

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

March 11, 2008

CHANGE NOTICE NO. 3 (REVISED)  
 OF  
 CONTRACT NO. 071B7200046  
 between  
 THE STATE OF MICHIGAN  
 and

NAME & ADDRESS OF VENDOR <b>OpTech, LLC</b> <b>500 Griswold, Suite 200</b> <b>Detroit, MI 48226</b>	TELEPHONE <b>(313) 962-9000</b>
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-0239 <b>Jacque Kuch</b>
Contract Compliance Inspector: Mike Breen <b>RE:START DCS Configuration Management</b>	
CONTRACT PERIOD: From: <b>November 9, 2006</b> To: <b>January 31, 2009</b>	
TERMS <b>N/A</b>	SHIPMENT <b>N/A</b>
F.O.B. <b>N/A</b>	SHIPPED FROM <b>N/A</b>
MINIMUM DELIVERY REQUIREMENTS <b>N/A</b>	

**NATURE OF CHANGE(S):**

Effective immediately, this contract is hereby **EXTENDED** to January 31, 2009 and **INCREASED** by \$145,600.00. All other terms and conditions remain the same.

**AUTHORITY/REASON(S):**

Per vendor and agency agreement and DMB approval.

**INCREASE: \$145,600.00**

**REVISED ESTIMATED CONTRACT VALUE: \$307,200.00**

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

March 5, 2008

CHANGE NOTICE NO. 3  
 OF  
 CONTRACT NO. 071B7200046  
 between  
 THE STATE OF MICHIGAN  
 and

NAME & ADDRESS OF VENDOR <b>OpTech, LLC</b> <b>500 Griswold, Suite 200</b> <b>Detroit, MI 48226</b>  <a href="mailto:sgoodwin@optechus.com">sgoodwin@optechus.com</a>	TELEPHONE <b>(313) 962-9000</b>
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-0239 <b>Jacque Kuch</b>
Contract Compliance Inspector: Mike Breen <b>RE:START DCS Configuration Management</b>	
CONTRACT PERIOD: From: <b>November 9, 2006</b> To: <b>January 31, 2009</b>	
TERMS <b>N/A</b>	SHIPMENT <b>N/A</b>
F.O.B. <b>N/A</b>	SHIPPED FROM <b>N/A</b>
MINIMUM DELIVERY REQUIREMENTS <b>N/A</b>	

**NATURE OF CHANGE(S):**

Effective immediately, this contract is hereby **EXTENDED** to January 31, 2009 and **INCREASED** by \$145,600.00. All other terms and conditions remain the same.

**AUTHORITY/REASON(S):**

Per vendor and agency agreement and DMB approval.

**INCREASE: \$145,600.00**

**REVISED ESTIMATED CONTRACT VALUE: \$291,200.00**

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

January 8, 2008

CHANGE NOTICE NO. 2 (REVISED)  
 OF  
 CONTRACT NO. 071B7200046  
 between  
 THE STATE OF MICHIGAN  
 and

NAME & ADDRESS OF VENDOR <b>OpTech, LLC</b> <b>500 Griswold, Suite 200</b> <b>Detroit, MI 48226</b>	TELEPHONE <b>(313) 962-9000</b>
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-0239 <b>Jacque Kuch</b>
Contract Compliance Inspector: Mike Breen <b>RE:START DCS Configuration Management</b>	
CONTRACT PERIOD: From: <b>November 9, 2006</b> To: <b>January 31, 2008</b>	
TERMS <b>N/A</b>	SHIPMENT <b>N/A</b>
F.O.B. <b>N/A</b>	SHIPPED FROM <b>N/A</b>
MINIMUM DELIVERY REQUIREMENTS <b>N/A</b>	

**NATURE OF CHANGE(S):**

Effective immediately, this contract is hereby **EXTENDED** to January 31, 2008 and **INCREASED** by \$16,000.00. All other terms and conditions remain the same.

**AUTHORITY/REASON(S):**

Per vendor and agency agreement and DMB approval.

**INCREASE: \$16,000.00**

**REVISED ESTIMATED CONTRACT VALUE: \$161,600.00**

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

November 20, 2007

CHANGE NOTICE NO. 2  
 OF  
 CONTRACT NO. 071B7200046  
 between  
 THE STATE OF MICHIGAN  
 and

NAME & ADDRESS OF VENDOR <b>OpTech, LLC</b> <b>500 Griswold, Suite 200</b> <b>Detroit, MI 48226</b>	TELEPHONE <b>(313) 962-9000</b>
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-0239 <b>Jacque Kuch</b>
Contract Compliance Inspector: Mike Breen <b>RE:START DCS Configuration Management</b>	
CONTRACT PERIOD: From: <b>November 9, 2006</b> To: <b>March 31, 2008</b>	
TERMS <b>N/A</b>	SHIPMENT <b>N/A</b>
F.O.B. <b>N/A</b>	SHIPPED FROM <b>N/A</b>
MINIMUM DELIVERY REQUIREMENTS <b>N/A</b>	

**NATURE OF CHANGE(S):**

Effective immediately, this contract is hereby **EXTENDED** to **March 31, 2008** and **INCREASED** by **\$16,000.00**. All other terms and conditions remain the same.

**AUTHORITY/REASON(S):**

Per vendor and agency agreement and DMB approval.

**INCREASE: \$16,000.00**

**REVISED ESTIMATED CONTRACT VALUE: \$161,600.00**

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

November 14, 2007

CHANGE NOTICE NO. 1  
 OF  
 CONTRACT NO. 071B7200046  
 between  
 THE STATE OF MICHIGAN  
 and

NAME & ADDRESS OF VENDOR <b>OpTech, LLC</b> <b>500 Griswold, Suite 200</b> <b>Detroit, MI 48226</b>  <a href="mailto:sgoodwin@optechus.com">sgoodwin@optechus.com</a>	TELEPHONE <b>(313) 962-9000</b>
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-0239 <b>Jacque Kuch</b>
Contract Compliance Inspector: Mike Breen <b>RE:START DCS Configuration Management</b>	
CONTRACT PERIOD: From: <b>November 9, 2006</b> To: <b>December 4, 2007</b>	
TERMS <b>N/A</b>	SHIPMENT <b>N/A</b>
F.O.B. <b>N/A</b>	SHIPPED FROM <b>N/A</b>
MINIMUM DELIVERY REQUIREMENTS <b>N/A</b>	

**NATURE OF CHANGE(S):**

Effective immediately, this contract is hereby EXTENDED to December 4, 2007. All other terms and conditions remain the same.

**AUTHORITY/REASON(S):**

Per vendor and agency agreement and DMB approval.

**ESTIMATED CONTRACT VALUE REMAINS: \$145,600.00**

Form No. DMB 234A (Rev. 1/96)  
 AUTHORITY: Act 431 of 1984  
 COMPLETION: Required  
 PENALTY: Failure to deliver in accordance with Contract  
 terms and conditions and this notice, may be considered  
 in default of Contract

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

November 9, 2006

**NOTICE  
 OF  
 CONTRACT NO. 071B7200046  
 between  
 THE STATE OF MICHIGAN  
 and**

NAME & ADDRESS OF VENDOR <b>OpTech, LLC</b> <b>500 Griswold, Suite 200</b> <b>Detroit, MI 48226</b>	TELEPHONE <b>(313) 962-9000</b>
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-0239 <b>Jacque Kuch</b>
Contract Compliance Inspector: Peter Devlin <b>RE:START DCS Configuration Management</b>	
CONTRACT PERIOD: From: <b>November 9, 2006</b> To: <b>November 12, 2007</b>	
TERMS <b>N/A</b>	SHIPMENT <b>N/A</b>
F.O.B. <b>N/A</b>	SHIPPED FROM <b>N/A</b>
MINIMUM DELIVERY REQUIREMENTS <b>N/A</b>	

The terms and conditions of this Contract are those of ITB #07116200412.

**ESTIMATED CONTRACT VALUE: \$145,600.00**



## SECTION I GENERAL INFORMATION

### I-A PURPOSE

This Contract is for temporary employee services to assist in **the consolidation of the State of Michigan information technology systems into centralized hosting centers.**

This is an Hourly rate Contract. The estimated hours to complete this project are **2080** hours will require **one (1)** staff person with thorough knowledge of **Acquisition, Configuration Management and installation of server based hardware and software in a Large and Complex Data Center environment.**

The contract period will be **November 13, 2006 to November 12, 2007.** The State does not commit to procuring services in the quantities estimated or in any other amounts.

### I-B ISSUING OFFICE

This Contract is issued by Purchasing Operations, State of Michigan, Department of Management and Budget (DMB), hereafter known as Purchasing Operations, for the Michigan Department of Information Technology (MDIT) and **Technical and Data Center Services (TDCS)/Data Center Operations (DCO).** Where actions are a combination of those of Purchasing Operations, MDIT, and **TDCS/DCO,** the authority will be known as the State.

Purchasing Operations is the sole point of contact in the State with regard to all procurement and contractual matters relating to the services described herein. Purchasing Operations is the only office authorized to change, modify, amend, alter, clarify, or otherwise alter the specifications, terms, and conditions of this Contract. All communications concerning this procurement must be addressed to:

Jacque Kuch, Buyer  
DMB, Purchasing Operations  
2nd Floor, Mason Building  
P.O. Box 30026  
Lansing, Michigan 48909  
kuchj@michigan.gov

### I-C PROJECT MANAGER and CONTRACT ADMINISTRATOR

MDIT and **the Departments of Community Health (MDCH), Military and Veteran's Affairs (MVA) and Department of Corrections (MDOC)** have assigned a Project Manager and a Contract Administrator who have been authorized by Purchasing Operations to administer the resulting Contract(s) on a day-to-day basis during the term of the Contract. However, administration of any Contract implies no authority to change, modify, clarify, amend, or otherwise alter the terms, conditions, and specifications of such contract. That authority is retained by Purchasing Operations.

#### **The Project Manager for this contract is:**

Kathy Seaton  
Michigan Department of Information Technology  
Building/Floor: Data Center Operations  
Address: 515 Westshire Drive  
City/State/Zip: Lansing, MI 48913  
Phone Number: (517) 241-4540  
Fax Number: (517) 241-1769  
Email Address: [seatonk@michigan.gov](mailto:seatonk@michigan.gov)

**The Contract Administrator for this contract is:**

Peter Devlin  
Michigan Department of Information Technology  
Building/Floor: Constitutional Hall,  
Address: 525 W Allegan St  
City/State/Zip: Lansing, MI  
Phone Number: (517) 241-8515  
Fax Number: (517) 241-8852  
Email Address: [devlinp@michigan.gov](mailto:devlinp@michigan.gov)

**I-D INCURRING COSTS AND LEGISLATIVE APPROPRIATIONS**

The State of Michigan is not liable for any costs incurred by any bidder prior to signing of a contract by all parties and delivery of services under the contract. Any costs to be paid by the State are limited to those authorized by the terms and conditions of any resulting Contract.

The State fiscal year is October 1st through September 30th. The prospective contractor is advised that payments in any given fiscal year are contingent upon enactment of legislative appropriations.

**I-E PROPOSALS**

RESERVED

**I-F ACCEPTANCE OF ITB and PROPOSAL CONTENT**

RESERVED

**I-G CONTRACTOR RESPONSIBILITIES**

The Contractor will be required to assume responsibility for all contractual activities offered in their this Contract, whether or not the Contractor performs them. Further, the State will consider the Contractor to be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the anticipated contract. Contractor must make timely payment to staff performing services for the State.

Note: If any personnel contracted through this RFP are not your employees, but that of another company, you must include a list of those companies (subcontractors), including firm name and address, contact person, complete description of skill sets to be subcontracted, and descriptive information concerning subcontractor's organizational abilities in your response. The State reserves the right to approve subcontractors for this work and to require the Contractor to replace subcontractors found to be unacceptable. The Contractor is totally responsible for adherence by the subcontractor to all provisions of the Contract. Failure to identify companies providing personnel for your use in Contracts will be cause for cancellation of your Contract and possible removal from the RE:START program.

**I-H NEWS RELEASES**

News releases pertaining to this Contract or the services, study, data, or project to which it relates will not be made without prior written State approval, and then only in accordance with explicit written instructions from the State. No results of the project are to be released without prior approval of the State and then only to persons designated.

**I-I SELECTION CRITERIA**

RESERVED

**I-J INDEPENDENT PRICE DETERMINATION**

RESERVED



**I-K SEALED BID RECEIPT (SEE ALSO PARAGRAPH IV-G)**  
RESERVED

**I-L DISCLOSURE**

All information in a Contractor's proposal and any Contract resulting from this ITB is subject to disclosure under the provisions of the "Freedom of Information Act.", 1976 Public Act No. 442, as amended, MCL 15.231, et seq.

**I-M AWARD**  
RESERVED

**I-N MODIFICATIONS, REVISIONS, CONSENTS AND APPROVALS**

This Contract may not be modified, amended, extended, or augmented, except by a writing executed by the parties hereto, and any breach or default by a party shall not be waived or released other than in writing signed by the other party.

Additional services which are outside the Scope of Services of this Contract shall not be performed by the Contractor without the prior, written approval of the State. Additional services, when authorized by an executed contract, change order, or an amendment to this Contract, shall be compensated by a fee mutually agreed upon between the State and the Contractor.

**I-O CONTRACT DOCUMENTS**

The following constitute the complete and exclusive statement of the agreement between the parties as it relates to this transaction:

1. State's ITB and any Addenda thereto;
2. Contractor's response to the State's ITB and Addenda; and
3. All amendments and change orders as written and properly approved.

and by reference:

4. State's Pre-qualification RFI and any Addenda thereto;
5. Contractor's response to the State's Pre-qualification RFI and Addenda

All responses, representations, and assurances contained in the Proposal are incorporated into and are enforceable provisions of this Contract. In the event of any conflict between the provisions of the ITB, and the Contractor's response to the ITB, the terms of the ITB and any Contract amendments shall prevail.

**I-P SPECIAL TERMS AND CONDITIONS**

1. Normal State work hours are 8:00 a.m. to 5:00 p.m. Monday through Friday.
2. All work will be performed at the site identified in Section III of this Contract, unless otherwise agreed to by both parties.
3. The Contractor must permit representatives of the Michigan Department of Information Technology (MDIT), and the agency, and other authorized public agencies interested in the services requested in this Contract to have full access to the services requested showing the Contractor's performance, during normal business hours.
4. The Contractor, during the performance of services detailed in this Contract, will be responsible for any loss or damage to original documents, belonging to the State when they are in the Contractor's possession. Restoration of lost or damaged original documents shall be at the Contractor's expense.



5. All questions, which may arise as to the quality and acceptability of work, the manner of performance and rate of progress of the work, the interpretation of designs and specifications, and as to the satisfactory and acceptable fulfillment of the terms of this agreement shall be decided by MDIT and the State agencies involved.
6. The Contractor shall agree that it will not volunteer, offer, or sell its services to any litigant against the State its agencies, employees and officials, with respect to any services that it has agreed to perform for the State, provided that this provision shall not apply either when the Contractor is issued a valid subpoena to testify in a judicial or administrative proceeding or when the enforcement of this provision would cause the Contractor to be in violation of any Michigan or Federal law.
7. All work prepared by the Contractor during the execution of this contract shall be considered works made by hire and shall belong exclusively to the State and its designees, unless specifically provided otherwise by mutual agreement of the authorized representatives of the Contractor and the State. This includes, but is not limited to, all new business processes created, all planning and design work performed, all technology developed, the source and object code of all software programs and systems, any business objects or databases created, all related documentation (written or automated), and all documents and reports. If by operation of law any of the work, including all related intellectual property rights is not owned in its entirety by the State automatically upon creation thereof, the Contractor agrees to assign, and hereby assigns to the State and its designees the ownership of such work, including all related intellectual property rights. The Contractor agrees to provide, at no additional charge, any assistance and to execute any action reasonably required for the State to perfect its intellectual property rights with respect to the aforementioned work. If the Contractor uses any subcontractors to perform and prepare any of the work, the Contractor shall insure through agreement with the subcontractors that all intellectual property rights in any of the work shall belong exclusively to the State. Failure of the Contractor to insure such rights may be considered by the State to be a material breach of this contract.
8. The Contractor shall agree that they will not furnish or disclose any items owned by the State to a third party without the written permission of the State. This includes both items created as part of this contract and items owned by the State that are incidental to the contract. The Contractor shall also agree not to use items owned by the State for other purposes without the prior written permission of the State.
9. Individuals assigned by the Contractor are employees of the Contractor, and are not, under any circumstances or conditions, employees of the State.
10. The State will retain the right to release outright or request the replacement of any person who is working at an inferior level of performance. The Contractor will be given 24 hours advance notice of this action.
11. The Contractor's name, logo, or other company identifier may not appear on documentation delivered to the State without written authorization from the Contract Administrator. An exception to this will be transmittal of cover letters showing delivery of said documents.
12. The Contractor will certify in writing that it is in conformance with all applicable federal and state civil rights and practices equal employment opportunity for all persons regardless of race, creed, color, religion, national origin, gender or handicap; it is also in conformance with the requirements of the Americans with Disabilities Act. Failure to comply with the aforementioned laws may result in termination of the contract.
13. The Contractor shall use all software in accordance with the State's license agreements and any further restrictions imposed by the State. The Contractor shall not make any unauthorized copies of any software under any circumstances. Contractors found copying or knowingly using copyrighted software



other than for backup purposes are subject to progressive disciplinary action. Contractors shall not provide software to any outsiders including consultants, local governmental units, and others when this would be a violation of law or copyright agreements.

14. Contractors are responsible for maintaining the confidentiality of their passwords and are liable for any harm resulting from disclosing or allowing disclosure of any password. Any conduct that restricts or inhibits the legitimate business use of State systems or network is prohibited. Each person must use State systems and networks only for lawful purposes. Specifically prohibited is any use of State systems or disclosure of any data which would constitute a criminal offense, give rise to civil liability, violate any State of Michigan policy, or otherwise violate any applicable local, state, or federal law. This also applies to any computer systems or networks that are accessed from State computer systems or networks.
15. The MDIT and the [agency] have developed, and will continue to develop during the course of this effort, a growing number of information technology standards. The selected Contractor must follow any and all standards adopted by MDIT and the [agency]. Where standards do not exist, the final acceptance of a new technique, technology, or design will rest with the Project Manager, following consultation and review with MDIT.

## **I-Q DEPARTMENT AND CONTRACTOR RESPONSIBILITIES**

### **Department Responsibilities:**

1. Provide office space within the Departments for temporary employees selected to work on these projects. NOTE: Access to office space during non-working hours must be approved.
2. Provide conference room space when sufficient notice is given and space is available.
3. Provide telephones for calls originating from within the Department of Information Technology, Agency Services, Departments of State and Treasury, Department of State Division that are project-related.
4. Provide copying services that are project-related.
5. Provide access to Facsimile equipment for items that are project-related.
6. Provide computer hardware and software, as deemed necessary, for all temporary staff/personnel working within the Department.

### **Contractor Responsibilities:**

1. Provide temporary professional services Monday through Friday, during the same work hours as those worked by State employees working at the identified facility.
2. Provide those services requested based on staff having the qualifications identified in this Contract.
3. Provide services on an as needed, if needed, basis. The exact timing and scheduling of the services shall be between the State and the contractor at the time of need.
4. All personnel provided by the Contractor shall be subject to the rules, regulations, and policies of the MDIT, agency/division and the State.
5. The Contractor shall replace all personnel whose work was found to be unsatisfactory within 24 hours of notification. Replacement of discontinued staff will be at the State's sole discretion; the State is not obligated to replace terminated or withdrawn individuals.



In the event an individual has been terminated or has voluntarily withdrawn from an assignment, the State will advise the Contractor which of the following three options will be employed:

- The State can request the same Contractor replace the individual with an individual of equal or greater qualifications.
- The State can choose from the other candidates submitted in response to the ITB, if they are still available and the proposed rates are still valid.
- The State can re-issue the ITB and obtain a new list of candidates and rates from eligible Contractors.

6. Contractor shall ensure that staff proposed for assignment is fully trained and meet the skill set requirements of the job position being filled.
7. The State and/or its agencies make changes to their technical architectures from time to time. If a contract individual is assigned to a State project or support area and the technology associated with their assignment changes, the Contractor is responsible for training in the new or changed technology (e.g., Contractor personnel needs training in a particular CASE tool in order to perform their State assignment).

The cost of the course, including any travel expenses, will be the responsibility of the Contractor and the training hours will not be billable to the State). This responsibility includes all fees associated with the actual training course, travel expenses, and also the hours the individual spends in training. The maximum liability to the Contractor firm for training hours for any individual will be two weeks per year.

8. Provide parking when working on-site.
9. Phone calls not related to the project are not to be charged to the State.
10. The Contractor recognizes its responsibility for all tasks and deliverables contained therein, warrants that it has fully informed itself of all relevant factors affecting accomplishment of the tasks and deliverables and agrees to be fully accountable for the performance thereof. In addition, the Contractor assumes full responsibility for the acts of all subcontractors. Contractor shall have sole responsibility for the supervision, daily direction and control, payment of salary (including withholding of income taxes and social security), worker's compensation, disability benefits and the like for its personnel.

Contractor's management responsibilities include, but are not limited to, the following:

- Ensure personnel understand the work to be performed to which they are assigned.
- Ensure personnel know their management chain and adhere to Contractor policies and exhibit professional conduct to perform in the best interest of the State.
- Ensure personnel adhere to applicable laws, regulations, and Contract conditions governing Contractor performance and relationships with the State.
- Regularly assess personnel performance and provide feedback to improve overall task performance.
- Ensure high quality results are achieved through task performance.
- Provide training.

## **I-R USE OF AGENCY STANDARD INFORMATION TECHNOLOGY ENVIRONMENT**

Unless otherwise stated in this Contract, all items produced by the Contractor must run on and be compatible with the information technology environment described in Section III.B. of this Contract.

It is recognized that technology changes rapidly. The staff may request a change in the standard environment using the process identified by MDIT. Any changes must be approved, in writing by MDIT, before work may proceed based on the changed environment.



Additionally, the State needs to be able to maintain software and other items produced as the result of the contract. Therefore, software development tools may not be used unless request is made, in writing, and approved by MDIT, in writing.



## SECTION II CONTRACTUAL SERVICES TERMS AND CONDITIONS

### II-A CONTRACT PAYMENT

The State shall not be liable to pay the Contractor for any work performed prior to the Contractor's receipt of a fully executed Blanket Purchase Order (BPO).

The services shall be provided and invoiced on a monthly basis, as used. After the services have been rendered, the Contractor shall invoice the State in accordance with the payment provisions of the Contract. Invoices must list the project, agency, Contract number and monthly rate. All invoices MUST include copies of timesheets signed by the project manager verifying hours were worked and that services were acceptably performed.

The State shall not be liable to pay the Contractor for any hours worked in excess of the rate stated in the BPO. The State will not pay the Contractor for overtime, holiday or other premium charges or other benefits.

The Contractor shall not receive payment for Services the State finds unsatisfactory or which were performed in violation of federal, state or local law, ordinance, rule or regulation.

### II-B ACCOUNTING RECORDS

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.

### II-C INDEMNIFICATION

1. For Purposes of Indemnification as set forth in this section, State means the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents.
2. General Indemnification  
The Contractor shall indemnify, defend and hold harmless the State from and against all losses, liabilities, penalties, fines, damages, and claims (including taxes), and all related costs, and all related costs and expenses (including reasonable attorneys; and costs of investigation, litigation, settlement, judgments, interest and penalties), arising from or in connection with any claim, demand, action, citation or legal proceeding against the State arising out of or resulting from the death or bodily injury of any person, or the damage, loss or destruction of any real or tangible personal property, in connection with the performance of services by Contractor, by any of its subcontractors, by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable provided that the Contractor is notified within 30 days from the time that the State has knowledge of such claims. This indemnification obligation shall not apply to the extent, if any, that such death, bodily injury or property damage is caused by the conduct of the State.
3. Patent/Copyright Infringement Indemnification  
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 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.

#### 4. Continuation of Indemnification Obligation

The duty to indemnify will continue 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.

### II-D LIMITATION OF LIABILITY

The Contractor's liability for damages to the State for any cause whatsoever, and regardless of the form of action, whether in contract or tort, shall be limited the value of the Contract or \$200,000 which ever is higher. The foregoing limitation of liability shall not apply to claims for infringement of United States patent, copyright or trade secrets; to claims for death or bodily injury or damage to any real or tangible personal property caused by the negligence or fault of the Contractor; to claims related to the Contractor's unauthorized release of confidential information; to claims covered by other specific provisions of this Contract, if any, calling for liquidated damages; to the Contractor's indemnification obligations under Section II-C; and to the receipt of court costs or attorney's fees that might be awarded by a court in addition to damages after litigation based on this Contract.

Neither the Contractor nor the State shall be liable to the other for indirect or consequential damages even, if such party has been advised of the possibility of such damages. This limitation as to indirect or consequential damages does not apply to claims for infringement of United States patent, copyright or trade secrets; to claims related to the Contractor's unauthorized release of confidential information; to other specific provisions of this Contract, if any, calling for liquidated damages; or to the receipt of court costs or attorney's fees that might be awarded by a court in addition to damages after litigation based on this Contract.

### II-E CONTRACTOR'S LIABILITY INSURANCE

BEFORE STARTING WORK THE CONTRACTOR MUST FURNISH TO THE DIRECTOR OF PURCHASING OPERATIONS, CERTIFICATE(S) OF INSURANCE VERIFYING LIABILITY COVERAGE. THE CONTRACT OR PURCHASE ORDER NO. MUST BE SHOWN ON THE CERTIFICATE OF INSURANCE TO ASSURE CORRECT FILING. These Certificates shall contain a provision that coverage's afforded under the policies will not be canceled until at least fifteen days prior written notice bearing the Contract Number or Purchase Order Number has been given to the Director of Purchasing Operations.

The Contractor shall purchase and maintain such insurance as will protect him from claims set forth below which may arise out of or result from the Contractor's operations under the Contract (Purchase Order), whether such operations be by himself or by any Subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable:

1. Claims under workers' disability compensation, disability benefit and other similar employee benefit act. A non-resident Contractor shall have insurance for benefits payable under Michigan's Workers' Disability Compensation Law for any employee resident of and hired in Michigan; and as respects any



other employee protected by workers' disability compensation laws of any other state the Contractor shall have insurance or participate in a mandatory state fund to cover the benefits payable to any such employee.

2. Claims for damages because of bodily injury, occupational sickness or disease, or death of his employees.
3. Claims for damages because of bodily injury, sickness or disease, or death of any person other than his employees, subject to limits of liability of not less than \$100,000 each occurrence and, when applicable \$300,000 annual aggregate, for non-automobile hazards and as required by law for automobile hazards.
4. Claims for damages because of injury to or destruction of tangible property, including loss of use resulting, subject to a limit of liability of not less than \$50,000 each occurrence for non-automobile hazards and as required by law for automobile hazards.
5. Insurance for Subparagraphs (3) and (4) non-automobile hazards on a combined single limit of liability basis shall not be less than \$100,000 each occurrence and when applicable, \$300,000 annual aggregate.

The insurance shall be written for not less than any limits of liability herein specified or required by law, whichever is greater, and shall include contractual liability insurance as applicable to the Contractor's obligations under the Indemnification clause of the BPO.

## **II-F CANCELLATION**

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

1. Material Breach by the Contractor. In the event that the Contractor breaches any of its material duties or obligations under the Contract the State may, having provided written notice of cancellation to the Contractor, cancel this Contract in whole or in part, for cause, as of the date specified in the notice of cancellation.

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

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

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

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

3. In the event that funds to enable the State to effect continued payment under this Contract are not appropriated or otherwise made available. The Contractor acknowledges that, if this Contract extends for several fiscal years, continuation of this Contract is subject to appropriation or availability of funds for this project. If funds are not appropriated or otherwise made available, the State shall have the right to cancel this Contract at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of cancellation to the Contractor. The State shall give the Contractor written notice of such non-appropriation or unavailability within 30 days after it receives notice of such non-appropriation or unavailability.
4. In the event the Contractor, an officer of the Contractor, or an owner of a 25% or greater share of the Contractor, is convicted of a criminal offense incident to the application for or performance of a State, public or private Contract or subcontract; or convicted of a criminal offense including but not limited to any of the following: embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, attempting to influence a public employee to breach the ethical conduct standards for State of Michigan employees; convicted under State or federal antitrust statutes; or convicted of any other criminal offense which in the sole discretion of the State, reflects upon the Contractor's business integrity.
5. In the event any final administrative or judicial decision or adjudication disapproves a previously approved request for purchase of personal services pursuant to Constitution 1963, Article 11, section 5, and Civil Service Rule 4-6. Cancellation may be in whole or in part and may be immediate as of the date of the written notice to the Contractor or may be effective as of the date stated in such written notice.

## **II-G ASSIGNMENT**

The Contractor shall not have the right to assign this Contract or to assign or delegate any of its duties or obligations under this Contract to any other party (whether by operation of law or otherwise), without the prior written consent of the State. Any purported assignment in violation of this section shall be null and void. Further, the Contractor may not assign the right to receive money due under the Contract without the prior written consent of the State Purchasing Operations Director.

## **II-H DELEGATION**

The Contractor shall not delegate any duties or obligations under this Contract to a subcontractor other than a subcontractor named in the bid unless the State Purchasing Operations Director has given written consent to the delegation.

## **II-I NON-DISCRIMINATION CLAUSE**

In the performance of any Contract or purchase order resulting herefrom, the bidder agrees not to discriminate against any employee or applicant for employment, with respect to their 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 unrelated to the individual's ability to perform the duties of the particular job or position. The bidder further agrees that every subcontract entered into for the performance of any Contract or purchase order resulting herefrom will contain a provision requiring non-discrimination in employment, as herein specified, binding upon each subcontractor. This covenant is required pursuant to the Elliot Larsen Civil Rights Act, 1976 Public Act



453, as amended, MCL 37.2101, et seq, and the Persons with Disabilities Civil Rights Act, 1976 Public Act 220, as amended, MCL 37.1101, et seq, and any breach thereof may be regarded as a material breach of the Contract or purchase order.

## **II-J UNFAIR LABOR PRACTICES**

Pursuant to 1980 Public Act 278, as amended, 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 Public Act 278, MCL 423.324, the State may void any Contract if, subsequent to award of the Contract, the name of the Contractor as an employer, or the name of the subcontractor, manufacturer or supplier of the Contractor appears in the register.

## **II-K SURVIVOR**

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

## **II-L GOVERNING LAW**

This Contract shall in all respects be governed by, and construed in accordance with, the laws of the State of Michigan. Any dispute arising herein shall be resolved in the State of Michigan.

## **II-M NO WAIVER OF DEFAULT**

The failure of a party to insist upon strict adherence to any term of a Contract resulting from this ITB 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.

## **II-N 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.

## **II-O HEADINGS**

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

## **II-P RELATIONSHIP OF THE PARTIES**

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

## **II-Q MISCELLANEOUS**



1. The Contractor covenants that it is not, and will not become, in arrears to the State upon any contract, debt, or any other obligation to the State, including real property and personal property taxes.
2. **DAMAGES FOR UNAUTHORIZED PERSONNEL CHANGES**
  - a. The Contractor shall not replace the personnel designated in this Contract without the prior, written approval of the State.
  - b. If the Contractor violates this requirement, it shall pay the State, as liquidated damages and not as a penalty, a sum equal to the amount payable under this Contract.
  - c. The State may recover the amount due from the Contractor under this section by setting off against any amount due under this Contract or other contracts it may have with the Contractor.
3. **AUTHORIZATION & CAPABILITY**
  - a. The Contractor warrants that it has taken all corporate actions necessary for the authorization, execution, delivery and performance of this Contract. It is ready to perform its obligations.
  - b. The Contractor further warrants that the person signing this Contract is authorized to do so on behalf of the Contractor and is empowered to bind the Contractor to this Contract.



### SECTION III WORK STATEMENT

#### A. Brief Description of Work

Perform pre-installation planning for new and/or migrated IT equipment within DIT Hosting Centers. Manage the deployment and production readiness phases of server hosting projects within DIT Hosting Centers and Out-state locations. Utilize the Remedy Change Management system and Service Management Center Web site as the primary methodologies for Configuration Management and Change Management. Assist with the procurement and implementation of new infrastructure within DIT Hosting Centers. Assist with the Configuration Management Database design to incorporate additional data fields and tables as needed.

#### B. Background on the work requested

The consolidation of the State of Michigan information technology agencies into a centralized Department has led to the implementation of an enterprise information technology infrastructure. As part of this consolidation effort, the Department of Information Technology recognized that they needed to create an environment that has more consistent processes, and is less complex to manage, support, and sustain in a 7 x 24 x 365 environment. Because of this requirement, the Data Center developed our Service Management Center and our Configuration Management organization. To facilitate these new organizational entities, the Data Center implemented Information Technology Infrastructure Library (ITIL) processes for these two organizations. These processes drive consistency throughout our operational support organization. In support of consistent processes, the Data Center Services is focused on several key initiatives which enhance the State of Michigan's computing infrastructure. These include Incident Management, Change Management, Problem Management, and the education and dissemination of these processes throughout the Department. The Department has also implemented Data Center Hosting Center configuration processes that have a major impact on the Department's ability to migrate over 700 computer rooms throughout the State into the Department's Hosting Center environment. The Department has embarked on an Asset Management project, over the last year, which has a tremendous impact on Configuration Management processes in the Department. The Department also began using an ITIL based Release Management processes over the last year, that needs to continue to evolve to meet the growing needs of the Department.

#### C. Objectives

Perform pre-installation planning for new and/or migrated IT equipment within DIT Hosting Centers. Manage the deployment and production readiness phases of server hosting projects within DIT Hosting Centers and Out-state locations. Utilize the Remedy Change Management IMAC templates and SMC Web site as the primary methodologies for ITIL based Configuration Management and Change Management. Assist with the procurement and implementation of new infrastructure within DIT Hosting Centers. Assist with the Configuration Management Database design to incorporate additional data fields and tables as needed.

#### D. Agency technical environment for the work

DIT/TDCS/DCO computing environment is HPUX, Unix, Sun Solaris, AIX and Microsoft server environments. This person will be responsible for all aspects of Configuration Management as it pertains to the design and planning of server hosting environments. This person must have detailed knowledge of the State of Michigan's Configuration Management processes and standards including power requirements, SAN, network and server configurations. This person must be able to coordinate with other teams, work without supervision, and make important technical decisions.



E. Description of the requested work, including deliverables and knowledge transfer

Perform pre-installation planning for new and/or migrated IT equipment within DIT Hosting Centers. Manage the deployment and production readiness phases of server hosting projects within DIT Hosting Centers and Out-state locations. Utilize the Remedy Change Management System and Service Management Center Web site as the primary methodologies for ITIL based Configuration Management and Change Management. Assist with the procurement and implementation of new infrastructure within DIT Hosting Centers. Assist with the Configuration Management Database design to incorporate additional data fields and tables as needed.

F. Any specific regulations, requirements or expertise applicable, including specific background/security checks required.

- Expert level knowledge of HPUX, Unix, Sun Solaris, AIX and Microsoft server environments.
- Expert level knowledge of Clustered Server environments.
- Expert level knowledge of power services within a complex data center.
- Expert level knowledge of all aspects of Configuration Management as it pertains to the design and planning of server hosting environments within a complex Data Center environment.
- Expert level knowledge of hosting center standards including Data Center power requirements, EMC Storage, SAN, NAS environments, network and server configurations.
- Knowledge and 2-3 years of experience using ITIL based Change Management processes.
- Ability to communicate with other technical teams.
- 2-3 years of recent experience obtaining quotes and configuring 2-4 processor Dell, and 2-8 processor HP based computing platforms, and the ability to configure and obtain data center infrastructure related equipment, such as Data Center server racks and all parts associated with the racks.
- Duties may involve use of personal vehicle.
- Employee in this position must meet all security requirements established by the various departmental data centers and the Department of Information Technology. Employee will be subject to a background investigation.

G. Reports required

A monthly progress report must be submitted to the Configuration Management Section Manager throughout the life of all projects. This report may be submitted with the billing invoice. Each progress report must contain the following:

- Hours: Indicate the number of hours expended during the past month, and the cumulative total to date for the project.
- Accomplishments: Indicate what was worked on and what was completed during the current reporting period.
- Issues: Indicate any issues that were encountered over the month along with plans to mitigate the issues.

H. Location where the work is to be performed

515 Westshire Drive  
Lansing, MI

I. Hours

8:00AM – 5:00PM, Monday through Friday; Some holidays and weekends.

J. State's contract/project manager for the work [who does the Contractor report to]

Kathy Seaton



K. The numbers of personnel by skill set (classification),

Systems Analyst Sr (not to exceed rate \$70.00)

Under minimal supervision the Systems Analyst Sr performs duties and has responsibilities as an expert in the particular area of work assigned. As a resource person, the senior analyst resolves problems related to the work for staff assigned to the project. Duties include responding to requests for information regarding the particular area of expertise, solving problems related to the work and reviewing the processes involved in the work to ensure efficiency and quality in the work area. The Senior Analyst may also be asked to perform the duties of an Analyst depending on the assignment. The senior position requires three to five years of recent experience in the Acquisition, Configuration Management and installation of server based hardware and software in a Large and Complex Data Center environment.

L. Start and End Dates for the work

**November 13, 2006 to November 12, 2007**

M. PRICE PROPOSAL

Pricing

Classification/skill set: Systems Analyst Sr, Sunil Varghese

Hourly/Monthly Rate: \$ 70.00 x 2080 = \$145,600.00