Develop Training Evaluation and Scoring material ▪ Process training requisitions
Application Trainer	<ul style="list-style-type: none"> ▪ Analyze training feedback ▪ Co-ordinate training classes ▪ Monitor training resources ▪ Administer training programs
Technical Writer	<ul style="list-style-type: none"> ▪ Create system documentation ▪ Create user documentation / manuals and online help ▪ Prepare training and presentation materials ▪ Manage user document configuration ▪ Review user document before release

1.202 STATE STAFF, ROLES, AND RESPONSIBILITIES

State Project Team

The State project team will consist of a Project Steering Committee, Executive Subject Matter Experts (SME's), project support, and a project manager. The following agencies, MDCH/MDIT, are the project co-sponsors and will serve on the steering committee, with the MDIT project manager serving as the Chair. The project co-sponsors will identify the additional members of the steering committee. MDIT will be responsible for the State's infrastructure and work together with the Contractor in determining system configuration and integration, as needed, with the State's information technology resources. The roles and responsibilities of the State Project Team are described in the following table

Role	Responsibility
MAPS Project Manager	<ul style="list-style-type: none"> ▪ Act as a liaison between State users / project team and Contractor ▪ Coordinate meetings, reviews, approvals with the State teams ▪ Ensure feedback and comments are provided to Contractor in a timely manner ▪ Validate and sign-off on the project deliverables
MAPS Executive Subject Matter Experts (SME)	<ul style="list-style-type: none"> ▪ Brief the Contractor Project Team on requirements ▪ Conduct application testing ▪ Monitor project deliverables ▪ Participate in meetings with the State and Contractor project managers ▪ Report issues to the State and Contractor Project managers
MAPS Project Support Team	<ul style="list-style-type: none"> ▪ Participate in the training sessions to be provided by Contractor ▪ Conduct user acceptance test ▪ Train other BHP users in new MAPS application

The Project Steering Committee shall be available on an as needed basis. They will be solicited for a decision by the State's project manager when there is a need to:

- Resolve project issues in a timely manner



- Review project plan, status, and issues
- Resolve deviations from project plan
- Utilize change control procedures
- Accept project deliverables

The Project Managers will provide the following services:

- Provide State facilities, as needed
- Coordinate the State resources necessary for the project
- Facilitate coordination between various external contractors
- Facilitate communication between different State departments/divisions
- Milestone acceptance sign-off
- Resolution of project issues
- Escalation of outstanding/high priority issues to the Project Steering Committee
- Utilize change control procedures
- Conducting regular and ongoing review of the project to confirm that it meets original objectives and requirements
- Documentation and archiving of all important project decisions
- Arrange, schedule and facilitate State staff attendance at all project meetings

The project managers will be:

MDIT Project Manager	Tonnie Diffin	Systems Manager, MDIT MDCH Systems Development Chandler Plaza, 300 E. Michigan Avenue, Lansing, Michigan Phone: (517) 373-3523.
MDCH Project Manager	Michael Wissel	Pharmacy Specialist, MDCH BHP Investigation Division 6546 Mercantile, Suite 2, Lansing, Michigan Phone: (517) 373-1737.

MDIT shall provide a Contract Consultant whose duties shall include but not be limited to: i) supporting the management of the Contract, ii) advising the MDIT/MDCH project managers of Contractor’s performance under the terms and conditions of the Contract, and iii) periodic verification of pricing and monthly reports submitted by Contractor.

MDIT Contract Consultant	Mary Ladd	Contract Compliance Inspector, DIT 525 W. Allegan St., Lansing, MI 48913 Phone: 517-335-4082
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The Department of Management & Budget, Acquisition Services, will be the designated contract administrator.

The State staff resources and their anticipated commitment time are given below:

Role	Level of Expertise	Staff Time Commitment (Hours)	Description of Role
Subject Matter Experts	High	80	<ul style="list-style-type: none"> • Provide inputs during requirements gathering/validation sessions and user acceptance.
User Acceptance Testers	High	80	<ul style="list-style-type: none"> • Test system to ensure that all requirements are met. • Validate documentation to ensure that it is complete.

1.203 RESERVED - OTHER ROLES AND RESPONSIBILITIES



1.3 Project Plan

1.301 PROJECT PLAN MANAGEMENT

A. Orientation Meeting

1. Upon ten (10) calendar days from execution of the Contract, the Contractor will be required to attend an orientation meeting to discuss the content and procedures of the Contract.
2. The meeting will be held in Lansing, Michigan, at a date and time mutually acceptable to the State and the Contractor.
3. The State shall bear no cost for the time and travel of the Contractor for attendance at the meeting.

Within 10 days of award of the contract, Contractor will organize a project orientation meeting at the State designated location at a mutually acceptable date and time. The objective of this meeting is to formally introduce the State and Contractor project teams, discuss the content and procedures of the contract and decide on addressing common, dependent issues related to the project.

B. Performance Review Meetings

1. MDCH will require the Contractor to attend monthly meetings, at a minimum, to review the Contractor's performance under the Contract.
2. The meetings will be held in Lansing, Michigan, or by teleconference, as mutually agreed by the State and the Contractor.
3. The State shall bear no cost for the time and travel of the Contractor for attendance at the meeting.

Contractor will attend monthly meetings with MDCH at Lansing, Michigan or through teleconference, as mutually agreed with the State. The objective of these meetings will be to review Contractor's performance under the Contract. Contractor will not charge the State for the time and travel of our representatives for attending the meeting.

C. Project Control

1. The Contractor will carry out this project under the direction and control of the Michigan Department of Information Technology (DIT)/Michigan Department of Community Health (MDCH).
2. Within five (5) working days of the award of the Contract, the Vendor will submit to the DIT/MDCH project managers for final approval a work plan.
 - a. This work plan must be in agreement with section 1.104 Work and Deliverables, Requirements Analysis and Implementation Plan and must include the following:
 - i. The Vendor's project organizational structure.
 - ii. The Vendor's staffing table with names and title of personnel assigned to the project. This must be in agreement with staffing of accepted proposal. Necessary substitutions due to change of employment status and other unforeseen circumstances may only be made with prior approval of the State.
 - iii. The project breakdown (work plan) showing sub-projects, activities and tasks, and resources required and allocated to each.
 - iv. The time-phased plan in the form of a graphic display, showing each event, task, and decision point in the work plan.
3. The Contractor will manage the project in accordance with the PMBOK® (Project Management Body of Knowledge from the Project Management Institute) and the state's Project Management Methodology (PMM). Methodology is available at www.michigan.gov/projectmanagement.
 - a. Contractor will use an automated tool for planning, monitoring, and tracking the Contract's progress and the level of effort of any Contractor personnel spent performing Services under the Contract.
 - b. Contractor shall use automated project management tools, as reasonably necessary, in order to perform the cited Services, which shall include, through the end of the Contract, the capability to produce:
 - 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) calendar days, updated semi-monthly).
 - iii. Updates must include actual time spent on each task and a revised estimate to complete.
 - iv. Graphs showing critical events, dependencies and decision points during the course of the Contract.



- c. 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 standard is described with reasonable detail in the Statement of Work.

Contractor is an ISO 9001-2000 and CMM Level 5 compliant organization and has proven processes and methodologies in Project Management and the Software Development Life Cycle (SDLC). This implies that Contractor is a quality conscious organization that strives to exceed their customer’s expectations in all cases. This ensures high quality, on schedule, and cost effective solutions to the customer.

Contractor Project Manager will manage the project in accordance to the PMBOK™ (Project Management Institute) and the State’s PMM methodology.

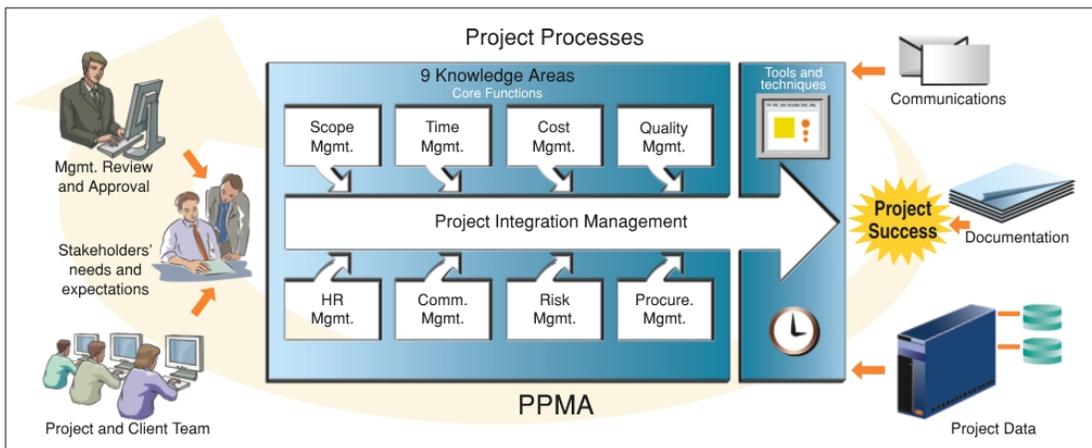
Every project at HTC undergoes the project management phases such as initiation, planning, execution, control, and closure. During the first phase of every project the project scope is established. During each successive phase the scope is confirmed and refined by the same processes.

Contractor’s project management methodology for development projects is supported by mature processes and an in-house software tool – Process and Project Management Automation (PPMA).

Project Management Tool

Contractor will use its proprietary project management automation tool - Process and Project Management Automation (PPMA) to manage the activities throughout this project from project inception to project closure. PPMA ensures transparency and effectiveness on resource allocation, delivery schedules, defects tracking and overall quality assurance of project deliverables.

The high level tasks supported by PPMA are depicted in the following diagram.



Project management processes include resource management, time management, issue management, change management, configuration management, and risk management. PPMA automates these processes and provides a system for the extensive gathering of operational metrics to facilitate the continuous improvement of processes.

Contractor develops a detailed project plan for every project, which includes the following control documents:

Project Management Plan – This document identifies the project organization, management activities, technical activities and a schedule baseline.

Quality Assurance Plan – This document describes the quality objective of the project and highlights the review and audit process metrics, problem reporting and corrective actions.

Risk Management Plan – This document identifies the potential risks on the project together with the impact and mitigation plan.

Communication Plan – This document describes the type of communication to ensure timely generation, collection, dissemination and disposition of project information.

Configuration Management Plan – This document identifies all the configurable items, change control and change management procedures.

Client Acceptance Plan – This document describes the client acceptance procedure including problem reporting and resolution process.

**Resource Management**

Contractor's PPMA provides complete control over resource planning and allocation across the project lifecycle based on the project plan. The tool is used to identify resources for various roles with the required technology skills from the resource database.

Time Management

The Time Management module of PPMA is used to capture the effort put in by the team members assigned to a project. Estimated duration and effort is tracked against the actual data for effective project management. Efforts are closely monitored at various levels such as activity, configuration item, and subprojects, to identify potential problem areas and initiate appropriate action.

Issue Management

Contractor uses the advanced Issue Tracking module of PPMA to log any issues during the course of a project and track these to satisfactory closure. PPMA's digital dashboard provides complete transparency on the process, enabling authorized users to closely monitor issues.

Change Management

A Change Control Board (CCB) will be setup with appropriate representation from the customer and Contractor, which normally consists of project managers from both the customer and Contractor. This group will approve or reject proposed changes for the project. The CCB will evaluate and conduct an impact analysis on all change requests. Based on the analysis, CCB will decide to accommodate or reject the change request and assign it to the appropriate team member for necessary action.

Configuration Management

Contractor develops a Configuration Management (CM) Plan for every project, which identifies the set of activities performed to identify and organize software components and related documents, and to control their modification and release. The objectives are to maintain:

- ◆ Clear identification of versions
- ◆ Adequate control on changes
- ◆ Distinct development, testing, and Contractor released environments
- ◆ Adequate user access privileges

Risk Management

Contractor's PPMA maintains a database of risks encountered in various projects. This database is shared across our project teams and acts as a knowledge base for the new projects. Contractor prepares a Risk Assessment and Mitigation Plan as part of the overall Project Management Plan. This plan contains all potential risks identified, the impact analysis, and mitigation steps. For each project element, the Project Manager evaluates the associated project risks in accordance with our Risk Management process.

Project Measurements

Contractor follows ISO 9001:2000 certified processes to evaluate and maintain project performance levels. Contractor achieves this by collecting and analyzing metrics data on the development processes. Contractor takes corrective and preventive actions when the metrics go beyond the specified threshold values for a project.

Contractor sets project specific control limits for the metrics based on the organizational control limits, complexity of the project, technology of the project, and customer requirements. The upper and lower control limits are set according to the objectives defined for the metrics. Contractor will discuss and define project specific metrics with the customer during the project start off.

Project Tracking and Control

All project monitoring will be conducted using the above project plans and schedules. A weekly status report will be prepared and sent to the State project manager for review. The project weekly report will include



- ◆ Project overall Status – On Plan, Ahead of Plan, Behind Plan
- ◆ Activities completed during the week
- ◆ Activities planned for the next week
- ◆ Activities completed during the previous week
- ◆ Percentage of completion
- ◆ Any issues / problems /action items that require attention (State or Contractor with a target resolution date)
- ◆ Summary of Milestones with targeted v/s Actual dates.

The project schedule is updated on a weekly basis and sent to the State once a month. Risks identified in the project plan are evaluated on a weekly basis and the details of any mitigation activities are reported in the weekly status report. In addition, Contractor project team will conduct a weekly status meeting with all SOM stakeholders to review the status and resolution of any issues.

Every project is analyzed on weekly basis to determine any variations from project objectives and identify underlying issues. Corrective actions are taken to resolve the issues

Project Communication

Contractor delivers a pre-agreed upon set of reports to the customer during development projects. Contractor will document the list of reports, contents, frequency, and distribution in the Project Plan.

1.302 REPORTS

Reporting formats must be submitted to the State’s Project Manager for approval within 20 business days after the effective date of the contract resulting from this RFP. Once both parties have agreed to the format of reporting, it shall become the standard to follow for the duration of the contract.

Contractor shall submit brief written monthly summaries of progress which:

- a. Outline the work accomplished during the reporting period;
- b. Outline work to be accomplished during the subsequent reporting period;
- c. Identify problems, real or anticipated, which should be brought to the attention of the client agency’s project director; and
- d. Provide notice of any significant deviation from previously agreed-upon work plans.
- e. A copy of this report will be forwarded to the named buyer in Acquisition Services.

Contractor has Weekly Status Report templates that are used for reporting project status to customers. Contractor will provide the report format to the State for review and approval within the stipulated 20 business days after the effective date. Once the format has been agreed, Contractor shall submit weekly status reports using the agreed upon format.

S.No	Type of Report	Key Analysis Info
1.	Progress Reports	<ul style="list-style-type: none"> ▪ Status report ▪ Minutes of meeting ▪ Phase closure reports
2.	Change Impact	<ul style="list-style-type: none"> ▪ Change control form ▪ Impact Analysis ▪ Traceability Matrix
3.	Issue Log	<ul style="list-style-type: none"> ▪ Details of problem reported ▪ Details of resolution and verification



1.4 Project Management

1.401 ISSUE MANAGEMENT

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 issues relating to the provision of services under this Contract. The issue management log must be communicated to the State’s Program Manager on an agreed upon schedule, with email notifications and updates. The issue log must be updated 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 the Vendor)
- Resources assigned responsibility for resolution
- Resolution date
- Resolution description

Contractor uses the web based Issue Tracking tool to log any issues during the course of a project and track these to satisfactory closure. Contractor will provide access to the State users to log any issue related to the project. Listed below is a brief description of Contractor’s Issue Management process.

The Issue originator reports the issue to Contractor’s Single Point of Contact (SPOC). Contractor’s SPOC logs the issue in the Issue Tracking tool. Contractor’s Issue reporting and tracking tool has features such as Issue description, Issue identification date, Responsibility for resolving issue, Priority for issue resolution, Resources assigned responsibility for resolution, Resolution date and Resolution description. Contractor team will review the reported issues, determine its scope and impact, and plan the appropriate resolution actions. On approval of the resolution action, the issues are prioritized and scheduled for closure on mutually agreed terms with the State. If the resolution takes longer than a predefined duration, the issue will be escalated as appropriate. Issues are closed on approval and confirmation by the designated State representative.

The following table presents the Contractor’s process steps involved in managing an issue.

Process	Actions
Reporting	The issues reported by the State will be reported in a pre-defined problem / issue reporting form
Logging and Assignment	The reported issues will be logged in issue reporting and tracking tool. Based on the nature of the issue, Contractor Project Manager will assign the problem to the Project team for resolution.
Analysis	The assigned personnel will research/review the reported issues, prioritizes the issues, perform risk and impact analysis and subsequently will identify the potential resolution and the time frame for closure action.
Resolution	On identification of the problem, the resolution action is documented in terms of scope, schedule, and risk. The resolution would be carried out in consultation with customer, where ever necessary.
Resolution Acceptance	Approval/acceptance of the resolution and its impact will be obtained from the key stakeholders of the Customer.
Implementation Action Plan	Documentation indicating the resolution will be incorporated into the appropriate documents and a traceability matrix will be maintained in the PPMA.
Problem Tracking	All the reported problems, issues, changes or enhancement request will be tracked using the problem reporting and tracking feature in the PPMA till the closure actions are met.
Status Reporting	The status of the issue request will be maintained and reported in terms of open, closed, pending action, and severity.



1.402 RISK MANAGEMENT

A risk is an unknown circumstance or event that, if it occurs, may have a positive or negative impact on the Contract. Risk management generally involves (1) identification of the risk, (2) assigning a level of priority based on the probability of occurrence and impact to the project, (3) definition of mitigation strategies, and (4) monitoring of risk and mitigation strategy.

The Contractor will create a risk management plan. A risk management plan format will be submitted to the State for approval within twenty (20) business days after the effective date of the contract resulting from this RFP. 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 monitored and updated bi-weekly, or as agreed upon. The risk management plan will be developed in accordance with the State’s PMM methodology and the PMBOK® (Project Management Institute).

Contractor has a standard Risk Management plan which identifies the potential risks in the project, their impact, and mitigation plan to address them.

This plan can be customized to comply with the State’s formatting requirements, State’s PMM methodology and the PMBOK™ (Project Management Institute).

The Risk management plan will involve identification of the task, assigning a level of priority based on the probability of occurrence and impact to the project, definition of mitigation strategies, and monitoring of risk and mitigation strategy. The Risk management plan will be submitted to the State within 20 business days of the contract being awarded.

Upon approval of the plan and mutual agreement between the State and Contractor, the Risk management plan will act as a standard to be followed for the entire duration of the contract. The Risks identified in the project plan are evaluated on a weekly basis and the details of any mitigation activities are reported in the weekly status report. Any additional risks identified are also updated in the Risk Management plan.

1.403 CHANGE MANAGEMENT

Change management is defined as the process to communicate, assess, monitor, and control all changes to system resources and processes. The State also employs change management in its administration of the Contract.

The following provides a detailed process to follow if a change to this Statement of Work (SOW) is required.

- a. A Project Change Request (PCR) will be the vehicle for communicating change. The PCR must describe the change; the rationale for the change and the effect the change will have on the project.
- b. The designated Project Manager of the requesting party will review the proposed change and determine whether to submit the request to the other party.
- c. The Contractor’s Project Manager and the State will review the proposed change and approve it for further investigation or reject it. Contractor will specify any charges for such investigation. If the investigation is authorized, the State and the contractor will sign the PCR, which will constitute approval for the investigation charges. (The timing of signature by the State Project Manager will be in accordance with the State’s Administrative Board or other applicable approval process). Contractor will invoice the State for any such charges. 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.
- d. A written Change Authorization and/or Project Change Request (PCR) must be signed by both parties to authorize implementation of the investigated changes.
- e. Change Authorizations and/or Project Changes Request (PCR) will be processed through the state’s Acquisition Services Office.
- f. If the DMB Acquisition Services Director agrees with the proposed modification, and all required approvals are obtained (including State Administrative Board), the Acquisition Services Buyer will issue an addendum to the Contract, via a Contract Change Notice.

Vendors who provide products or services prior to the issuance of a Contract Change Notice by the DMB Office of Acquisition Services, risk non-payment for the out-of-scope/pricing products and/or services.



The change control process will be used for requesting and managing changes created or maintained by the project team members. This process will facilitate communication about requested changes among the stakeholders of this project, provide a common process for resolving requested changes and reported problems, and also reduce the uncertainty around the existence, state and outcome of a change that has been requested in the system.

Any stakeholder of this project will be able to submit the following types of changes for consideration.

- ◆ Requests for requirements changes (additions, deletions, modifications, deferrals) in the system
- ◆ Reports of problems in the system
- ◆ Requests for enhancements in the system
- ◆ Requests for new application development initiatives

Each module of the project will be base lined after the initial development and review. Change Control process will be applicable to that module for any subsequent changes proposed.

A Change Control Board (CCB) will be setup with appropriate representation from the State and Contractor, which normally consist of Project Managers from the State and Contractor. This group will approve or reject proposed Project Change Request (PCR). Initially, the designated Project Manager of the State will review the proposed change and determine whether to submit the request to the Contractor Project Manager. Change Requests will be evaluated by the CCB members, then CCB members will sign the PCR and assign it to the appropriate team member for necessary action. Contractor Project Manager will raise invoice to the State for any such charges on the PCR. CCB will evaluate and conduct an impact analysis to determine the effect that the implementation of the PCR will have on price, schedule and other terms and conditions of the Agreement and will take necessary actions accordingly.

A change request would affect the following project artifacts:

- i. Software
- ii. Documentation
- iii. Change Log
- iv. Change Management Records

Contractor's change control process has following steps:

- ◆ Enter the request in the Department / Project Change Request Log. Assign a change request number to the change.
- ◆ Analyze change request for validity of change.
- ◆ Items affected by the proposed change, use traceability matrix to identify items
- ◆ Efforts involved
- ◆ Effect on delivery schedule
- ◆ Record on change request form
- ◆ Analyze the change request for capability assessment to handle changes along with the risk factors. The changes that can be absorbed in the contingency margin of the project can be approved by the Project Manager (PM). For changes that cannot be absorbed in the contingency margin the PM will authorize a proposal review in consultation with the affected groups. The contingency margin is regularly updated in the Change Request Log.
- ◆ Compare the schedule impact and the effort impact with the respective margins in Change Request Log. While taking any decision on the margin, ensure that the accumulated effort of all changes received so far is within the contingency margin of the project.
- ◆ Changes beyond the scope of the project must be reviewed and approved by CCB.



- ◆ If a change request cannot be accommodated within the project contingency, initiate a CCB meeting. Review the change. If necessary, negotiate with the customer to accommodate the change within the contract.
- ◆ Record evaluation and impact in change request form and update change request log.
- ◆ Record the decision regarding approval/rejection of change request on the change request form
- ◆ In case the change request is approved, inform all concerned about the change, checkout the items from the Configuration Library. Update Configuration Register. Implement changes.
- ◆ Ensure that the changes are reviewed, approved according to the procedures relevant for the item. Perform regression tests where applicable or any other activity to ensure that the changes has not caused unintended effects on the configurable items.
- ◆ Update configuration register to reflect the new release and new version of the item. Record end date and final status in change request and status form.

Release items using the release form as per review process subsequent to approval from the CCB. Notify users of the affected items

1.404 CONFIGURATION MANAGEMENT

The Contractor must develop a detailed process for controlling the development of all deliverables. This would include controlling access to documents and version control.

Configuration management consists of a set of activities performed to identify and organize software components and related documents, and to control their modification. Contractor’s configuration management (CM) process is ISO 9001 compliant and satisfies the Capability Maturity Model. The main objectives of CM are to clearly identify the versions, maintain visibility of changes and keep adequate control on changes as the development progresses.

Microsoft Visual Source Safe (VSS) is used for configuration management at project level and department level.

Baseline:

Baseline is the state of a configuration item, which is the basis for further development in the software project life cycle. An item is base lined after formal review and approval process. Changes to base lined items are also formal, as opposed to changes of items in the development environment.

Change Control Board:

The Change Control Board (CCB) is a group of personnel at the organization level responsible for maintaining the configuration library and controlling changes to base lined items. The board consists of configuration controller (CC), Head of Projects (HOP), and identified Project Manager (PM).

Activities in Configuration Management

Configuration Management Planning

The first activity in configuration management is planning, which results in the creation and use of a Configuration management plan (CMP) for each project. During CM planning, a configuration item (CI) list is prepared. The CI list contains the list of software components, tools, or hardware unit required for the purpose of creating or supporting customer deliverables. This list mentions the status of every CI item as on date and is made available for all with respective authorization.

The first activity in configuration management is planning, which results in the creation and use of a Configuration management plan (CMP) for each project. During CM planning, a configuration item (CI) list is prepared. The CI list contains the list of software components, tools, or hardware unit required for the purpose of creating or supporting customer deliverables. This list mentions the status of every CI item as on date and is made available for all with respective authorization.

The Configuration management plan will help to do the following:

- i. Identifying CM organization, roles and responsibilities



- ii. Identifying CM Libraries
- iii. Identifying authorities for Change Control
- iv. Identifying the access and archival
- v. Review of Configuration Management Plan
- vi. Similar to other plans, the CMP of a project is reviewed before it is used in the project.
- vii. Review involves:
- viii. Verification through checklist that all items are covered in the CM plan
- ix. Review of CM plan by CCB
- x. Approval of CM plan by PM

Maintenance of Configuration Library

The configuration items library is a central repository of all base lined configuration items in Contractor. The sanctity of items in the library is supreme and overrides versions of the same item that may exist in other repositories, if any.

A central aspect of the library, whether at the organization level or at the project level, is the maintenance of controlled environments for development, testing, and release. A particular configuration item in each stage such as development, testing or release must be insulated from the same item in another stage. For this purpose, separate and mutually exclusive environments must be created and maintained.

Release of software deliverables to the customer must always be done by building / compiling from the central library. Configuration controller (CC) is responsible for setting up and maintaining the library for each project.

Change Control

The development life cycle is divided into several processes, and each of these processes has configuration items as deliverables. When these deliverables are verified / tested, they are promoted to a controlled environment. The items in such an environment will be referred to as the 'baseline'. Changes to all such base lined configuration items must always be controlled.

Summary of activities for change control:

- ◆ Request for changes documented in Change Request form
- ◆ All requests reviewed and approved prior to change
- ◆ Impact assessment of change carried out using the traceability matrix
- ◆ Review and Approval authority for each type of CI defined. CCB approves all changes to CI
- ◆ Estimates for changes carried out, and included in projects WBS
- ◆ Change due to customer request, and change due to defects and errors identified.
- ◆ Check-in/Check-out
- ◆ Check-in/ Check-out describe the mechanism for approved insertion and withdrawal into the Configuration Library.
- ◆ For changes, library access form is used to request for check-in/ check-out of material. CC maintains the library and verifies appropriate approvals before checking-in/ checking-out. After check-in/check-outs CC also restores appropriate rights on the library.

Maintaining a Traceability Matrix

Traceability matrix relates together the configurable items of different phases in project. Impact analysis of change is easier as all related items to an impacted item can be traced using the traceability matrix. It helps to trace the origin of a



defect and prevention.

Archival

Archival is the process of transferring the work products from the working medium/Library to another medium with a view to preserve the material for future reference. CCB is responsible for maintaining the archives. Archival activity minimizes the storage space requirements and improves the Configuration management performance. This activity is initiated when a CI(s) is no longer needed, or when archiving is mandated by the project plan. Projects have different archival needs. In certain projects, it may be useful to archive software only after it is stabilized at the customer site. When new versions are available, old versions of CI and documents are removed from baselines. The archived versions also serve as backups for reference and for retrieval in case of data corruption. Only software items/documents belonging to Contractor are archived.

Configuration Management Auditing

There are two kinds of audits that are carried out as part of configuration management. They are:

Functional Configuration Audit (FCA) – this audit ensures that each requirement is tracked to the final product using the Traceability matrix.

Physical Configuration Audit (PCA) – this ensures that each product is traced back to the software requirements.

These audits are carried out to ensure the completeness and correctness of the software baseline library and also the compliance with the organization's defined software processes. Configuration audits are conducted on projects/departments through SQA or other relevant personnel on a periodic basis, and the results are communicated to the Project manager.

1.5 Acceptance

1.501 CRITERIA

The following deliverables provided under this statement of work are the criteria for acceptance. The Contractor must provide the deliverables on the date agreed to in the approved project plan, or any authorized amendment of the project plan:

1. Requirements Analysis
2. Implementation Plan
3. Software Development
4. Uploading of Legacy Data
5. Training and Documentation
6. Testing and Implementation

The Contractor will provide a Deliverable Signoff form to the State's Project Managers.

The State's Project Managers will verify the completeness of the deliverables based on the contract requirements and associated approved documents.

If the State's Project Managers determine the deliverable to be complete, the State's Project Managers will request authorization from the Project Steering Committee and provide acceptance authorization to the Contractor.

If the State's Project Managers determine the deliverable to be incomplete, the State's Project Managers will document why the deliverable is incomplete and provide the denial to the Contractor.

Contractor will provide the following deliverables on the date agreed to in the approved project plan, or any authorized amendment of the project plan:

- ◆ Requirements Analysis Document
- ◆ Implementation Plan



- ◆ Software Development Plan
- ◆ Upload Legacy Data
- ◆ Training and Documentation
- ◆ Testing and Implementation

Contractor will provide a Deliverable Signoff form to the State’s Project Managers. The State’s Project Managers will verify the completeness of the deliverables based on the contract requirements and associated approved documents. State’s Project Managers will determine the deliverable to be complete. State’s Project Managers will request authorization from the Project Steering Committee and provide acceptance authorization to Contractor.

1.502 FINAL ACCEPTANCE

Contractor shall deliver an end-to-end testing plan for the system.
 Contractor must conduct an end-to-end testing of the system.
 All errors found as a result of the testing must be corrected.
 All deliverables listed in the Statement of Work will be delivered.
 All end user testing listed in the Statement of Work will be completed.

Final Acceptance is when the project is completed and functions according to the requirements. Any intermediate acceptance of sub-deliverables does not complete the requirement of Final Acceptance. Final acceptance of deliverable is by MDCH Business Manager. The State’s Project Managers will verify the completeness of the project based on the contract requirements, service request(s) and associated approved documents.

Contractor will

- ◆ Provide a comprehensive testing plan for the system.
- ◆ Conduct an end-to-end testing of the system.
- ◆ Correct all the errors found after testing.
- ◆ Complete all deliverables listed in the Statement of Work.
- ◆ Support end user testing listed in the Statement of Work.

Provide the application for final acceptance by MDCH Business Manager. The State’s Project Managers will verify the completeness of the project based on the contract requirements, service requests and associated approved documents.

1.6 Compensation and Payment

1.601 COMPENSATION AND PAYMENT

1. Cost Proposal

1. Vendor must identify all information related, directly or indirectly, to the Vendor’s proposed charges for services and deliverables including, but not limited to, costs, fees, prices, rates, bonuses, discounts, rebates, or the identification of free services, labor or materials.

2. Payment

a. Electronic Payment Availability

Public Act 533 of 2004 requires that payments under this contract be processed by electronic funds transfer (EFT). Contractor is required to register to receive payments by EFT at the Contract & Payment Express website (www.cpexpress.state.mi.us).



- a. All invoices should reflect actual work done as related to specific tasks. Specific details of invoices and payments will be agreed upon between the Contract Administrator and the vendor after the proposed Contract Agreement has been signed and accepted by both the vendor and the Director of Acquisition Services, Department of Management & Budget. This activity will occur only upon the specific written direction from Acquisition Services. All payments will be based upon satisfactory performance of the vendor.

The Contractor will provide the State of Michigan 5% of the license fees for every future implementation of the MAPS based system in lieu of joint marketing.

1.7 Additional Terms and Conditions Specific to this SOW

1.701 ADDITIONAL TERMS AND CONDITIONS SPECIFIC TO THIS SOW

A. Directives

The State has a goal of achieving higher participation by small, Michigan-based businesses in State-awarded contracts. Consideration may also be given to a Contractor with proactive practices for hiring and retaining underrepresented groups or who recruit to retain or increase the number of information technology professionals in Michigan. Additionally, pursuant to the recently signed Public Act 91 of 2005, the State affords an all-else-equal preference for businesses owned by qualified disabled veterans.



Article 1, Attachment A
Pricing

Table 1: Summary of the Project Cost

No.	Cost Categories	Cost (\$)	% of the Total Cost	Comments
A.	COTS Package One time cost of vendor's proposed COTS package.	Not applicable	-	-
B.	Customization of COTS Package Cost of modification of the COTS package to meet business requirements. Give breakdown in Table 4.	Not applicable	-	-
C.	Application Development Required only if an Offeror is not proposing a COTS package. Give breakdown in Table 4.	\$300,000	73%	Includes implementation & data migration
D.	Interfaces Give breakdown in Table 5.	-	-	-
E.	Software Tools Licenses Give breakdown in Table 6.	-	-	-
F.	Training and Documentation Give breakdown in Table 7.	\$45,000	11%	-
G.	Servers Hardware Give breakdown in Table 8.	\$38,940	10%	-
H.	Servers Software Licenses Give breakdown in Table 9.	\$26,496	6%	-
I.	Data Conversion and Migration Give breakdown in Table 10.	-	-	Included in development cost
J.	Project Implementation Give breakdown in Table 11.	-	-	Included in development cost
K.	Connectivity (network solution) (between identified sites and State network)	-	-	-
L.	One year warranty cost from the date of acceptance (if not included in this table)	-	-	-
	Total Project Cost	\$410,436	100%	



Table 2: Five Years Recurring Cost: Updates, Maintenance and Support

No.	Cost Categories	Cost (\$)	Comments
M.	COTS/Application software update cost (Includes licensing and updates each year)		Not Applicable
	1. First Year (after one year warranty)	-	
	2. Second Year	-	
	3. Third Year	-	
	4. Fourth Year	-	
	5. Fifth Year	-	
N.	Maintenance and support cost (Includes all programming and DB administration functions for implementing future business requirements)		Includes minor enhancements up to 80 hours per month. (See Definition Below)
	1. First Year	* \$40,000	
	2. Second Year	* \$40,000	
	3. Third Year	* \$40,000	
	4. Fourth Year	* \$40,000	
	5. Fifth Year	* \$40,000	
	Total Recurring Cost	\$200,000	

Application Maintenance and Support – Minor Enhancements

During the maintenance and support period, Contractor will not charge the State for minor enhancements. Minor enhancements include programming changes, database administration and implementation effort that does not exceed a monthly total of 80 hours. In case of unutilized hours from a month of maintenance and support, no more than 40 hours may be carried forward to the next month. In other words, the opening balance for any given month shall not exceed more than 40 hours.

Process for Minor Enhancements

The following Change Management process will be followed for requesting and obtaining the minor enhancements as defined above:

Step 1: Change Request

Authorized State personnel can fill out a Change Request form (mutually designed and agreed) describing the nature of the change and the timeframe for its implementation. This form can be emailed to the Contractor support manager.

Step 2: Analysis of the Change Request

Contractor will analyze the impact of the change and estimate the effort and timeline for its implementation.

Step 3: Approval of the Change Request

The Contractor support manager and State project manager will jointly review the Change Request. Upon its approval by the State, Contractor will plan and undertake the development, testing, training and implementation of the change.



Table 3: Total 5 Years System Cost

No.	Cost Categories	Cost (\$)	Comments
Table 1	Total project (One Time) Cost	\$410,436	
Table 2	Total Reoccurring Cost	\$200,000	
	Total 5 Years System Cost	\$610,436	

Cost Breakdown Tables

Table 4: Breakdown of Customization/Application Development Cost

No.	Customization or Application Development	Total # of resources	Total # of hours	Unit cost (\$)	Total cost (\$)
	1. Project management	1	844	\$93.00	\$78,507
	2. Business analysts	2	328	\$63.00	\$20,686
	3. System analysts	1	273	\$63.00	\$17,176
	4. Programmer/developers	5	1434	\$62.00	\$88,901
	5. System administrators				
	6. Database administrators	1	432	\$67.00	\$28,954
	7. Q/A Manager	1	118	\$63.00	\$7,427
	8. Security specialist				\$0
	9. Testers	2	236	\$55.00	\$12,967
	10. Technical writers	1	193	\$50.00	\$9,645
B.	11. CM specialists				\$0
OR	12. System Architects	1	442	\$78.00	\$34,448
C.	13. Network engineer/administrator				\$0
	14. Software Architects				\$0
	15. CM specialists	1	206	\$63.00	\$12,963
	16. Project assistants				\$0
	17. Web developers				\$0
	18. Application trainers				\$0
	19. Development Team Lead....	1	613	\$64.00	\$39,239
	Cost of Customization		5119		\$350,913
	Less Discount				-\$50,913
	Total Cost of Customization			\$ -	\$300,000

Table 5: Breakdown of Interfaces Cost

No.	Interfaces	Cost (\$)	Comments
D.	1. Interface Development	-	Included in application development.
	Total Cost of Interfaces	\$ -	-

Table 6: Breakdown of Software Tools Cost

No.	Software Tools licenses cost	Cost (\$)	Comments
E.	1) Report writers	-	Included in application development.
	2) Requirement analysis tools		
	3) Design tools		
	4) Drawing tools		
	5) Development environment tools		
	6) Testing tools: (such as issues tracking, defect testing, load/stress testing, configuration management (List and provide cost separately for each item))		
	(a).....		
	(b).....		
	(c).....		
7) Other system utilities (such as backup and disaster recovery, etc.)			
Any other software (List):			
8).....			
9).....			
Total Cost of Software Tools		\$ -	

Table 7: Breakdown of Training and Documentation Cost

No.	Training cost and Documentation	Cost (\$)	Comments
F.	1) User training	\$1,270	
	2) User training documentation		
	3) Operational management training	\$1,270	
	4) Operational management training documentation		
	5) DBA training	\$1,270	
	6) DBA training documentation		
	7) User Manual, Technical Manual, System Administrator Guide	\$41,190	
Total Cost of Training & Documentation		\$45,000	



Table 8: Breakdown of Servers Hardware Cost

No.	Server hardware cost	Cost (\$)	Comments
G.	1) Servers Hardware - Operating System	\$0	1) OS included in server pricing
	2) Servers Hardware - DBMS	\$7,500	
	3) Servers Hardware - Print		
	4) Server Hardware - Security		
	5) Servers Hardware – Web/Application	\$5,000	
	6) Servers Hardware - Load Server	\$9,000	
	7) Servers Hardware - Report Server	\$4,040	
	8) Servers Hardware - Analysis Server	\$8,200	
	9) Server Hardware - Backup		
	10) Servers - Fire walls	\$2,500	
	11) Servers Hardware installation, configuration, and testing.		
	12) Backup Device - Dell Power Vault 110T	\$2,700	
Total Cost of Server Hardware		\$38,940	

Table 9: Breakdown of Servers Software Licenses Cost

No.	Server software cost	Cost (\$)	Comments
H.	1) Servers Software - Operating System	\$3,998	
	2) Servers Software - DBMS	\$11,998	
	3) Servers Software - Print	-	
	4) Server Software - Security	-	
	5) Server Software - (Crystal Reports 11- Server Edition)	\$7,500	
	6) Server Software - Backup	-	
	7) Servers - Fire walls	-	
	8) Servers Software installation, configuration, and testing.	-	
	9) Load balancing software	-	
	10) Antivirus- Norton AntiVirus	\$3,000	
Total Cost of Server Software Licenses		\$26,496	

Table 10: Breakdown of Data Conversion and Migration Cost

No.	Resources Required	Total # of resources	Total # of hours	Unit cost (\$)	Total cost (\$)
I.	Data Conversion and Migration: List the type of resources:				
	1.				
	2.				
	3.				
	4.				
	5.				
Total cost of data conversion and migration				\$	<i>Included in development cost</i>

Table 11 Project Implementation Cost

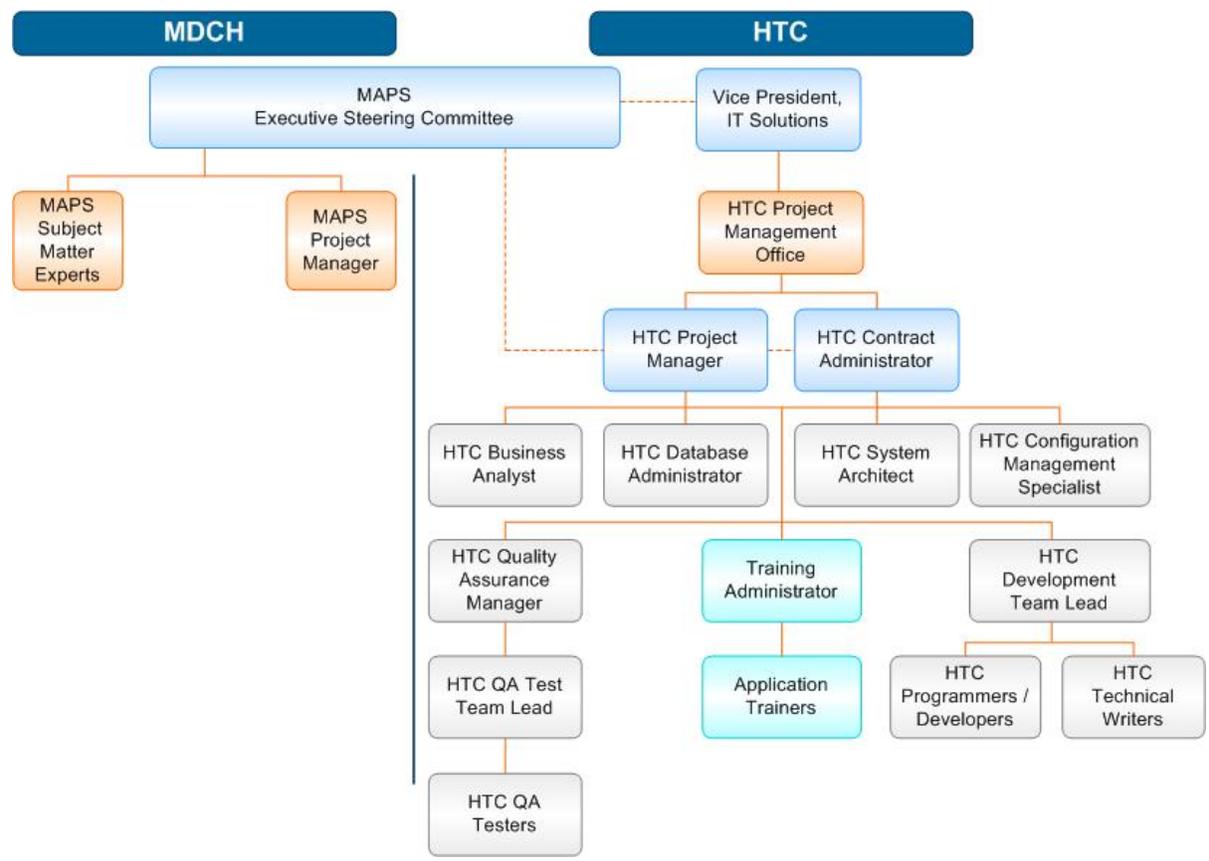
No.	Resources Required	Total # of resources	Total # of hours	Unit cost (\$)	Total cost (\$)
J.	1. Project Management				
	2. Integration: (Integration of your COTS/Application software product with customized code and external interfaces)				
	3. Testing: (a) Unit, (b) System, (c) Integration, (d) Performance (load and stress), (e) Parallel Testing VERIS–VVRS), (f) UAT, (g) Other (List):				
	4. Deployment / Cutover				
	Other (List):				
	5.				
	6.				
	Total cost Project Implementation			\$	<i>Included in development cost</i>

Table 12 Clients Desktops/PCs Cost

No.	Desktops description (see Note #1)	Cost for single unit	Cost for 1–50 units	Cost for 51–100 units	Cost for Over 100 units
1	Desktops/ PCs Hardware cost	\$550	\$525	\$500	\$475
2	Desktops/ PCs Software cost	\$250	\$240	\$230	\$225
3	Desktops/ PCs installation	\$100	\$100	\$95	\$90

Article 1, Attachment B
Organizational Chart, including Key Personnel and Resumes

The following diagram illustrates the proposed organization chart for this project.



KEY PERSONNEL will consist of:

Role	Name
Project Manager	Paraminder Talwar
Business Analyst	Dwayne K Pettway
System Architect	Rajeev Bhuvaneshwaran
Contract Administrator	Rosetta Lovely
Development Team Lead	Shibu Madhavan
Training Administrator	Candace M. Winslow

HTC's Key Personnel for the MAPS project will include.

Resource Name:	Paraminder Talwar	
Role:	Project Manager	
Associated with: (check one):	Prime Bidder:	Subcontractor
Percentage of Time to be allocated to Project	100%	



List the skills and experience that qualify the individual for the duties and responsibilities on this project for the stated role. Please provide the year(s) the experience was acquired. The experience requirements detailed in the CONTRACT are restated as follows:

Requirement	Bidder's Response
<p>Project manager responsibilities include:</p> <ul style="list-style-type: none"> • Manage all defined Contractor responsibilities in this Scope of Services. • Manage Contractor's subcontractors, if any • Develop the project plan and schedule, and update as needed • Serve as the point person for all project issues • Coordinate and oversee the day-to-day project activities of the project team • Assess and report project feedback and status • Escalate project issues, project risks, and other concerns • Review all project deliverables and provide feedback • Proactively propose/suggest options and alternatives for consideration • Utilize change control procedures • Prepare project documents and materials • Manage and report on the project's budget 	<p>Over 12 years experience managing large application development, integration and implementation projects. It included customization of software as per user requirements. Extensive experience working in several industries as a Project Manager focusing on project management activities such as initiating, planning, executing, and monitoring and controlling legacy, client server, and web-based projects. Major responsibilities included developing and maintaining Project Charters, Work Breakdown Structures/ Schedules, Issues/Risk Logs and other project planning components as required.</p> <p>3-5 yrs Project Management experience delivering data and reporting solutions. In addition, responsible for the executing of projects according to approved plan and driving delivery by agreed upon dates, budget, scope and quality. Taking corrective action when project deviates from plan. Reporting Status and Progress on a regular basis to the appropriate individuals. Responsible for managing multiple business and technical staff managing and sub-projects. Responsible for overseeing the delivery of production data and report deliverables, ad-hoc reporting and the operation of web reporting solutions Managed the implementation of new client data and reporting solutions.</p> <p>Over 5 years of experience in managing vendors and customizing their software as per user requirements. Responsible for leading meetings, including customer meetings, creating meeting agenda, creating project plans, creating interface and application test plans, doing unit and integrated testing of interfaces, creating application test plans and doing application testing, and identifying issues and developing good, actionable recommendation. Escalating project risks and issues as well as resolution to senior management.</p>

A detailed resume of Paraminder Talwar is attached with this proposal.

List client references for work used to meet the requirements stated above, and all projects the stated resource has worked on in the last three (3) years. A minimum of three (3) references are required. By submission of this information, the bidder and identified key person authorize the State of Michigan to contact references and previous employers provided to verify the accuracy of the information. Provide the identified information for each:

Start Date: December 2003	End Date: October 2004
<p>Client/Project: ADP Canada</p>	
<p>Employer: ADP Canada</p>	
<p>Title/Percentage of time: Project Manager, 100%</p>	
<p>Description: Was responsible for gathering and validating Business Requirements. Was responsible for creating templates, knowledge transfer and administration of the projects.</p>	
<p>Reference: Sam Massad, ADP Canada, 6200 Kenway Drive, Mississauga, Ontario, L5T 2N3, 905 795-5849</p>	



Start Date: June 1999	End Date: March 2000
Client/Project: Sprint Canada	
Employer: Sprint Canada	
Title/Percentage of time: Project Manager, 100%	
Description: Managed a \$4.5M project that made Sprint Canada to become a local service provider. Was responsible for gathering and validating Business Requirements, customization of vendor software, modifications, integration and testing.	
Reference : Brian Thomson , 333 Bloor Street East, 7 th Floor, Toronto, Ontario M4W1G9 416 718-6071	
Start Date: March 2003	End Date: September, 2003
Client/Project: De Anza College	
Employer: De Anza College	
Title/Percentage of time: Project Manager Instructor, 100%	
Description: Subject Matter Expert for Enterprise Security project. Performed business requirements, created training materials with end user in mind.	
Reference : Catherine Ayers, Director, 1250 Stevens Creek Blvd , Cupertino, CA 95014, 650 593-4701	

Certifications/Affiliations: Description, including relevant dates PMP – March 2003.

The Bidder must submit a letter of commitment, signed by the identified resource, stating their commitment to work for the bidder/subcontractor on this project contingent on award of the bid.

Letter of commitment signed by Mr. Paraminder Talwar is attached with this proposal.

Resource Name:	Dwayne K Pettway	
Role:	Business Analyst	
Associated with: (check one):	Prime Bidder:	Subcontractor
Percentage of Time to be allocated to Project	100%	

List the skills and experience that qualify the individual for the duties and responsibilities on this project for the stated role. Please provide the year(s) the experience was acquired. The experience requirements detailed in the CONTRACT are restated as follows:

Requirement	Bidder's Response
<ul style="list-style-type: none"> ▪ Conduct onsite requirement gathering sessions with the State project team ▪ Perform all functional aspects related to the project including requirements analysis, functional specifications, test cases, etc ▪ Interview business process owners ▪ Understand the business process ▪ Analyze user interface requirements ▪ Coordinate business objectives with the project deliverables 	<p>Over 3 years experience in the Healthcare Medical/Claims Processing industry working as a Systems and Business Analyst. Specific duties consisted of working with managers of business units, communicating with healthcare professionals and users to identify the user's business goals and objectives. Responsible for the delivery of quality healthcare systems solutions related to business develop of converting legacy systems to client/server web-based systems. Participated in the in JAD session meeting with project managers and technical analysts to develop conceptual level requirements in the analysis phase. Documented business requirements for the design, construction and implementation phases of multiple projects. Supported the production environment proactively through tracking management activities.</p>



<ul style="list-style-type: none"> ▪ Guide in preparation of training materials ▪ Assist in conducting 'train-the-trainer' training sessions 	<p>Over 8 years of Business System Analyst experience working in the Healthcare, Banking, and Mortgage Industries. Responsible for writing detailed system requirements and specifications. Participated in the development of system solution design for legacy systems and new capabilities. As a Business Analyst in the medical environment played a primary role as liaison between internal staff and the user community. Responsible for the analysis of current business processes and requirements. Created functional and technical specifications, system requirements, data flow diagrams, and wrote test programs specific to client-server web based systems. Has an in-depth knowledge of the complete software development lifecycle developed flow charts and diagrams of business processes, extensive experience writing formal project plans, implementation plans, and also acted as a liaison with customers in regards to user acceptance testing and documentation.</p> <p>8 years of experience in developing use cases using RUP and UML methodologies. Experience in creating, refining, and defining systems and business analysis processes. Responsible developing business process flows and activity diagrams using Microsoft Visio 2000 and UML. Extensive experience in the analysis, design, and testing of client/server and web based applications. Responsible for the ongoing systems needs of the client/user community.</p>
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A detailed resume of Dwayne Pettway is attached with this proposal.

List client references for work used to meet the requirements stated above, and all projects the stated resource has worked on in the last three (3) years. A minimum of three (3) references are required. By submission of this information, the bidder and identified key person authorize the State of Michigan to contact references and previous employers provided to verify the accuracy of the information. Provide the identified information for each:

Start Date: September 2005	End Date: November 2005
Client/Project: Pfizer Corporation (Adapting to Scale)	
Employer: SAIC/Sykes Enterprises, SAIC Corporate Headquarters, 10260 Campus Point Drive, San Diego, CA 92121, 1-800-430-7629	
Title/Percentage of time: Sr. Business System Analyst, 100%	
Description: Prepare retirement reports for sun setting of various medical laboratory systems. Determine server location and applicable systems to support clinical trials and drug samples. Create test case scenarios for web based asset tracking system.	
Reference: Aarti Walia, SAIC Corporate Headquarters, 10260 Campus Point Drive, San Diego, CA 92121, 1-800-430-7629	
Start Date: January 2005	End Date: August 2005
Client/Project: Blue Cross Blue Shield of Michigan (POS Transition and Medicare Part D)	
Employer: Ajilon Consulting Ajilon Consulting, 210 West Pennsylvania Avenue, Suite 650, Towson, Maryland 21204, Ph: 800.626.8082	
Title/Percentage of time: Sr. Business Analyst , 100%	
Description: Responsible for the medical processing business area and systems analysis of healthcare projects perform business analysis and use case development utilizing the RUP process. Facilitated Joint Application Development (JAD) sessions to determine business requirements and is responsible for requirements gathering and use case construction of the servicing and membership functions of the new Medicare Part D product. Created RUP based use cases and UML based use case models using Rational Rose. In addition, I was involved in the use case construction of the web-based revision of the eligibility and claim status functions used by healthcare providers.	
Reference: Charles Hicks, Ajilon Consulting, 600 East Lafayette, Detroit, MI 48226, 313-225-7863	



Start Date: December 2004	End Date: January 2005
Client/Project: Franklin Mortgage Corporation	
Employer: Franklin Mortgage Corporation, Franklin Mortgage Corporation, 25800 Northwestern Hwy, Southfield, MI 48075 Ph: 248-799-4000	
Title/Percentage of time: Sr. Business Analyst, 100%	
Description: Provide business area analysis for mortgage application and processing system. Create detailed requirements and use cases based on system enhancement requests. Provide gap analysis for a vendor based software application. Mentor junior analysts on requirements gathering and use case construction techniques.	
Reference: Troy Hughes, Franklin Mortgage Corporation, 25800 Northwestern Hwy, Southfield, MI 48075 Ph: 248-799-4000	

Resource Name:	Rajeev Bhuvaneshwaran	
Role:	System Architect	
Associated with: (check one):	Prime Bidder:	Subcontractor
Percentage of Time to be allocated to Project	50%	

List the skills and experience that qualify the individual for the duties and responsibilities on this project for the stated role. Please provide the year(s) the experience was acquired. The experience requirements detailed in the CONTRACT are restated as follows:

Requirement	Bidder's Response
<ul style="list-style-type: none"> ▪ Develop architectural design and architecture plan documents ▪ Coordinate between Business Analyst and Development Team Lead 	<p>Over 12+ years experience in the IT industry working in the healthcare, publishing, and banking, industries as a Technical Architect, Project Manager and Analyst. Has extensive experience on large scale complex projects in setting architectural direction and developing system architecture for legacy and client server systems with a focus for converting systems as well as databases into a web-base and/or ecommerce system. Experience in Object Oriented Analysis and Design using Project Management and SDLC methodologies implementing application development and implementation projects. Extensive expertise in Web based development and Internet Programming using Java (J2EE), C/C++ (under Unix), and Microsoft Based Technologies (.NET/VB/VC++/COM+).</p> <p>Over 12 years of experience working in the local government and private sectors environments as a business and technical solution architect creating and preserving conceptual integrity across multiple systems, promoting architectural goals such as adaptability and understanding the (business & technical) problem domains, identifying requirements and constraints. Responsible for providing technological possibilities. Responsible for identifying risks and perform meaning feasibility studies related to data conversions, legacy upgrades and internet transformations.</p> <p>12 years of experience as a systems architect managing and leading multiple projects, gathering client requirements, proposing</p>



solution and recommendation to fit the client business goals and objectives. 10+ years using Microsoft Technologies, such as .NET, VB, and C++.

A detailed resume of Rajeev Bhuvaneshwaran is attached with this proposal.

Start Date: March 2005	End Date: August 2005
Client/Project: King County, WA	
Employer: HTC Global Services, 3270 West Big Beaver Road, Troy, MI 48084 Phone: 248.786.2500	
Title/Percentage of time: Project Manager, System Architect, 100%	
Description: Was responsible for leading a time-critical project (RPIN) to create a regional public information network portal.	
Reference: Anthony Monaco, King County, WA , 206-296-0830	
Start Date: April 2004	End Date: December 2004
Client/Project: State of Michigan Governor's Office	
Employer: HTC Global Services, 3270 West Big Beaver Road, Troy, MI 48084 Phone : 248.786.2500	
Title/Percentage of time: System Architect, Project Manager, 100%	
Description: Was responsible for leading a team of developers in creation of SACS (Support application for constituent services).	
Reference: Ric Martin, 111 Romney Building, Capitol Avenue, Lansing MI Phone: 517 373-4937	
Start Date: April 2003	End Date: June, 2004
Client/Project: Thomson Gale	
Employer: HTC Global Services, 3270 West Big Beaver Road, Troy, MI 48084 Phone : 248.786.2500	
Title/Percentage of time: System Architect, 100%	
Description: Responsibilities included managing group of systems analysts for creation of requirements document, use cases, architecting a multi-tiered system (high level) and low level designs (use case realizations) for the presentation tier. Led a team of 12 analysts, developers and architects.	
Reference: Robert Joyce, 27500 Drake Road, MI 48331 Phone: 248 699-8444	

Certifications/Affiliations: Description, including relevant dates:

Resource Name:	Rosetta Lovely	
Role:	Contract Administrator	
Associated with: (check one):	Prime Bidder:	Subcontractor
Percentage of Time to be allocated to Project	As required.	



List the skills and experience that qualify the individual for the duties and responsibilities on this project for the stated role. Please provide the year(s) the experience was acquired. The experience requirements detailed in the CONTRACT are restated as follows:

Requirement	Bidder's Response
<ul style="list-style-type: none"> ▪ Single Point of Contact to the State for contract related issues ▪ Facilitate dispute resolution ▪ Advise the State of performance under the terms and conditions of the contract 	<p>15 years of experience in Information technology and Project Management/Quality Management, Change Management, Risk Management, with proven ability to complete projects within scope, time, budget and quality. Experience in various aspects of software development life cycle using RUP (Rational Unified Process) methodology and related Rational Tools for large scale application and development as well as implementation and support projects.</p> <p>5+ years of developing and executing contractual agreements of moderate complexity and long/short term duration outsource projects. Experience with Contract Law and have Contract Management Knowledge, by demonstrating a knowledge of contract laws and practices, and knowledge of aspects of contract management, including contract negotiation, schedule and contract requirements, and supplier evaluation. Focusing on facilitating disputes, advising suppliers/vendors of performance issues based on the agreed terms and conditions of contracts. In addition have developed clear and effective ideas, thoughts and concepts verbally and in written or graphic form, using correct and appropriate grammar, organization and structure, and effective presentation techniques to assess client needs; gather and synthesize relevant information on appropriate suppliers, products and services by applying logical reasoning to evaluate alternative proposals and contract elements through the development of well-thought-out conclusions and recommendations. Have developed a solid client relationship through feedback from clients and suppliers by working to resolve differences, develop solutions and incorporate revisions or changes to proposals/contracts that are mutually acceptable and beneficial.</p> <p>Over 12+ years of experience in managing projects using several methodologies such as RUP, SDLC, SDP-21, waterfall, and hybrid techniques. Perform complex/basic types of work as related to the elements of the technical competency. Extremely proficient performing virtually all work assigned in the healthcare, banking, automotive, production support, education area of technical competence.</p>

A detailed resume of Rosetta Lovely is attached with this proposal.

List client references for work used to meet the requirements stated above, and all projects the stated resource has worked on in the last three (3) years. A minimum of three (3) references are required. By submission of this information, the bidder and identified key person authorize the State of Michigan to contact references and previous employers provided to verify the accuracy of the information. Provide the identified information for each:

Start Date: December 2003	End Date: December 2005
Client/Project: GM Various Projects	
Employer: Keane, Inc. 100 City Square, Boston, MA 02129 Ph: 248-351-4482	
Title/Percentage of time: Sr. Project Manager/IT Proposal Mgr, 100%	
Description: As a Sr. Project Manager, was involved in creating and maintaining project schedule using Microsoft Project 2000 and Kadet along with Peoplesoft. Delivered weekly status reports to client with details of project activities	



and issues. Conducted business analysis using Rational Unified Process Framework for managing requirements and scope changes, verifying quality standards along with business modeling, scope planning, requirements gathering, analysis, design, and testing. Involved in gathering client requirements. Attended GMAC IS & S weekly status meetings with the client to gather business/technical requirements for existing and new proof-of-concept applications for developing database conversion from a CARS Mainframe system to a web-base system. Responsible for planning, managing, monitoring, and communicating progress in performing system operational activities.

Reference: Erin Siemens, Keane, Inc., 100 City Square, Boston, MA 02129, Ph: 248-910-9885

Start Date: December 2001

End Date: December 2003

Client/Project: GMAC Various Projects

Employer: Keane, Inc, 100 City Square, Boston, MA 02129 Ph: 248-351-4482

Title/Percentage of time: IT Contract Administrator , PM 100%

Facilitated the GMAC involvement in projects and programs funded by external sponsors. Worked with individual and multidisciplinary groups of General Motors Acceptance Corp Information Services to develop new proposals. Assisted with budget development and formatting of proposals to meet agency requirements and guidelines. Provided administrative oversight including negotiating the terms and conditions of awards and sub-awards, and monitoring them for compliance with given standards. Developed contracts with the major funding agencies and matched potential funding sources with IS&S Business Managers research interests.

Reference: Mridul Burgi, Keane, Inc, 24901 Northwestern Hwy., Southfield, MI 48075 , Ph: 248-470-1283

Start Date: December 2000

End Date: December 2001

Client/Project: Visteon Various Projects

Employer: CDI Corporation, 1960 Research Drive, Suite 200, Troy, MI 48083

Title/Percentage of time: Sr. IT Consultant, 100%

Description: As Sr. IT Consultant was involved in providing project management status on accomplishments, issues, risks, project quality, and budget status. Redesigned the business planning and management processes using Rational Rose software for business analyst data modeling and use cases (RUP). Created object-oriented design and object oriented analysis use cases using Rational Roses Unified Model Language and Rational Unified Processes Methodology. Analyzed, determined, and evaluated risk, scope, change control, and what-if scenarios to make technical feasibility and business solution selection. Responsible for conducting the requirements analysis, design, testing, and implementation of a New Personal Property Tax Database System used globally throughout Ford and Visteon.

Reference: Mohammed Usman, Visteon Corporation, One Village Center Drive, Van Buren Township, Michigan 48111 USA, Ph: 734-710-2568

Certifications/Affiliations: Description, including relevant dates:

ITIL 3/2005, Six Sigma (GB) Professional 1/2006

The Bidder must submit a letter of commitment, signed by the identified resource, stating their commitment to work for the bidder/subcontractor on this project contingent on award of the bid.

Resource Name:	Shibu Madhavan	
Role:	Development Team Lead	
Associated with: (check one):	Prime Bidder:	Subcontractor
Percentage of Time to be allocated to Project	70%	

List the skills and experience that qualify the individual for the duties and responsibilities on this project for the proposed role. Please provide the year(s) the experience was acquired. The experience requirements detailed in the CONTRACT are restated as follows:



Requirement	Bidder's Response
<ul style="list-style-type: none"> ▪ Control all development aspects related to the project including requirements specifications, technical design ▪ Ensure all project deliverables meet the quality standards ▪ Manage project on a day-to-day basis as per project plans ▪ Mentor development and quality teams on project details ▪ Identify any project problems and initiate corrective actions ▪ Release project deliverable and approve changes to project work items 	<p>Over 9 years of experience in the field of information technology. Extensive experience in analysis, design, development working on healthcare systems for government such as the Michigan Automated Prescriptions System (MAPS).</p> <p>9 years of experience in business and system analysis focusing on business requirements, testing and maintenance of software applications. Expert in development of web and client/server applications using .Net, SQL Server, BizTalk 2002, XML, XSL, Visual Basic, Microsoft CMS, ASP, COM, DCOM, Oracle, Visual Interdev, MTS, Crystal Reports, VB Script, Java Script, IIS, MS Access, VBA, and Excel working in government and private sector industries.</p> <p>9+ years of experience in architecting, analyzing requirements and defining solutions. Proficient in analysis, development, and documentation of a government projects such as MAPS, eGrAMS, Dealer Communications, Children Trust Funds, New York State Incident Management and Reporting System (NIMRS) to name a few. Hands on experience in designing specifications for the development of new system Experience in maintenance and testing of web and client/server web applications.</p>

A detailed resume of Shibu Madhavan is attached with this proposal.

List client references for work used to meet the requirements stated above, and all projects the proposed resource has worked on in the last three (3) years. A minimum of three (3) references are required. By submission of this information, the bidder and identified key person authorize the State of Michigan to contact references and previous employers provided to verify the accuracy of the information. Provide the identified information for each:

Start Date: June 2005	End Date: (Currently under development)
Client/Project: eGrAMS (Enterprise Grants Administration & Management System) - State of MI, Lansing, MI	
Employer: HTC Global Services, 3270 West Big Beaver Road, Troy, MI 48084, Ph : 248.786.2500	
Title/Percentage of time: System Analyst/Architect, 100%	
Description: Is responsible for gathering and validating Business Requirements, creating templates, knowledge transfer and administration of the projects. Is responsible for the architecture of an enterprise wide electronics grants management application. Is responsible in designing the system which allows end users to configure and manage the grant application for various agencies though out the state. This design dramatically reduces the time to put out a new grant over current manual and semi-automated processes. Is responsible in designing the system which will reduce staffing costs associated with manual processing (data entry, application logging, tracking, reporting, etc), data validation, and error correction on applications. The system will enable management staff to use the information for strategic decision-making, statewide and agency specific reporting. Is also involved in documenting software requirements, coding and testing system components. Reference : Viji Jayaraman - Project Manager, Phone : 517-241-5792	
Start Date: March 2004	End Date: May 2005
Client/Project: eGrAMS (electronic Grants Administration & Management System) - State of MI, Lansing, MI	
Employer: HTC Global Services, 3270 West Big Beaver Road, Troy, MI 48084, Ph : 248.786.2500	
Title/Percentage of time: System Analyst Developer/Architect, 100%	



Description: Was responsible for designing the system which allows end users to configure and manage the grant application. This design dramatically reduces the time to put out a new grant over current manual and semi-automated processes. He was also involved in documenting software requirements, coding and testing system components

Reference : Ismail Noor, Michigan Children's Trust Fund, Phone : 517-335-7770

Start Date: August 2003

End Date: March 2004

Client/Project:

Financial Information Database (FID) - State of MI, Lansing, MI

Employer: HTC Global Services, 3270 West Big Beaver Road, Troy, MI 48084, Ph : 248.786.2500

Title/Percentage of time: System Developer/Architect, 100%

Description: Was part of the team in developing FID process to replace the old system to facilitate a more streamlined method of financial data submission. Was involved in analysis and design of various modules in the project. Was intricately involved in prototyping, development and documentation of the software to meet the requirements.

Reference : Barry G. Tiedeman- Department Analyst, Center for Educational Performance and Information, Phone: 517-241-2689

Certifications/Affiliations: Description, including relevant dates

The Bidder must submit a letter of commitment, signed by the identified resource, stating their commitment to work for the bidder/subcontractor on this project contingent on award of the bid.

A detailed resume and a letter of commitment signed by Dwayne Pettway is attached with this proposal.



Article 1, Attachment C
Labor Rates

Please refer to [Article 1, Attachment A - Table 4](#) for a detailed breakdown of labor rates



Article 1, Attachment D
Deliverables

#	Deliverable	Amount
1.	System Requirement Specification	\$30,000
2.	Implementation Plan	\$30,000
3.	Software Alpha Release	\$60,000
4.	Software Beta Release	\$60,000
5.	Software Final Release	\$60,000
6.	Data Conversion	\$30,000
7.	Training and Documentation	\$45,000
8.	Testing and Implementation	\$30,000
	TOTAL	\$345,000

Article 1, Attachment E
Project Plan

ID	Task Name	Duration	Start	Finish	2nd Quarter			3rd Quarter			4th Quarter				
					Apr	May	Jun	Jul	Aug	Sep	Oct	Nov			
1	MAPS -	118 days	Thu 5/4/06	Mon 10/16/06											
2	Project Initiation	1 day	Thu 5/4/06	Thu 5/4/06											
3	Project kick Off	1 day	Thu 5/4/06	Thu 5/4/06											
4	Requirements	17 days	Fri 5/5/06	Mon 5/29/06											
5	Interview users	11 days	Fri 5/5/06	Fri 5/19/06											
6	SRS Preparation & Prototyping	10 days	Fri 5/5/06	Thu 5/18/06											
7	Understand Existing Data Model	10 days	Fri 5/5/06	Thu 5/18/06											
8	SRS Review & Sign off on Prototype	5 days	Fri 5/19/06	Thu 5/25/06											
9	System Requirements developed and timeline establ	2 days	Fri 5/26/06	Mon 5/29/06											
10	Architecture and Design	26 days	Tue 5/30/06	Tue 7/4/06											
11	Database Design	9 days	Tue 5/30/06	Fri 6/9/06											
12	High level and detailed design	15 days	Mon 6/12/06	Fri 6/30/06											
13	Sign-off on Design Document	2 days	Mon 7/3/06	Tue 7/4/06											
14	Build	23 days	Wed 5/17/06	Fri 6/16/06											
15	Unit,Integration,System Test case preparation	15 days	Fri 5/26/06	Thu 6/15/06											
16	Coding	23 days	Wed 5/17/06	Fri 6/16/06											
17	Testing	64 days	Mon 6/19/06	Thu 9/14/06											
18	Unit/ Integration/ Regression Testing	40 days	Mon 6/19/06	Fri 8/11/06											
19	User Acceptance Testing-Alpha Version	15 days	Mon 7/17/06	Fri 8/4/06											
20	Fix errors(if any), after UAT	5 days	Mon 8/7/06	Fri 8/11/06											
21	User Acceptance Testing-Beta Version	16 days	Thu 8/17/06	Thu 9/7/06											
22	Fix errors(if any), after UAT	5 days	Fri 9/8/06	Thu 9/14/06											
23	Training and documentation	48 days	Mon 7/17/06	Wed 9/20/06											
24	User documentation and online help	29 days	Mon 7/17/06	Thu 8/24/06											
25	Technical documentation	29 days	Mon 7/17/06	Thu 8/24/06											
26	Documentation Review	10 days	Fri 8/25/06	Thu 9/7/06											
27	Knowledge Transfer to the state personnel	23 days	Tue 8/15/06	Thu 9/14/06											
28	Provide training to the state personnel	13 days	Mon 9/4/06	Wed 9/20/06											
29	Pack Modules available for Roll out	14 days	Mon 9/18/06	Thu 10/5/06											
30	Final Deployment Complete	7 days	Fri 10/6/06	Mon 10/16/06											



Appendix 1
General Technical Requirements for IT Projects

The system must provide the standard requirements listed below.

Technical Requirements	System Complies		Comments
	YES	NO	
1. System Architecture			
a. The system employs web-based architecture accessing a central database through software on a server.	X		The system will be web-based (ASP.NET) and will access a central database (MS SQL Server).
b. The system places no limit on record size.	X		System will not place any limits on the record size.
c. The software is expandable and portable, with specific reference to the system capacity requirements presented in this Contract.	X		Software will be designed to be expandable and scalable. It will be portable to any platform that supports .NET.
d. The system is fully self-contained and capable of being operated by State staff with no dependency on Contractor services for its routine operation.	X		System will be designed to be self-contained. This includes the ability to automatically load electronic records and perform automatic and manual error corrections as needed without the help of Contractor.
e. The system server is compatible with the State's technical architecture and is sized suitable for the system specified.	X		The system servers will comply with State's architecture and has been designed with the current and future needs as outlined in the Contract.
f. The system is an open system, with no dependency on the use of specific models or models of equipment operating systems.	X		The system will be deployed on any platform that supports .NET and is not dependent on any particular hardware model.
g. The system keeps a log of each transaction which alters the database. Logs are date and time stamped to allow the system to reconstruct activity for any period.	X		Every table in the database will have audit information (created/updated user, created/updated date). Apart from this specific audit tables will be used to maintain additional (sensitive) information.
2. Software Licensing			
a. The software license is for perpetual use for a fixed fee without additional royalties or service fees, except for ongoing software maintenance.	X		Yes
3. Hardware			
a. Vendor's recommended hardware platform/topology provides for optimal functioning in the following areas:			
i. Communication line speed for distributed entry functions and major online processes of departments and offices located in various areas of the State.	X		Contractor will design the system and its network to be capable of handling distributed entry functions



Technical Requirements	System Complies		Comments
	YES	NO	
			and major online functions.
ii. Processing the volumes presented and any increases in volume that can be expected through the implementation of the proposed system.	X		Contractor will design the system to be highly scalable. The system will be architected using 3-tier technology, which can be logically and physically separated to enhance scalability. Also, the data load sub-system will be capable of handling parallel data loads.
iii. Remote access and administration	X		
iv. Application installation, administration and support	X		
v. Support for a variety of TCP/IP network configurations	X		
4. RDBMS / Applications / Database Management			.
a. The system is available with State's standard relational database management system	X		Contractor will use MS SQL Server which is one of the databases identified by the State.
b. Full-text indexing and a full-text database search feature are available to provide easy retrieval of records.	X		System will make use of MS SQL Server's inherent full-text indexing features to provide this feature.
5. Security / Access Control			
a. The system provides security at database, workstation, and individual operator levels.	X		Yes.
b. The system provides secure access control based upon unique user login, for types of record (e.g., fund, order) as well as by function performed upon the record (e.g., Display, Add, Edit, Delete.)	X		System will allow fine-grained access control for specific functions such as data load and specific data files, specific operations such as display, add, edit, delete etc.
c. The system checks each user's access privileges at login, and automatically disable or enables client functions (in real time) based upon the user's profile	X		System will disable menu items based on access levels and when each screen is accessed individually.
6. Software Package Specifications			
a. The software uses an industry standard relational database management system	X		Contractor will use MS SQL Server.
b. The software will operate effectively on State hardware as defined by Contractor with Contractor-supplied upgrade recommendations	X		
c. The software operates in a recognized industry standard operating environment.	X		Contractor will use MS Windows 2003 which is a robust OS and application platform.
d. The software allows the State, from PC workstations, to access and update all necessary information to complete a transaction.	X		The application will be web based and will be accessible from State's PC workstations.



Technical Requirements	System Complies		Comments
	YES	NO	
e. The software allows for the accurate and timely input and extraction of State data.	X		
f. The software allows for processing of all identified State business.	X		
g. The software provides identified data reporting capabilities.	X		Contractor will use Crystal Reports Server Edition, which provides almost all capabilities out-of-the-box. Contractor will update the software to fill any missing gaps.
h. The software provides a Graphical User Interface (GUI) that is user-friendly and provides data, calculation, reporting, and communication capabilities to State users.	X		Contractor will provide prototypes early on in the project to ensure that users are comfortable with the interface. This will then be used to build the system.
i. The system is modular in design to accommodate phased implementation and future expansion.	X		Yes. The system will be designed with maintainability as one of core architectural requirements.
j. The modularity allows the capabilities of the core systems to function without the entire system complement.	X		
k. Additional modules may be integrated into the system without a major impact to the installed components.	X		
l. All modules of the system are integrated and designed to work together using a single input and a common database with no redundant data entry or data storage.	X		
m. The system has the ability to accept and output transactions in standard electronic data interchange (EDI) formats.	X		The system will be designed to accept ASAP format. But, the data loader will employ a flexible mechanism to add additional loaders easily in the future. The system will also provide the ability to load NDC drug codes and other master tables easily.
n. The system has the ability to accept batch entry from external sources while ensuring the same edits and validations as the online system.	X		The validation module will be a common one that will be shared by online sub-system and the data load sub-system.
o. Response times, at local and remote sites, for the major online processes stated above will meet business requirements.	X		Contractor will perform load-testing to ensure that State's criteria are met.
p. The software provides the capability of transferring data to and from the host/server to the client for processing on other software packages.	X		
q. The system provides the capability for expansion in order to take advantage of technology such as optical scanning and	X		The system has been designed to accept data loads from EDI as well as from stand-alone data entry



	System Complies		Comments
	YES	NO	
Technical Requirements			
imaging in order to reduce data entry workload.			application.
7. Reporting			
a. The software delivers standard reports.	X		The reports will be developed using Crystal Reports Server Edition.
b. The system includes ad-hoc query and reporting tools.	X		Ad-hoc query and reporting capabilities are provided out-of-the-box by Crystal Reports Server Edition.
c. The online query capability enables non-technical end-users to extract information.	X		The ad-hoc query capabilities of Crystal Reports XI server are very easy to use.
d. The standard (e.g., regularly scheduled, recurring) reporting environment allows:			
i. Standard reports to be scheduled, executed, viewed online, printed (centrally or remotely) and dispersed (including the use of report distribution management software)	X		Report distribution will be accomplished using Crystal Reports XI server.
ii. Offices and work locations to control which standard reports they do and do not receive.	X		This will be controlled via Reports Setup module.
iii. The State to control the information that appears on standard reports so that data security is maintained.	X		This information will be gathered during requirements gathering sessions and reports will be designed based on this.
e. The system provides			
i. Methods for retaining and modifying previously built queries	X		This is supported by Crystal Reports XI server.
ii. Security and control mechanisms that limit the abuse of ad hoc queries (e.g., attempted access to restricted data, attempted execution of a query that would run for several hours, etc.)	X		. Reports will access information via Stored Procedures which will restrict access to data based on currently logged in user.
iii. The use of transaction databases, external files, or a "data warehouse" for ad-hoc reporting	X		The system's Data Control module will be responsible for populating the reports database and it will be isolated from the actual online database for performance and security reasons.
8. Audit Trail			
a. The system enables the user to modify data entry transactions that have already been posted to the database while maintaining an audit trail of the change.	X		
b. The system's internal control functionality ensures that the data entry and processing associated with a business event has been completed before updating the database.	X		The online database will be separated from the final database that will be used for reporting to ensure such controls.



	System Complies		
Technical Requirements	YES	NO	Comments
9. Edit and Validation Control			
a. The system includes comprehensive field edits to prevent incomplete or incorrect data from entering the system	X		Contractor will provide an error correction module which will provide advanced capabilities including but not limited to listing records with errors (based on error thresholds), listing associated errors, edits, ability to accept records as is and defer error correction, if required.
b. The system ensures data integrity and controls processing without hard-coded logic	X		Validation modules will be highly configurable and modular in nature to enable processing without hard-coded logic.
Business Requirements			
1. Security and Confidentiality			
	X		Contractor will ensure that the data security and confidentiality requirements are met.
2. Training			
a. Training is provided as part of the cost of the system, to include:			
i. User training	X		
ii. Technical training for State individuals who will be working with the services vendor to configure the applications including establishing databases and interfaces, data conversion, customization, and upgrading the customized software.	X		
iii. System administration training for State personnel who will be responsible for ongoing maintenance and administration of the system, including security.	X		
b. Upgrades and new versions to the system that affect end-user functionality include training at no additional cost (e.g. classroom or online training, training flier, release features, etc.).	X		
c. Training is provided in a variety of formats for product installation, use, and administration for a variety of levels (e.g. basic, advanced, refresher, etc.).	X		
d. All training manuals, training plans and other documentation provided become the property of the State.	X		
3. Documentation			
a. A minimum of two (2) copies of the following documentation in an electronic format, online and in hard copy will be provided:	X		
i. User and Technical Manuals - On-line and Hard Copy	X		
ii. Data Element Dictionary iii. Operations Manual	X		



	System Complies		Comments
	YES	NO	
Technical Requirements			
iv. All updates of documentation during the term of the Contract, software license, and maintenance agreement	X		
b. The following documentation is provided for all modules and program development:	X		
i. System-wide documentation and specifications	X		
ii. Baseline End-User training manuals to be used as a basis for "User Manuals" and online help	X		
iii. Installation procedure	X		
iv. Module configuration documents sufficient for configuration maintenance purposes	X		
v. Testing scripts	X		
vi. Specification documentation	X		
vii. Production migration	X		
4. Warranties			
a. All configurations are covered by the manufacturer's standard warranty.	X		
b. Warranty commences on the date products are accepted by the State.	X		
c. All applicable third party warranties for deliverables are assigned to the State.	X		
d. Any upgrades of the software made during the warranty period are supplied at no additional cost.	X		
5. Maintenance and Support			
a. Maintenance programs commence at the end of the warranty period.	X		
b. All maintenance is performed by qualified personnel familiar with the equipment.	X		Contractor will endeavor to use resources from the development team to ensure continuity.
c. Remote diagnostic capabilities are provided	X		Application will write extensive logs, which can be turned on/off easily. This can be used to perform remote diagnostics.
d. Maintenance is available on an annually renewable contract	X		
e. The software maintenance program includes all future software updates and system enhancements applicable to system modules licensed without further charge to all licensed users maintaining an annually renewable software support contract.	X		



Technical Requirements	System Complies		Comments
	YES	NO	
f. Emergency technical assistance is available 24 hours a day, seven days a week, at no additional cost to the State.	X		
g. A Web-enabled help desk interface is provided at no additional cost.	X		
h. The State will be provided with information on software problems encountered at other locations, along with the solution to those problems, when such information is relevant to State software.	X		
i. Support is provided for superseded releases and back releases still in use by the State.	X		This will only cover superseded and back releases for software that Contractor provides.
j. For the first year and all subsequent Contract years, the following services are provided for the current version and one previous version of any Software provided with the deliverables, commencing upon installation of the deliverables or delivery of the Software:	X		
i. Error Correction. Upon notice by State of a problem with the Software (which problem can be verified), reasonable efforts to correct or provide a working solution for the problem.	X		
ii. Material Defects. The State will be notified of any material errors or defects in the deliverables known, or made known to Vendor from any source during the Contract term that could cause the production of inaccurate, or otherwise materially incorrect, results and shall initiate actions as may be commercially necessary or proper to effect corrections of any such errors or defects	X		
iii. Updates. All new releases and bug fixes (collectively referred to as "Changes") for any software deliverable developed or published by Contractor and made generally available to its other customers at no additional charge will be provided to the State at no additional charge.	X		
6. Migration			
a. Data, and related information, has a migration path to future revisions of the hardware and software and there is a guaranteed and reasonably straightforward "exit path" to systems of other vendors.	X		
b. Data will migrate smoothly to any future revision of the software and hardware ("smoothly" would be defined as having the system administrator follow Contractor-supplied written instructions to run a Contractor-supplied program or programs in batch mode to convert data, or any process that is simpler or more automatic than this).	X		
c. Data will export to software and hardware of other vendors.	X		Data will be exportable in common formats supported by MS SQL Server.



	System Complies		
Technical Requirements	YES	NO	Comments
7. Delivery Requirements			
a. If, during the term of the Agreement, the Contractor enters into a contract with any other customer for substantially the same quantity, equipment, software and services, terms and conditions for a lower cost, the Contractor will offer the same decrease in rated to the State	X		



Appendix 2
Agency-Specific Requirements

The system must provide the Agency-Specific requirements listed below.

Requirement	System Complies		Comments
	YES	NO	
General			
1. The solution must be web-based, using Microsoft Internet Explorer 5.5 or higher.	X		The system will be developed and tested using Internet Explorer 5.5 or higher.
2. The software shall provide the ability to input, access, and store a user defined level of historical data.	X		The archival process will use a configured value to preserve historical data.
3. System use authorization must be role based. The administration of the roles must be manageable by BHP staff.	X		
4. The system must provide the ability to submit an alert on a suspected shopper or offender. The alert information must include personal information, drug information, and practitioner information.	X		System's Alerts and Messages module will be responsible for identifying recurring patterns and other predefined events and trigger alerts as required.
5. The system must provide the ability to submit an alert on a suspected prescription. The alert information must include patient information, prescriber information, drug information, and pharmacy information.	X		Please refer to the comment for item 4, above.
6. A sample of the hard copy form is Exhibit A; the waiver application is Exhibit B. The edits and operational procedures are Exhibit C.	X		
7. The Internet site will also provide a stand-alone reporting system which is windows compatible and which can be downloaded by dispensers for use on personal computers. The stand-alone program will allow pharmacies and dispensers without the ASAP reporting format to report smaller volumes of data via a web portal which will be established by the State of Michigan for pharmacies and dispensers to report electronically.	X		The system will support this stand-alone application and it will have the ability to export data in ASAP format.
8. For all searches and report generations	X		System will maintain audits for all searches and report generation.
9. The system shall provide the option of including messages to each practitioner or pharmacist who obtains a report anywhere in the system. The BHP would be able to add	X		System's alerts and messages module will provide this feature.
10. Although the BHP's access to PHI (Protected Health Information) is designated as a "Permitted Disclosure" pursuant to HIPAA regulations	X		
11. The contractor must protect the confidential information contained in the program. The contractor must enforce procedures to ensure the security of data through passwords	X		



Requirement	System Complies		Comments
	YES	NO	
for database access			
Data			
12. Conversion of the current database of prescription records. This database included over 26 million records as of February 2005 and is expected to add over 1.2 million new records each month. The system will store a minimum of 5 years worth of prescription data, which can be accessed directly by the BHP on demand. Data older than 5 years may be archived on storage media of a type and location acceptable to the Department, but must be accessible, and reports retrievable within one business day of a request at no additional charge. Access to the database must be available to BHP personnel 24 hours a day/seven days a week.	X		System's archival module will be responsible for identifying and archiving records and also ensure that this can be made available for reporting.
13. Capture and addition of new prescription data each month for the previous month transmitted electronically through a HIPAA compliant web-based secure application, recorded media, and by hardcopy.	X		
14. Updating is a batch process.	X		The system will implement this as a Windows Service.
15. The HIPAA compliant web-based site for dispensers to download prescription information will be capable of accepting electronic records from multiple users at any given time. Links will be provided from the acquisition site to the data request site, if different.	X		
16. The BHP staff must be able to adjust commonly altered variables such as codes, table contents, report parameters, etc. without the services of a professional programmer.	X		The Setup module will be responsible for providing these features.
17. The system must maintain an audit trail of all changes to patient and prescription information.	X		Every table will contain common audit information and additionally a separate audit table will be used to track overall system usage.
18. The system must track web site usage and provide statistics about the same.	X		System will use a click stream module to capture this information and provide reports for the same. It will capture, the user, location (if possible), various access information and operations performed.
19. The pharmacy and practitioner maintenance user interfaces must include the email address to be linked to the user for that pharmacy or practitioner.	X		
Query/Reports			
20. Maintenance of a relational database of files capable of supporting routine and ad hoc requests from the BHP, licensed pharmacists, and physicians for patient specific information from the prescription data. The web-based application will be capable of supporting multiple users	X		



Requirement	System Complies		Comments
	YES	NO	
requesting patient data.			
21. The system will be capable of automatically running queries of data requests prior to generation of an actual report to determine the number and amounts of patient records that will be included in the report. The application will automatically save a copy of all reports that are actually generated. Users will be terminated after a defined period of inactivity.	X		
22. Reports generated by request for pharmacists and practitioners will be available for download and printing by the practitioner for a minimum of 10 calendar days.	X		
23. Generation of monthly routine and ad hoc reports on a HIPAA compliant web-based application, which can be printed on demand.	X		
24. The software must provide a basis for preparing various statistical and analytical reports.	X		This will be provided via Crystal Reports XI Server.
25. The software must be able to produce request responses and reports using Microsoft Word, Microsoft Excel, Adobe Acrobat (.PDF), as well as in RTF format and using XML.	X		This will be provided via Crystal Reports XI Server.
26. The threshold search must provide the ability to specify 'AND' and 'OR' operators for each of the parameters.	X		This will be provided via Crystal Reports XI Server.
27. The system must provide the ability to select specific practitioners in the results of a practitioner advanced search and view all the prescriptions by them.	X		The advanced (Power) search will provide such features.
28. The advanced search for patients must include "Patient ID" as one of the searchable fields.	X		
29. The system must provide the ability to summarize information on a drug class, ingredient, product, strength, form and region over a prescription date range.	X		
30. The system must provide the ability to search for patients exceeding threshold limits for drug usage; the limits being based on the number of pharmacies, number of practitioner sites and the number of prescriptions for a specific period; and to export the information in .pdf format or an Excel spreadsheet.	X		
31. The system must also provide the ability to mark patients for whom a hot alert along with a request for information should be sent in the results of this search.	X		The search interface will be linked with the alerts sub-system to enable this feature.
32. The system must provide the ability to form a query to search for patients based on different combinations of their name, date of birth, address, prescriber and drug used. This search must also allow the user to then select patients from the result and generate a combined patient utilization report across all selected patients in either .pdf format or excel spreadsheet.	X		The search interface will be linked with the reports sub-system to enable this feature.



Requirement	System Complies		Comments
	YES	NO	
33. The system must allow for the threshold search parameters to be optional and user-definable.	X		
34. The threshold search functionality must provide a means to see threshold excesses within a specific area, for specific ingredients and specific products.	X		
35. The system must provide a means to drill down to a patient through searches based on an advanced search and then display all information in the system about that patient - details, pharmacies used, practitioners visited, prescriptions and utilization profiles performed.	X		The search results will display a "+" symbol enabling drill-down providing additional details.
36. The system must allow the query, view, report, and archive of audit log information.	X		
37. The system must allow the search and identification of apparent different patients as being the same, and to link them so prescription analysis on any one of them retrieves information on all.	X		The system will provide a de-duplication module that will try to mark duplicates based on certain pre-defined criteria.
38. The system must allow the search on all prescriptions that have an unknown DEA number and correct bad DEA numbers through a "Search and Replace" function.	X		The error correction module will support bulk updates feature that will enable bulk updates of specific fields such as DEA numbers.
39. The system must allow the search on all prescriptions that have an unknown NDC code and correct bad NDC code through a "Search and Replace" function.	X		The error correction module's bulk update feature will provide this.
40. The system shall provide a mechanism to review a list of pharmacies that are delinquent in data submission and to send an email or print a letter for these pharmacies.	X		The alerts and messages module will provide this feature.
41. The system must be able to generate patient-specific reports in response to requests from practitioners and pharmacists (i.e approved providers/dispensers) after approval by BHP staff. This may occur via the web-based application or by hardcopy from BHP to the requestor by fax or by mail.	X		The system will provide the ability to generate a report (by BHP staff) and earmark it for delivery to a particular provider/dispenser and the mode of delivery.
42. The system must allow for the generation of report sorting for any required data filed included in the ASAP 95 reporting format including "Method of Payment" which would be collected by the vendor.	X		
Support			
43. The Contractor must provide on-line maintenance of software.	X		
44. The Contractor must provide ongoing training and support.	X		Ongoing training will be performed when major software updates are provided by Contractor.
45. All applications must provide for future updates and enhancements on a regular basis.	X		

Appendix 3
Description of MAPS Application Modules

1. Data Entry

This module will be used to manually enter the prescription data submitted by the Submitters in hard copy form. This module also includes a stand-alone application for smaller submitters who do not have the infrastructure to export data in ASAP format.

Features

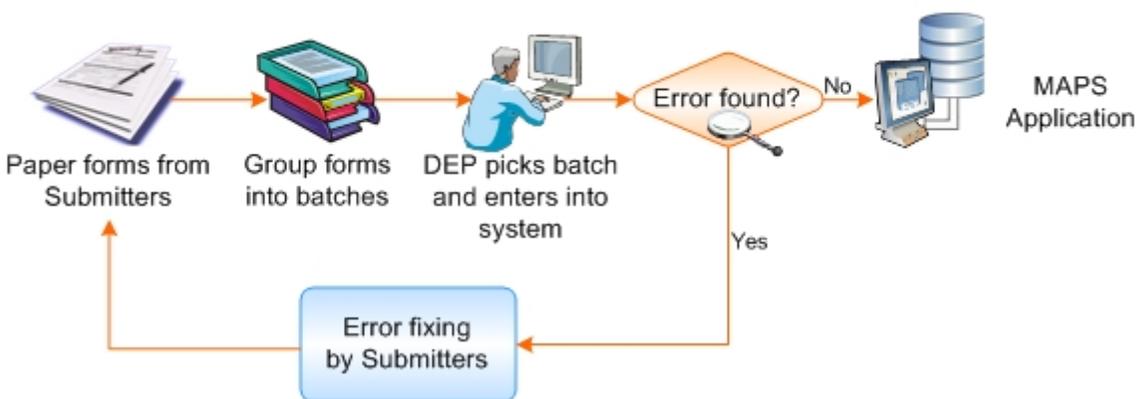
This module will provide the following features:

- ◆ Ability to enter data elements dictated by ASAP format (by BHP staff).
- ◆ Ability to automatically capture and include additional information such as the operator information, entered date and time, batch information etc.
- ◆ Stand-alone Windows application that can be installed on any PC to capture and export data in ASAP format.
- ◆ Ability to configure and accept additional elements as necessary.
- ◆ Ability to export data in ASAP format.
- ◆ Ability to perform validations to prevent data errors as much as possible. The validations will be performed on a batch so as not to impede data entry process.
- ◆ Focus on speed of entry with the help of hot keys, quick navigation etc.

Stand-alone application will also be capable of performing error correction. It will have the ability to open error correction records directly, provide error information (record by record), and once completed provide the ability to export into a format that can be uploaded to the MAPS portal website. This file will contain all necessary information about the submitter to automatically trigger an EDI load and would eliminate steps to manually load the files.

Flow

Data Entry Workflow



The EDI Handling Personnel (EHP) receives paper forms, groups them in batches, and adds an EDI Log record in the system. Data Entry Personnel (DEP) picks up the batch ready for data entry, opens the batch in the system and manually enters data into the system. Proposed interface for data entry is presented in Screen Shot 1 (SS1): Interface for Data Entry. DEP closes the batch after all the records have been successfully entered. The entered data is automatically processed by the system and error correction information made available to the DEP. DEP can then contact the Submitters manually, if desired to get the errors corrected.



M A P S
Michigan Automated Prescription System

User : Paul

Home Help My Account Logout

Add EDILog Entry Load Queue

Data Entry			
Period :	<input type="text"/>	DEA Suffix	<input type="text"/>
Rx Number *	<input type="text"/> Rx 12	Authorized Refills	<input type="text"/>
Issue Date (mm/dd/yyyy) *	<input type="text"/>	Customer ID *	<input type="text"/>
Fill Date (mm/dd/yyyy) *	<input type="text"/>	Patient Last Name *	<input type="text"/>
New Refill Code	<input type="text"/>	Patient First Name *	<input type="text"/>
Quantity *	<input type="text"/>	Birth Date (mm/dd/yyyy) *	<input type="text"/>
Days Supply *	<input type="text"/>	Sex	<input type="text"/>
NDC Code *	<input type="text"/>	Patient Street *	<input type="text"/>
Practitioner ID *	<input type="text"/>	Patient State *	<input type="text"/>
Compound Code *	<input type="text"/>	Zip Code *	<input type="text"/>

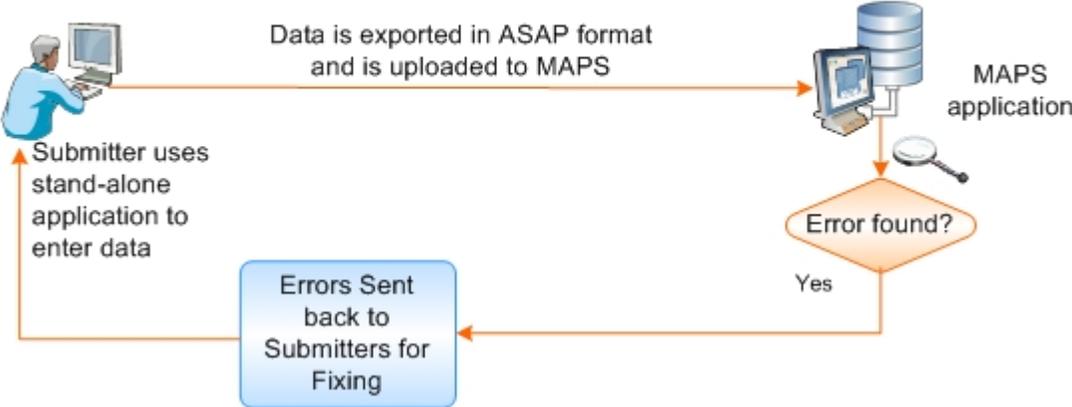
Previous Save Next Reset

Note : * indicates mandatory fields

SS1 – Interface for Data Entry

The Stand-alone application will have the capability to export all entered records in ASAP format. Once exported, this can be then uploaded to the MAPS portal or sent to MAPS via other electronic means (such as email, FTP or by mailing a floppy-disk). MAPS will then process the file as any other EDI file in ASAP format.

Stand-Alone Data Entry Workflow



2. Data Load

This module will be used to load the prescription data received electronically in the form of CD/Floppy, email attachment, or any other electronic form.

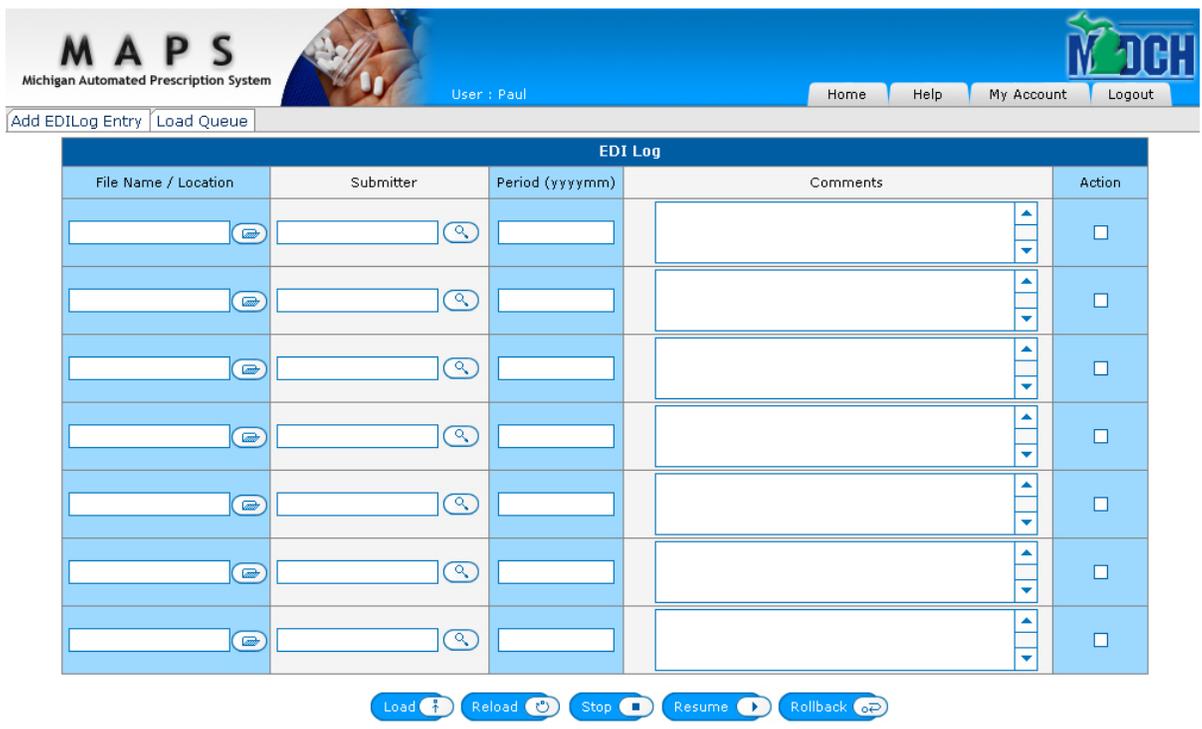
Features

This module will provide the following features:

- ◆ Automated or manual initiation of data load of ASAP format files.
- ◆ Ability to define load of fixed-width formats easily via a configurable XML file.
- ◆ Ability to validate data files before loading.
- ◆ Ability to track and audit all load operations, including the ability to rollback specific loads (before they are processed).
- ◆ Ability to identify duplicate records/file loads.

Flow

The BHP staff unpacks the media and enters the details of the files received in the EDI log using the EDI Log interface. Please refer to the Screen Shot 2: EDI Log for details of the information captured during the EDI log. The EHP hands over the media and data files to the Data Load Personnel (DLP) via a shared network folder. DLP then extracts files into a pre-configured folder on the server and adds the files to a load queue. The DLP can also use this interface to update any master files such as Drug Codes, Zip Codes, Dispenser /Pharmacy information.



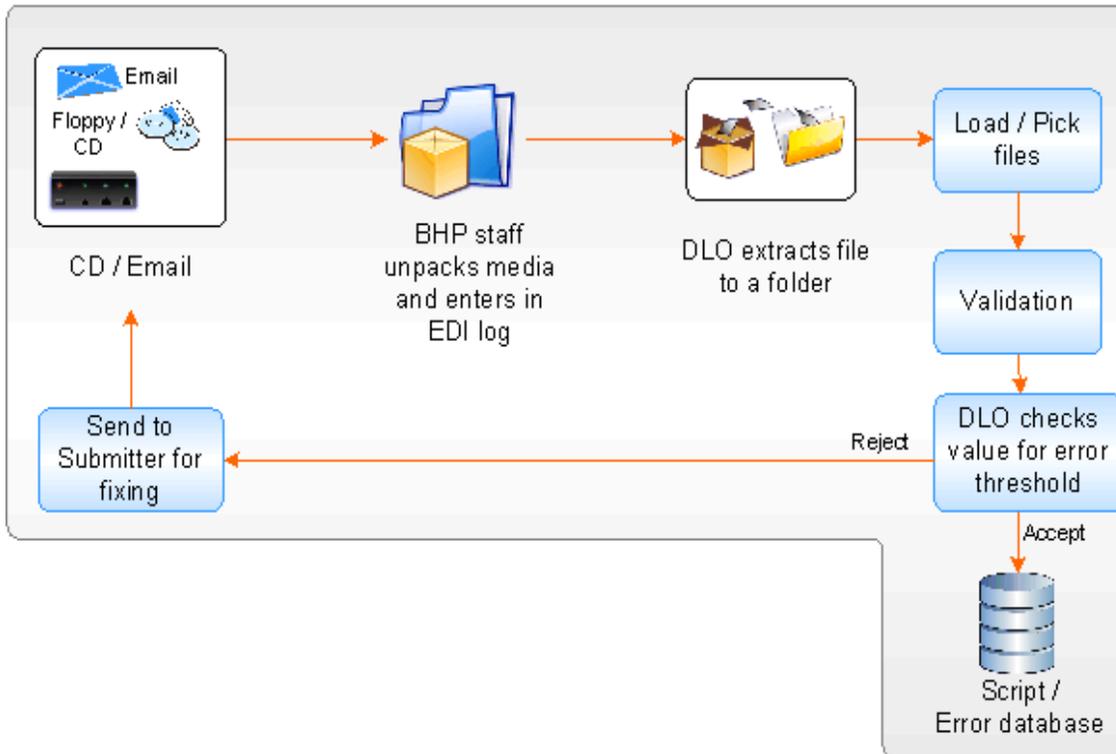
SS2: EDI Log

The DLP can monitor load server queue status using the “Load Queue Status” interface in this module. As files are being entered into the EDI Log, the load server queues them up and loads them one at a time. This screen also provides links to edit an EDI Log entry and correct load errors. This interface provides information on the Load error if errors are found during the loading or if the file is invalid or corrupt.



The process of sending out error records back to the submitters can be automated (based on predefined threshold) or manual. If it is chosen to perform this manually, system will display the threshold value and the ability to “reject” from the load queue screen.

Data Load Workflow



3. Error Correction

This module will enable users to correct the errors identified by the data load operation.

Features

This module will provide the following features:

- ◆ The system will display an error summary report after a data load run.
- ◆ The system will have the provision to send out an email notification to the dispenser informing them about the errors.
- ◆ The system will have the ability to correct individual errors, while tracking the threshold level.
- ◆ The system will provide the ability to mark a record to be accepted “as is”. This may happen when submitters are unable to provide more information on these records.
- ◆ The system will have the ability to attach additional notes for the correction or when it is accepted “as is”.

Flow

The State personnel can use one of the following methods to get the errors fixed by the Submitter.

- ◆ If the Submitter wishes to correct the errors online (based on submitter setup) and has Internet access, an email is sent out to the Submitter indicating the need to fix the errors.



- ◆ If the Submitter does not have Internet connection, but has a PC (and wishes to participate in electronic correction) the user can then use the stand-alone Windows application to correct the errors and send the information via Email or a Floppy Disk.

For hard copy forms the Submitter is required to fix the errors by marking the changes on the error report and sending it back to BHP. This will then be manually corrected in the system.

Error Correction			
CVS PHARMACY, 72 SHELDON SE, 495030000		Last Updated By : Paul on 11/19/2005	
Record Number	004869624847634658	DEA Suffix	AT07
Rx Number	1	Authorized Refills	0
Issue Date (mm/dd/yyyy)	09/30/2005	Patient Last Name	Doe
Fill Date (mm/dd/yyyy)	10/03/2005	Patient First Name	John
New Refill Code	0	Birth Date (mm/dd/yyyy)	03/18/1976
Quantity	120	Gender (1=Male, 2=Female)	1
Days Supply	30	Patient Street	36 Miller St
NDC Code	04586112101	Patient State	MI
Practitioner ID	AR8586748	Zipcode	48659

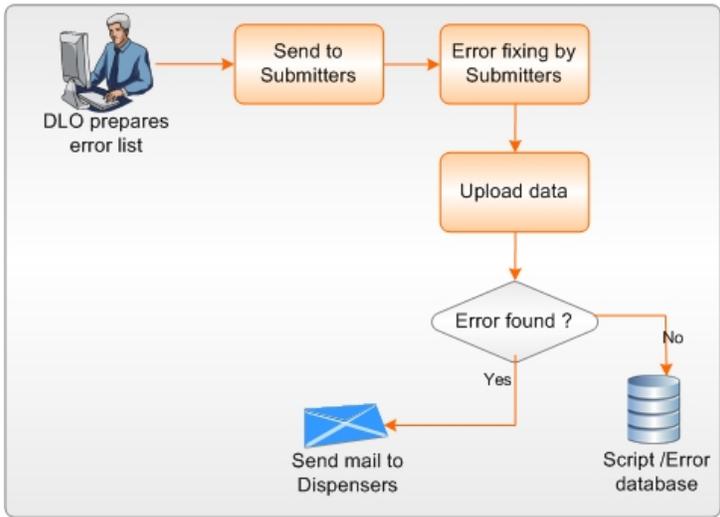
SS3: Error Correction

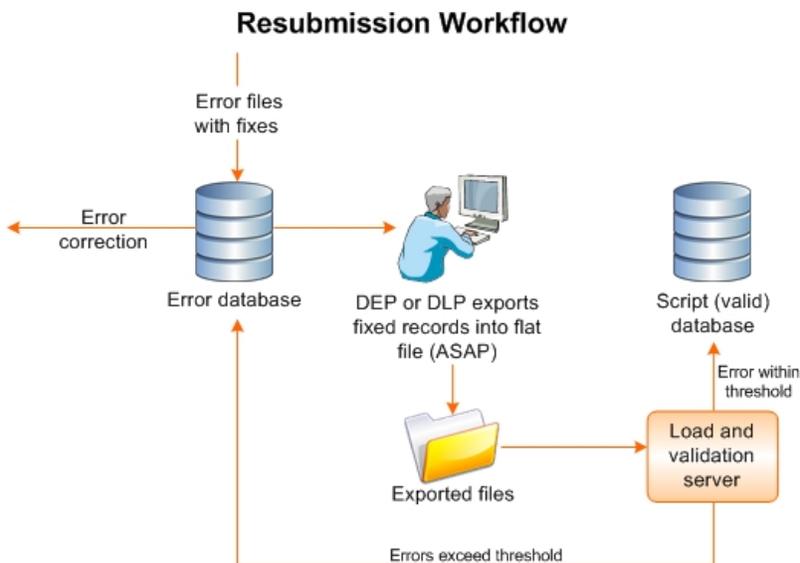
The screenshot above presents a sample error correction record. Erroneous records are listed one at a time, with the fields where errors exist highlighted. The user can then correct this error and navigate to the next error record.

Flow

The diagram below shows the overall error correction flow. The proposed MAPS application accommodates various forms of error correction and uploading. Internal error corrections (by State staff) and External error corrections (by individual Submitters) will differ in the user interface.

Error Correction Workflow





The overall workflow for the resubmission process (for stand-alone application) is provided above. The operator exports the data into a flat file in the ASAP format. The data is then resubmitted for loading and the whole process is repeated if required.

4.

5. **Alerts and Messages**

This module will be used to submit alerts based on processed records information and also present messages to submitters via the MAPS Portal.

Features:

This module will provide the following features:

- ◆ Ability to define pre-defined alerts based on certain search criteria.
- ◆ Ability to define recipients of alerts, via the use of alert groups.
- ◆ Ability to define global and submitter specific messages/notices to be displayed on the portal.

Flow

Alerts will be configured in the system via certain user configurable search queries. System will trigger an alert when the search query returns any results. This will provide for a dynamic mechanism of raising alerts, as against a static pre-defined list of alerts. Alerts are then associated with alert groups (a list of email addresses) who will receive the alerts.

System will also provide the ability to define system-wide or submitter specific messages that will be displayed on the welcome page for all users. System will provide the ability to set effective date and expiry date for all messages.

6.

Reports

This module will be used to provide the reporting functionality required by MAPS. Contractor proposes to use Crystal Reports XI Server to provide all reporting functionality.

Features

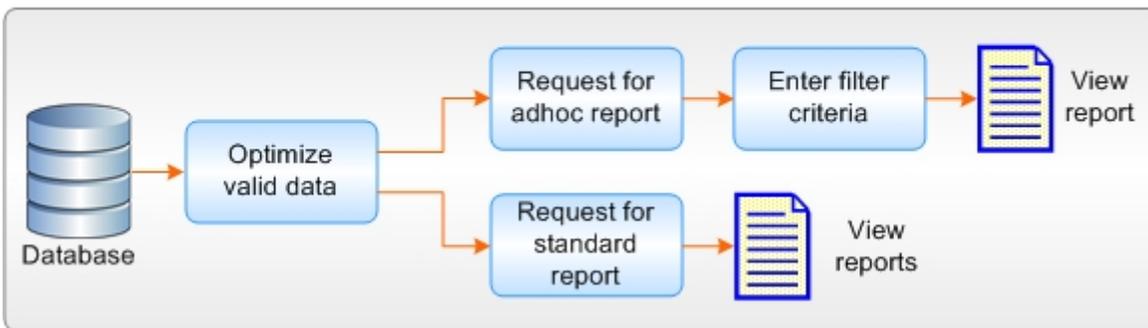
This module will provide the following features:



- ◆ Ability to provide “operation” reports, which reports on the operator activity, EDI and other data load information.
- ◆ Ability to provide “control” reports, which reports on the prescription data and its analysis.
- ◆ Ability to create ad-hoc reports.
- ◆ Ability to schedule report runs and access previously run reports.

Flow

Reports Workflow



The system can generate two types of reports:

- ◆ Operation reports- To ascertain the status of runs and processes, operator productivity ; and
- ◆ Control Reports- To access the prescription data and analyze them.

When an external user requests for a report, BHP staff will validate and approve the request. On approval the report server generates the report and the report is added to the print queue from where it can be requested for print at a later point of time or transmitted electronically. The user has the option of choosing the format in which the report needs to be generated such as MS Word, RTF, and PDF.

Contractor proposes Crystal Reports XI Server, which is an intuitive reporting solution that helps rapidly create flexible, feature-rich, high fidelity reports and tightly integrate them into web and windows applications. Crystal Reports reporting solution provides a platform for designing highly formatted, interactive, and professional looking reports and allows exporting the reports to the electronic formats used by most end-users.



7. **Data Control**

This module will be responsible for collecting audit information, data optimization and post-processing of accepted data.

Features

This module will provide the following features:

- ◆ Ability to optimize records for reporting and inquiry purposes.
- ◆ Ability to handle erroneous records (below the threshold).
- ◆ Ability to track queries and reports for auditing purposes.
- ◆ Ability to track website usage and generate statistics.

Flow

When data is loaded into the system, the data may contain errors and will not be in the best shape to run reports against. In order to make the report generation faster and easier, the system will optimize the data, taking into consideration records with errors (that have been accepted “as is” or below the threshold) and also prepare the data for reporting purposes.

This module will also be responsible for gathering system-wide auditing and usage information for reporting purposes.

8. **Administration and Security**

This module will ensure overall system security and provide administration and other setup capabilities.

Features

This module will provide the following features:

- ◆ Ability to setup and maintain users and user groups
- ◆ Ability to setup access levels and user associations
- ◆ Ability to setup submitter profiles and dispenser information.
- ◆ Ability to provide overall system security, including authentication (login), authorization (permissions to access various resources) and collection of various auditing information.

The screenshot shows the MAPS web interface. At the top, there's a navigation bar with 'Home', 'Help', 'My Account', and 'Logout'. Below that, a breadcrumb trail shows 'Dispenser Profile Maintenance' selected. The main form is titled 'Dispenser Maintenance' and contains the following fields:

Find Dispenser	<input type="text"/>	<input type="button" value="Search"/>	
Dispenser ID. *	<input type="text"/>	Contact Person	<input type="text"/>
Dispenser *	<input type="text"/>	Phone 1	<input type="text"/>
DEA# *	<input type="text"/>	Phone 2	<input type="text"/>
Address Line 1 *	<input type="text"/>	Fax	<input type="text"/>
Address Line 2	<input type="text"/>	Email	<input type="text"/>
Zip Code *	<input type="text"/>	Error Correction Mode	<input type="text" value="Online"/> Standalone Paper report

At the bottom of the form, there are two buttons: 'Add / Update' with a plus sign and 'Clear' with an X sign.

SS5: Dispenser Maintenance



9. Archival

This module will be responsible for archival of outdated information, and making the archived information available when required.

Features

This module will provide the following features:

- ◆ Ability to archive records based on a configured timeframe.
- ◆ Ability to point reporting and inquiry systems to archived data, to run queries and reports against archived data.

Flow

The system will, based on a pre-configured timeframe setting, archive records on a nightly basis to an “archived” database. The reporting module will provide the ability to report using this archived database. On a periodic basis, this can be transferred to optical media and then purged. When required, the information from optical media can be loaded to the “archived” database and reporting can be run on this database.

10. Data Migration

This module will be responsible for data migration (one time).

Features

This module will provide the following features:

- ◆ Ability to migrate data from the old database to the newly built system.
- ◆ Ability to provide default values for newly added elements in the system.
- ◆ Provide manipulation routines to map data between the old and the new system



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

Article 1, Attachment C.

- (e) “Audit Period” has the meaning given in **Section 2.111**.
- (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 **Article 1, Section 1.201 and/or Attachment B**, 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 Attachments and Exhibits

All Attachments and/or Exhibits attached to any, and all Statement(s) of Work, attached to, or referencing this Contract, are 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 (PO) executed under this Contract. Contractor shall not be obliged or authorized to commence any work to implement a Statement of Work until authorized via a PO issued against this Contract, or an amendment to this Contract (see 2.106). 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 (as defined in Article 1) will include, or incorporate by reference to the appropriate Contract Article 1 Attachment 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 price schedules 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, Office of Acquisition Services ("OAS") and Department of Information Technology for the Department of Community Health (collectively, including all other relevant State of Michigan departments and agencies, the "State"). OAS is the sole point of contact in the State with regard to all procurement and contractual matters relating to the Contract. **OAS 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 the Office of Acquisition Services for this Contract is:

Steve Motz
Office of Acquisition Services
Department of Management and Budget
Mason Bldg, 2nd Floor
PO Box 30026
Lansing, MI 48909
motzs@michigan.gov
517-241-3215

2.015 Contract Compliance Inspector

Upon receipt at OAS of the properly executed Contract, it is anticipated that the Director of DMB Acquisition Services, in consultation with (insert the end using agency), will direct that the person named below, or any other person so designated, be authorized to monitor and coordinate the activities for the Contract on a day-to-day basis during its term. However, monitoring 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 the Office of Acquisition Services.** The Contract Compliance Inspector for this Contract is:

Mary Ladd
Department of Information Technology
Constitution Hall, South Atrium
525 W. Allegan St.
Lansing, MI 48913
LaddM@michigan.gov
517-335-4082



2.016 Project Manager

The following individual will oversee the project:

Name: Tonnie Diffin
 Department of Information Technology
 Chandler Plaza
 300 E. Michigan Ave., Lansing, MI
DiffinT@michigan.gov
 517-373-3523

2.020 Contract Objectives/Scope/Background

2.021 RESERVED

2.022 RESERVED

2.023 RESERVED

2.024 RESERVED

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 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 **three (3)** years commencing on the date that the last signature required to make the Contract enforceable is obtained. All outstanding Purchase Orders shall also expire upon the termination (cancellation for any of the reasons listed in 2.210) of the Contract, unless otherwise extended pursuant to the Contract. Absent an early termination for any reason, Purchase Orders issued but not expired, by the end of the Contract's stated term, will remain in effect for the balance of the fiscal year for which they were issued.

2.033 Renewal(s)

This Contract may be renewed in writing by mutual agreement of the parties not less than thirty (30) days before its expiration. The Contract may be renewed for up to **two (2)** additional **one (1)** year periods. Successful completion of negotiations surrounding the terms of the extension, will be a pre-requisite for the exercise of any option year.

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. **Article 1, Attachment B** provides an organization chart showing the roles of certain Key Personnel, if any.

(ii) Key Personnel shall be dedicated as defined in **Article 1, Attachment B** 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. The State reserves the right to interview the individual before granting written approval. 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. If any such incident with removed personnel results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Service will not be counted in **Section 2.076** for a time as agreed to by the parties.

(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, Office of 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. If any such incident with a removed Subcontractor results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Work will not be counted in **Section 2.076** for a time agreed upon by the parties.

(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 to perform any obligation under this Contract shall not relieve Contractor of any obligations or performance required under this Contract. Attached as **Exhibit A** 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/0,1607,7-139-34305---,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 Adherence to Portal Technology Tools

The State has adopted the following tools for its Portal Technology development efforts:

- Vignette Content Management and personalization Tool
- Inktomi Search Engine
- E-Pay Payment Processing Module
- Websphere Commerce Suite for e-Store applications

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

Contractors that are compelled to use alternate tools must have received an exception from DIT, Enterprise Application Services Office, e-Michigan Web Development team, before this Contract is effective.

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 C lists the items of software the State is required to purchase for execution the Contract. The list in **Exhibit C** 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 C** also identifies certain items of software to be provided by the State.

2.063 Hardware

Exhibit B lists the items of hardware the State is required to purchase for execution the Contract. The list in **Exhibit B** 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 B** 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 RESERVED

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 Time is of the Essence

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

2.076 RESERVED

2.080 Delivery and Acceptance of Deliverables

2.081 Delivery of Deliverables

Article 1, Attachment D contains a list 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") or a Custom Software Deliverable. 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 this Contract.

Prior to delivering any Deliverable to the State, Contractor will first perform all required quality assurance activities, and, in the case of Custom Software Deliverables, System Testing to verify that the Deliverable is complete and in conformance with its specifications. Before delivering a Deliverable 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 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.

In discharging its obligations under this Section, Contractor shall be at all times (except where the parties agree otherwise in writing) in compliance with Level 3 of the Software Engineering Institute's Capability Maturity Model for Software ("CMM Level 3") or its equivalent.

2.082 Contractor System Testing

Contractor will be responsible for System Testing each Custom Software Deliverable in Contractor's development environment prior to turning over the Custom Software Deliverable to the State for User Acceptance Testing and approval. Contractor's System Testing shall include the following, at a minimum, plus any other testing required by CMM Level 3 or Contractor's system development methodology:



Contractor will be responsible for performing Unit Testing and incremental Integration Testing of the components of each Custom Software Deliverable.

Contractor's System Testing will also include Integration Testing of each Custom Software Deliverable to ensure proper inter-operation with all prior software Deliverables, interfaces and other components that are intended to inter-operate with such Custom Software Deliverable, and will include Regression Testing, volume and stress testing to ensure that the Custom Software Deliverables are able to meet the State's projected growth in the number and size of transactions to be processed by the Application and number of users, as such projections are set forth in the applicable Statement of Work.

Contractor's System Testing will also include Business Function Testing and Technical Testing of each Application in a simulated production environment. Business Function Testing will include testing of full work streams that flow through the Application as the Application will be incorporated within the State's computing environment. The State shall participate in and provide support for the Business Function Testing to the extent reasonably requested by Contractor. Within ten (10) days before the commencement of Business Function Testing pursuant to this Section, Contractor shall provide the State for State review and written approval Contractor's test plan for Business Function Testing.

Within five (5) Business Days following the completion of System Testing pursuant to **Section 2.080**, Contractor shall provide to the State a testing matrix establishing that testing for each condition identified in the System Testing plans has been conducted and successfully concluded. To the extent that testing occurs on State premises, the State shall be entitled to observe or otherwise participate in testing under this Section as the State may elect.

2.083 Approval of Deliverables, In General

All Deliverables (Written Deliverables and Custom Software Deliverables) 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, in the case of Custom Software Deliverables, will include the successful completion of State User Acceptance Testing, 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.

The State's obligation to comply with any State Review Period is conditioned on the timely delivery of Deliverables being reviewed. If Contractor fails to provide a Deliverable to the State in a timely manner, the State will nevertheless use commercially reasonable efforts to complete its review or testing within the applicable State Review Period.

Before commencement of its review or testing of a Deliverable, the State may inspect the Deliverable to confirm that all components of the Deliverable (e.g., software, associated documentation, and other materials) have been delivered. If the State determines that the Deliverable is incomplete, the State may refuse delivery of the Deliverable without performing any further inspection or testing of the Deliverable. Otherwise, the review period will be deemed to have started on the day the State receives the Deliverable and the applicable certification by Contractor in accordance with **Section 2.080**.

The State will approve in writing a Deliverable upon confirming that it conforms to and, in the case of a Custom Software Deliverable, performs in accordance with, its specifications without material deficiency. The State may, but shall not be required to, conditionally approve in writing a Deliverable that contains material deficiencies if the State elects to permit Contractor to rectify them post-approval. In any case, Contractor will be responsible for working diligently to correct within a reasonable time at Contractor's expense all deficiencies in the Deliverable that remain outstanding at the time of State approval.

If, after three (3) opportunities (the original and two repeat efforts), Contractor is unable to correct all deficiencies preventing State approval of a Deliverable, 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 this 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 and will pay the State an additional sum equal to ten percent (10%) of such excess expenditure to cover the State's general expenses without the need to furnish proof in substantiation of such general expenses; or (iii) terminate this Contract for default, either in whole or in part by notice to Contractor (and without the need to afford Contractor any further opportunity to cure). 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.

The State, at any time and in its own discretion, may halt the UAT or approval process if such process reveals deficiencies in or problems with a Deliverable 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 return the applicable Deliverable to Contractor for correction and re-delivery prior to resuming the review or UAT process and, in that event, Contractor will correct the deficiencies in such Deliverable in accordance with the Contract, as the case may be.

Approval in writing of a Deliverable by the State shall be provisional; that is, such approval shall not preclude the State from later identifying deficiencies in, and declining to accept, a subsequent Deliverable based on or which incorporates or inter-operates with an approved Deliverable, to the extent that the results of subsequent review or testing indicate the existence of deficiencies in the subsequent Deliverable, or if the Application of which the subsequent Deliverable is a component otherwise fails to be accepted pursuant to **Section 2.080**.

2.084 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 Written 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 Written Deliverable is approved in the form delivered by Contractor or describing any deficiencies that must be corrected prior to approval of the Written Deliverable (or at the State's election, subsequent to approval of the Written Deliverable). If the State delivers to Contractor a notice of deficiencies, Contractor will correct the described deficiencies and within five (5) 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 Written 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 Written Deliverable to confirm that the identified deficiencies have been corrected.

2.085 Process for Approval of Custom Software Deliverables

The State will conduct UAT of each Custom Software Deliverable in accordance with the following procedures to determine whether it meets the criteria for State approval – i.e., whether it conforms to and performs in accordance with its specifications without material deficiencies.

Within thirty (30) days (or such other number of days as the parties may agree to in writing) prior to Contractor's delivery of any Custom Software Deliverable to the State for approval, Contractor shall provide to the State a set of proposed test plans, including test cases, scripts, data and expected outcomes, for the State's use (which the State may supplement in its own discretion) in conducting UAT of the Custom Software Deliverable. Contractor, upon request by the State, shall provide the State with reasonable assistance and support during the UAT process.

For the Custom Software Deliverables listed in **Article 1, Attachment D**, the State Review Period for conducting UAT will be as indicated in **Article 1, Attachment D**. For any other Custom Software Deliverables not listed in **Article 1, Attachment D**, the State Review Period shall be the number of days agreed in writing by the parties (failing which it shall be forty-five (45) days by default). The State Review Period for each Custom Software Deliverable will begin when Contractor has delivered the Custom Software Deliverable to the State accompanied by the certification required by **Section 2.080** and the State's inspection of the Deliverable has confirmed that all components of it have been delivered.

The State's UAT will consist of executing test scripts from the proposed testing submitted by Contractor, but may also include any additional testing deemed appropriate by the State. If the State determines during the UAT that the Custom Software Deliverable contains any deficiencies, the State will notify Contractor of the deficiency by making an entry in an incident reporting system available to both Contractor and the State. Contractor will modify promptly the Custom Software Deliverable to correct the reported



deficiencies, conduct appropriate System Testing (including, where applicable, Regression Testing) to confirm the proper correction of the deficiencies and re-deliver the corrected version to the State for re-testing in UAT. Contractor will coordinate the re-delivery of corrected versions of Custom Software Deliverables with the State so as not to disrupt the State's UAT process. The State will promptly re-test the corrected version of the Software Deliverable after receiving it from Contractor.

Within three (3) business days after the end of the State Review Period, the State will give Contractor a written notice indicating the State's approval or rejection of the Custom Software Deliverable according to the criteria and process set out in this **Section 2.080**.

2.086 Final Acceptance

"Final Acceptance" shall be considered to occur when the Custom Software Deliverable to be delivered has been approved by the State and has been operating in production without any material deficiency for fourteen (14) consecutive days. If the State elects to defer putting a Custom Software Deliverable into live production for its own reasons, not based on concerns about outstanding material deficiencies in the Deliverable, the State shall nevertheless grant Final Acceptance of the Project.

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 (**Article 1, Attachment C**). 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 **Article 1, Attachment C**, 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 **Article 1, Attachment C**.

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 **Article 1, Attachment C**. 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 (See Section 2.305 and Article 3, Section 3.022-3.024 for additional)

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 required to register with the State electronically at <http://www.cpexpress.state.mi.us>. Public Act 533 of 2004, requires all payments be transitioned over to EFT by October, 2005.

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 **Article 1, Attachment E** (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 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 issued by the Department of Management and Budget, Office of Acquisition Services.

(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

2.111 Records and Inspections

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

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 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

2.161 Ownership

Ownership of Work Product by State. All Deliverables shall be owned by the State and shall be considered works made for hire by the Contractor for the State. The State shall own all United States and international copyrights, trademarks, patents or other proprietary rights in the Deliverables.

Vesting of Rights. With the sole exception of any preexisting licensed works identified in **Exhibit C**, the Contractor shall assign, and upon creation of each Deliverable automatically assigns, to the State, ownership of all United States and international copyrights, trademarks, patents, or other proprietary rights in each and every Deliverable, whether or not registered by the Contractor, insofar as any such Deliverable, by operation of law, may not be considered work made for hire by the Contractor for the State. From time to time upon State's request, the Contractor and/or its personnel shall confirm such assignment by execution and delivery of the assignments, confirmations of assignment, or other written instruments as the State may request. The State shall have the right to obtain and hold in its own name all copyright, trademark, and patent registrations and other evidence of rights that may be available for Deliverables.

2.162 Source Code Escrow

(a) Definition. "Source Code Escrow Package" shall mean:

- (i) A complete copy in machine-readable form of the source code and executable code of the Licensed Software, including any updates or new releases of the product;
- (ii) A complete copy of any existing design documentation and user documentation, including any updates or revisions; and/or
- (iii) Complete instructions for compiling and linking every part of the source code into executable code for purposes of enabling verification of the completeness of the source code as provided below. Such instructions shall include precise identification of all compilers, library packages, and linkers used to generate executable code.

(b) Delivery of Source Code into Escrow. Contractor shall deliver a Source Code Escrow Package to the Escrow Agent, pursuant to the Escrow Contract, which shall be entered into on commercially reasonable terms subject to the provisions of this Contract within thirty (30) days of the execution of this Contract.

(c) Delivery of New Source Code into Escrow. If at anytime during the term of this Contract, the Contractor provides a maintenance release or upgrade version of the Licensed Software, Contractor shall within ten (10)



days deposit with the Escrow Agent, in accordance with the Escrow Contract, a Source Code Escrow Package for the maintenance release or upgrade version, and provide the State with notice of the delivery.

- (d) Verification. The State reserves the right at any time, but not more than once a year, either itself or through a third party contractor, upon thirty (30) days written notice, to seek verification of the Source Code Escrow Package.
- (e) Escrow Fees. All fees and expenses charged by the Escrow Agent will be paid by the Contractor.
- (f) Release Events. The Source Code Escrow Package may be released from escrow to the State, temporarily or permanently, upon the occurrence of one or more of the following:
- (i) The Contractor becomes insolvent, makes a general assignment for the benefit of creditors, files a voluntary petition of bankruptcy, suffers or permits the appointment of a receiver for its business or assets, becomes subject to any proceeding under bankruptcy or insolvency law, whether domestic or foreign;
 - (ii) The Contractor has wound up or liquidated its business voluntarily or otherwise and the State has reason to believe that such events will cause the Contractor to fail to meet its warranties and maintenance obligations in the foreseeable future;
 - (iii) The Contractor voluntarily or otherwise discontinues support of the provided products or fails to support the products in accordance with its maintenance obligations and warranties.
- (g) Release Event Procedures. If the State desires to obtain the Source Code Escrow Package from the Escrow Agent upon the occurrence of an Event in **Section 2.162(f)**, then:
- (i) The State shall comply with all procedures in the Escrow Contract;
 - (ii) The State shall maintain all materials and information comprising the Source Code Escrow Package in confidence in accordance with this Contract;
 - (iii) If the release is a temporary one, then the State shall promptly return all released materials to Contractor when the circumstances leading to the release are no longer in effect.
- (h) License. Upon release from the Escrow Agent pursuant to an event described in **Section 2.162(f)**, the Contractor automatically grants the State a non-exclusive, irrevocable license to use, reproduce, modify, maintain, support, update, have made, and create Derivative Works. Further, the State shall have the right to use the Source Code Escrow Package in order to maintain and support the Licensed Software so that it can be used by the State as set forth in this Contract.
- (i) Derivative Works. Any Derivative Works to the source code released from escrow which are made by or on behalf of the State shall be the sole property of the State. The State acknowledges that its ownership rights are limited solely to the Derivative Works and do not include any ownership rights in the underlying source code.

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 C**.

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.

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

(n) 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) Performance Warranty

The Contractor represents and warrants that Deliverables, after Final Acceptance, will perform and operate in compliance with the requirements and other standards of performance contained in this Contract (including all descriptions, specifications and drawings made a part of the Contract) for a period of **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) No Surreptitious Code Warranty

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

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

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

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

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

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

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

2.174 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).

2.175 Standard Warranties

(a) Warranty of Merchantability

Deliverables shall be merchantable. All Deliverables shall be of good quality within the description given by the State, shall be fit for their ordinary purpose, shall be adequately contained and packaged within the description given by the State, shall conform to the agreed upon specifications, and shall conform to the affirmations of fact made by the Contractor on the container or label.

(b) Warranty of fitness for a particular purpose

When Contractor has reason to know or knows any particular purpose for which the Deliverables are required, and when the State is relying on the Contractor's skill or judgment to select or furnish suitable Deliverables, the Contractor warrants that the Deliverables are fit for such purpose.



(c) Warranty of title

Contractor shall convey good title in those Deliverables, whose transfer is right and lawful. All Deliverables provided by Contractor shall be delivered free from any security interest, lien, or encumbrance. Deliverables shall be delivered free of any rightful claim of any third person of ownership, interest, lien or encumbrance.

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 the Office of 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 tortious 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 (for low risk contracts – Select a higher amount for moderate to high risk contracts) 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 (including a Chronic Failure to meet any particular SLA as defined in **Section 2.076**), 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 **Article 1, Attachment C**. 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

2.221 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 the Office of Acquisition Services.

(2) Contractor shall also notify the Office of 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. If any such incident with Hazardous Material results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Work will not be counted in **Section 2.076** for a time as mutually agreed by the parties.

(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 agency(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.



State of Michigan
Office of Acquisition Services
Attention: Steve Motz
PO Box 30026
530 West Allegan
Lansing, Michigan 48909

with a copy to:

State of Michigan
Department of Information Technology
Attention: Mary Ladd
Constitution Hall, South Atrium
525 W. Allegan St.
Lansing, MI 48913

Contractor:
Sutbir Randhawa
Vice President, IT Solutions
HTC Global Services, Inc.
3270 West Big Beaver Road
Troy, MI 48084
sutbir@htcinc.com

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 **Article 1, Attachment B** 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

Vendors are expected to collect and pay all applicable federal, state, and local employment taxes, including the taxes defined in Section 3.022 for all persons involved in the resulting Contract.

The State may refuse to award a contract to any Vendor who has failed to pay any applicable State taxes. The State may refuse to accept Vendor's bid, if Vendor has any outstanding debt with the State. Prior to any award, the State will verify whether Vendor 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 **RESERVED**

2.322 RESERVED

2.330 Federal Grant Requirements

2.331 Federal Grant Requirements

The following links contain certifications and terms which may be required for some purchases paid via Federal funds. They are included here to be utilized as required.

Lobbying Certifications are usually for agreements over \$100,000. The debarment certification is required for all agreements. The last link is where you can go and search for debarred or suspended contractors.

http://straylight.law.cornell.edu/uscode/html/uscode31/usc_sec_31_00001352----000-.html

http://www.archives.gov/federal_register/codification/executive_order/12549.html

http://www.archives.gov/federal_register/executive_orders/pdf/12869.pdf

<http://www.epls.gov/epls/servlet/EPLSearchMain/1>



Addendum 1
Question and Answer Addendum
1/26/2006

#	Location		Question	Answer
1			I am writing to clarify your intent of the RFP for the Michigan Automated Prescription System. It reads as if you intend to purchase a software "product" that exists already, versus having a customized application built to your needs. Based on some of the RFP verbiage and the project timeline it appears that as your intended direction. Could you confirm this or correct my assumption? We certainly can build you the functionality you seek, within the technology and business requirements you have. If 'custom' is a consideration, we will have further questions.	The SOM is looking for the best vendor solution that will meet all of the work and deliverables identified in Article 1 within the timeframes listed whether it is an existing system with enhancements or a newly created system.
2			Is the state considering moving or migrating from SQL-Server 2000 to SQL-Server 2005?	Eventually, we will upgrade. But no date has been set. We are comfortable with the current version.
3	10	1.101.6	Services to implement - Is this referring to Hardware or Software, or both? Please clarify.	Encompasses everything needed to completely implement the application
4	11	1.101.8	Please qualify and quantify	In order to provide for ongoing support of the application, the Selected Vendor will be required to train State operations and technical staff in the operations, support, structure, and functioning of the application. The quantification depends entirely on the complexity of the application and the amount of technical documentation that is available.
5	11	1.101.10.c	What type and quantity of training materials are expected? Please clarify.	At least two hardcopies of manuals with remainder online or in CD-ROM format. Please see 1.104.II.E
6	11	1.101.11	Maintenance for what? Please clarify.	Ongoing annual maintenance itemized deliverables and associated costs.
7	11	1.101.12	What type of support is expected for remote users in regards to Help Desk?	Online and telephone support for technical staff, and Bureau personnel for software problems and upgrades.
8	13	1.104.II.E.1.d	What is the difference between this requirement and the requirement in 1.104.II.E.4?	None
9	14	1.104.11.H	What type of support is required for central and remote users outside of support for central system operations?	Central Systems Operations are the technical staff supporting the application. Central and Remote users are actual users of the functioning application.
10	14	1.104.II.H.7	What is the State expecting with this requirement?	If the Vendor is going to support any part of the application, they must have the capability of diagnosing problems from their location via access approved by the SOM.



#	Location		Question	Answer
11	27	Article 1, Attachment A.G	The attachment asks for cost of server hardware but the scope states to identify hardware and peripheral software. Should this be included in the pricing proposal or not?	Yes. We are looking for the detailed hardware specifications and the cost if provided by the Vendor as part of the contract. Also include a list of software and/or licenses that would be needed to be procured to implement the system as well as their cost. See Project Request 1.101 on pg. 9, which states " <i>The Contractor may, at the State's option, procure the necessary hardware and peripheral software needed for full implementation of the application.</i> "
12	27	Article 1, Attachment A.K	What is meant by connectivity between identified sites and State network?	To identify costs associated with any network connectivity that is required or recommended for the application to function at maximum efficiency.
13	39	Appendix 1 Technical Requirements 6.o	What are the business requirements to be met for response times?	The software package needs to be able to meet all the business requirements defined in Article 1 within the timelines identified for each feature. More specific business requirements with timelines will be provided during the planning and design phase.
14	41	Appendix 1 Business Requirements 5.g	Please expand on the requirement of a web enabled help desk interface. Is this internal for the State? Just for technical issues in regards to systems support or all issues (thus to be used by State for business questions from remote users (practitioners, etc.)?)	Icons at the web site that licensees can click to help answer questions about the online function they are currently working on. Sort of a list of FAQ's that pop up when they click a certain area or question mark (as opposed to a live person at a help desk).
15	43	Appendix 2 4 & 5	What is meant by alert? Is this simply a report or more than that?	An "alert" is a message that will automatically appear throughout the system whenever data or a report is requested or generated for the patient or practitioner identified in the alert.
16	46	Appendix 2 44	How much ongoing training is required on an annually basis?	Ongoing training will only be needed when the software or operating system is upgraded or changed.
17	46	Appendix 2 45	What is expected by regular basis?	Specifically, we are looking for a 'Timely basis'. That being as soon as enhancements are available for distribution.
18	124	4.055	Should vendors repeat the contents of each section in their response or will corresponding headings be sufficient?	Vendors are not required to repeat the contents of each section. Corresponding to heading will be sufficient.
19 S M	124	4.055	Would the State release a Word version of the RFP for filling out the required tables, appendices, forms, etc., or shall the vendors recreate these documents?	Word Document was E-mailed to those vendors who submitted questions, and is available upon request.
20	NA	NA	Legacy Data: Will the agency personnel assist the selected vendor in reviewing and cleaning-up current data in the old system prior to conversion?	All data is edited before being added to the database once it is submitted by the pharmacy or practitioner. When the error rate is above the threshold, it is returned to the sender for corrections.



#	Location		Question	Answer
21	10	Section 1.002 Paragraph 5 "Practitioners and pharmacies who do not have the capability to report electronically may request a waiver for paper reporting"	How is waiver paper reporting tracked from Practitioners and Pharmacies? Is there currently staff in place that collects this information and inputs it in the SQL database.	This data is keypunched by the current contractor. Bureau personnel would assume this function after implementation of the new system. Only 0.2% of data is submitted by hardcopy, and the majority is by veterinarians.
22	NA	NA	1. Has a budget been established for the project? a. If a budget has been established, what is the amount and source of the funding? If a budget has been established for the project, are funds committed involving more than one fiscal year?	The State of Michigan has a sufficient budget established to fund this project.
23	NA	NA	Will there be a public opening of responses? Will Offeror names and proposal amounts be disclosed at that time?	There will not be a public opening and the amounts will not be disclosed until a contract has been awarded. The names of all vendors who bid on a ITB will be posted on the State of Michigan Website at the following link: http://www.state.mi.us/dmb/apps/oop/itbList.asp
24	NA	NA	Will responses submitted in this procurement be available for public inspection upon submission? If not, when will they be made available?	Responses will not be available for public inspection until the evaluation process has concluded and an award is made. Please read about the FOIA process at the following link: http://www.michigan.gov/ag/0,1607,7-164-17337_18160-51242--,00.html
25	NA	NA	What would be the ramifications to an Offeror taking exception to any of the terms and conditions set forth in Article 2?	Bidders are asked to state their compliance with the State of Michigan Terms and Conditions. If you take exception to any term or condition please indicate where it is located and explain the exception you are taking. Please note taking exception to Terms and Conditions may negatively impact the contract award decision.



#	Location		Question	Answer
26	NA	NA	To facilitate response to this procurement, will you make the ITB document available in MS Word format?	Word Document was E-mailed to those vendors who submitted questions, and is available upon request.
27	10	1.002	<p>2. According to the data supplied, the 0.2% of prescriptions which are hard copy comes to approximately 2,400 prescriptions each month. How many dispensers actually report in this manner?</p> <p>Later in this section, you mention identifying doctor shoppers, and “the aberrant behavior addressed”. Please describe the manner in which MDCH/DHP addresses the aberrant behavior using the existing MAPS program, and additional ways in which you contemplate your newly acquired system being used to address identified aberrant behavior.</p>	<p>Not applicable as Bureau personnel will assume this function.</p> <p>Currently, a form letter is mailed to practitioners advising them to obtain a MAPS report for the doctor shopper. The practitioner then addresses the behavior. At a minimum, the new system will generate these notices on demand by Bureau personnel with a minimum of keystrokes.</p>
28	11	1.103	Is it the intent of MDCH/DHP to continue using the components described herein?	These are the current standards utilized by the SOM. However, minor variations can be requested. A team from the Department of Information Technology would review a variation request.
29	37	Appendix 1, Technical Requirements, #1f	If the proposed system requires the use of Microsoft Windows 2000 or 2003 Server, and/or SQL Server 2000 or 2005, would the responding vendor be able to respond “Yes” to this requirement? Please provide further detail which will help the responding vendors understand your open system requirements.	Yes, you can. This is referring to a greater restriction, ie. Dell Latitude Cpi laptop.
30	38	Appendix 1, Technical Requirements, #5a	Since the solution is web-based, what sort of workstation security/access control is contemplated?	The system should ensure that only users with appropriate security can access or use the application, or update the database.



#	Location		Question	Answer
31	38	Appendix 1, Technical Requirements, #6m	Please provide information regarding what you consider standard EDI formats and how you contemplate using this capability.	We consider standard EDI formats to be those designated by HIPAA and ASCII Data Flat Files where each Record ends with a Carriage Return and Lines Feed Character. These formats are do not require Proprietary Software for handling and processing. HIPAA requires ANSI Version 4010A1 X12 File Formats that include the NCPDP (National Council for Prescription Drug Programs) Batch Standard Format. All HIPAA Format are ASCII Data Files with defined delimiters that "Do Not Include the Carriage Return and Line Feed Characters". The HIPAA Files all contain Header and Trailer Records/Segments. We prefer that the ASCII Flat Files also contain Header and Trailer Records to ensure File Transfer Accuracy and Accountability. Individual Program Applications will have to handle Files that do not contain Header and Trailer Records to ensure Accuracy and Accountability. We would use these EDI Formats to Transfer Files using the DEG (Data Exchange Gateway).
32	39	Appendix 1, Technical Requirements, #6n	Please describe the contemplated batch entry in more detail. What external sources do you contemplate accessing the system for batch entry? What type of data?	The point here is that pharmacy transactions can be submitted by batch as well as individually typed in. The batch could be created by any number of sources. The data would be the regular pharmacy transaction data. We need to be sure that no matter how the data is entered into the application, the same edits are provided.
33	39	Appendix 1, Technical Requirements, #6q	In what manner do you contemplate optical scanning and imaging being used? Are there specific applications to which you are referring? If so, please identify.	This item addresses our desire to select an application that is forward thinking and is flexible enough to identify and allow future technology advances.
34	40	Appendix 1, Business Requirements, #	No requirements for Security and Confidentiality are included herein. Is this intentional?	Requirements are addressed throughout the document.
35	40	Appendix 1, Business Requirements, #2c	Please provide more information regarding what you mean by these requirements. Upon initial installation and implementation of an application, we would expect to encounter users who are at least basically familiar with the operation of a computer with browser capabilities. We would not expect to encounter users who need "refresher" training. Does this section contemplate a requirement of ongoing training for users of the system? If so, is there funding budgeted for this requirement?	Users will be Bureau personnel and are well versed in computer usage regarding the current system. Initial training is expected to be completed in one day or less. Ongoing training will only be necessary when there are changes or upgrades to the system that require additional training which may be provided online, by paper manual, or CD-ROM



#	Location		Question	Answer
36	40	Appendix 1, Business Requirements, #2d	An "x" is already placed in the "Yes" column. Does this indicate a mandatory requirement? Is this a statement that all artifacts associated with training become the property of the State? Please verify that you are not requiring that any training methodologies and/or processes become State property.	The x was inadvertently left in the table. All training artifacts (Documentation, CD-ROM's, and Online Training material) must be owned by the State, however training methodologies and/or processes are not required to property of the State.
37	41	Appendix 1, Business Requirements, #5b	This requirement appears to contemplate the successful vendor providing hardware. Please explain and clarify.	The SOM has the option to have the selected Vendor obtain the hardware or purchase it themselves.
38	41	Appendix 1, Business Requirements, #5j	This section appears to be in conflict with Section 2.172, providing for a 90 day software warranty. This section appears to contemplate something other than an acquisition of licensed software with an included warranty period and accompanied by certain professional services, and an optional continuing annual support and maintenance agreement. Please	Appendix 1 - #5j refers to maintenance to commence after the 90 day software warranty period is over (Article 2.172).
39	43	Appendix 2, #6	Please explain what you mean by this requirement and provide examples of how this requirement would be used.	The hard copy and waiver form will be utilized by Bureau personnel only. Edits and operational procedures are for the current contractor, G.C. Services. Please refer to the following website: www.mi.gov/healthlicense
40	44	Appendix 2, #11 and #12	The language used herein appears to contemplate the contractor actually operating, or at least controlling the operation of, the proposed system. Does the State expect the successful vendor herein to operate the proposed solution/system?	Currently, DIT plans to own/maintain the infrastructure required for this application. Application use security is the Vendors responsibility. If the Vendor ends up being responsible for the hardware, these items would come into play.
41	44	Appendix 2, #12	This section discusses the number of records in the current database. Elsewhere in the ITB (page 10) there is reference to a 60 GB database. Does this mean that the 26 million records referred to in this section comprise the 60 GB database? If there is other data in the 60 GB database, please provide additional information as to its composition.	As of January 2006, there are approximately 40 million prescription records in the database and increasing at around 1.2 million records monthly. Since almost 2/3rds of daily data requests are submitted online, the database also stores a copy of each data request along with user id's and passwords. There were approximately 4,000 online requests in December 2005.
42	44	Appendix 2, #14	Please explain what you mean by this and provide examples of how this requirement would be used.	The application must be able to accept transactions via a batch process.
43	44	Appendix 2, #18,	Please provide additional information regarding the kind of usage and statistical information you want/need to track. Does this section equate the MAPS website with the application being procured?	This addresses auditing features. The system should track who is using the application, when, why, and what they are doing. Etc.



#	Location		Question	Answer
44	45	Appendix 2, #32	Who is the “user” being contemplated by this requirement? Does it include only authorized State personnel? If prescribers or dispensers are contemplated as users in this requirement, what are the HIPAA implications?	User would be Bureau personnel who are considered a “permitted disclosure” under the HIPAA statutes (165.412).
45	NA	NA	Is there an implied or explicit requirement in this procurement document for the vendor to supply an automated advanced search capability similar to that used in the e-KASPER prescription monitoring program operated by the Commonwealth of Kentucky?	Although an automated advanced search capability such as that used in e-KASPER may be implied, and is certainly desirable, it is not a requirement, but would be counted favorably.
46	NA	NA	<p>There are a number of ways in which the new MAPS program can obtain the prescription data necessary to operate.</p> <ul style="list-style-type: none"> a. The data can be collected by a third party, such as Atlantic Associates, as a separate deliverable. b. The data can be self-collected by the state, with software tools to assist in performing this collection being required as part of this procurement. c. The successful vendor can be required to collect the prescription data as a separate deliverable. <p>Please explain the method the State contemplates using to collect prescription data from dispensers.</p>	<p>The majority of data is currently uploaded at an “FTP” type site operated by the state within the Department of Community Health. This site would be maintained and operated by the Department of Information Technology (DIT) and the Department of Community Health and is located behind the state firewall. Data is also submitted by CD-ROM and diskette and uploaded by the current contractor. Likewise, 0.2% of the data is submitted hardcopy and keyed by the contractor. DIT currently is operating a W-GET program for multi-store submitters with their own IT departments. The data will be self-collected by the state as outlined in part b. of the question. The state would cleanse the data and apply edits using the procured software.</p>



Addendum 2
 HTC's response to Questions

Question #	Questions
1	On page 49, it was stated that HTC will provide Level 1 and Level 2 maintenance and support from 8:00-5:00pm. On page 129, you checked that Emergency technical assistance is available 24/7 at no additional cost. Can you please describe your 24/7 plan?
2	Will your proposed solution limit the number of system administrators? Please describe the process of defining a system user as an administrator and what accesses that user will have.
3	Please provide us with pricing and service for a 24/7-support plan, which may be utilized at the States option.
4	Please identify all State staff resources in the below table, that you anticipate will be required to accomplish the proposed objectives. Required State resources must be identified by role, necessary level of expertise, and anticipated time commitment.

- For emergency assistance, HTC will provide an emergency contact number for a technical resource who will be available on call 24/7. Emergencies would constitute scenarios not anticipated or documented in the MAPS troubleshooting guide. The emergency resource will then provide immediate assistance to fix issues or provide workarounds as required.
- No. The system is based on the concept of “resources” (such as a particular screen, action, etc.), “roles” (administrator, operator etc.) and its associated relationships. System is flexible enough to allow combination of resources and their permissions and associating them with a role. Hence, an administrator role is just another role with associated permissions (typically all permissions). Additional roles can be easily created in the system, to provide different set of permissions.
- A brief description of the proposed 24x7 support plan is given below. The State has the option to upgrade to this plan at an additional fee of \$10,000 per year.

24x7 Support outside of business hours for Severity 1 (Critical) Problems	
Business and financial exposure	The application failure creates a serious business and financial exposure.
Work Outage	The application failure causes the client to be unable to work or perform some significant portion of their job.
Number of User Affected:	The application failure affects a large number of users
Workaround:	There is no acceptable workaround to the problem (i.e., the job cannot be performed in any other way).
Response Time:	Within two hours
Resolution Time:	The maximum acceptable resolution time is 4 hours, after initial response time.

4. The State staff resources and their anticipated (estimates) commitment time are given below:

Role	Level of Expertise	Staff Time Commitment (Hours)	Description of Role
Subject Matter Experts	High	160	<ul style="list-style-type: none"> Provide inputs during requirements gathering/validation sessions and user acceptance.
User Acceptance Testers	High	160	<ul style="list-style-type: none"> Test system to ensure that all requirements are met. Validate documentation to ensure that it is complete.



Exhibit A
Approved Subcontractors

Not Applicable

<u>Description of Work to be Subcontracted</u>	<u>Percent (%) of Total Contract Value to be Subcontracted</u>	<u>Subcontractor's Name and Principal Place Of Business</u>
Training, Documentation and Help Desk	14% of application development and implementation	Michigan Public Health Institute (MPHI) 2436 Woodlake Circle Dr, Suite 300 Okemos, MI 48864



Exhibit B
Approved Hardware

Description of Work to be Subcontracted	Percent (%) of Total Contract Value to be Subcontracted	Subcontractor's Name and Principal Place Of Business
Training, Documentation and Help Desk	14% of application development and implementation	Michigan Public Health Institute (MPHI) 2436 Woodlake Circle Dr, Suite 300 Okemos, MI 48864



Exhibit C
Approved Software

Not Applicable



Exhibit D
Binding Commitments

Not Applicable