

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

CHANGE NOTICE NO. 7
 to
CONTRACT NO. 071B7200133
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Three Sigma Software, Inc. 9265 Davis Drive Lorton, VA 22079	Thomas Mullany	Tc.mullany@3sigmasoftware.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(703) 624-4706	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DCH	Sara Williams		
BUYER	DTMB	Joe Kelly	517-373-3993	Kellyj11@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: Women, Infants, and Children (WIC) Information System			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
February 5, 2007	February 4, 2012		February 4, 2013
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1 year	Feb. 4, 2014
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$1,300,200.00		\$11,851,872.00		

Effective January 15, 2013, this contract hereby exercises an option year. The new contract end date is February 4, 2014. The contract value is increased by \$1,300,200.00. The attached SOW is hereby incorporated into this contract. All other terms, conditions, pricing and specifications remain the same. Per vendor and agency agreement, DTMB Procurement approval and the approval of the State Administrative Board on January 15, 2013.

MI-WIC Support Modification Request Response

Contract #: 071B7200133

Current Contract Expiration: February 4, 2013

Women, Infants and Children (WIC) Information System



Prepared By
Three Sigma Software
For

WIC Division
Bureau of Family, Maternal & Child Health
State of Michigan

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Introduction

This proposal has been created for extending the support of the Michigan Women, Infants and Children (WIC) Information System under Contract No. 071B7200133 for the period starting from Feb 5th 2013 to Feb 4th 2014 and contains details regarding the effort and cost associated with the development of the changes requested by Michigan and to continue the support for the system.

Requested Changes

In reviewing the baseline MI-WIC system, the State of Michigan Core Team has identified items that are beyond the original scope of the contract. These changes are listed below along with the proposed implementation and subsequent cost impact.

1. Support
2. Enhancements
3. Transition Services (if required)

Support

Proposed Effort

The following sections detail the tasks that will be performed by Three Sigma Software in support of the MI-WIC system.

Code Fixes/Minor Enhancements

The MI-WIC system has three planned releases annually. Included in these releases will be the following types of items:

1. Monitor bugs that are being entered into the system.
2. Prioritize what bugs need to be included in a release after input from SOM.
3. Perform development/unit testing/integration/regression testing for bugs that are part of a release
4. Provide minor system Enhancement Activities - System enhancement includes changes to the system that are necessary to meet:
 - a. New State policy requirements,
 - b. New Federal regulations,
 - c. New technology requested by the State, or
5. Accommodate new or updated interfaces requested by the State.
6. Develop new code/reports based on system enhancements approved by SOM.

Three Sigma Software will provide release notes and update all related documentation depending on changes to business/system components resulting from bug fixes and/or enhancements.

EOD Monitoring

In support of EOD monitoring Three Sigma Software will:

1. Verify that the EOD process has started and completed successfully by 8:00 am each operational day.
2. Verify that the housekeeping processes have run successfully, to include:
 - a. Category changes,
 - b. Cert/Client terminations

- c. Appointment data purges
- d. Client/Family Data purges
- e. Duplicate Enrollee check on the scheduled day
- f. Caseload Calculations
- g. Rebate calculations
- h. Build peer group averages

If any of these processes fail Three Sigma will:

- a. Notify MDCH and the Help desk as to the processes that failed and the potential impact to the users.
 - a. Time Critical Items such as Category Changes will be corrected as early as possible.
 - b. Non Time Critical Items such as peer group averages which do not affect the users will be fixed prior to the next EOD run.
 - c. In both the cases above corrective action will be taken so that the process succeeds the next time EOD runs.
- 3. Verify that data for appointment notifications has been generated and the postcards have been sent successfully. If this process has failed Three Sigma will:
 - a. Contact DTMB and let them know that a new file will be generated and sent,
 - b. Generate Postcard data manually,
 - c. Send the new data to DTMB via FTP, and
 - d. Follow-up with DTMB to ensure postcards have been sent.
- 4. Verify that the Auto-Dialer data file has been generated successfully and sent to the US NETCOM FTP server. If this process has failed, Three Sigma will:
 - a. Contact US NETCOM and let them know that a new file will be generated and sent.
 - b. Generate the Data files manually
 - c. Send the Data file needs to US NETCOM
 - d. Follow-up with US NETCOM to ensure the file has been received.
- 5. Verify that the Auto-Dialer return file has been loaded successfully. If this process fails, Three Sigma will:
 - a. Verify a file was received. If not, contact US NETCOM and let them know that the file was not received.
 - b. If the file was received, load the status file manually.
- 6. Verify that the following EBT files have been received and have been loaded correctly
 - a. Account activity
 - b. Benefit grant file
 - c. Vendor activity file
 - d. Benefit expiration file
 - e. Card change status file

If any of these files have failed processing due to control number being out of sequence, Three Sigma Software will contact ACS support to resolve the issue.

Three Sigma Software will also correct errors in the account activity file, benefit grant file and card change status file that have failed because of foreign key issues.

- 7. Verify that the future benefit file has been sent to EPPIC and verify that a return file with no errors has been received. If errors are detected, Three Sigma will send the erroneous records again manually.

8. Verify that if a vendor update file is sent to EPPIC that a return file with no errors is received. If errors are detected, Three Sigma will send the erroneous records again manually.
9. Investigate real time EBT errors that were reported the previous day and take corrective action when necessary.
10. Verify that a UPC Max price file is generated and sent to EPPIC every 1st of the month. If the file has not been generated, Three Sigma will generate the file manually and send to EPPIC.
11. Verify that the file received from any of the following interfaces is processed without any errors. If errors are detected, corrective action will be taken.
 - a. Focus Hope Participants(CSFP Dual participation file)
 - b. Focus Hope Terminations
 - c. L2K
 - d. Item age
12. Verify that the following on demand interfaces are processed when scheduled and take corrective action if any of the interfaces fail.
 - a. PNSS/PedNSS
 - b. PC 200x
 - c. MEAD Johnson rebate file
 - d. TIPS
 - e. APL
13. Work with MDCH to make changes to the process of following interfaces as required by the receiving organization.
 - a. PNSS/PedNSS
 - b. PC 200x
 - c. MEAD Johnson rebate file
 - d. TIPS
 - e. APL
14. Monitor errors from WIC Health.org data imports and take corrective action when necessary. Add additional courses to the MI-WIC application when changes are made to the WIC Health website.
15. Monitor GIS web-service interface errors that have occurred the previous day and take corrective action when necessary.

Database Monitoring

In support of MI-WIC database Three Sigma Software will:

1. Verify free space on the production database at regular intervals. Alert DTMB if free space falls below 20 GB.
2. Production database backup schedule is set to weekly. Verify that the weekly backup job has run successfully.
3. Monitor production alert logs on a daily basis. If errors are detected, take corrective action when necessary.
4. Monitor alert logs on the test and training systems weekly. If errors are detected, take corrective action when necessary.
5. Monitor health of the database quarterly – check for unresolved errors in the alert logs
6. Perform tuning activities quarterly which may include but not be limited to

- a. Adjusting memory parameters for optimum performance.
 - b. Compacting data files to regain space freed up due to deletion or purging of data.
 - c. Run compute statistics on all tables.
 - d. Rebuilding indexes on all tables to optimize data selects.
 - e. Resizing undo table spaces if necessary.
7. Perform data archival at regular intervals based on the policies defined by SOM.
 8. Verify that dataguard is operational and logs are being applied to disaster recovery system daily.
 9. Update test/training system with latest data from production system based on the requirements of the training team.

Release Support

In support of the three month release schedule the following activities will be performed by Three Sigma Software personnel.

1. As bug fixes and enhancements are made to the MI-WIC system both functional testing as well as a regression test of the entire system will need to be performed using the following process. Testing will be performed in accordance with the testing process presently established.
 - a. After the bug/enhancement has been developed and unit tested, it will be tested internally on the Test site and be marked as 'Verified'.
 - b. After all bugs/enhancements have been verified, the release will be moved to the Staging environment where it will be tested again. The bugs/enhancements will then be marked 'Ready for State'
 - c. After all the bugs have been re-verified and closed by the State, the release will be moved to production.
2. The MI-WIC Requirements Document and other documentation that is affected by the new release will be updated.
3. Help files, if affected will be updated.
4. Release notes will be generated and sent to the MDCH WIC System Requirements Manager.

The release will be scheduled such that the State is provided at least a 2 week period to verify and close bugs before the release is moved to production.

Help Desk

In order to support the users at each of the clinics, a MI-WIC help desk has been established. The help desk needs to be provided during normal State WIC business hours: Monday through Friday, 8:00 a.m. to 5:00 p.m.

In addition to answering questions and assisting users in real time, Three Sigma Software Help desk personnel will do the following activities:

1. Implement a triage process to determine criticality of request.
2. Maintenance of all related Help Desk materials including frequently asked questions (FAQ) for incorporation into the Help Desk guide.

3. Perform initial investigation, impact assessment, and prioritization of all requests.
4. Forward non-WIC implementation related issues to the State's Client Service Center.
5. Working with the development staff to determine temporary "work-around" in the event a problem cannot be resolved during the call, pending resolution implementation.
6. Developing the steps to reproduce an issue and entering unresolved issues into the bug/enhancement database.

The WIC Data and System Management Director may assign additional tasks (other than the ones described in the sections 2.2.1.1 through 2.2.1.6) at his/her own discretion. Three Sigma Software shall provide a detail account of hours expended by high-level tasks or resource (hours) on a monthly basis to the MDCH WIC Data and System Management Director for payments.

Transition Services (if required)

Three Sigma Software, 3SSW, will provide transition support to the SOM designated new vendor as required to ensure their readiness to assume the operations and maintenance of the MI-WIC system.

Activities during this phase will be split between 3SSW responsibilities and the new vendor activities. Three Sigma will continue to provide application software maintenance and enhancements, and at the same time will be training new vendor staff to take over routine support for application software.

Support provided during the transition services phase will include:

1. Code fixes and Minor Enhancements – Three Sigma will work with the new vendor to ensure that they understand the development environment and structure of the MI-WIC Code base.
2. End of Day (EOD) Monitoring – Three Sigma will explain the EOD process that gets executed every night and the items that need to be monitored on a daily basis. The types of errors that can happen as well as the resolution for those errors will be explained and documented.
3. Database Monitoring – Three Sigma will work with the new vendor DBA to explain the tables and structure of the MI-WIC database.
4. Release Support – 3SSW will explain the MI-WIC build process and post release support to the new vendor. In addition, 3SSW will provide the build software to the new vendor.
5. Help Desk – Three Sigma will work with new vendor to prepare them to take over the help desk duties currently being performed by our personnel. Three Sigma will develop a Help Desk Transition Plan to transition the Help Desk function to the new vendor. Three Sigma will also share with the new vendor's development staff a document containing queries that sometimes need to be executed in support of the help desk.

3SSW will provide detailed specifications and work plan to properly provide the services/deliverables required for the transition services before the start of the transition phase. During the transition phase, Three Sigma will provide a bi-weekly report for the scheduled activities and any issues that occur during the process of knowledge transfer.

Level of Effort

The following tables present the level of effort required to assist Michigan in supporting the MI-WIC system for the last year extension period starting Feb 5th 2013 to Feb 4th 2014. Transition Services, if required, will start on November 2013 to February 2014.

Ongoing Support and Transition Services are parallel efforts delivered by individual and dedicated teams for both task items.

As an alternative to the increased staff required to maintain the current level of support and train the new vendor, SOM may prefer to reduce MI-WIC Help desk support to one person and have Three Sigma focus solely on transiting to the new vendor instead of working on fixes/minor enhancements to the system during the transition period. If this direction is taken no additional staffing (cost) would be needed.

Ongoing Support

	Hourly Rate	FTE	Hours/Month	Cost/Month
Deputy PM/Requirements Lead	110	1	160	\$ 17,600
Senior Analyst Developer	100	1	160	\$ 16,000
Senior Analyst Developer	100	1	160	\$ 16,000
Junior Analyst/Developer	90	1	160	\$ 14,400
MI-WIC Support Analyst	80	1	160	\$ 12,800
MI-WIC Support Analyst	80	1	160	\$ 12,800
DBA	110	0.5	80	\$ 8,800
Total Per Month		6.5		\$ 98,400

Transition Services (if required)

	Hourly Rate	FTE	Hours/Month	Cost/Month
Deputy PM/Requirements Lead	110	0.125	20	\$ 2,200
Senior Analyst Developer	100	1	160	\$ 16,000
DBA	110	0.5	80	\$ 8,800
MI-WIC Support Analyst	80	1	160	\$ 12,800
Total Per Month		2.625		\$ 39,800

Cost of Effort

Ongoing Support

Period	Months	Cost/Month	Total
Feb 5th 2013 - Feb 4th 2014	12	\$98,400	\$1,180,800

Transition Services (if required)

	Months	Cost/Month	Total
November 1, 2013-February 4, 2014	3	\$39,800	\$119,400

Key Personnel

The position of Deputy Project Manager / Requirements lead has been identified as key personnel. This position is an on-site position and will be staffed by Kamalesh Bandanadham. All other support staff from Three Sigma Software working on the project will report to the Deputy Project Manager. The Deputy Project manager will report to the MDCH WIC Data and System Management Director.

Enhancements

Three Sigma Software will develop, test and implement enhancements as requested by the Michigan WIC at no additional cost to the state. The cost for the activity is already included in the '**Cost of Effort**' section.

Acceptance

Three Sigma Software agrees to comply with all other terms and conditions of the original contract.

Form No. DMB 234 (Rev. 1/96)
 AUTHORITY: Act 431 of 1984
 COMPLETION: Required
 PENALTY: Contract will not be executed unless form is filed

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

July 20, 2011

**CHANGE NOTICE No. 6
 TO
 CONTRACT NO. 071B7200133
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF VENDOR Three Sigma Software Inc. 9265 Davis Drive Lorton, VA 22079 Tc.mullany@3sigmasoftware.com	TELEPHONE Thomas Mullany (703) 624-4706
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-1640 Mark Lawrence
Contract Compliance Inspector: Sara Williams Women, Infants, and Children (WIC) Information System	
CONTRACT PERIOD: From: February 5, 2007 To: February 4, 2013	
TERMS <p style="text-align: center;">N/A</p>	SHIPMENT <p style="text-align: center;">N/A</p>
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	
MISCELLANEOUS INFORMATION:	

NATURE OF CHANGE(S):

Effective immediately, this contract is **EXTENDED** one year, and **INCREASED** by \$1,742,400.00. The new contract end date is February 4, 2013. The increase in contract value is for support and enhancements, per the attached "MI-WIC Support Modification Request Response". Payment will be made on a time and materials basis, for actual hours worked.

In addition, the buyer has **CHANGED**. The new buyer is Mark Lawrence.

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

AUTHORITY/REASON(S):

Per Ad Board approval dated July 19, 2011, agreement of DIT/DCH and DTMB and agreement from the vendor.

INCREASE: \$1,742,400.00

TOTAL REVISED ESTIMATED CONTRACT VALUE: \$10,551,672.00.

January 17, 2013

MI-WIC Support Modification Request Response

Contract #: 071B7200133
Current Contract Expiration: February 4, 2012
Women, Infants and Children (WIC) Information System



Prepared By
Three Sigma Software
For

WIC Division
Bureau of Family, Maternal & Child Health
State of Michigan

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Introduction

This proposal has been created for extending the support of the Michigan Women, Infants and Children (WIC) Information System under Contract No. 071B7200133 for the period starting from August 1st 2011 to Feb 4th 2013 and contains details regarding the effort and cost associated with the development of the changes requested by Michigan and to continue the support for the system.

Requested Changes

In reviewing the baseline MI-WIC system, the State of Michigan Core Team has identified items that are beyond the original scope of the contact. These changes are listed below along with the proposed implementation and subsequent cost impact.

1. Support
2. Enhancements

Support

Proposed Effort

The following sections detail the tasks that will be performed by Three Sigma Software in support of the MI-WIC system.

Code Fixes/Minor Enhancements

The MI-WIC system will go to a 3 month release cycle. Included in these releases will be the following types of items:

1. Monitor bugs that are being entered into the system.
2. Prioritize what bugs need to be included in a release after input from SOM.
3. Perform development/unit testing/integration/regression testing for bugs that are part of a release
4. Provide minor system Enhancement Activities - System enhancement includes changes to the system that are necessary to meet:
 - a. New State policy requirements,
 - b. New Federal regulations,
 - c. New technology requested by the State, or
5. Accommodate new or updated interfaces requested by the State.
6. Develop new code/reports based on system enhancements approved by SOM.

Three Sigma Software will provide release notes and update all related documentation depending on changes to business/system components resulting from bug fixes and/or enhancements.

EOD Monitoring

In support of EOD monitoring Three Sigma Software will:

January 17, 2013

1. Verify that the EOD process has started and completed successfully by 8:00 am each operational day.
2. Verify that the housekeeping processes have run successfully, to include:
 - a. Category changes,
 - b. Cert/Client terminations
 - c. Appointment data purges
 - d. Client/Family Data purges
 - e. Duplicate Enrollee check on the scheduled day
 - f. Caseload Calculations
 - g. Rebate calculations
 - h. Build peer group averages

If any of these processes fail Three Sigma will:

 - a. Notify MDCH and the Help desk as to the processes that failed and the potential impact to the users.
 - a. Time Critical Items such as Category Changes will be corrected as early as possible.
 - b. Non Time Critical Items such as peer group averages which do not affect the users will be fixed prior to the next EOD run.
 - c. In both the cases above corrective action will be taken so that the process succeeds the next time EOD runs.
3. Verify that data for appointment notifications has been generated and the postcards have been sent successfully. If this process has failed Three Sigma will:
 - a. Contact DMB and let them know that a new file will be generated and sent,
 - b. Generate Postcard data manually,
 - c. Send the new data to DBM via FTP, and
 - d. Follow-up with DBM to ensure postcards have be sent.
4. Verify that the Auto-Dialer data file has been generated successfully and sent to the US NETCOM ftp server. If this process has failed, Three Sigma will:
 - a. Contact US NETCOM and let them know that a new file will be generated and sent.
 - b. Generate the Data files manually
 - c. Send the Data file needs to US NETCOM
 - d. Follow-up with US NETCOM to ensure the file has been received.
5. Verify that the Auto-Dialer return file has been loaded successfully. If this process fails, Three Sigma will:
 - a. Verify a file was received. If not, contact US NETCOM and let them know that was not received.
 - b. If the file was received, load the status file manually.
6. Verify that the following EBT files have been received and have been loaded correctly
 - a. Account activity
 - b. Benefit grant file
 - c. Vendor activity file
 - d. Benefit expiration file

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e. Card change status file
If any of these files have failed processing due to control number being out of sequence, Three Sigma Software will contact ACS support to resolve the issue.

Three Sigma Software will also correct Errors in the account activity file, benefit grant file and card change status file that have failed because of foreign key issues.

7. Verify that the future benefit file has been sent to EPPIC and verify that a return file with no errors has been received. If errors are detected, Three Sigma will send the erroneous records again manually.
8. Verify that if a vendor update file is sent to EPPIC that a return file with no errors is received. If errors are detected, Three Sigma will send the erroneous records again manually.
9. Investigate real time EBT errors that were reported the previous day and take corrective action when necessary.
10. Verify that a UPC Max price file is generated and sent to EPPIC every 1st of the month. If the file has not been generated, Three Sigma will generate the file manually and send to EPPIC.
11. Verify that the file received from any of the following interfaces is processed without any errors. If errors are detected, corrective action will be taken.
 - a. Focus Hope Participants (CSFP Dual participation file)
 - b. Focus Hope Terminations
 - c. L2k
 - d. Item age
12. Verify that the following on demand interfaces are processed when scheduled and take corrective action if any of the interfaces fail.
 - a. PNSS/PedNSS
 - b. PC 200x
 - c. MEAD Johnson rebate file
 - d. TIPS
 - e. APL
13. Work with MDCH to make changes to the process of following interfaces as required by the receiving organization.
 - a. PNSS/PedNSS
 - b. PC 200x
 - c. MEAD Johnson rebate file
 - d. TIPS
 - e. APL
14. Monitor errors from WIC Health.org data imports and take corrective action when necessary. Add additional courses to the MI-WIC application when changes are made to the WIC Health website.
15. Monitor GIS web-service interface errors that have occurred the previous day and take corrective action when necessary.

January 17, 2013

Database Monitoring

In support of MI-WIC database Three Sigma Software will:

1. Verify free space on the production database at regular intervals. Alert MDIT if free space falls below 20 GB.
2. Production database backup schedule is set to weekly. Verify that the weekly backup job has run successfully.
3. Monitor production alert logs on a daily basis. If errors are detected, take corrective action when necessary.
4. Monitor alert logs on the test and training systems weekly. If errors are detected, take corrective action when necessary.
5. Monitor health of the database quarterly – check for unresolved errors in the alert logs
6. Perform tuning activities quarterly which may include but not be limited to
 - a. Adjusting memory parameters for optimum performance.
 - b. Compacting data files to regain space freed up due to deletion or purging of data.
 - c. Run compute statistics on all tables.
 - d. Rebuilding indexes on all tables to optimize data selects.
 - e. Resizing undo table spaces if necessary.
7. Perform data archival at regular intervals based on the policies defined by SOM.
8. Verify that dataguard is operational and logs are being applied to disaster recovery system daily.
9. Update test/training system with latest data from production system based on the requirements of the training team.

Release Support

In support of the three month release schedule the following activities will be performed by Three Sigma Software personnel.

1. As bug fixes and enhancements made to the MI-WIC system both functional testing as well as a regression test of the entire system will need to be performed using the following process. Testing will be performed in accordance with the testing process presently established.
 - a. After the bug/enhancement has been developed and unit tested, it will be tested internally on the Test site and be marked as 'Verified'.
 - b. After all bugs/enhancements have been verified, the release will be moved to the Staging environment where it will be tested again. The bugs/enhancements will then be marked 'Ready for State'
 - c. After all the bugs have been re-verified and closed by the State, the release will be moved to production.
2. User's manual and other documentation that is affected by the new release will be updated.

January 17, 2013

3. Help files, if affected will be updated.
4. Release notes will be generated and sent to the State Project Manager.

The release will be scheduled such that the State is provided at least a 2 week period to verify and close bugs before the release is moved to production.

Help Desk

In order to support the users at each of the clinics, a MI-WIC help desk has been established. The help desk needs to be provided during normal State WIC business hours: Monday through Friday, 8:00 a.m. to 5:00 p.m.

In addition to answering questions and assisting users in real time, Three Sigma Software Help desk personnel will do the following activities:

1. Implement a triage process to determine criticality of request.
2. Maintenance of all related Help Desk materials including frequency ask questions (FAQ) for incorporation into the Help Desk guide.
3. Perform initial investigation, impact assessment, and prioritization of all requests.
4. Forward non-WIC implementation related issues to the State's Client Service Center.
5. Working with the development staff to determine "work-arounds" in the event a problem cannot be resolved during the call.
6. Developing the steps to reproduce an issue and entering unresolved issues into the bug/enhancement database.

The State project manager may assign additional tasks (other than the ones described in the sections 2.2.1.1 through 2.2.1.6) at his/her own discretion. Three Sigma Software shall provide a detail account of hours expended by high-level tasks or resource (hours) on a monthly basis to the State Project Manager for payments.

Level of Effort

The following table presents the level of effort required to assist Michigan in supporting the MI-WIC system for a period of August 1st 2011 to Feb 4th 2012

	Rate	FTE	Hours/Month	Cost
1 - Dep PM/Requirements Lead	100	1	160	\$ 16,000
1 - Senior Analyst Developer	100	1	160	\$ 16,000
1 - Senior Analyst Developer	100	1	160	\$ 16,000
1 - Junior Analyst/Developer	90	1	160	\$ 14,400
✓ - MI-WIC Support Analyst	80	1	160	\$ 12,800
✓ - MI-WIC Support Analyst	80	1	160	\$ 12,800
7 - DBA	110	0.5	80	\$ 8,800
Total		6.5		\$ 96,800

January 17, 2013

June 3, 2011 ~~April 21, 2011~~

For the one year extension period starting Feb 5th 2012 to Feb 4th 2013, the level of effort required to assist Michigan in supporting the MI-WIC system is as follows:

	Rate	FTE	Hours/Month	Cost
Dept. PM/Requirements Lead	100	1	160	\$ 16,000
Senior Analyst Developer	100	1	160	\$ 16,000
Senior Analyst Developer	100	1	160	\$ 16,000
Junior Analyst/Developer	90	1	160	\$ 14,400
MI-WIC Support Analyst	80	1	160	\$ 12,800
MI-WIC Support Analyst	80	1	160	\$ 12,800
DBA	110	0.5	80	\$ 8,800
Total		6.5		\$ 96,800

Cost of Effort

Period	Months	Cost/Month	Total
Aug 1st 2011 - Feb 4th 2012	6	\$96,800	\$580,800
Feb 5th 2012 - Feb 4th 2013	12	\$96,800	\$1,161,600
Total	18	\$96,800	\$1,742,400

Key Personnel

The position of Deputy Project Manager / Requirements lead has been identified as key personnel. This position is an on-site position and will be staffed by Kamalesh Bandanadham. All other support staff from Three Sigma Software working on the project will report to the Deputy Project Manager. The Deputy Project manager will report to the State Project Manager.

Enhancements

Three Sigma Software will develop, test and implement enhancements as requested by the Michigan Department of Community Health at no additional cost to the state. The cost for the activity is already included in the 'Cost of Effort' section.

Acceptance

Three Sigma Software agrees to comply with all other terms and conditions of the original contract.



April 21, 2011

Kobra Eghtedary, Ph.D
 Michigan State WIC Program
 Lansing, MI 48909

Subj: Acceptance of Terms and Conditions associated with Contract #071B7200133

Dear Dr. Eghtedary,

I am writing to confirm our acceptance of the amount and time line associated with the support for the MIWIC system as described below.

Level of Effort

	Rate	FTE	Hours/Month	Cost
Dep PM/Requirements Lead	100	1	160	\$ 16,000
Senior Analyst Developer	100	1	160	\$ 16,000
Senior Analyst Developer	100	1	160	\$ 14,400
Junior Analyst/Developer	90	1	160	\$ 12,800
MI-WIC Support Analyst	80	1	160	\$ 12,800
MI-WIC Support Analyst	80	1	80	\$ 8,800
DBA	110	0.5		\$ 96,800
Total		6.5		

Estimated cost for August 1, 2011 to Feb 4, 2013

Monthly Cost	
Aug-2011	\$96,800.00
Sep-2011	\$96,800.00
Oct-2011	\$96,800.00
Nov-2011	\$96,800.00
Dec-2011	\$96,800.00
Jan-2012	\$96,800.00
Feb-2012	\$96,800.00
Mar-2012	\$96,800.00
Apr-2012	\$96,800.00
May-2012	\$96,800.00
Jun-2012	\$96,800.00
Jul-2012	\$96,800.00
Aug-2012	\$96,800.00
Sep-2012	\$96,800.00
Oct-2012	\$96,800.00
Nov-2012	\$96,800.00

10
 18 Total Mo.

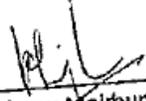
January 17, 2013

Monthly Cost	
Dec-2012	\$96,800.00
Jan-2013	\$96,800.00
Total	\$1,742,400.00

Three Sigma Software will continue to support the Michigan WIC system as required until DTMB is ready to take over the services provided by Three Sigma Software.

Please contact Krushanu Majmudar for additional questions concerning our commitment to this project at ((410) 258-1144 or krushanu@3sigmasoftware.com).

Sincerely,



Krushanu Majmudar
CIO
Three Sigma Software

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

June 18, 2009

**CHANGE NOTICE No. 5
 TO
 CONTRACT NO. 071B7200133
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF VENDOR Three Sigma Software Inc. 9265 Davis Drive Lorton, VA 22079 Tc.mullany@3sigmasoftware.com	TELEPHONE Thomas Mullany (703) 624-4706
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-7233 Joann Klasko
Contract Compliance Inspector: Sara Williams Women, Infants, and Children (WIC) Information System	
CONTRACT PERIOD: From: February 5, 2007 To: February 4, 2012	
TERMS <p style="text-align: center;">N/A</p>	SHIPMENT <p style="text-align: center;">N/A</p>
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	
MISCELLANEOUS INFORMATION:	

NATURE OF CHANGE(S):

Effective immediately, this contract is INCREASED \$1,301,200.00 for scope changes due to Federal policy changes that affect the Michigan WIC Food Package. Please see attached documents:

- Food Package Modification & Support Request Response
- MI-WIC New Food Package Change Requirements

All other terms and conditions remain the same.

AUTHORITY/REASON(S):

Per Ad Board approval dated June 16, 2009, agreement of DIT/DCH and DMB and agreement from the vendor.

INCREASE: \$1,301,200.00

TOTAL REVISED ESTIMATED CONTRACT VALUE: \$8,809,272.00.

MI-WIC Food Package Modification and Support Request Response

Contract #: 071B7200133

Contract Expiration: February 4, 2012

Women, Infants and Children (WIC) Information System

March 2009



Prepared for

**WIC Division
Bureau of Family, Maternal & Child Health
State of Michigan**

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Introduction

This proposal has been created in support of the Michigan Women, Infants and Children (WIC) Information System Contract No. 071B7200133 and contains details regarding the effort and cost associated with the development of the changes requested by Michigan and continue support to the system after the transition period.

Requested Changes

In reviewing the baseline MI-WIC system, the State of Michigan Core Team has identified items that are beyond the original scope of the contact. These changes are listed below along with the proposed implementation and subsequent cost impact.

4. Food Package Change
5. Support
6. Enhancements

Food Package Changes

Requirements

The interim final rule, published in the Federal Register on December 6, 2007, revises the WIC food packages. The rule will significantly enhance the nutritional quality of foods available to WIC mothers, infants and young children, improve access to healthy foods in low-income communities, and thus improve health outcomes. The Michigan WIC program has to change its program and system processes in its program service delivery to implement the rules.

The requires associated with this changed are contained in Michigan's MI-WIC New Food Package Changes Requirements dated March 13, 2009.

Proposed Changes:

Three Sigma Software will modify the MI-WIC system to comply with the requirements in the above referenced document.

Level of Effort

The following table presents the level of effort required to complete the food package changes requested. This estimate is a fixed price estimate.

Food package Modifications – \$ 82,000.00

Support

Proposed Effort

The following sections detail the tasks that will be performed by Three Sigma Software in support of the MI-WIC system.

Code Fixes/Minor Enhancements

Post rollout, the MI-WIC system will go to a 3 month release cycle. Included in these releases will be the following types of items:

7. Monitor bugs that are being entered into the system.
8. Prioritize what bugs need to be included in a release after input from SOM.

9. Perform development/unit testing/Integration/regression testing for bugs that are part of a release
 10. Provide minor system Enhancement Activities - System enhancement includes changes to the system that are necessary to meet:
 - d. New State policy requirements,
 - e. New Federal regulations,
 - f. New technology requested by the State, or
 11. Accommodate new or updated interfaces requested by the State.
 12. Develop new code/reports based on system enhancements approved by SOM.
- Three Sigma Software will provide release notes and update all related documentation depending on changes to business/system components resulting from bug fixes and/or enhancements.

EOD Monitoring

In support of EOD monitoring Three Sigma Software will:

16. Verify that the EOD process has started and completed successfully by 8:00 am each operational day.
17. Verify that the housekeeping processes have run successfully, to include:
 - a. Category changes,
 - b. Cert/Client terminations
 - c. Appointment data purges
 - d. Client/Family Data purges
 - e. Duplicate Enrollee check on the scheduled day
 - f. Caseload Calculations
 - g. Rebate calculations
 - h. Build peer group averages

If any of these processes fail Three Sigma will:

- b. Notify MDCH and the Help desk as to the processes that failed and the potential impact to the users.
 - a. Time Critical Items such as Category Changes will be corrected as early as possible.
 - b. Non Time Critical Items such as peer group averages which do not affect the users will be fixed prior to the next EOD run.
 - c. In both the cases above corrective action will be taken so that the process succeeds the next time EOD runs.
18. Verify that data for appointment notifications has been generated and the postcards have been sent successfully. If this process has failed Three Sigma will:
 - a. Contact DMB and let them know that a new file will be generated and sent,
 - b. Generate Postcard data manually,
 - c. Send the new data to DBM via FTP, and
 - d. Follow-up with DBM to ensure postcards have been sent.
19. Verify that the Auto-Dialer data file has been generated successfully and sent to the US NETCOM ftp server. If this process has failed, Three Sigma will:
 - a. Contact US NETCOM and let them know that a new file will be generated and sent.
 - b. Generate the Data files manually
 - c. Send the Data file needs to US NETCOM
 - d. Follow-up with US NETCOM to ensure the file has been received.
20. Verify that the Auto-Dialer return file has been loaded successfully. If this process fails, Three Sigma will:
 - a. Verify a file was received. If not, contact US NETCOM and let them know that was not received.
 - b. If the file was received, load the status file manually.
21. Verify that the following EBT files have been received and have been loaded correctly
 - a. Account activity

- b. Benefit grant file
- c. Vendor activity file
- d. Benefit expiration file
- e. Card change status file

If any of these files have failed processing due to control number being out of sequence, Three Sigma Software will contact ACS support to resolve the issue.

Three Sigma Software will also correct Errors in the account activity file, benefit grant file and card change status file that have failed because of foreign key issues.

22. Verify that the future benefit file has been sent to EPPIC and verify that a return file with no errors has been received. If errors are detected, Three Sigma will send the erroneous records again manually.
23. Verify that if a vendor update file is sent to EPPIC that a return file with no errors is received. If errors are detected, Three Sigma will send the erroneous records again manually.
24. Investigate real time EBT errors that were reported the previous day and take corrective action when necessary.
25. Verify that a UPC Max price file is generated and sent to EPPIC every 1st of the month. If the file has not been generated, Three Sigma will generate the file manually and send to EPPIC.
26. Verify that the file received from any of the following interfaces is processed without any errors. If errors are detected, corrective action will be taken.
 - a. Focus Hope Participants(CSFP Dual participation file)
 - b. Focus Hope Terminations
 - c. L2k
 - d. Item age
27. Verify that the following on demand interfaces are processed when scheduled and take corrective action if any of the interfaces fail.
 - a. PNSS/PedNSS
 - b. PC 200x
 - c. MEAD Johnson rebate file
 - d. TIPS
28. Work with MDCH to make changes to the process of following interfaces as required by the receiving organization.
 - a. PNSS/PedNSS
 - b. PC 200x
 - c. MEAD Johnson rebate file
 - d. TIPS
29. Monitor errors from WIC Health.org data imports and take corrective action when necessary. Add additional courses to the MI-WIC application when changes are made to the WIC Health website.
30. Monitor GIS web-service interface errors that have occurred the previous day and take corrective action when necessary.

Database Monitoring

In support of MI-WIC database Three Sigma Software will:

10. Verify free space on the production database at regular intervals. Alert MDIT if free space falls below 20 GB.
11. Production database backup schedule is set to weekly. Verify that the weekly backup job has run successfully.
12. Monitor production alert logs on a daily basis. If errors are detected, take corrective action when necessary.
13. Monitor alert logs on the test and training systems weekly. If errors are detected, take corrective action when necessary.

14. Monitor health of the database quarterly – check for unresolved errors in the alert logs
15. Perform tuning activities quarterly which may include but not be limited to
 - a. Adjusting memory parameters for optimum performance.
 - b. Compacting data files to regain space freed up due to deletion or purging of data.
 - c. Run compute statistics on all tables.
 - d. Rebuilding indexes on all tables to optimize data selects.
 - e. Resizing undo table spaces if necessary.
16. Perform data archival at regular intervals based on the policies defined by SOM.
17. Verify that dataguard is operational and logs are being applied to disaster recovery system daily.
18. Update test/training system with latest data from production system based on the requirements of the training team.

Release Support

In support of the three month release schedule the following activities will be performed by Three Sigma Software personnel.

5. As bug fixes and enhancements made to the MI-WIC system both functional testing as well as a regression test of the entire system will need to be performed using the following process. Testing will be performed in accordance with the testing process presently established.
 - a. After the bug/enhancement has been developed and unit tested, it will be tested internally on the Test site and be marked as 'Verified'.
 - b. After all bugs/enhancements have been verified, the release will be moved to the Staging environment where it will be tested again. The bugs/enhancements will then be marked 'Ready for State'
 - c. After all the bugs have been re-verified and closed by the State, the release will be moved to production.
6. User's manual and other documentation that is affected by the new release will be updated.
7. Help files, if affected will be updated.
8. Release notes will be generated and sent to the State Project Manager.

The release will be scheduled such that the State is provided at least a 2 week period to verify and close bugs before the release is moved to production.

Training

Part of supporting the MI-WIC system is the need to train new employees hired since rollout. Three Sigma software will assist in the performance of the following tasks that need to be performed to train new personnel.

1. Secure a training facility that has is equipped to handle the number of people to be trained and has the equipment required to run the application.
2. Prepare for each trainee a MI-WIC training binder containing all documents required for training. This includes
 - a. an Agenda,
 - b. an updated MI-WIC CLINIC User's Manual,
 - c. practice Scenarios,
 - d. Reference Materials and Frequently Asked Questions (FAQs) as well as any additional handouts felt helpful during the training session.
3. Enter/setup all training data as needed.
4. Conduct Training
5. Review post training comments and make changes to the training material as required.

Help Desk

In order to support the users at each of the clinics, a MI-WIC help desk has been established. The help desk needs to be provided during normal State WIC business hours: Monday through Friday, 8:00 a.m. to 5:00 p.m.

In addition to answering questions and assisting users in real time, Three Sigma Software Help desk personnel will do the following activities:

7. Implement a triage process to determine criticality of request.
8. Maintenance of all related Help Desk materials including frequency ask questions (FAQ) for incorporation into the Help Desk guide.
9. Perform initial investigation, impact assessment, and prioritization of all requests.
10. Forward non-WIC implementation related issues to the State's Client Service Center.
11. Working with the development staff to determine "work-arounds" in the event a problem cannot be resolved during the call.
12. Developing the steps to reproduce an issue and entering unresolved issues into the bug/enhancement database.

The State project manager may assign additional tasks (other than the ones described in the sections 2.2.1.1 through 2.2.1.6) at his/her own discretion. Three Sigma Software shall provide a detail account of hours expended by high-level tasks or resource (hours) on a monthly basis to the State Project Manager for payments.

Level of Effort

The following table presents the level of effort required to assist Michigan in supporting the MI-WIC system for a period of two years as described in section 2.2.1.

Two Year Support Option

Year 1	Rate	Hours	Cost
Dep PM/Requirements Lead	100	1920	\$ 192,000
Junior Analyst Developer	90	1920	\$ 172,800
MI-WIC Support Analyst/Business Analyst	80	1920	\$ 153,600
MI-WIC Support Analyst	80	1920	\$ 153,600
DBA	110	960	\$ 105,600
Total			\$ 777,600

Year 2	Rate	Hours	Cost
Dep PM/Requirements Lead	100	1920	\$ 192,000
Junior Analyst Developer	90	1920	\$ 172,800
Business Analyst	80	960	\$ 76,800
Total			\$ 441,600

With the execution of this modification the total support provided by Three Sigma Software would be.

Year 1	
Dep PM/Requirements Lead	1 FTE onsite at WIC Division
Senior Analyst/Developer	1 FTE
Junior Analyst Developer	1 FTE
MI-WIC Support Analyst/Business Analyst	1 FTE
MI-WIC Support Analyst	1 FTE
DBA	.5 FTE

Year 2	
Dep PM/Requirements Lead	1 FTE onsite at WIC Division
Junior Analyst Developer	1 FTE
Business Analyst	0.5 FTE

Key Personnel

The position of Deputy Project Manager / Requirements lead has been identified as key personnel. This position will be staffed by Kamalesh Bandanadham. All other Three Sigma Software staff working on the project will report to the Deputy Project Manager. The Deputy Project manager will report to the State Project Manager.

Enhancements

Three Sigma Software will develop, test and implement enhancements as requested by the Michigan Department of Community Health.

Proposed Change

Movement of the following items from Milestone 4, and 5 to Milestone 6

1. Knowledge Transfer Meeting – \$88,320
2. Knowledge Transfer Report – \$20,500
3. Remaining un-used Dollars from Enhancement during Transition.

Revised Contract Value

Item	Dollars
Current Contract Value	\$ 7,508,072.00
Value of Change Order	\$ 1,301,200.00
New Contract Value	\$ 8,809,272.00

Revised Billing Schedule

	Total Price	Bill	Hold Back
Milestone 1 - Project Oversight Plans	\$ -		
Kick-off Meeting	\$ 7,560.00	\$ 6,804.00	\$ 756.00
Detailed Project Plan	\$ 27,000.00	\$ 24,300.00	\$ 2,700.00
Quality Management Discussion			
Project Staffing and Facility Discussion			
Risk Management Discussion			
Electronic Project Library	\$ 9,600.00	\$ 8,640.00	\$ 960.00
Software Development Approach Presentation	\$ 5,000.00	\$ 4,500.00	\$ 500.00
Initial System Demonstration	\$ 67,840.00	\$ 61,056.00	\$ 6,784.00
Project Status Report	\$ 79,172.00	\$ 71,254.80	\$ 7,917.20
Total	\$ 196,172.00	\$ 176,554.80	\$ 19,617.20
	Total Price	Bill	Hold Back
Milestone 2 – Planning	\$ -		
Documentation and Standards Plan	\$ 8,400.00	\$ 7,560.00	\$ 840.00
Equipment/Technology Acquisition Plan	\$ 4,200.00	\$ 3,780.00	\$ 420.00
Technical Architecture Presentation	\$ 15,000.00	\$ 13,500.00	\$ 1,500.00
Capacity Plan	\$ 21,240.00	\$ 19,116.00	\$ 2,124.00
Configuration Plan	\$ 16,000.00	\$ 14,400.00	\$ 1,600.00
Installation Plan	\$ 32,770.00	\$ 29,493.00	\$ 3,277.00
Staff Training and Knowledge Transfer Plan	\$ 30,720.00	\$ 27,648.00	\$ 3,072.00
Facility and Data Security Presentation	\$ 5,000.00	\$ 4,500.00	\$ 500.00
Business Continuity and Disaster Plan	\$ 41,760.00	\$ 37,584.00	\$ 4,176.00
Test Plan	\$ 31,392.00	\$ 28,252.80	\$ 3,139.20
Data Conversion Plan	\$ 33,300.00	\$ 29,970.00	\$ 3,330.00
Application Turnover Plan	\$ 23,040.00	\$ 20,736.00	\$ 2,304.00
Joint Applications Design Sessions (JADS)		\$ -	
JAD - Overview, DUPRK01, DUPRK02, DUPRK03, DUPRK04	\$ 21,120.00	\$ 19,008.00	\$ 2,112.00
JAD - DUPRK05, 06, 07, 08, 09 10, 11	\$ 17,280.00	\$ 15,552.00	\$ 1,728.00
JAD - DUPRK12, 14, DUEXI01, 02, 07	\$ 12,800.00	\$ 11,520.00	\$ 1,280.00
JAD - DUEXI03	\$ 2,560.00	\$ 2,304.00	\$ 256.00
JAD - DUFBI01, 02, 03, 04, DUNUE01	\$ 26,880.00	\$ 24,192.00	\$ 2,688.00
JAD - DUADM01, 02, 03, 04, 06, 07	\$ 24,000.00	\$ 21,600.00	\$ 2,400.00
JAD - DUNPE01, 04, 05, 07, 09, 12	\$ 22,080.00	\$ 19,872.00	\$ 2,208.00
JAD - DUPJF01, DUVMO01, 02, 03, 06	\$ 26,880.00	\$ 24,192.00	\$ 2,688.00
Configure Equipment in Michigan	\$ 9,600.00	\$ 8,640.00	\$ 960.00
Release .01 (Inclusion of JAD Modifications)	\$ 46,000.00	\$ 41,400.00	\$ 4,600.00
Release .02 (Inclusion of JAD Modifications)	\$ 46,000.00	\$ 41,400.00	\$ 4,600.00
Release .03 (First Look at Converted Data)	\$ 46,000.00	\$ 41,400.00	\$ 4,600.00
Total	\$ 564,022.00	\$ 507,619.80	\$ 56,402.20

Milestone 3 – Application Design and Development			
Application Design Development Plan	\$ 97,032.00	\$ 87,328.80	\$ 9,703.20
Release .04 (Inclusion of JAD/IF Modifications)	\$ 465,562.00	\$ 419,005.80	\$ 46,556.20
Quality Assurance and Performance Testing	\$ 32,200.00	\$ 28,980.00	\$ 3,220.00
Release .05 (Inclusion of JAD/IF Modifications)	\$ 465,562.00	\$ 419,005.80	\$ 46,556.20
Quality Assurance and Performance Testing	\$ 32,200.00	\$ 28,980.00	\$ 3,220.00
Release .1 (Test Baseline)	\$ 465,562.00	\$ 419,005.80	\$ 46,556.20
Quality Assurance and Performance Testing	\$ 32,200.00	\$ 28,980.00	\$ 3,220.00
Rqmts Overview Doc with Summary of Changes needed	\$ 30,720.00	\$ 27,648.00	\$ 3,072.00
Logical and Physical Data Model	\$ 10,000.00	\$ 9,000.00	\$ 1,000.00
Data Dictionary	\$ 10,000.00	\$ 9,000.00	\$ 1,000.00
Source Code and Artifacts			
Release .2 (Baseline Including Changes)	\$ 118,300.00	\$ 106,470.00	\$ 11,830.00
Technical Documentation (ICDS)	\$ 37,800.00	\$ 34,020.00	\$ 3,780.00
Release .31 (Acceptance Test Preparation Release)	\$ 232,781.00	\$ 209,502.90	\$ 23,278.10
Release .32 (Acceptance Test Release)	\$ 232,781.00	\$ 209,502.90	\$ 23,278.10
Quality Assurance and Performance Testing	\$ 32,200.00	\$ 28,980.00	\$ 3,220.00
Technical Design (DSDD)	\$ 42,300.00	\$ 38,070.00	\$ 4,230.00
User Acceptance Test (UAT) Cases			
First set of five (5) test scripts approved	\$ 14,500.00	\$ 13,050.00	\$ 1,450.00
Second set of five (5) test scripts approved	\$ 14,500.00	\$ 13,050.00	\$ 1,450.00
Third set of five (5) test scripts approved	\$ 14,500.00	\$ 13,050.00	\$ 1,450.00
Fourth set of five (5) test scripts approved	\$ 14,500.00	\$ 13,050.00	\$ 1,450.00
Fifth set of five (5) test scripts approved	\$ 14,500.00	\$ 13,050.00	\$ 1,450.00
Sixth set of five (5) test scripts approved	\$ 14,500.00	\$ 13,050.00	\$ 1,450.00
All Test Scripts Approved	\$ 14,500.00	\$ 13,050.00	\$ 1,450.00
User Acceptance Testing			
Acceptance of first set of five (5) test Use Cases	\$ 8,160.00	\$ 7,344.00	\$ 816.00
Acceptance of second set of five (5) test Use Cases	\$ 8,160.00	\$ 7,344.00	\$ 816.00
Acceptance of third set of five (5) test Use Cases	\$ 8,160.00	\$ 7,344.00	\$ 816.00
Acceptance of fourth set of five (5) test Use Cases	\$ 8,160.00	\$ 7,344.00	\$ 816.00
Acceptance of fifth set of five (5) test Use Cases	\$ 8,160.00	\$ 7,344.00	\$ 816.00
Acceptance of sixth set of five (5) test Use Cases	\$ 8,160.00	\$ 7,344.00	\$ 816.00
Acceptance Test Complete	\$ 8,160.00	\$ 7,344.00	\$ 816.00
Training Material		\$ -	\$ -
Training Data	\$ 57,600.00	\$ 51,840.00	\$ 5,760.00
Online User Aids	\$ 33,600.00	\$ 30,240.00	\$ 3,360.00
Web Base Training Modules	\$ 50,400.00	\$ 45,360.00	\$ 5,040.00
Ad Hoc Reporting Material	\$ 9,600.00	\$ 8,640.00	\$ 960.00
Total	\$ 2,647,020.00	\$ 2,382,318.00	\$ 264,702.00

Milestone 4 – Implementation Support			
Production Environment	\$ 25,200.00	\$ 22,680.00	\$ 2,520.00
Pilot		\$ -	\$ -
User Training	\$ 105,906.67	\$ 95,316.00	\$ 10,590.67
Data Conversion	\$ 105,906.67	\$ 95,316.00	\$ 10,590.67
Release 1.1	\$ 135,320.00	\$ 121,788.00	\$ 13,532.00
Completion of Pilot	\$ 105,906.67	\$ 95,316.00	\$ 10,590.67
		\$ -	\$ -
Implementation		\$ -	\$ -
Release 1.2	\$ 135,320.00	\$ 121,788.00	\$ 13,532.00
Completion of Rollout #3	\$ 141,469.23	\$ 127,322.30	\$ 14,146.92
Release 1.3	\$ 53,056.00	\$ 47,750.40	\$ 5,305.60
Completion of Rollout #4	\$ 141,469.23	\$ 127,322.30	\$ 14,146.92
Completion of Rollout #5	\$ 141,469.23	\$ 127,322.30	\$ 14,146.92
Completion of Rollout #6	\$ 141,469.23	\$ 127,322.30	\$ 14,146.92
Completion of Rollout #7	\$ 141,469.23	\$ 127,322.30	\$ 14,146.92
Release 1.4	\$ 53,056.00	\$ 47,750.40	\$ 5,305.60
Completion of Rollout #8	\$ 141,469.23	\$ 127,322.30	\$ 14,146.92
Completion of Rollout #9	\$ 141,469.23	\$ 127,322.30	\$ 14,146.92
Release 1.5	\$ 53,056.00	\$ 47,750.40	\$ 5,305.60
Completion of Rollout #10	\$ 141,469.23	\$ 127,322.30	\$ 14,146.92
Completion of Rollout #11	\$ 141,469.23	\$ 127,322.30	\$ 14,146.92
Completion of Rollout #12	\$ 141,469.23	\$ 127,322.30	\$ 14,146.92
Release 1.6	\$ 53,056.00	\$ 47,750.40	\$ 5,305.60
Completion of Rollout #13	\$ 141,469.23	\$ 127,322.30	\$ 14,146.92
Completion of Rollout #14	\$ 141,469.23	\$ 127,322.30	\$ 14,146.92
Completion of Rollout #15	\$ 141,469.28	\$ 127,322.35	\$ 14,146.93
Release 1.7	\$ 53,056.00	\$ 47,750.40	\$ 5,305.60
	Total	\$ 2,717,940.00	\$ 2,446,146.00
			\$ 271,794.00
Milestone 5 – Turnover and Transition			
Updated Turnover Plan	\$ 16,400.00	\$ 14,760.00	\$ 1,640.00
Final Turnover Report	\$ 16,400.00	\$ 14,760.00	\$ 1,640.00
Knowledge Transfer Reports		\$ -	\$ -
Updated Application Source Code Artifacts	\$ 18,450.00	\$ 16,605.00	\$ 1,845.00
Updated Documentation	\$ 17,600.00	\$ 15,840.00	\$ 1,760.00
	Total	\$ 68,850.00	\$ 61,965.00
			\$ 6,885.00
Payback of Withhold		\$ 619,400.40	
	Total DDI Contract	\$ 6,194,004.00	\$ 5,574,603.60
			\$ 619,400.40
Transition Enhancements			
Release 1.2, 1.3 CRDs	\$ 36,915.00	\$ 36,915.00	
Release 1.4 CRDs	\$ 25,530.00	\$ 25,530.00	
Release 1.5, 1.6 CRDs	\$ 1,265.00	\$ 1,265.00	
Release 1.7 CRDs	\$ 20,930.00	\$ 20,930.00	
	Total Enhancements	\$ 84,640.00	
Auto Dailer Option		\$ 50,000.00	
	Total DDI + Enhancements	\$ 6,328,644.00	

Milestone 6 - Maintenance Support	Total Price	Bill
Food Package Change	\$ 82,000.00	\$ 82,000.00
Year 1 - Maintenance Support		
August	\$ 83,000.00	\$ 83,000.00
September	\$ 83,000.00	\$ 83,000.00
October	\$ 83,000.00	\$ 83,000.00
November	\$ 83,000.00	\$ 83,000.00
December	\$ 83,000.00	\$ 83,000.00
January	\$ 83,000.00	\$ 83,000.00
February	\$ 83,000.00	\$ 83,000.00
March	\$ 83,000.00	\$ 83,000.00
April	\$ 83,000.00	\$ 83,000.00
May	\$ 83,000.00	\$ 83,000.00
June	\$ 83,000.00	\$ 83,000.00
July	\$ 83,000.00	\$ 83,000.00
Total	\$ 996,000.00	\$ 996,000.00
Year 2 - Maintenance Support		
August	\$ 36,800.00	\$ 36,800.00
September	\$ 36,800.00	\$ 36,800.00
October	\$ 36,800.00	\$ 36,800.00
November	\$ 36,800.00	\$ 36,800.00
December	\$ 36,800.00	\$ 36,800.00
January	\$ 36,800.00	\$ 36,800.00
February	\$ 36,800.00	\$ 36,800.00
March	\$ 36,800.00	\$ 36,800.00
April	\$ 36,800.00	\$ 36,800.00
May	\$ 36,800.00	\$ 36,800.00
June	\$ 36,800.00	\$ 36,800.00
July	\$ 36,800.00	\$ 36,800.00
Total	\$ 441,600.00	\$ 441,600.00
Application Modifications	\$ 300,180.00	approx. 3,200 hours
Total	\$ 1,819,780.00	

Equipment and Software Purchase	\$ 660,848.00
Total Contract	\$ 8,809,272.00



Michigan Department of Community Health

WIC Division

MI-WIC New Food Package Changes
Requirements

April 7, 2009
Version 1.0

*The contents of this document are confidential and intended solely
for the use and information of the Michigan WIC Program*

Version Control

Version	Author(s)	Date	Description
0.1	Fenris Daniel & Laurie Perrelli	03/09/2009	First version
0.2	Fenris Daniel	03/10/2009	First review – FD & LP
0.3	Fenris Daniel	03/13/2009	Updated based on the 3/13/2009 meeting with Judy Anderson, Dave Sachau, Regina Poole, Laurie Perrelli, and Fenris Daniel
0.4	Laurie Perrelli & Regina Poole	03/30/2009	Updated based on review by Laurie Perrelli and Regina Poole
0.5	Fenris Daniel	04/03/2009	Updated – Stan’s comments
1.0	Fenris Daniel	04/07/2009	Updated – Denise’s comments

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MI-WIC FOOD PACKAGE CHANGES

1. INTRODUCTION

The interim final rule, published in the Federal Register on December 6, 2007, revises the WIC food packages. The rule will significantly enhance the nutritional quality of foods available to WIC mothers, infants and young children, improve access to healthy foods in low-income communities, and thus improve health outcomes. The Michigan WIC program has to change its program and system processes in its program service delivery to implement the rules.

1.1. MICHIGAN WIC OVERVIEW

Under the guidance of the USDA Food and Nutrition Service, the Michigan WIC Program provides supplemental foods, health care referrals, and nutrition education for low-income pregnant, breastfeeding, and non-breastfeeding postpartum women, and to infants and children up to the age of five who are found to be at nutritional risk. WIC benefits are authorized through local health agencies and clinics and issued to clients via an online electronic benefits transfer (EBT). WIC clients are authorized to receive specific food items – their prescription – that allows only specific food items to be redeemed within a specific timeframe. The Michigan WIC Program contracts with retailers across the state to provide food products to WIC clients.

The program consists of 49 local agencies and over 220 clinics serving in excess of 241,000 WIC clients each month. The Michigan WIC program has approximately 2000 authorized retailers who redeem over \$180 million a year in WIC food.

1.2. MI-WIC OVERVIEW

MI-WIC is the eligibility system that the Michigan WIC program uses to deliver its client services. The system supports Michigan WIC program areas including: income eligibility, adjunct eligibility, certification and enrollment, nutrition education, appointment scheduling, food package prescription, Electronic Benefits Transfer (EBT) food benefits, vendor/retailer authorization and monitoring, and program administration. The system maintains WIC client food repository and master data that are used to issue and redeem food benefits. Information maintained in the system for food benefits issuance and redemption include food categories (CAT), food sub-categories (Sub-CAT), universal product codes (UPC), food items, formulas, formula class, food packages, client categories, and rules regarding the issuance and redemption process.

MI-WIC is currently managed and maintained by the State using the services of Three Sigma Software (3ΣSW).

The Michigan WIC program uses an online EBT system to deliver food benefits to its clients. The services are provided by Affiliated Computer Services (ACS) using its EPPIC system.

Food redemption validation master information such as food categories, sub-categories, and UPCs maintained in MI-WIC are sent to EPPIC on regular intervals to ensure the seamless transaction between the clients and retailers. In addition to the master information, MI-WIC feeds online and batch benefits to EPPIC so that clients can purchase their authorized foods at retailers and receives redemption files from EPPIC with specific food items that were purchased.

1.3. ASSUMPTIONS

These requirements are based on the changes required in MI-WIC and EPPIC interface. Changes to the retailer point of sale (POS) for EBT redemptions are independent to the changes required in MI-WIC and MI-WIC interfaces to EPPIC. This document conforms to guidance given by the [Michigan WIC Program](#).

1.4. CONTACTS

Name	Role	Organization
Judith Anderson	Nutrition Manager/Project Lead – Food Package Changes	MDCH, WIC Division
Kamalesh Bandanadham	Deputy Program Manager/ Technical Lead MI-WIC Interfaces & EBT	Three Sigma Software
Stan Bien	WIC Director	MDCH, WIC Division
Alethia Carr	MI-WIC Project Director	MDCH
Fenris Daniel	MI-WIC Project Manager	MDCH, WIC Division
Kobra Eghtedary	Data Manager	MDCH, WIC Division
Denise Fedewa	EBT Specialist	MDCH, WIC Division
Pamela Gove	UPC Analyst	MDCH, WIC Division
Catherine Hand	Technical Implementation Manager	ACS
Kristen Hanulcik	Nutrition Consultant/MI-WIC Lead	MDCH, WIC Division
Julie Lothamer	Nutrition Consultant	
Krushanu Majmundar	Program Manager	Three Sigma Software
Laurie Perrelli	Nutrition Consultant/MI-WIC Lead	MDCH, WIC Division
Regina Poole	Nutrition Consultant/ Food Package – Program Area Lead	MDCH, WIC Division
Diane Revitte	Director, Nutrition Section	MDCH, WIC Division
Rosendo Reyes	Director, Vendor and Operations Section	MDCH, WIC Division
David Sachau	IT/Food Package Specialist	MDIT, MDCH Systems Development
Mike Terrell	Project Manager	ACS

2. GENERAL SYSTEM DESCRIPTION

This section provides an overview of the MI-WIC and EPPIC system/interfaces.

2.1. MI-WIC

The MI-WIC system maintains client demographics and issuances information. The client categories maintained in MI-WIC are:

- Pregnant Woman (PG)
- Breastfeeding Exclusively (BE)
- Breastfeeding Partially (BP)
- Non-lactating Post-partum Woman (NPP)
- Infant Breast Fed Exclusively (IBE)
- Infant Partially Breast Fed (IBP)
- Infant Formula Fed (IFF)

- Child Age 1 (C1)
- Child Age 2 (C2)
- Child Age 3 (C3)
- Child Age 4 (C4).

MI-WIC sends benefits issuance information to EPPIC and receives redemptions and expired benefits from EPPIC.

2.2. EPPIC

EPPIC functions as the EBT host system using the data provided by MI-WIC to process online retailer purchase requests using an authorized product list. It also processes payments for retailers.

3. REQUIREMENTS

The implementation of the new WIC food package will result in the addition or removal of many CAT, Sub-CAT and UPCs based on new food items or food items no longer authorized by Michigan. The new food items will require assignment of food maximums. The rules also include changes in the maximums for many existing food items.

3.1. FOOD PACKAGE CHANGES

Clinic staff reviews and assigns (customizes, if needed) food package based on the health and dietary risks. With the new food package, the following are rules that are needed in the system.

- The infant food item/package age range will be changed to:
 - a. First split at 0 – less than one month
 - b. Second split at 1 – 3 months
 - c. Third split at 4 – 5 months
 - d. Fifth split at 6 – 11 months
- The system applies the food maximums of a BE and allows the assignment of a BE food package, if a woman is pregnant (PG) and the number of expected infants¹ is more than one.
- The system applies the food maximums of a BE and allows the assignment of a BE food package if a woman is a BP and there are at least two infants who are partially breast fed² (IBP >1) in the family.
- The system multiplies the food maximums by a factor of 1.5 if a woman who is a BE is exclusively breastfeeding more than one infant³ (IBE > 1).
- The system allows the scanning of medical justification for cheese substitution. Without justification, a clinic user must limit the substitution to a pound of cheese for all categories except BE, and must limit the substitution to two pounds for BE. Policy will require medical justification for cheese if the prescribed amount is greater than the maximums allowed for the

¹ The expected number infants is validated at the time of income intake and captured at the family income screen

² A BE is linked to the infant through the mother's ID field on Client Information screen. This is also validated in the breast feeding support screen where the baby's information is displayed.

³ See note 2

client categories. Substitution of cheese at greater than the maximums allowed will trigger a system alert inquiring whether medical justification has been obtained.

- The system allows the maximum amount of formula to be given to infants of age 6 to 11 months to be the same as for age 4 to 5 months, provided the infants are not receiving infant jar food and the formula they are receiving is a WIC formula class⁴ of type II or III. If the infant does not need fruit, vegetables and cereal, then the system will allow this amount formula to be prescribed.
- The system requires medical justification (RD approval) and medical justification expiration date for all Class III formulas. The system requires medical justification expiration date for all Class I for child categories and Class II for all infant and child client categories. The notifications that are triggered by the Expiration Date field shall be updated to conform to this rule. This impacts both the Shopping List and the DMB notification.
- The system enforces approval (with expiration date) based on client categories and CAT/sub-CAT combination or WIC formula class. For any food package that needs approval, the approval shall indicate the approval for the formula⁵ and the foods that the clients have been approved in addition to the formula.
- The system may allow the assignment of whole milk for C2, C3, C4, PG, BE, BP, and NPP client categories if the client is receiving a Class II or III formula. Supporting documentation⁶ shall be recorded in the system.
- The food item exchange based on canned beans, jar peanut butter, or dry beans shall be for the entire sub-CAT. The system shall not allow mixing of sub-CAT for the legume CAT. In other words partial exchange among sub-CATs may not be allowed.
- In addition to the food packages that need to be created to reflect that the maximum package is provided to all clients, the packages shall include both gallons and quarts of milk to address the provision of “dangling quart”.
- The determination of maximums using USDA’s standard reconstitution should be changed to use the manufacturer’s reconstitution. To this extent the following changes may be required.

Maximums at the age range level for Category IFF

Age Range	Maximum Allowable Amount (in fl oz for reconstituted powder)
0 – 3 months	870
4 – 5 months	960
6 – 11 months	696

The system shall use the maximums for age range to determine the maximum allowable amount using the manufacturer’s reconstitution amount. For powder infant formulas, the system shall calculate the number of cans using the maximum allowable amount for reconstituted powder to allow the maximum food nutrition benefit. The system shall validate that the number of cans issued per month does not exceed the maximum number of cans for the formula for that age range and client category. The system shall divide the number of cans identified for the age range(s) for the benefit issuance period in

⁴ WIC Formula Class are managed in the Formulary Data screen in the Nutrition Module

⁵ Approval of formula may be managed at the WIC formula class level or at the sub-CAT level

⁶ Scanned prescription document with a note that the clinic staff has validated the prescription

whole numbers and assign in descending order for the months of issuance. If the system calculated number of cans is above the maximum number of cans allowed per month, the system shall assign the food package whereas if a user customizes a food package and the number of cans assigned is above the maximum number of cans allowed per month, the system shall stop the user from assigning the food package.

Example:

The following table uses the federal maximums with a manufacturer’s reconstitution amount of 88.0 oz as an example. In this example the number of cans assigned for the first three months would be 29 cans distributed as 10 for the first month and second month and nine for third month for the age range 0-3 months.

Months (in numbers)	Age Range (in months)	Maximum (in oz.)	Total Maximum (in oz.)	Cans Calculated	Cans to be assigned	Order of cans to be assigned
3	0-3.	870	2610	29.66	29	10; 10; 9
2	4-5.	960	1920	21.82	21	11; 10
6	6-11.	696	4176	47.46	47	8;8;8;8;8;7

- The system shall allow the issuance of an IFF package (up to the maximum IFF package) to an IBP client that is 1 – 5 months, provided the mother of the infant is a BP and receiving an NPP package. If the mother also has an IBE then the said rule is not applicable.
- The system shall allow the issuance of an IFF package (up to the maximum IFF package) to an IBP client that is 6 – 11 months, provided the mother of the infant is a BP that is not receiving a food package. The system should prevent the assignment of a food package to the BP in this scenario. If the mother has at least one infant who is IBE then the said rule is not applicable. Additionally, the system shall count the mother of the IBP as a participant for the full year for which she would have counted if she were a BE with an IBP with a non-IFF package.
- Implementation Rule: The system shall apply a temporary rule to the system for implementation of the new food package. The rule will modify all current “Standard” food packages (IFF, IBP, IBE, C1/C2, C3, C4, BE, BP, NPP, PG) to the new maximum food package as specified by Michigan and based on client age). The new food package would then be automatically available for the next benefit pick up (online and batch benefits). This implementation rule is necessary to assist in alleviating negative impact on client services during the transition to the new food package.

3.2. DATA UPDATES

The data updates may be made in the MI-WIC Nutrition or Admin module. Food groups, Food package age range, container, unit of measure, and CATs are updated in the Admin module under Data Maintenance/Table Maintenance. Sub-CATs, UPCs, and food items are created or updated in the Nutrition module. Food group maximums are managed in the food item maintenance screen in the Nutrition module. Some of the tables may require a beginning and ending effective date to ensure that the rules are applied to the new food package assignment only.

- New Food Items or Changes
 - a. Separate whole milk from 2%, 1%, ½ %, and non-fat milks
 - b. Add 64 oz. juice
 - c. Add bread/tortilla
 - d. Add infant jar foods

- Rules
 - a. Low fat or non-fat milk cannot be prescribed to C1. Do not add assign food maximums to non-fat sub-CATs for C1.

- CAT & Sub-CAT changes
 - a. Add new CAT (19) for Cash Value Benefit (CVB) fresh fruits and vegetables
 - Add a new food group for fresh fruits and vegetables with food item as cash with appropriate unit of measure. The maximums are:
 - \$ 6.00 for C1, C2, C3, and C4
 - \$ 8.00 for PG and NPP
 - \$ 10.00 for BE
 - \$ 15.00 for BE with multiple births (Number of Expected Infants > 1 on the Family Income Screen)
 - b. Add new CAT for bread and sub-CAT for bread and tortilla
 - c. Add new CAT and sub-CAT for infant jar food
 - d. Add new sub-CAT for meat
 - e. Add new sub-CAT for canned beans/peas
 - f. Add CAT and sub-CAT for whole milk
 - g. Add CAT and sub-CAT for 64 oz juice

- Update Maximums for Food Items
 - a. Change Milk and Cheese food group maximums
 - 16 quarts for C1, C2, C3, C4, and NPP
 - 22 quarts for PG and BP
 - 24 quarts for BE
 - b. Deactivate⁷ infant juice category (CAT: 10) as infant juice is no longer allowed.
 - c. Deactivate⁸ vegetable (CAT: 07)
 - d. Change juice maximums (CAT: 04)
 - 128 fl. oz for C1, C2, C3, and C4
 - 144 fl. oz for PG, BP, and BE
 - 96 fl. oz for BE
 - e. Change egg maximums (CAT: 03)
 - 1 doz. for C1, C2, C3, C4, PG, BP, and NPP
 - 2 doz. For BE
 - f. Change infant formula maximums to be dependent on infant age and IFF and IBP client categories.
 - g. Change the maximum for IBP that is less than a month to one can of formula.
 - h. Update manufacturer's reconstitution amount for formula and maximum monthly formula cans for age range

3.3. UPC PEER GROUP AVERAGES

All new UPCs associated change⁹ shall be entered in the MI-WIC Nutrition module with their peer group average maximum prices. Unauthorized UPCs may be deactivated and new UPCs (for bread, whole grain cereal, infant jar food) shall be added in the UPC table.

It should be noted that CVB does not have peer group average maximum prices

⁷ Deactivate means that the food package with the category may not be issued, but redemptions will be matched against existing issuances.

⁸ Deactivate means that the food package with the category may not be issued, but redemptions will be matched against existing issuances.

⁹ UPCs may be assigned to more than one category.

3.4. EBT INTERFACES

MI-WIC may need to enhance its interface code if changes are made to the EBT interface file feed layouts. No changes to the file formats have been identified for the changes mentioned above. It is expected that the extracts would select the newly added and updated records for EPPIC processing.

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

October 22, 2008

CHANGE NOTICE No. 4
 TO
 CONTRACT NO. 071B7200133
 between
 THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF VENDOR Three Sigma Software Inc. 9265 Davis Drive Lorton, VA 22079 Tc.mullany@3sigmasoftware.com	TELEPHONE Thomas Mullany (703) 624-4706
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-7233 Joann Klasko
Contract Compliance Inspector: Sara Williams Women, Infants, and Children (WIC) Information System	
CONTRACT PERIOD: From: February 5, 2007 To: February 4, 2012	
TERMS <p style="text-align: center;">N/A</p>	SHIPMENT <p style="text-align: center;">N/A</p>
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	
MISCELLANEOUS INFORMATION:	

NATURE OF CHANGE(S):

This change is issued to immediately correct the total contract value and to correct the billing schedule.

AUTHORITY/REASON(S):

Per buyer's request

TOTAL REVISED ESTIMATED CONTRACT VALUE: \$7,508,072.00.

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

October 10, 2008

CHANGE NOTICE No. 3
TO
CONTRACT NO. 071B7200133
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Three Sigma Software Inc. 9265 Davis Drive Lorton, VA 22079 Tc.mullany@3sigmasoftware.com	TELEPHONE Thomas Mullany (703) 624-4706
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-7233 Joann Klasko
Contract Compliance Inspector: Sara Williams Women, Infants, and Children (WIC) Information System	
CONTRACT PERIOD: From: February 5, 2007 To: February 4, 2012	
TERMS N/A	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, this contract is INCREASED by \$152,500.00 for additional training needs for WIC Information System. Extensive changes in the clinic and business processes require additional training for WIC staff.

AUTHORITY/REASON(S):

Per DIT/DCH/DMB and vendor concurrence and approval of the 9/30/2008 Administrative Board.

INCREASE: \$152,500.00

TOTAL REVISED ESTIMATED CONTRACT VALUE: \$7,488,032.00.

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

April 15, 2008

CHANGE NOTICE No. 2
TO
CONTRACT NO. 071B7200133
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Three Sigma Software Inc. 9265 Davis Drive Lorton, VA 22079 Tc.mullany@3sigmasoftware.com	TELEPHONE Thomas Mullany (703) 624-4706
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-7233 Joann Klasko
Contract Compliance Inspector: Peter Devlin Women, Infants, and Children (WIC) Information System	
CONTRACT PERIOD: From: February 5, 2007 To: February 4, 2012	
TERMS <p style="text-align: center;">N/A</p>	SHIPMENT <p style="text-align: center;">N/A</p>
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	
MISCELLANEOUS INFORMATION:	

NATURE OF CHANGE(S):

Effective immediately, this contract is **INCREASED** by \$118,300.00 for changes needed that are beyond the original scope of the contract. The following changes are needed to modify the system prior to system implementation: 1. Roles and Responsibility functionality changed to include the local agency and clinic level for client date confidentiality; 2. Screen Changes for efficiency of clinic operations; 3. Guided Script Changes to ensure the smooth operations of clinic with the new application; 4. Individual Label Print to manage communications to WIC retailers. See attached MI-WIC Contract Change to Deliverables document.

AUTHORITY/REASON(S):

Per DIT/DCH/DMB and vendor concurrence and approval of the 4/15/2008 Administrative Board.

INCREASE: \$118,300.00

TOTAL REVISED ESTIMATED CONTRACT VALUE: \$7,335,532.00.

March 6, 2008

MI-WIC Contract Change to Deliverables.

Contract #: 071B7200133

Contract Expiration: February 4, 2012

Women, Infants and Children (WIC) Information System

**WIC Division
Bureau of Family, Maternal & Child Health
State of Michigan**

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1. Introduction

This refinement proposal has been created in support of the Michigan Women, Infants and Children (WIC) Information System Contract No. 071B720013 and contains details regarding the effort and cost associated with the development of the changes requested by Michigan.

2. Requested Changes

In reviewing the baseline MI-WIC system, the State of Michigan Core Team has identified items that are beyond the original scope of the contract. These items enhance the system enough to warrant modifying the system to have them incorporated prior to system implementation. These changes are listed below along with the proposed implementation and subsequent cost impact.

1. Application Roles and Responsibilities
2. Screen Changes
3. Guided Script Changes
4. Client Status
5. Individual Label Print for Vendor Addresses
6. ACME.

2.1 *Application Roles and Responsibilities*

2.1.1 *Requirements*

The Coordinators maintain their staff roles and responsibilities as needed by assigning clinics to a user and assigning roles.

The application must enable the maintenance of roles and responsibilities at the clinic level.

Process:

When a user logs on to the MI-WIC application for the first time, the user must be able to select the local agency (or state) which he or she represents. The system sends a message notification to the person designated as Coordinator for the agency. The Coordinator assigns clinics within the local agency and then roles and responsibilities. If a user selects State Agency as the organization, then a message should be routed to a State System Administrator. The State System Administrator will then assign roles to the State user. The State System Administrator role will be a new role who will provide access to state and local agency users.

Proposed Changes:

On the staff information screen, organization name should default to user selected organization during first sign-on to MI-WIC after the roles are set for the user.

During the set up of roles by the Coordinator, the agency must default to the agency selected by the user during his or her first log on. Subsequently, the Coordinator must be able to provide access to all clinics or selected clinics to a user. The user will be limited to system records

within his or her clinics. Role access limited by clinics would enable local agencies to limit access for their sub-contracted clinics.

After the clinics are assigned, the Coordinator may assign system roles to the user based on tasks that the user would be performing in the MI-WIC application.

Conditions:

1. User access is maintained at the organization (state or clinic) level.
2. Coordinator can see "only" users who have selected his or her agencies. Coordinators may not see or perform any action on users who are not from their clinics and local agency. Similarly, wherever there are drop downs for users to be selected, the drop down must limit users to the selected agency/clinics and assigned roles. (For e.g. Certified by drop down should be limited to CPAs within the agency and Vendor Module drop down should be limited to Vendor Relations staff)
3. The system should limit access to users to the clinics that the users are authorized.
4. Users may service clients in more than one clinic within the same agency.
5. User may be restricted access to only one or more clinics within an agency.

2.1.2 Implementation

1. A new screen named "LA Roles" will be added to the Administration Module under the User Setup selection that would allow the LA coordinator to assign Local Roles:
 - a. The "Staff Member Drop" down would fill only with users assigned to the LA
 - b. The available roles would only show roles that can be assigned at the Local level
 - c. Only the Clinic and Admin modules would be in the "Module" drop down.
2. Modify User Roles Screen –
 - a. Rename the selection to "State Level Roles"
 - b. The available roles would only show roles that can be assigned at the Local level and State Level.
3. Staff Information Screen - Only show Organizations that have been assigned to the Staff Id.
4. Admin Module - User Agencies
 - a. "Available Agencies" would be changed to "Available Clinics" and the display be changed to a hierarchical grid
 - b. All clinic drop downs in the system would be filtered by the clinics the user has access.
 - c. Only the Local Agencies/Clinics that the user has access to would be shown.
5. Admin Module - Demographics Page - Users will only be able to work with LA/Clinics that they have been granted access to via the User Agency screen.
6. Admin Module - Outreach Management - Users will only be able to work with LA/Clinics that they have been granted access to via the User Agency screen.
7. Admin Module - Breast Pumps Screens
 - a. Order Summary - Users will only be able to work with LA/Clinics that they have been granted access to via the User Agency screen.

- b. Inventory Details - Users will only be able to work with LA/Clinics that they have been granted access to via the User Agency screen.
- 8. Time Study Screens - Users will only be able to work with LA/Clinics that they have been granted access to via the User Agency screen.

2.2 Screen Changes

2.2.1 Requirements

1. Breastfeeding Support screen - BF stats tab will be removed from BF support screen for both mother and infant/child record.
2. Cert Action screen
 - a. Remove MCIR status, Immu. status, Action and Check status fields and button respectively from this screen for infant/child record.
 - b. Change the label of 'Category' column to 'Cat' for consistency across the system.
3. Client Registration
 - a. Change 'Client Registration' to 'Client Information' in Client Registration tab in the Client Registration screen, screen name on the Guided script, the icon on the toolbar and the item under 'Certification' menu.
 - b. Remove 'Nickname' field for all categories.
 - c. Remove 'Source of Healthcare' field for all categories.
4. Medical Screen
 - a. Wt/Ht/Bloodwork tab is to be removed from Medical screen for all categories and the growth chart tab for infant/child.
 - b. Add BF Statistics tab to Medical screen for infant/child record only, in the position
 - c. Change 'Nutr & Hlth Summary' icon to 'Medical' icon
5. Nutrition and Health Summary Screen
 - a. Change 'Nutrition Care' icon to 'Nutr & Hlth Summary'.
 - b. This icon will be a gray heart, which lights up (turns red) when the client is high risk.
6. Lab Screen
 - a. Lab screen is a new screen consisting of the 'Imms/bloodwork' tab and 'Height/Weight' tab for all categories.
 - b. A third tab 'Growth Chart' for infant/child is added to the Lab screen.
 - c. Add Lab icon with image of blood drops
 - d. Add Lab link at the Certification drop down menu
 - e. Imms/Bloodwork tab:
 - f. This is the first tab on the Lab screen.
 - g. For the women's category Imms fields are disabled.

MCIR Status **Check Status Button**
 Immunization Status dropdown
 Immunization Action dropdown

<<No changes to the functionality of MCIR interface>>

<<Lead Grid>>

Utilize the table from Lead pop up screen currently in Wt/Ht/Bloodwork tab. Use it for all Client categories. Table same as lead pop up.

Has this child had a blood lead test? Yes No Unknown (radio button)

Bloodwork Data

Date of Bloodwork	Ref	HGB	HCT	Re-Test	Comment	No Blood	Exemption Reasons
Date	Check Box	Value	Value	Check Box	Drop Down	Check Box	Drop Down

7. Height/Weight tab

- a. This is the second tab on the Lab screen.
- b. Rename the Wt/Ht/Bloodwork tab to 'Height/Weight' tab using the following changes:
- c. Utilize the existing appropriate Ht/Wt grid (anthropometric data) for each client category, in the current location on the screen.
- d. For infant/child only, remove the 'Has child had a blood lead test?' question and the radio buttons associated with that question.
- e. Remove Bloodwork data from this tab for all the categories.
- f. Remove the 'Lead' button from this tab for all the categories.
- g. Justify the bottom frame of the tab to the width of the page.
- h. Switch the order of the Weight and Height fields in the grid such that, 'Height' is followed by 'Weight'.
- i. Move the 'R/S' column to follow the 'Height' column.

8. Growth Chart tab

- a. This is the third tab on the Lab screen.
- b. Use the existing requirements for this tab.

9. Precert Screen

- a. Change 'Category' column heading to 'Cat' and reduce column width to system field size (i.e. IFF, PG, BP)
- b. Change 'Gender' column heading to 'M/F'. Change the values in the dropdown from male/female to M/F.
- c. Change 'MI' column heading to 'I'.
- d. Remove 'Status' column in the grid. This change is in conjunction with the addition of the 'Status' field to the Active Record Box (see III – 1).
- e. Remove 'Nickname' column in grid.

10. Search Screen

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- a. Change 'Client Birth Date' column heading to 'Birth Date' and adjust column width to field size.
- b. Remove 'Nickname' column in grid.
- c. Change 'Authorized Person Last Name' to 'AP Last Name' and adjust column width to field size.
- d. Change 'Authorized Person First Name' to 'AP First Name' and adjust column width to field size.
- e. Change 'Category' column heading to 'Cat' and adjust column width to field size.
- f. Change 'MI' column heading to 'I'.
- g. Change 'Gender' column heading to 'M/F'. Change the values in the dropdown from male/female to M/F.
- h. Change 'BLT Date' to 'BVT Date' in field heading and field definition.
- i. Revise order of the columns: Last Name, First Name, I, Birth Date, AP Last Name, AP First Name, Cat, BVT Date, Cert Start, Cert End, Term Date, M/F, Family ID, Client ID and Clinic Name
- j. All the changes stated above need to be applied to both the 'Search' and 'Advanced Search' tabs

11. Family Information Screen

- a. Remove 'R&R' checkboxes for the Authorized Person, Proxy 1 and Proxy 2.
- b. Move 'Declined Proxy' checkbox to be under 'Birth date' of Authorized Person.

12. Income Screen

- a. Add 'Client Agreement' just above '→' button at the bottom of the screen. Selection of this button should take you to the 'Client Agreement' pop up screen. This version of the 'Client Agreement' should not include the EBT clause.
- b. Remove 'Provider Name' column from the grid.
- c. Move 'Source' column to the first place in the grid.

13. Household Summary Screen

Change the label of 'Category' column to 'Cat' for consistency.

14. Classes Screen of the Scheduler

- a. On the Classes Screen of the Scheduler, include fields at the top of the screen that would be entered upon the completion of the group education for Topic, Method (this will usually be a Group/Class or Education Mall, but keep the same Method drop down options for consistency), Provider Type and Provider Initials.
- b. Replace "Nutr" column in the grid with "Eval" and use the same drop down options for Eval that are included in the Nutrition Education Screens.
- c. Replace "Notes" column with "Stage" and use the same drop down options for Stage that are included in the Nutrition Education Screens.
- d. Upon Save, populate the Topic, Method, Provider Type, Provider Initials, Stage and Eval into the NE pop up grid in each client's record.

2.2.2 Implementation

All screens listed above will be modified as specified.

2.3 Guided Script Changes

2.3.1 Requirements

In the transfer system the medical question screens are grouped with the lab (anthropometric and bloodwork screens). It is the practice in Michigan that these two functions are not done by the same staff in most occasions. For the logical flow of screens for the workflow queue functionality and to ease clinic workflow the following is the proposed Side Panel Guided Script and associated screens.

Side Panel Guided Script

Family Information	No change in screen flow
Client Information	Change name to be consistent with family screen
Cert Action	Screen changes with the cert action screen to remove Immunization data and have the immunization data along with Bloodwork data
Lab	Includes Imms/Bloodwork and Height/Weight screens (Growth Chart for I and C)
Medical	Includes Pregnancy Information, Medical Information, and BF Statistics
 Nutr & Hlth History	
Nutr & Hlth Summary	No change in screen flow
Nutrition Education	No change in screen flow
Referrals	Change name from Client Referrals to Referrals to reflect inclusion of family referrals
Food Prescription	
Issue Benefits	Change in placement for this item (placement reflective of clinic flow)
Schedule Appts	
Print Documents	Checked off when NE/VOC is printed

These items will be checked off on the Guided Script when the screen (or last tab in screen) is saved, but only when completed as part of the certification and recertification appt processes. For example, when an initial appt is made for a client, schedule appt should not receive check mark until initial appt is held and subsequent appt is scheduled (part of guided script cert appt process to schedule next appt before conclusion of current appt). Screens that may not be referenced, and/or require no action as part of the cert process (i.e., growth chart, food prescription history tabs); will not need to be opened for checkbox to appear, even if they are

the last tab in a screen. Clients may receive nutrition education or change in food package between cert appointments, and these actions should not be checked on guided script if they are not part of a cert appt. Check-offs should pertain to client in active record box.

For example: if a new client is added to an existing family on a date different than the original family cert date, and the new client's record is open, no check marks should appear until respective screens are completed for the new family member.

2.3.2 Implementation

The content and functioning of the guided script will be modified as specified above.

2.4 Client Status

2.4.1 Requirements

1. In the 'Active Record Box' delete 'Term' and replace with 'Status'. The values should be 'Certified', 'Terminated' or 'Pending.'
2. Modify the Client Status value from 'Active' to 'Certified'. The definition remains the same.
3. Rename the 'Active Only' checkbox on the 'Participant Search' screen to 'Certified Only' on both the 'Search' and 'Advanced Search' tabs.

2.4.2 Implementation

The content and functioning of the "Active Record Box" will be modified as specified above.

2.5 Individual Label Print for Vendor Addresses

2.5.1 Requirements

On command, be able to print data contained in existing demographic fields into any one of three different label formats.

All three label formats include vendor address. Option must be available to select extract to occur from physical address or mailing address fields.

Label Formats are as follows:

Label #1

- Line 1 – Local Agency (2 digit # only) , Vendor number, chain suffix, zip code
- Line 2 – Vendor Name
- Line 3 – Vendor Address

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- Line 4 – Vendor Address (deleted & compressed if no data for this line)
- Line 5 – Vendor City, State, Zip

Label #2

- Line 1 – Local Agency (2 digit # only) , Vendor number, chain suffix, zip code, Number of Cash registers
- Line 2 – Vendor Name
- Line 3 – Vendor Address
- Line 4 – Vendor Address (deleted & compressed if no data for this line)
- Line 5 – Vendor City, State, Zip

Label #3

- Line 1 – Contact Name
- Line 2 – Contact Name (deleted & compressed if no data)
- Line 3 – Contact Address
- Line 4 – Contact Address (deleted & compressed if no data for this line)
- Line 5 – Contact City, State, Zip

System must be configured to print to Epson LQ-870, LQ-590 or similar tractor feed printer. The configuration should print onto Avery #4013 tractor feed labels (3 1/2 inch x 15/16 inch. Command feature should also include option for printing one to seven labels for current record.

2.5.2 Implementation

1. Vendor Module

- a. A new screen (“pop up” off the tool bar) will be developed, which will print a label for the “active” vendor.
- b. The user will have the choice of one of the three formats listed above.
- c. The user will be able to print one to seven labels.

2. Clinic Module

- a. Family Screen - A button will be added to the Family Screen that will print a Label to the Authorized person. (Multiple labels can be obtained by pressing the button multiple times)
- b. Participant Screen - A button will be added to the Family Screen that will print a Label to the Client. (Multiple labels can be obtained by pressing the button multiple times)

The State is required to select the label printer to be used to obtain this functionality. The choices are the DYMO LabelWriter 400 or the Epson LQ-870, LQ-590 printer listed above.

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2.6 ACME

2.6.1 Requirements

The State recommends that ACME be removed from the MI-WIC application.

2.6.2 Implementation

All code associated with ACME will be removed from the Administration Module

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MI-WIC Contract Change Updated Billing Schedule

Contract #: 071B7200133

Contract Expiration: February 4, 2012

Women, Infants and Children (WIC) Information System

WIC Division
Bureau of Family, Maternal & Child Health
State of Michigan

1. Revised Billing Schedule

Milestone 1 – Project Oversight Plans – No Change

	Est Comp. Date		Total Price	Bill	Hold Back
Milestone 1 - Project Oversight Plans			\$ -		
<i>Kick-off Meeting</i>	2/19/2007	Mar-07	\$ 7,560.00	\$ 6,804.00	\$ 756.00
Detailed Project Plan	2/5/2007	Mar-07	\$ 27,000.00	\$ 24,300.00	\$ 2,700.00
Quality Management Discussion					
Project Staffing and Facility Discussion					
Risk Management Discussion					
Electronic Project Library	2/5/2007	Apr-07	\$ 9,600.00	\$ 8,640.00	\$ 960.00
Software Development Approach Presentation	2/19/2007	Apr-07	\$ 5,000.00	\$ 4,500.00	\$ 500.00
Initial System Demonstration	2/5/2007	Mar-07	\$ 67,840.00	\$ 61,056.00	\$ 6,784.00
Project Status Report	2/5/2007		\$ 79,172.00	\$ 71,254.80	\$ 7,917.20
Total			\$ 196,172.00	\$ 176,554.80	\$ 19,617.20

Milestone 2 – Planning – No Change

	Est Comp. Date		Total Price	Bill	Hold Back
Milestone 2 – Planning			\$ -		
Documentation and Standards Plan	2/26/2007	Apr-07	\$ 8,400.00	\$ 7,560.00	\$ 840.00
Equipment/Technology Acquisition Plan	3/26/2007	May-07	\$ 4,200.00	\$ 3,780.00	\$ 420.00
Technical Architecture Presentation	1/26/2007	Apr-07	\$ 15,000.00	\$ 13,500.00	\$ 1,500.00
Capacity Plan	3/19/2007	Jun-07	\$ 21,240.00	\$ 19,116.00	\$ 2,124.00
Configuration Plan	3/5/2007	May-07	\$ 16,000.00	\$ 14,400.00	\$ 1,600.00
Installation Plan	4/2/2007	Jun-07	\$ 32,770.00	\$ 29,493.00	\$ 3,277.00
Staff Training and Knowledge Transfer Plan	4/23/2007	Jul-07	\$ 30,720.00	\$ 27,648.00	\$ 3,072.00
Facility and Data Security Presentation	2/26/2007	Apr-07	\$ 5,000.00	\$ 4,500.00	\$ 500.00
Business Continuity and Disaster Plan	3/26/2007	May-07	\$ 41,760.00	\$ 37,584.00	\$ 4,176.00
Test Plan	5/7/2007	Jul-07	\$ 31,392.00	\$ 28,252.80	\$ 3,139.20
Data Conversion Plan	3/5/2007	May-07	\$ 33,300.00	\$ 29,970.00	\$ 3,330.00
Application Turnover Plan	4/16/2007	Jun-07	\$ 23,040.00	\$ 20,736.00	\$ 2,304.00
Joint Applications Design Sessions (JADS)			\$ -		
JAD - Overview, DUPRK01, DUPRK02, DUPRK03, DUPRK04	3/5/2007	Apr-07	\$ 21,120.00	\$ 19,008.00	\$ 2,112.00
JAD - DUPRK05, 06, 07, 08, 09 10, 11	3/19/2007	Apr-07	\$ 17,280.00	\$ 15,552.00	\$ 1,728.00
JAD - DUPRK12, 14, DUEXI01, 02, 07	4/2/2007	May-07	\$ 12,800.00	\$ 11,520.00	\$ 1,280.00
JAD - DUEXI03	4/2/2007	May-07	\$ 2,560.00	\$ 2,304.00	\$ 256.00
JAD - DUFBI01, 02, 03, 04, DUNUE01	4/16/2007	May-07	\$ 26,880.00	\$ 24,192.00	\$ 2,688.00
JAD - DUADM01, 02, 03, 04, 06, 07	4/30/2007	Jun-07	\$ 24,000.00	\$ 21,600.00	\$ 2,400.00
JAD - DUNPE01, 04, 05, 07, 09, 12	5/14/2007	Jul-07	\$ 22,080.00	\$ 19,872.00	\$ 2,208.00
JAD - DUPJF01, DUVMO01, 02, 03, 06	6/13/2007	Jul-07	\$ 26,880.00	\$ 24,192.00	\$ 2,688.00
Configure Equipment in Michigan	4/30/2007	May-07	\$ 9,600.00	\$ 8,640.00	\$ 960.00
Release .01 (Inclusion of JAD Modifications)	4/9/2007	May-07	\$ 46,000.00	\$ 41,400.00	\$ 4,600.00
Release .02 (Inclusion of JAD Modifications)	5/21/2007	Jun-07	\$ 46,000.00	\$ 41,400.00	\$ 4,600.00
Release .03 (First Look at Converted Data)	7/16/2007	Jul-07	\$ 46,000.00	\$ 41,400.00	\$ 4,600.00
Total			\$ 564,022.00	\$ 507,619.80	\$ 56,402.20

Milestone 3 – Application Design and Development

The Billing Schedule has been update to reflect the addition of Release .2 which will contain the items identified in this proposal. In addition, the contents of the Test Scripts and Acceptance Testing deliverables have been more generically defined to allow for easier scheduling. Finally, the Technical Design and Technical Documentation deliverables have been defined as the update of the Maryland Detailed Design Document to reflect MI-WIC and the development of the Interface Control Documents (ICD) respectively.

	Est Comp. Date		Total Price	Bill	Hold Back
Milestone 3 – Application Design and Development					
Application Design Development Plan	6/4/2007	Aug-07	\$ 97,032.00	\$ 87,328.80	\$ 9,703.20
Release .04 (Inclusion of JAD/IF Modifications)	8/6/2007	Sep-07	\$ 465,562.00	\$ 419,005.80	\$ 46,556.20
Quality Assurance and Performance Testing	8/6/2007	Sep-07	\$ 32,200.00	\$ 28,980.00	\$ 3,220.00
Release .05 (Inclusion of JAD/IF Modifications)	10/8/2007	Oct-07	\$ 465,562.00	\$ 419,005.80	\$ 46,556.20
Quality Assurance and Performance Testing	10/8/2007	Oct-07	\$ 32,200.00	\$ 28,980.00	\$ 3,220.00
Release .1 (Test Baseline)	12/3/2007	Dec-07	\$ 465,562.00	\$ 419,005.80	\$ 46,556.20
Quality Assurance and Performance Testing	12/3/2007	Dec-07	\$ 32,200.00	\$ 28,980.00	\$ 3,220.00
Rqmts Overview Doc with Summary of Changes needed	2/8/2008	Feb-08	\$ 30,720.00	\$ 27,648.00	\$ 3,072.00
Logical and Physical Data Model	12/31/2007	Dec-07	\$ 10,000.00	\$ 9,000.00	\$ 1,000.00
Data Dictionary	12/31/2007	Dec-07	\$ 10,000.00	\$ 9,000.00	\$ 1,000.00
Source Code and Artifacts					
Release .2 (Baseline Including Changes)	1/8/2008	Jan-08	\$ 118,300.00	\$ 106,470.00	\$ 11,830.00
Technical Documentation (ICDS)	1/25/2008	Jan-08	\$ 37,800.00	\$ 34,020.00	\$ 3,780.00
Release .3 (Acceptance Test Release)	3/10/2008	Mar-08	\$ 465,562.00	\$ 419,005.80	\$ 46,556.20
Quality Assurance and Performance Testing	5/7/2008	May-08	\$ 32,200.00	\$ 28,980.00	\$ 3,220.00
Technical Design (DSDD)	3/28/2008	Mar-08	\$ 42,300.00	\$ 38,070.00	\$ 4,230.00
User Acceptance Test (UAT) Cases	1/18/2008				
First set of five (5) test scripts approved	12/31/2007	Dec-07	\$ 14,500.00	\$ 13,050.00	\$ 1,450.00
Second set of five (5) test scripts approved	12/31/2007	Dec-07	\$ 14,500.00	\$ 13,050.00	\$ 1,450.00
Third set of five (5) test scripts approved	12/13/2007	Dec-07	\$ 14,500.00	\$ 13,050.00	\$ 1,450.00
Fourth set of five (5) test scripts approved	1/31/2008	Jan-08	\$ 14,500.00	\$ 13,050.00	\$ 1,450.00
Fifth set of five (5) test scripts approved	2/28/2008	Feb-08	\$ 14,500.00	\$ 13,050.00	\$ 1,450.00
Sixth set of five (5) test scripts approved	2/28/2008	Feb-08	\$ 14,500.00	\$ 13,050.00	\$ 1,450.00
All Test Scripts Approved	2/28/2008	Feb-08	\$ 14,500.00	\$ 13,050.00	\$ 1,450.00
User Acceptance Testing					
Acceptance of first set of five (5) test Use Cases	3/31/2008	Mar-08	\$ 8,160.00	\$ 7,344.00	\$ 816.00
Acceptance of second set of five (5) test Use Cases	4/30/2008	Apr-08	\$ 8,160.00	\$ 7,344.00	\$ 816.00
Acceptance of third set of five (5) test Use Cases	4/30/2008	Apr-08	\$ 8,160.00	\$ 7,344.00	\$ 816.00
Acceptance of fourth set of five (5) test Use Cases	4/30/2008	Apr-08	\$ 8,160.00	\$ 7,344.00	\$ 816.00
Acceptance of fifth set of five (5) test Use Cases	5/31/2008	May-08	\$ 8,160.00	\$ 7,344.00	\$ 816.00
Acceptance of sixth set of five (5) test Use Cases	5/31/2008	May-08	\$ 8,160.00	\$ 7,344.00	\$ 816.00
Acceptance Test Complete	5/31/2008	May-08	\$ 8,160.00	\$ 7,344.00	\$ 816.00
Training Material					
Training Data	2/25/2008	Feb-08	\$ 57,600.00	\$ 51,840.00	\$ 5,760.00
Online User Aids	2/22/2008	Feb-08	\$ 33,600.00	\$ 30,240.00	\$ 3,360.00
Web Base Training Modules	3/6/2008	Mar-08	\$ 50,400.00	\$ 45,360.00	\$ 5,040.00
Ad Hoc Reporting Material	2/8/2008	Feb-08	\$ 9,600.00	\$ 8,640.00	\$ 960.00
Total			\$ 2,647,020.00	\$ 2,382,318.00	\$ 264,702.00

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Milestone 4 – Implementation

The Billing Schedule has been updated to reflect changes in the implementation of the project. For example all rollout dates have been moved out 2 months, and the Knowledge Transfer Meetings have been moved to occur during rollout of the system, instead of concurrent with development.

	Est Comp. Date		Total Price	Bill	Hold Back
Milestone 4 – Implementation Support					
Production Environment	2/15/2008	Feb-08	\$ 25,200.00	\$ 22,680.00	\$ 2,520.00
Pilot				\$ -	\$ -
User Training	5/23/2008	May-08	\$ 105,906.67	\$ 95,316.00	\$ 10,590.67
Data Conversion	5/15/2008	May-08	\$ 105,906.67	\$ 95,316.00	\$ 10,590.67
Release 1.1	6/16/2008	Jun-08	\$ 135,320.00	\$ 121,788.00	\$ 13,532.00
Completion of KTM, Clinic Module #1, 2, 3, 4, 5	7/10/2007	Aug-07	\$ 17,664.00	\$ 15,897.60	\$ 1,766.40
Completion of Pilot	8/15/2008	Aug-08	\$ 105,906.67	\$ 95,316.00	\$ 10,590.67
				\$ -	\$ -
Implementation				\$ -	\$ -
Release 1.2	8/15/2008	Aug-08	\$ 135,320.00	\$ 121,788.00	\$ 13,532.00
Completion of KTM, Clinic Module # 6, 7, 8, 9, 10	8/19/2008	Sep-07	\$ 17,664.00	\$ 15,897.60	\$ 1,766.40
Completion of Rollout #3, 4	8/30/2008	Aug-08	\$ 210,825.00	\$ 189,742.50	\$ 21,082.50
Completion of Rollout #5	9/15/2008	Sep-08	\$ 210,825.00	\$ 189,742.50	\$ 21,082.50
Release 1.3	9/15/2008	Sep-08	\$ 135,320.00	\$ 121,788.00	\$ 13,532.00
Completion of KTM, Admin Module	10/9/2008	Oct-07	\$ 17,664.00	\$ 15,897.60	\$ 1,766.40
Completion of Rollout #6, 7	10/13/2008	Oct-08	\$ 210,825.00	\$ 189,742.50	\$ 21,082.50
Completion of KTM, Nutrition Module	11/7/2008	Nov-07	\$ 17,664.00	\$ 15,897.60	\$ 1,766.40
Completion of Rollout #8, 9	11/10/2008	Nov-08	\$ 210,825.00	\$ 189,742.50	\$ 21,082.50
Release 1.4	11/10/2008	Nov-08	\$ 135,320.00	\$ 121,788.00	\$ 13,532.00
Completion of Rollout #10,11	12/8/2008	Dec-08	\$ 210,825.00	\$ 189,742.50	\$ 21,082.50
Completion of Rollout #12	1/12/2009	Jan-09	\$ 210,825.00	\$ 189,742.50	\$ 21,082.50
Release 1.5	1/12/2009	Jan-09	\$ 135,320.00	\$ 121,788.00	\$ 13,532.00
Completion of KTM, Vendor Module	1/16/2009	Jan-08	\$ 17,664.00	\$ 15,897.60	\$ 1,766.40
Completion of Rollout #13, 14, 15	3/16/2009	Mar-09	\$ 210,825.00	\$ 189,742.50	\$ 21,082.50
Completion of Rollout #16, 17 (Rollout Complete)	3/30/2009	Mar-09	\$ 210,825.00	\$ 189,742.50	\$ 21,082.50
Release 1.6	3/30/2009	Mar-09	\$ 135,320.00	\$ 121,788.00	\$ 13,532.00
Total			\$ 2,929,760.00	\$ 2,636,784.00	\$ 292,976.00

Milestone 5 – Turnover and Transition

The Billing Schedule has been updated to reflect changes in the implementation of the project.

	Est Comp. Date		Total Price	Bill	Hold Back
Milestone 5 – Turnover and Transition					
Updated Turnover Plan	4/1/2009	Feb-09	\$ 16,400.00	\$ 14,760.00	\$ 1,640.00
Final Turnover Report	4/15/2009	Feb-09	\$ 16,400.00	\$ 14,760.00	\$ 1,640.00
Knowledge Transfer Reports	4/15/2009	Mar-09	\$ 20,500.00	\$ 18,450.00	\$ 2,050.00
Updated Application Source Code Artifacts	4/15/2009	Mar-09	\$ 16,450.00	\$ 16,605.00	\$ 1,845.00
Updated Documentation	4/15/2009	Mar-09	\$ 17,600.00	\$ 15,840.00	\$ 1,760.00
Total			\$ 89,350.00	\$ 80,415.00	\$ 8,935.00
Payback of Withhold	4/15/2009	Mar-09		\$ 623,015.20	
Total DDI Contract			\$ 6,426,324.00	\$ 5,783,691.60	\$ 642,632.40

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Milestone 6 – Maintenance

The Billing Schedule has been updated to reflect changes in the implementation of the project.

	Est Comp. Date		Total Price	Bill	Hold Back
Milestone 6 - Maintenance Support					
March	04/15/09	Apr-09	\$ 18,200.00	\$ 18,200.00	
April	05/15/09	May-09	\$ 18,200.00	\$ 18,200.00	
May	06/14/09	Jun-09	\$ 18,200.00	\$ 18,200.00	
June	07/14/09	Jul-09	\$ 18,200.00	\$ 18,200.00	
July	08/13/09	Aug-09	\$ 18,200.00	\$ 18,200.00	
August	09/12/09	Sep-09	\$ 18,200.00	\$ 18,200.00	
September	10/12/09	Oct-09	\$ 18,200.00	\$ 18,200.00	
October	11/11/09	Nov-09	\$ 18,200.00	\$ 18,200.00	
November	12/11/09	Dec-09	\$ 18,200.00	\$ 18,200.00	
December	01/10/10	Jan-10	\$ 18,200.00	\$ 18,200.00	
January	02/09/10	Feb-10	\$ 18,200.00	\$ 18,200.00	
February	03/11/10	Mar-10	\$ 18,200.00	\$ 18,200.00	
		Total	\$ 218,400.00		
Total for DDI Transition and Maintenance			\$	6,644,724.00	

March 6, 2008

MI-WIC Contract Change Cost Impact

Contract #: 071B7200133

Contract Expiration: February 4, 2012

Women, Infants and Children (WIC) Information System

**WIC Division
Bureau of Family, Maternal & Child Health
State of Michigan**

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1. Cost

1.1 Two Month Delay Impact

1.1.1 Training

With the condensing of the Rollout schedule Three Sigma Software will be required to add additional resources to cover concurrent training that was previously performed serially. In re-planning the Rollout schedule the following additional classes were added.

- 1) Week of 11/17/08
- 2) Week of 12/1/08
- 3) Two classes the week of 1/5/09
- 4) Week of 1/26/09
- 5) Two classes the week of 2/23/09

1.1.2 Development

With the delaying of Acceptance Testing and subsequent Pilot of the MI-WIC, Three Sigma Software will be required to keep programming staff on the project longer than proposed.

1.2 Cost Mitigations

1.2.1 Training

To offset the cost of the additional training the State of Michigan could provide the assistant for the additional training sessions. This would mean that Michigan WIC would be provided 2 people for these classes, one to explain any changes in policy and one person to assist in the MI-WIC training.

1.2.2 Development

Since the planning and development of the system is complete, to offset the cost of the additional development personnel required, Three Sigma proposes that the current program manager be moved to an oversight position and the Development Manager be moved to the PM position.

1.3 Summary

Item	Hours	Dollars
Roles	144	\$ 14,400.00
Screen Changes	313	\$ 31,300.00
Guided Script Changes	80	\$ 8,000.00
Client Status Changes	12	\$ 1,200.00
Individual Label Printing	88	\$ 8,800.00
Removal of ACME	(14)	\$ (1,400.00)
Two Month Delay Impact	1,800	\$ 180,000.00
Total	2,423	\$ 242,300.00
Cost Mitigation	(1,240)	\$ (124,000.00)
Net Cost of Change	1,183	\$ 118,300.00

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

April 11, 2007

CHANGE NOTICE No. 1
TO
CONTRACT NO. 071B7200133
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Three Sigma Software Inc. 9265 Davis Drive Lorton, VA 22079 Tc.mullany@3sigmasoftware.com	TELEPHONE Thomas Mullany (703) 624-4706
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-7233 Joann Klasko
Contract Compliance Inspector: Peter Devlin Women, Infants, and Children (WIC) Information System	
CONTRACT PERIOD: From: February 5, 2007 To: February 4, 2012	
TERMS <p style="text-align: center;">N/A</p>	SHIPMENT <p style="text-align: center;">N/A</p>
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	
MISCELLANEOUS INFORMATION:	

NATURE OF CHANGE(S):

Effective immediately, the following commodity codes are added to this contract:
 204-55 multi processor hardware (server)
 209-73 mini & mainframe software
 918-28 consultant computer hardware

Please note that the Contract Compliance Inspector is changed to Peter Devlin.

AUTHORITY/REASON(S):

Per agency request.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$7,237,272.00.

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

February 7, 2007

**NOTICE
 OF
 CONTRACT NO. 071B7200133
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF VENDOR Three Sigma Software Inc. 9265 Davis Drive Lorton, VA 22079 Tc.mullany@3sigmasoftware.com	TELEPHONE Thomas Mullany (703) 624-4706
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-7233 Joann Klasko
Contract Compliance Inspector: Mary Ladd Women, Infants, and Children (WIC) Information System	
CONTRACT PERIOD: From: February 5, 2007 To: February 4, 2012	
TERMS <p style="text-align: center;">N/A</p>	SHIPMENT <p style="text-align: center;">N/A</p>
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	
MISCELLANEOUS INFORMATION:	

Estimated Contract Value: \$7,237,272.00.

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

**CONTRACT NO. 071B7200133
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF VENDOR Three Sigma Software Inc. 9265 Davis Drive Lorton, VA 22079 Tc.mullany@3sigmasoftware.com	TELEPHONE Thomas Mullany (703) 624-4706 VENDOR NUMBER/MAIL CODE BUYER/CA (517) 241-7233 Joann Klasko
Contract Compliance Inspector: Mary Ladd Women, Infants, and Children (WIC) Information System	
CONTRACT PERIOD: From: February 5, 2007 To: February 4, 2012	
TERMS <p style="text-align: center;">N/A</p>	SHIPMENT <p style="text-align: center;">N/A</p>
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	
MISCELLANEOUS INFORMATION: The terms and conditions of this Contract are enclosed. 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. (Appendices on CD by request) Estimated Contract Value: \$7,237,272.00	

THIS IS NOT AN ORDER: The terms and conditions of this contract are enclosed. 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. Original contract was awarded on the basis of our inquiry bearing the req No. 084R6200231.

FOR THE VENDOR: <div style="text-align: center;"> Three Sigma Software Inc. <hr/> Firm Name </div> <div style="text-align: center;"> <hr/> Authorized Agent Signature Thomas Mullany <hr/> Authorized Agent (Print or Type) January 26, 2007 <hr/> Date </div>	FOR THE STATE: <div style="text-align: center;"> <hr/> Signature Greg Faremouth, Acting Director <hr/> Name IT Division <hr/> Title <hr/> Date </div>
--	---



**STATE OF MICHIGAN
Department of Management and Budget
Purchasing Operations**

CONTRACT NO. 071B7200133

Women, Infants, and Children (WIC) Information System

Buyer Name: Joann Klasko
Telephone Number: (517) 241-7233
E-Mail Address: KlaskoJ@michigan.gov



- _____ Appendix A – RESERVED
- _____ Appendix B – RESERVED
- _____ Appendix B1 – RESERVED
- _____ Appendix C – RESERVED
- _____ Appendix D – Business Requirements
- _____ Appendix E – WIC MIS Technical Requirements
- _____ Appendix F – Reporting Requirements
- _____ Appendix G -- Program Statistics
- _____ Appendix H – Proposed Project Schedule
- _____ Appendix I – Pricing Schedules
- _____ Appendix J – Minimum Qualifications of Key Personnel
- _____ Appendix K – RESERVED
- _____ Appendix L - RESERVED
- _____ Appendix M – RESERVED
- _____ Appendix N – Technical Requirements Traceability Matrix
- _____ Appendix O – Functional Requirements Traceability Matrix
- _____ Appendix P – WIC Interfaces Inventory
- _____ Appendix Q – Actor Catalog
- _____ Appendix R – Expandable/Extensible Requirements
- _____ Appendix S – RESERVED
- _____ Appendix T – Training Center
- _____ Appendix U – Data Elements Checklist
- _____ Appendix V – RESERVED
- _____ Appendix W – RESERVED
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- _____ Appendix Z – Glossary of Terms and Acronyms

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Article 1 – Statement of Work (SOW)

1.0 Project Identification

1.001 PROJECT REQUEST

The State of Michigan (State), through the Michigan Department of Community Health (MDCH), in coordination with the Department of Information Technology (MDIT), and with assistance of the Michigan Department of Management & Budget (MDMB), have issued this contract for the purpose of obtaining a state-of-the art WIC (Women, Infants, and Children) Information System currently in operation in the state of Maryland to replace the current legacy mainframe system. The State has contracted with the WIC IS Contractor to transfer and implement the system currently in use there to perform WIC business functions.

The State seeks to have services begin immediately after the contract is executed with implementation of the system to be completed no later than 30 months after the contract start date.

The negotiated Contract will have a maximum term of five (5) years. The contract will have three phases:

Phase I: Design, Development, and Implementation (DDI) (Contract years 1 to 3)

Phase II: Transition (Contract years 3 to 4)

Phase III: Maintenance (Contract years 4 to 5) with options for unilateral extension by the State for not more than two (2) each successive one-year extensions.

The Contractor will respond to this project request by implementing a MI WIC system based on the Maryland WOW system.

1.002 BACKGROUND

WIC is a health and nutrition program that has demonstrated a positive effect on pregnancy outcomes, infant feeding, and child growth and development. The United States Department of Agriculture (USDA), Food & Nutrition Services (FNS), contracts with MDCH, to administer the WIC Program in Michigan. MDCH contracts with local agencies to provide direct program services to the participants.

Benefits provided through the DCH, WIC Program to the participants include:

- Nutritious foods
- Nutrition education
- Breastfeeding promotion and education
- Adjunct health care and community resource referrals

Forty-nine agencies with 248 clinics serve approximately 226,000 participants in 83 Michigan counties via approximately 2000 WIC authorized retailers throughout the state. For more information on Michigan WIC, refer to the website www.michigan.gov/wic

The current WIC System M-TRACX is housed on the BULL DPS 9000 mainframe system at the Michigan Information Processing Center (MIPC) in Lansing. Local Agencies, Clinics, and WIC staff operate the system through the GLINK interface provided by the State. The system has served Michigan WIC program for more than 15 years to capture participant data and issue benefits. M-TRACX allows online clinics to enroll participants online, issue automated coupons on demand, maintain participant health data, and has various inquiry options. The local agencies connect to the system utilizing a statewide data communication network. The system processes approximately 10 million WIC coupons per year (includes regular automated and manual WIC and FMNP coupons). Coupons are paid through the State's Treasury system MAIN. The WIC system, M-TRACX, was recently modified to handle online Electronic Benefits Transfer (EBT) transactions and redemption, being piloted in Jackson County.

In addition to M-TRACX, local agencies can use Michigan Off-line Manual System (MOMS), an Access-based application, to produce manual coupons when access to the centralized server is not available.

The MDCH WIC Division conducted a business and system processes evaluation in 2003-04 to:



- Improve clinic workflow
- Reduce participant time spent at clinic
- Increase staff time spent with participants
- Improve system process efficiencies
- Reduce manual processes
- Increase and improve automation
- Reduce administrative cost at the clinics
- Establish a consistent process across all agencies
- Increase caseload
- Increase participant satisfaction
- Support Electronic Benefits Transfer (EBT).

The current M-TRACX system was a solution to the centralized data entry process of the 1980's. The system is not current with today's technology or with the workflow processes followed at most of the local agencies and clinics. The system functions as a data entry system with paper trails to manage the workflow. Extensive manual processes are done at the local agencies and clinics to maintain the participant chart and data. The cost of operation has increased over the years with no increase in service or program enhancements. The evaluation process found that the current system M-TRACX is out-of-date with current technologies, workflow in most of the clinics, and business processes followed in most of the clinics. Moreover, the system design and process limits the WIC Division's ability to implement process and program efficiencies to better serve the participants. The recommendations of the evaluation process were the WIC Division will benefit and possibly save costs by identifying an alternative to the current mainframe-based WIC system, M-TRACX.

The State of Michigan has determined that EBT may offer a means of delivering WIC benefits to participants in a streamlined, less costly manner than the paper WIC instrument (coupon) process currently in use statewide today. It was determined that a magnetic stripe card and on-line processing alternative may best meet the current needs of the WIC program. As a result, the State of Michigan contracted with JPMorgan to design, develop, and implement an on-line WIC EBT processing system pilot and evaluate its functionality. The current WIC system M-TRACX sends and receives data from the EBT Electronic Financial System (EFS) Host to process participant benefits. The State recently re-bid and contracted with a new EBT EFS contractor (ACS) to provide all EBT services including Food Stamps, Cash, and WIC programs. During the current course of the WIC EBT pilot, the WIC program will issue a separate magnetic stripe card to each WIC participating family or household unit to be used to access their monthly food benefit record. For Statewide rollout, the State of Michigan would like to utilize a single magnetic stripe card solution for those families receiving WIC benefits in addition to receiving food and/or cash assistance from DHS, if possible.

The contractor will transfer, convert, customize, and implement for Michigan the currently existing, web-based WIC system in use in the state of Maryland. The system will support Michigan WIC program areas including: income eligibility, adjunct eligibility, certification and enrollment, nutrition education, appointment scheduling, food package prescription, Electronic Benefits Transfer benefits and, potentially, WIC coupons issuance and redemption, contractor authorization and monitoring, and program administration.



The following are the goals and objectives of the project based on the critical needs of the Michigan WIC program.

Agency Goals	Project Objectives
Improve clinic workflow	Implement a workflow-based system with user-friendly screens meeting the business process flows followed in the clinics
Reduce participant time spent at clinic, Increase participant satisfaction, and Increase staff time spent with participants	Implement a system with automated features for certification processing including growth chart plotting, ID/ Verification of Certification (VOC) creation, appointment scheduling, food package tailoring, and benefits issuance.
Improve system process efficiencies	Implement a system with data and process audits
Support Electronic Benefits Transfer (EBT)	Implement a system that is EBT-enabled
Integrate with other health and human services systems for better participant management and care	Implement a system with integrations to Immunization, Medicaid Eligibility, Maternal-Infant Health Program (MIHP), Food Stamps, and other state systems.

The project will meet the business goals outlined above by standardizing and simplifying policy and business processes statewide, and by leveraging a proven technical solution that is flexible and easy to maintain.

The Contractor will work with key State of Michigan staff to perform a knowledge transfer throughout the project. This will enable the State to maintain and enhance the system at the end of the contract. This approach encompasses both business (i.e., MDCH) and technical (i.e., MDIT) staff.

The State intends to assign 3-5 MDIT and 8-10 MDCH staff (not fulltime equivalents) to assist in various areas of the project.

For the duration of this project, the State has an Independent Validation and Verification (IV&V) Contractor to assist in several project management, quality assurance, and monitoring activities. These activities will include, but are not limited to, project management, and reviewing project deliverables for correctness, consistency, testability and completeness. The IV&V Contractor will also support development of procedures, deliverable approval processes, quality assurance, requirements traceability, and assist in facilitation of State testing, including user acceptance.

The proposed project schedule is as follows:

Contract Start Date	January 2007
Operational Date	January – January 2009
Transition Period	2009-2010
Maintenance Period	2010-2011

The State reserves the right to purchase any or all hardware and software separate from this Contract.

The State has standards and guidelines that Contractors are expected to follow. Specifically, the State's Project Management Methodology (PMM) must be followed.

1.1 Scope of Work and Deliverables

1.101 IN SCOPE

The Contractor will provide the following services and deliverables for the complete and successful implementation of the system providing the functionality required for the business operations for the State's WIC Program:

1. A scalable WIC Management Information System (WIC MIS) that is fully web-based, using open architecture and relational database management system.
 - a. Modified to incorporate functionality required to support Michigan program requirements.



2. FRED-compliant system (Functional Requirements Document for a Model WIC System), which means:
 - a. Currently operational in another state and can be successfully audited by USDA.
 - b. Actually processes WIC participants, manages food issuance and redemption, and manages and pays contractors.
 - c. Compliant with Centers for Disease Control and Prevention (CDC) recommended data edits and data elements for the Pediatric Nutrition Surveillance System (PedNSS) and Pregnancy Nutrition Surveillance System (PNSS).
3. Install the transfer WIC MIS on a server at the MDIT data center in Lansing.
4. Conversion of all WIC data, not limited to current WIC system M-TRACX data and must interface with existing EBT processes.
5. Design, Development, and Implementation (DDI) of the system, project management and support services, including Milestones 1 thru 4 as detailed in Section 1.104 Work and Deliverables in this contract:
 - a. Modification of the application to incorporate functionality required to support Michigan program requirements
 - b. Testing,
 - c. Local agency and state program staff training,
 - d. Technical knowledge transfer,
 - e. Business process change management,
 - f. Risk mitigation,
 - g. Support and maintenance, and
 - h. System and process documentation
6. Data feeds to the MDCH data warehouse
7. Create the interfacing components in the transfer system and modify the transfer system to accomplish the business requirements as specified in Appendix D.
 - a. Interfaces with the EBT EFS Host to provide the information to enable the issuance and redemption of EBT WIC benefits.
8. Initial implementation (deployment) on a "Pilot" scale to minimally consist of two medium-sized local agencies in the vicinity of Lansing, Michigan.
 - a. During the pilot the system will process all caseload previously handled by the current WIC system M-TRACX.
 - b. WIC clinic personnel will not update participant data in M-TRACX during (or after) the Pilot (i.e. not a parallel Pilot).
9. One (1) year transition period post-implementation
 - a. Structured take-over of operations and maintenance by the State
 - b. Provide guidance to State as it performs business operations
 - c. Provide requested enhancements to system, if any
 - d. Perform application software maintenance, troubleshooting assistance, and requested enhancements while training MDIT staff to take over these roles.
 - e. Address low severity defects that did not affect the new system going into production.
 - f. Transfer knowledge and work with assigned MDIT personnel.
10. One (1) year of maintenance services
 - a. Provide one Full-Time Equivalent (FTE) onsite to perform requested enhancements or troubleshoot system defects under the direction of MDCH and MDIT and assure smooth daily operations.
11. An option to purchase hardware and required software, meeting the performance standards in Section 1.501, for the proposed WIC MIS configuration from the Contractor.



The Contractor may review FRED documents at:

<http://www.fns.usda.gov/wic/StateInformationSystems/FReD/FREDdocumentsmenu.htm>

The solution will meet all mandatory (required) requirements as set forth in Appendices D - Business Requirements, E – WIC MIS Technical Requirements, F – Reporting Requirements, N- Technical Requirements Traceability Matrix, O – Functional Requirements Traceability Matrix, and P – WIC Interfaces Inventory for the following program areas:

1. Certification and Enrollment
2. Food Benefits Issuance and Redemption
3. Nutrition Education
4. Program Administration
5. Vendor management

The solution will automate the following functions at both the local agency and state level. At the local agency (clinic) level, the system shall provide:

- Waiting list management
- Appointment scheduling (recording participant appointments made, kept, and missed, following up missed appointments, managing clinic schedules, and participant notifications),
- Income and adjunct eligibility determination,
- Participant intake and application (recording participant characteristics, certification, referral, and growth charts),
- Nutrition risk determination (automated risk determination with user override),
- Dietary assessment, health history assessment, hematological assessment, and anthropometric assessment,
- Certification, recertification, health evaluation, transfer, termination, and reinstatement,
- Breast pump inventory management and tracking,
- Interfaces with other human and health service systems maintained by the state and other private agencies,
- Food prescription assignment (calculating, recording, and controlling food prescriptions issued for participants),
- Food package tailoring,
- EBT Benefits issuance and redemption,
- Coupon Food Instrument issuance and redemption,
- Identifying and referring participants for other local, state, or federal health and social assistance for which they are eligible,
- In-state transfer of participant records from other local agencies and clinics,
- Potential dual participation validation and follow-up with Commodity Supplemental Food Programs (CSFP),
- Proxy management and printing of Verification of Certification (VOC),
- Outreach activity tracking,
- Mailing of participant notifications,
- Farmers Market Nutrition Program, and,
- Pre-defined and ad hoc analysis and reporting.

At the state level, the system will provide:

- Financial management (food benefits reconciliation, federally required reporting, food obligations and outlays, formula rebate calculation, etc.),
- Vendor management (information regarding peer grouping, training, authorization, monitoring, compliance buys, penalties, Geographic Information System for contractor limitation policy, participant accessibility, etc.),
- High-risk contractor analysis (e.g. low variance analysis and high mean analysis, both by peer group)
- Caseload management,



- Transfer of EBT Benefits issuance and redemption/rejection data to and from the EBT EFT Host,
- Transfer of EBT required data such as Universal Product Code (UPC), Category/Subcategory, contractor information to EBT EFT Host,
- EBT reconciliation of all transactions,
- Coupon redemption validation, processing, and payment,
- Maintaining and electronically transferring data required for the USDA Data Sets and the CDC surveillance programs,
- Additional pre-defined reports (e.g., participant, nutrition education, contractor, FI usage, percent of eligible applicants served),
- Track and manage local agency management evaluations, quality assurance, and accreditation activities,
- Interface with other state and federal systems,
- Interface to Michigan's data warehouse, and,
- Pre-defined and ad hoc analysis and reporting.

1.102 OUT OF SCOPE

The following services are out of scope for this procurement:

1. System development of the Michigan Department of Community Health data warehouse and any brand new system development from ground up to accomplish the business requirements outlined in this contract.
2. Desktop upgrades, if required.
3. Coupon digital scanning software and equipment
4. Production of Electronic Benefit Transfer (EBT) cards and the actual processing of EBT cards at authorized vendors/retailers.
5. Any changes to modify or enhance any of the interfacing systems to accomplish the interface requirements as listed in Appendix P.

1.103 CURRENT ENVIRONMENT

Overview of Existing State Operating Environments

The legacy core WIC system (M-TRACX) is written in COBOL operating on a Bull DPS 9000 mainframe under the General Comprehensive Operating System (GCOS) and using IDS II file structures. The functionality in the current system includes:

- Participant record keeping (Certification and Enrollment)
- Coupon generation, redemption, and WIC vendor/retailer payment processing
- Online Electronic Benefits Transfer (EBT) Benefits issuance and redemption
- Local Agency, State, and Federal Reporting
- Administrative master data maintenance
- Vendor management, monitoring, and compliance investigations.

1.104 WORK AND DELIVERABLES

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

- A. **General Technical Requirements** – The general technical requirements the solution will have are:
 1. A user interface that is fully web-based.
 2. A scalable solution using an open architecture, meaning the State may use a variety of hardware and clustering solutions to increase capacity and throughput without having to modify the system.
 3. The use of a framework as part of the main solution, meaning a set of components, wizards, classes, and libraries that minimize programming required to modify or customize the system.



4. A relational database and application architecture. Logically, there should be one database, one application layer, and one presentation layer.
5. The system must use the State's Single Sign On (SSO) portal.
6. Development of the system must be structured, meaning it must be possible to make use of version control and a fully scriptable build and deployment process.
7. The hardware and software must meet all applicable legal and policy requirements as defined by Federal law and systems policies including those concerning system integrity, response time, physical and data security, user and administrator clearances, dissemination restrictions, and others.
8. The hardware and software environment required for the software must insure that MDCH/MDIT is not required to be contractor specific in its pursuit of future hardware and software for open systems.
9. All tools, compilers, libraries, etc. used in the development of the software must be available to MDCH/MDIT and licensable on reasonable terms as a site license.
10. The hardware and software environment required for the software, including future versions, must allow MDCH/MDIT a reasonable amount of time to upgrade and coordinate infrastructure changes without impacting other MDCH/MDIT systems.
11. Commercial-Off-The-Shelf (COTS) solutions must be backward compatible and support independent upgrades to the infrastructure.

B. Detailed Technical Requirements - The detailed technical requirements are located in Appendix N – Technical Requirement Traceability Matrix and Appendix E – WIC MIS Technical Requirements.

1. The Contractor is required to meet each of the technical requirements.

C. General Business Requirements

1. **Location of Work** – The Contractor will perform the work at the following locations:
 - a. The State requires the Contractor to maintain an off-site project office with adequate space to house their project team, which will consist of at least the key personnel required by Section 1.201 B, for the duration of the DDI and Transition Phases.
 - b. Contractor's offsite location as agreed upon by the State of Michigan.
 - i. For activities to customize the application
 - c. MDIT/MDCH will provide office space in its buildings. The State and Contractor will negotiate the required presence by the Contractor at the State offices.
 - d. Required personnel must be located in the Lansing area, when necessary, as agreed upon by the State.
2. **Hours of Operation**
 - a. Normal State working hours are 8:00 a.m. to 5:00 p.m. E.S.T., Monday through Friday, with work performed as necessary after those hours to meet project deadlines.
 - b. The State is not obligated to provide State management of assigned work outside of normal State working hours. The State reserves the right to modify the work hours in the best interest of the project.
 - c. Contractor shall observe the same standard holidays as State employees. The State does not compensate for holiday pay.
3. **Delivery Conditions**
 - a. All items shall be delivered within the timeframe(s) stated on the project plan.
 - b. The State and Contractor shall agree on a schedule of events regarding the delivery of required services and products to achieve the State's project plan.
 - c. All items shall be delivered FOB destination to the location specified in the Purchase Order. The term FOB destination shall mean delivered and accepted at the identified agency destination receiving site and with all charges for transportation and unloading paid by the Contractor. These charges are to be built into the price of each item bid. "Accepted" means delivered as specified in a Purchase Order for purchase of the equipment. Mere acknowledgement by State personnel of the delivery or receipt of the equipment shall not be deemed or construed as accepted.
 - d. All deliveries shall be "Inside deliveries".
 - e. The Contractor will pay title and risk of loss or damage charges.



4. **Modification to Meet New Requirements**

- a. During the Contract period, if changes occur in federal or state systems standards and they require modifications to hardware, software or components, such changes will be accepted through procedures outlined in Change Management (Section 1.403).
 - i. The Contractor shall make system and software modifications at no additional charge.
- b. The Contractor shall perform the following at no additional cost:
 - i. Contractor modifications for all previously-installed systems will be made at no cost to the State when a system is covered by an existing maintenance agreement.
 - ii. Contractor shall notify the State (MDIT and MDCH/WIC) if 3rd Party software upgrades are required. The purchase of any upgrades of 3rd Party software will be the responsibility of the State.

5. **Warranties**

- a. The Contractor will provide a warranty provision for the products and services resulting from this Contract commencing on the first day following formal written acceptance by the State for a particular phase or software component.
- b. The warranty period is one (1) year.
- c. During the warranty period, Contractor must correct any element of the system which fails to perform in accordance with the requirements of this Contract and/or published specifications.
 - i. Corrective action by the Contractor may include, but is not limited to, redesigning, repairing or replacing the nonconforming element.
- d. The warranty shall provide that all hardware, software and firmware is free from imperfections in design and free from any and all defects and is able to perform continuously and satisfactorily under normal operating conditions.
- e. The one year warranty following acceptance must include all parts, labor and travel expenses. Coverage and response time for remedial maintenance requests during the warranty period must be as defined in the remedial maintenance requirements of this section.
- f. The Contractor shall assign all applicable third party warranties for deliverables to the State.

6. **State and Agency Rules**

- a. Contractor must follow State/Agency rules for computer and Internet usage and will be required to sign any agreements, as required of the State's employees.
- b. The Contractor is responsible for maintaining the confidentiality of their passwords and is liable for any harm resulting from disclosing or allowing disclosure of any password.
 - i. Any conduct that restricts or inhibits the legitimate business use of MDCH/MDIT systems or networks is prohibited.
 - ii. Each person must use MDCH/MDIT systems and networks for lawful purposes only.
 - iii. Specifically prohibited is any use of MDCH systems or disclosure of MDCH data which would constitute a criminal offense, give rise to civil liability, violate any MDCH, MDIT, or State of Michigan policy, or otherwise violate any applicable local, state or federal law.
 - iv. This also applies to any computer systems or networks that are accessed from MDCH/MDIT computer systems and networks.
- c. The Contractor shall use all MDCH/MDIT software in accordance with applicable license agreements and any further restrictions imposed by MDCH or MDIT.
 - i. Contractors shall not make any unauthorized copies of any MDCH/MDIT licensed software under any circumstances.
 - ii. Contractors found copying or knowingly using copyrighted software other than for backup purposes, are subject to removal.
 - iii. Contractors shall not provide software to any outsiders including consultants, local governmental units and others when this would be in violation of law or copyright or license agreements.

7. **Security and Confidentiality**

- a. The State will retain administration of data access security, including application security (granting of access, resetting of passwords, definition of password syntax rules, monitoring of access violation reports, etc.).



- b. The State will administer all user security profiles.
- c. MDIT will oversee and coordinate security issues relative to the Contractor and State agencies.
- d. The Contractor is responsible for the function of security software implementation and maintenance if the changes implemented under this Contract warrant a change from the current system.

D. Detailed Business Requirements - The system will be developed with all the mandatory requirements as set forth in Appendix D - Business Requirements [Reference: Appendix D – Business Requirements for the details of the requirements described in use case format], F – Reporting Requirements, N- Technical Requirements Traceability Matrix, O – Functional Requirements Traceability Matrix, and P – WIC Interfaces Inventory. The required functions are provided to guide the Contractor in understanding the State’s requirements to provide automation support for the administration of the WIC program for which MDCH/WIC Division is responsible. The functions include the online functionality required to:

- 1. Enroll and certify participants to receive WIC-EBT benefits,
- 2. Food benefit issuance and redemption,
- 3. Vendor management, monitoring and compliance investigations, and
- 4. Reporting.

E. Services

- 1. The Contractor will provide services identified in Section 1.101 for the complete and successful implementation of the system providing the functionality required for the business operations for the State’s WIC Program.
- 2. In addition to the activities and deliverables described below, Contractor will:
 - A. Provide support to keep the WIC application running as required per the requirements listed in Appendix D, F N, O, and P.
 - B. Respond to support calls within 30 minutes during regular business hours and provide an emergency number for immediate support and after hours support.
 - C. Work with MDCH to ensure data quality in the system.
 - D. Provide support for all hardware and software upgrades and releases for the hardware and software purchased on this contract.
 - E. Continue to enhance and modify the system in order for the system to remain viable and meet future requirements of the regulating agencies and institutions.
 - F. Respond to requests to modify the WIC application to meet future-needed functionality. A change order will need to be created and sent to MDCH within two (2) weeks of the initial request from MDCH for the new functionality.
 - G. Supply complete up-to-date manuals for the WIC application, its components, operations, maintenance, administration, and use that are easily referenced, easily used, and searchable.
 - H. Provide user and administrative training for the WIC MIS, its components, operation, and maintenance.
 - I. Produce a comparable array of tests, reports, results, users, quality control materials, inventory management (components and subcomponents), interfaces, and resulting mnemonics (if applicable) to those supported by the current WIC MIS M-TRACX since some of these items may be necessary for the operation of the new system.
 - i. If the above cannot be performed entirely by the Contractor, the Contractor must specify the reasons.
 - ii. If the above are to be joint ventures, the Contractor needs to identify personnel needed and estimated hours for all parties in the venture.
 - J. Partner with EBT EFT Host Contractor to implement the deliverables needed for EBT Benefits issuance and redemption.



- K. Partner with other State agencies, public health agencies (CSFP or Commodity Supplemental Food Programs), and State Contractors to implement the Michigan WIC system requirements.
- L. Produce all USDA-mandated reports and data transfers (including interfaces with other human health service systems, EBT EFT Host, and other State and external systems) that are presently in M-TRACX and envisioned for the new system. The reports and data feeds include, but are not limited to:
 - i. Result,
 - ii. Management,
 - iii. Financial (billing),
 - iv. System status,
 - v. Participant status, and
 - vi. Data feeds to CDC and FNS.
- M. Plan and perform the installation, including network connectivity, setup, and testing of the WIC application.
 - i. The MDCH WIC administrator(s) and Local WIC program administrator(s)/coordinator(s) will assist and/or observe the installation, setup, and testing in order to gain knowledge of the system.
 - ii. The Contractor will perform and/or assist MDCH and MDCH/WIC contracted affiliates in the customization of the WIC application in order for it to fit into the operations, workflows, reporting, etc. of the 49 local agencies.

3. The services being provided must use the State’s Project Management Methodology.

4. The WIC MIS project will consist of three identifiable phases with Milestones, described in further detail in Section E.5.

- a. The first phase is the Design, Development and Implementation (DDI) phase, including:
 - i. Transfer of the system to Michigan,
 - ii. Modifications required to meet the Michigan environment,
 - iii. Testing the application and
 - iv. Implementation of the system for Michigan users.
- b. The second phase is a transition to independent state operation over a one-year period.
- c. The third phase is a maintenance period for support of the system software.
 - i. Within each phase of the project, the Contractor must meet a series of Milestones.
 - a. Contractor payments will be based on successful completion of the Milestones.
 - b. The Milestones include a set of deliverables that make up the requirements of the milestone.
 - c. The Project Managers from the State (MDIT and MDCH) must approve each deliverable.

5. The Milestones and activities and deliverables associated with each milestone are:

- a. **Milestone 1 – Project Oversight Plans-** Project Oversight covers those activities that require ongoing administrative oversight throughout all DDI Processes, from initiation to completion of the project.
 - i. *Activities for Milestone 1:*
 - 1. Following the kickoff meeting, the contractor team will update the draft Project Plan from the proposal. The detailed plan will be provided in Microsoft Project and will include a schedule and Gantt chart, milestones, and deliverables. The Project Plan will include Contractor and State resources for all tasks, subtasks, and activities which exist as line items within the Project Plan. Date-related information for the Project Plan will include: originally scheduled start and end dates for all tasks, subtasks, and activities, including milestones and deliverables; anticipated start dates for future tasks, subtasks, and activities, in the event of schedule fluctuation; actual start dates for all current and completed tasks, subtasks and activities; and actual end dates for all



completed tasks, subtasks and activities. After approval, the Project Plan will be updated no less frequently than once a week and will include and identify issues affecting deadlines.

2. As part of the program Plan, the Contractor will establish a communication plan using the State's template PMM-08, Communications Plan, to establish reporting requirements and communication protocols with the State oversight staff, outside contract monitors, and Contractor's Data Center. The Contractor will meet with the State of Michigan to discuss project staffing. Discussion points will include the interaction between the Contractor and the State, the proposed locations of all Contractor staff, how often they shall be in Lansing, Michigan, and how and where the meetings shall be conducted. In addition, the discussion shall layout the travel schedule by phase for all Contractor personnel. Establish on-site Contractor's staff proposed for location at MDCH and MDIT, the logistical support for these staff, and their interaction with State staff.
3. The Contractor will establish and use the state-approved project management system for the entire project control and reporting and shall make the project management system available online to State users.
4. The Contractor will provide and maintain an Electronic Project Library to serve as a foundation for defining, managing and monitoring the project and will act as a repository to retain and track critical project information. The library will include current and historical versions of the Detailed Project Work Plan, Project Control and Project Management Plan, as well as all other project deliverable documents.

The Electronic Project Library will be maintained by the Contractor throughout the life of the contract, including system operations and maintenance. The Contractor will train applicable State staff on the technology and use of the Electronic Project Library and shall be provided appropriate folder-level and file-level access and/or restrictions according to standards agreed upon between the Contractor and the State.

The Contractor will provide a description of the security measures that will be put in place to ensure that only authorized personnel have access to the Electronic Project Library. The Contractor will index, where appropriate, all materials in the Electronic Project Library.

Upon delivery of the framework for the Electronic Project Library, the Contractor will provide documentation on the use of the Library, including a description of the process the Project Team will use to add new items and update items in the Electronic Project Library; the management of historical records and the periods of retention, along with procedures for archiving documents; and will provide a description of the Contractor's procedures for managing version control on all materials added to the repository.

6. The Contractor will meet with the State of Michigan to discuss Quality Management. This discussion will include complete details regarding Contractor's methods for ensuring quality of work and deliverables completed throughout the Project. The discussion will address all Quality Assurance Activities to be performed by the Contractor during the term of the contract; Quality Control Activities to be performed by the Contractor on deliverables before submission to the State during the term of the contract. Additionally, Problem Reporting and Resolution methods will be identified, as well as the steps which will be taken by the Contractor to address and resolve problems/areas of conflict which cannot be resolved by one business area or which require upper-management resolution.



7. The Contractor will prepare and deliver status and risk reports throughout the life cycle of the project. All status reports will be developed using the PMM13, Project Status report template.
 8. The Contractor will meet with the State of Michigan and discuss the risk management.
 9. The Contractor shall set up the development system and transfer the Maryland WOW application to the development system. This will be the baseline system to which all modifications will be made.
- ii. Deliverables for Milestone 1:
1. **Detailed Project Plan** - within 15 days of execution of the Contract, the Contractor will update the draft Project Plan from their proposal. See Section 1.301 Project Plan Management, for detailed requirements on the Project Work Plan. The detailed plan will:
 - a. Be provided in Microsoft Project.
 - b. Include a schedule and Gantt chart (for all project tasks, subtasks, and activities), milestones, and deliverables.
 - c. Include Contractor and State resources for all tasks, subtasks, and activities that exist as line items within the Project Plan.
 - d. Include the following date-related information:
 - i. Originally scheduled start and end dates for all tasks, subtasks, and activities (including milestones and deliverables)
 - ii. Anticipated start dates for future tasks, subtasks, and activities, if schedule fluctuation has occurred
 - iii. Anticipated end dates for all current and future tasks, subtasks, and activities, if schedule fluctuation has occurred
 - iv. Actual start dates for all current and completed tasks, subtasks, and activities
 - v. Actual end dates for all completed tasks, subtasks, and activities
 - e. Be updated, at a minimum, weekly and
 - f. Identify issues that affect deadlines.
 2. **Electronic Project Library** - The Contractor is required to provide and maintain an Electronic Project Library to serve as a foundation for defining, managing, and monitoring the project and also act as a repository to retain and track critical project information. The Contractor will:
 - a. Ensure the library includes current and historical versions of the Detailed Project Work Plan, Project Control and Project Management Plan, and all other project deliverable documents.
 - b. Maintain the library throughout the life of the contract, including during system operations and maintenance.
 - c. Train applicable State staff on the technology and use of the Electronic Project Library.
 - d. Provide all parties appropriate folder-level and file-level access/restrictions according to standards agreed upon between the Contractor and the State.
 - e. Provide a description of the security measures that will be put in place to ensure that only authorized personnel have access to the Electronic Project Library.
 - f. Index, as appropriate, all materials in the Electronic Project Library, for easy retrieval.
 - g. Upon delivery of the framework for the Electronic Project Library, provide documentation on the use of the Library, to include:
 - i. A description of the process the Project Team will use to add new items and update items in the Electronic Project Library.



- ii. The management of historical records and retention period(s) and procedures for archiving documents.
 - iii. A description of the Contractor's procedures for managing version control on all materials added to the repository.
- 3. Quality Management Discussion** - This deliverable will contain, at a minimum:
- a. Quality Management Approach - Description of the Contractor's approach for assuring the quality of work and deliverables completed during the Project. At a minimum, the discussion will address the following:
 - i. Quality Assurance Activities - Description of the quality assurance activities to be performed by the Contractor during the term of the contract.
 - ii. Quality Control Activities - Description of the quality control activities to be performed on all deliverables before submission to State by the Contractor during the term of the Contract.
 - iii. Quality Assurance Process and Procedures - Description of the Contractor's processes and procedures for conducting quality assurance activities, including the review and approval of all contract deliverables by State.
 - iv. Problem Reporting and Resolution - Including Integrated Issue Management.
 - v. Problem Escalation - Description of the process the Contractor will use to address problems and resolve conflicts that cannot be resolved by a single team or business area, or that require a decision from upper-level management.
- 4. Software Development Approach Discussion/Presentation** - This discussion will include the administrative and technical procedures to be used throughout the software development life cycle (SDLC) to control modifications and releases of the software. This discussion will include:
- a. The software development policies and procedures that will be executed.
 - b. The process for recording and reporting the status of items and modification requests.
 - c. The Contractor's plan to ensure the completeness, consistency, and correctness of releases.
 - d. Any controls put in place for the storage, handling, and delivery of the software releases.
 - e. The acquired insight into, and any tool(s) for monitoring, the processes to be followed for change and version control, the methods to be used, and the approach to be followed for each software development activity.
- 5. Project Staffing and Facility Discussion** - This deliverable details the Contractor's approach for establishing their State-approved project team. The discussion will include, at a minimum:
- a. Reporting requirements.
 - b. Establishes facility plans for an office site.
 - c. Identify Key personnel, project staff organization and State counterparts.
 - d. Communication protocols for Contractor's interaction with the State project management team.
 - e. Contractor's building set-up, including:
 - i. Location,
 - ii. Layout,
 - iii. Network access, and
 - iv. State access arrangements including conference space for State/Contractor meetings, and Contractor's use of State-provided space at MDIT.
- 6. Risk Management Discussion** - The Contractor will meet with the State of Michigan to discuss a Risk Management approach to be used throughout all phases of the project that includes, at a minimum, defined processes for:
- a. Risk identification,
 - b. Risk analysis,



- c. Response planning,
 - d. Monitoring, and
 - e. Control.
- 7. Project Status Report** - The Contractor will provide MDCH and MDIT with weekly and monthly Project Status and Risk Reports in a format approved by the State. The reports will provide information on:
- a. Weekly/monthly activities,
 - b. Accomplishments,
 - c. New issues and issue status,
 - d. Risks and
 - e. Upcoming events.
- b. Milestone 2 – Planning** - The Planning Task includes all those activities required to set in motion the process of transferring a system to the MDIT data center, modifying the system and installing it on hardware at the data center and preparing for the eventual assumption of responsibilities by State staff.
- i. Activities for Milestone 2 - Key activities include:
 - 1. Confirming the Project Team, from both the State and Contractor’s side.
 - 2. Reviewing and confirming project timelines and resources.
 - 3. Confirming standards and templates for deliverables.
 - 4. Preparing key plans for ongoing support of the project.
 - 5. Defining and procuring application infrastructure.
 - 6. Installing, configuring, and maintaining technical environments.
 - ii. Deliverables for Milestone 2
 - 1. **Equipment/Technology Acquisition Plan** - Describe key equipment and technology acquisition activities, by project process/phase (i.e., Planning, Design, Development, Implementation, Transition, and Maintenance).
 - a. The Contractor will provide an optional plan for purchase and installation of the server(s) and associated software for the new WIC system at MDIT. The State may accept this option, or purchase the equipment through State contracts.
 - b. The Contractor will provide the following equipment and supplies to support efficient communication with the State from the Contractor’s Office:
 - i. Purchase and installation of the hardware and software at MDIT if the option of (a) above is exercised.
 - ii. Purchase of necessary hardware and software as required to perform the work.
 - iii. Copiers, faxes, printers, computer workstations, or local office equipment required to communicate with the State and the Contractor’s home office.
 - iv. Building and data center security (e.g., alarms, card-key access systems).
 - v. Telephones.
 - vi. Provisions for telecommunications for remote work, if applicable.
 - vii. Data storage.
 - 2. **Technical Architecture Discussion/Presentation** - The Contractor shall meet with the State of Michigan to discuss/present their technical architecture within 30 days of the start of the Contract. This Technical Architecture must support development, testing, training, conversion, and production of the proposed solution. The Contractor shall propose a feasible technical architecture most appropriate for the requirements specified in Appendices D, E, F, N, O, and P. The Technical Architecture will:
 - a. Include all environments proposed for the project and their rationale for proper use and deployment of the proposed solution.
 - b. Describe how and where multiple environments will be supported on the same hardware.



- c. Describe environments such as the following, or others as deemed appropriate by the Contractor:
 - i. Experimental: An environment managed solely by the Contractor for testing processes, software upgrades, and any other purposes deemed necessary by the Contractor or State.
 - ii. Development: The environment used by the developers to implement, customize and extend the solution required.
 - iii. Conversion: The environment used to convert the legacy data, including testing of extractions and transformations, prior to actual loading the data to production.
 - iv. QA Testing: The environment for Quality Assurance Testing and Performance Testing of the release by the Contractor prior to release to UAT.
 - v. UAT Testing: The environment for User Acceptance Testing the release prior to implementing the system in production.
 - vi. Production: The end user or final environment that shall be available throughout the defined extended business hours, with minimal windows of downtime for system maintenance and upgrades.
 - vii. Training: A test/demo area for training users that must be updated and rebuilt on demand with a standardized base set of data.
- d. Include detailed architectural diagrams with textual support for the environments proposed.
- e. Be updated as hardware and software are modified, added, or upgraded.
- f. Include:
 - i. Required servers and the minimal hardware specifications per server, identifying each server by its purpose and its environment.
 - ii. Required software for each server, including number of licenses and versions.
 - iii. Required specialized hardware and software for document scanning, UPC/PLU scanning, and electronic signature.
 - iv. Additional hardware required (such as routers and load balancers), including recommended contractors, versions, and specifications.
 - v. Other hardware and software required, including the total number of licenses and the structure of pricing and usage of the licenses.
 - vi. An overall detailed architectural diagram(s).
 - 1. The diagram should include detailed graphics displaying the listed hardware and its relative placement in the architecture.
 - 2. The Contractor should clearly mark the communication channels between hardware units, identifying features such as encryption where appropriate.
 - vii. Required infrastructure for local agencies and clinics.
 - viii. The process for mobile and satellite clinics and optional backup procedures if the local agency clinics are unable to provide on-demand food benefits.
- 3. **Capacity Plan** - The Contractor must provide and maintain a Capacity Plan document to include:
 - a. Planning and sizing estimates for all environments, including:
 - i. Expected storage requirements,
 - ii. Storage growth rates,
 - iii. Network bandwidth,
 - iv. Backup media consumption,
 - v. Anticipated load, and
 - vi. Expected maintenance activities.
 - b. Environmental requirements such as power, cooling, and humidity controls.
 - c. Ongoing updates to the plan throughout the project.
- 4. **Configuration Plan** - The Contractor must provide a Configuration Management (CM) Plan:
 - a. Describing how configurations for all environments should be managed.
 - b. Describing how configurations will be verified and promoted.
 - c. The Contractor will utilize the experimental environment for testing configuration changes.



- d. The State uses CVS as its standard repository tool. The Contractor shall use the State's CVS standard repository tool.
- 5. **Installation Plan** - The Contractor is responsible for the initial installation and deployment of all of the hardware and software, including the installation of additional hardware that may be required at the local agencies and clinics. In the Installation Plan, the Contractor must:
 - a. Describe in detail what is necessary to install the computer hardware, software and appliances needed for all of the proposed environments including local agency/clinic offices.
 - b. Provide estimated timelines for procurement of hardware, software, and services.
 - c. Execute the plan for initial installation and fully document all revisions so the process can be repeated, if necessary, by the State technical staff.
 - d. Ensure staff provided by the Contractor work closely with the State to ensure appropriate knowledge transfer to State staff for the ongoing maintenance and support of the technical infrastructure following conclusion of the contract.
 - e. Develop the plan to include for all local agencies, starting with Pilot locations and accounting for all project-related activities impacting the office during the implementation period.
 - f. Include statewide rollout strategy.
 - g. Address:
 - i. Communications
 - ii. Any MDIT and MDCH activities for the implementation
 - iii. Site Support Planning, including schedule and resources for:
 - 1. Orientation
 - 2. Training
 - 3. Data readiness activities
 - 4. Workflow readiness activities
 - 5. Data entry activities to have continuity in business
 - 6. Post-implementation support
 - 7. Help Desk support activities
 - iv. Data Conversion Planning, including schedule and resources for:
 - 1. Automated data conversion
 - 2. Review of error and exception reports
 - 3. Manual data corrections prior to implementation
 - 4. Manual data corrections post implementation
- 6. **Staff Training and Knowledge Transfer Plan** - This deliverable must cover two interrelated areas; training for State and WIC clinic operations users on the system inputs and outputs and a knowledge transfer plan to allow the transfer of the system technical operation and maintenance to MDIT and MDCH staff. The Training Plan shall:
 - a. Be based on a Training Needs Analysis. This analysis shall include:
 - i. An assessment of the target audience: their knowledge, skills, attitudes, and readiness for training.
 - ii. An assessment of available resources and project timeframes.
 - b. Be developed, as a result of the Training Needs Analysis, to allow for a wide variety of pre-existing skills and minimize the amount of time staff is away from the job.
 - c. Describe an off-site, facilitator-led training supported by a training database and technology solutions. The Contractor shall utilize the State Training facilities or State-approved alternative facilities (reference Appendix T) for facilitator-led classroom training.
 - d. Include instructional strategies providing hands-on training exercises, allowing the staff to build upon simple processes and working to more complex processes.
 - e. Provide skills-based training and emphasize how to use the system to accomplish specific WIC tasks rather than how the system works.
 - f. The Contractor will provide the following training utilizing the described approaches:

Systems Operations / End User Training



User involvement and exposure to the system is vital in education and knowledge transfer and performance success. The process is one that must start early so the effected groups have a full understanding of and input into what may be happening to them. The learning system that will be used is inclusive and begins with those affected by the change, continues with individual employees whose jobs change due to the new system and continues with a process of training evaluations and improvements to all the training systems within the project.

Within 5 days of execution of the Contract, the Training Team will be officially assembled. The Training Manager, will work in conjunction with the Project Manager to provide administrative, financial and project management oversight for training activities outlined in the project. Specifically, the Training Manager will oversee and maintain project planning and deliverables (manual production, work plans, deliverables, and milestones, and schedules) and will provide verbal and written bi-weekly reports to the Managers and Project Manager for all administrative matters pertaining to the project, resource allocation, progress monitoring, training reports, and ensure the quality of the deliverables and services provided.

The Training Team will conduct training needs assessments and evaluations; create technical assistance user manuals, online user tools and Help Desk guides; conduct Instructor Led trainings; and provide evaluations to attendees after trainings so that the training experience can be evaluated and the curriculum updated and modified, if necessary.

Web-Based Training Module

This component contains interactive web-based training modules that provide instruction using on-screen text, short videos (vignettes), images and printable tables.

Each module also contains Progress Check questions and a Final Quiz which captures the staff member's score and comprehension of the subject matter. The user's progress and score is saved within the database, allowing authorized staff to review progress/completion reports of WIC staff. Upon successful completion of each module, users are also able to print a completion certificate. The following thirteen modules are available within the WOW system:

- . Introduction to WIC
- . Introduction to WOW
- . Certification Basics
- . Appointments and Pre-certification
- . Intake and Income
- . Basic Nutrition and WIC Foods
- . Certification of a Pregnant Woman
- . Recertification of a Postpartum Woman
- . Certification of an Infant
- . Recertification of a Child
- . Weight and Height Measurement
- . Blood Testing
- . Checks and Balances

End User Training

The trainings will cover two interrelated areas; training for State and WIC clinic operations users on the system inputs and outputs.

The online course and Instructor Led sessions will provide a clear statement of the WIC Division's goals and objectives with the new systems upgrade; how these goals will



assist the Michigan WIC program in meeting its goals and how each WIC staff member can assist in the process. The agency goals are:

1. Improve clinic workflow
2. Reduce participant time spent at clinic
3. Increase participant satisfaction
4. Increase staff time spent with participants
5. Improve system process efficiencies
6. Integrate with other health and human services systems for better participant management and care
7. Support Electronic Benefits Transfer

The online and Instructor Led experience will model the work environment by focusing on the specific tasks required in the end users' job roles, learners can more easily absorb training and translate what they have learned to their job performance. Online and Instructor Led training events will allow learners to practice the new tasks.

Phases 1 and 2 will be utilized using the archived web cast prerequisite.

1. Prepare Me -In this phase, the learner gains an understanding for the organizational context of the new skills they will be learning. They learn about the business reasons for the upcoming changes, and some of the details of the kinds of changes that will take place.
2. Tell Me - In this phase, the learners are introduced to the overall processes of their jobs. They are also introduced to the specific knowledge and skills that they will be expected to learn in the training session.
3. Show Me - In this phase, the learner receives demonstrations of the task to be performed. The learner will be walked through the process they are learning, and they gain a full understanding of what will be expected of them. One of the purposes of this phase is to point out to the learner the performance support tools provided that will be available to them back on the job to help them perform successfully.
4. Let Me – In this phase, learners are provided the opportunity to practice the tasks being taught. The learner will be tested on their knowledge of the process with learning checks throughout the online course and Instructor Led sessions.
5. Help Me - This phase begins during the learning event, as trainees are introduced to the variety of support tools available, and continues afterwards to provide support for on-the-job performance. This support will include the Online User Interface Guide, Electronic Library, online help, and other aids as outlined in the ITB.

Due to the importance of maintaining a good ratio, 1:10 for Instructor Led trainings and in providing knowledge enhancement; it is imperative that the participant size will be capped to 20 users. Trainings will not run over 8 hours. On average two concurrent sessions will take place each week. In counties where WIC agencies serve a larger jurisdiction, with large staff volume, two concurrent sessions, taking place twice per week will be offered. All good faith efforts will be made to secure the Office of Professional Development training facilities. In the event the OPD site is not available, the Training Team will work in collaboration with WIC Division to secure a local health department or other state-owned facility



at no charge to the Contractor, but that will meet the classroom training requirements. The sessions will be business process driven and specific to the trainee audience. It is the Team's goal to have the classroom function in all ways as a production application with the necessary participant configuration, and food package data.

Registered participants with similar or the same job classification within WIC will be grouped into the same training rooms. This will create a more specialized educational track for learning and the sharing of similar questions and concerns can be more easily addressed by the trainers. It will be the goal of the trainings to reach knowledge, comprehension, application, analysis, synthesis, and evaluation, in order to achieve high job performance using the new system. All sessions will meet the following sample measurable objectives based on the participant's role within WIC.

At the end of the training, participants will be able to:

1. Discuss the system's overall functionality;
2. Define my responsibilities as it relates or rely upon all the other WIC functionality;
3. Discuss how the new workflow-based system will assist in improving business process flows followed in the clinics;
4. Use the new systems upgrade to conduct business and clinic process flows;
- and
5. Demonstrate usage of the new WIC Systems Upgrade.

Two fifteen-minute breaks (morning and afternoon) will be provided and 45 minutes for lunch which will be provided to participants and the trainer. Meals will be offered in a nearby classroom for convenience and to obtain a mental "break" from training activities. This will also allow an opportunity for networking and discussions with the trainers. A Student manual will be provided to all participants. The manuals will include a resources deemed necessary by the Training Team and the State WIC Division.

Training will be provided within the WOW Training environment and will mimic that which will be in production. It is critical that the automated system be stable before beginning the training phase of the project. Credibility is lost if users experience differences between the training system and their hands-on experience with the system.

The Training Plan will be guided by the four project phases identified in the contract for this project: Design and Development, Implementation, Transition and Maintenance phases.

Train-the-Trainer Training

Approximately 60 State staff will need to be trained to provide future training to Michigan Local Agency and Clinic staff during deployment of the Michigan WOW system. This training will be held in conjunction with the training of the three pilot Local Agencies, although individualized training materials will be provided to the future trainers. The Training Team suggests that this training be scheduled to train in groups of approximately 15 – having an equal number of future trainers at each session. Each State staff person will receive a copy of the trainer's manual, trainer reference material and all end-user training supplements. In addition, because this will be a combined training effort that includes both future trainers and end users, the curriculum followed will be that for the end user training, but training approaches and philosophies will be emphasized so that future trainers understand fully not only how to use the system but how to train others to use the system.

State Agency Operational Training

The State agency is included in the Train-the-Trainer training, however due to the complexities of their positions at state level, the curriculum will be tailored to cover daily task aspects of their position. Each session will be catered to meet the daily duties of each attendee. For example,



pilot end user training will include how to use the WOW Clinic module and perform daily tasks using this tool. State staff working with financial WIC data will be scheduled to receive WOW Financial module training. As stated above, all trainees will receive User's Manuals and other training materials. It is assumed that all WIC IT staff will attend each training module session.

Turnover Plan

It is MDIT's responsibility for hardware and system maintenance support. The Contractor will provide application software maintenance and enhancement, while the Training Team is training MDIT staff to take over routine support for application software. Therefore, the Training Team will provide training as indicated in the updated Turnover Plan.

User, Administration, and Training Manuals and Documents

During pilot end user and State training sessions, the Training Team will provide all users with detailed User's Manuals in addition to additional training reference material, such as a detailed agenda and data sheets. This material will be organized so that it follows the process flow of the duties of the users being trained and the order in which training was conducted. For example, Clinic User's Manuals will be organized based on the daily flow of Clinic operations. For post pilot end user and State staff training, the Training Team will update all documents to reflect any issues, comments or suggestions discovered via the course evaluations. Additionally, the Training Team will provide all additional module User's Manuals as well as Administrator manuals on all software provided. All materials will include author, purpose, date written and date modified as well as modification of history and detailed procedures and will be delivered to the State in soft copy upon final approval.

Additionally, these documents will also be available on-line so that users can easily find and print what they need so as not to take unnecessary time away from their interaction with participants. On-Line help will also be available and will be easily accessible within each module of the The help feature will include context, index and search capabilities.

Training Curricula

The Training Team will work closely with the WIC Training Liaison to create a training curriculum that spans the learning levels of all users. This includes practical exercises in the back of the manual the end user can complete upon return to their work location. The Contractor will ensure that the curriculum will be designed by functionality, with sufficient examples and exercises to accomplish the stated training objective of assuring that end users gain the skills necessary to perform their job functions in the new system. The Instructor Led training will begin with a high-level introduction and interaction with the system and will progress deeper into low-level end-user system functionality and business processes and workflows. The training will also use the ad hoc reporting tool with common reporting examples. Additionally, the Training Team will create additional training aids, such as presentation outlines and audiovisual materials to enhance the learner's experience. Most especially, guided instruction will be given on how to use the Online User Aids.

Through a proven, structured training approach, the Training Team will provide a learning path that facilitates the understanding for State staff in the operation and use of the new Michigan WIC system. The Contractor's approach will include building real-work examples from the same Use Cases used in the Requirements Gathering and User Acceptance Testing phases. This approach will be tailored to meet the State's needs by working closely with the WIC Training Liaison to ensure that course instruction for system trainers, end users, and technical support personnel is comprehensive, easily understood and meets as many real-world situations as possible.

Training Evaluation

The Training Team will produce and administer evaluations at the end of each training day. The tools will be collected and analyzed and provide a report of findings to the WIC Division and other designates. The pre/post tool will be anonymous and inform the Training Team on all



aspects of planning, including areas of improvement for coordination and implementation of the training. An open-ended scale-based evaluation will be utilized. Additionally, open-ended questions will be helpful for the dissemination of future WOW trainings and provide insight on specific training needs and areas of technical assistance. The evaluations will record professional categories, discipline, and agency or community affiliations. The evaluation design could allow for data and results to be grouped, collapsed and analyzed identifying the following: response trends among different segments of the audience, specific training needs for CPAs, WIC Coordinators, Clerks, Nutritionists, Administrators, etc., specific regional WIC agencies, as well as participants who may need basic, intermediate or advanced level training in a particular area.

The Training Team in conjunction with the State WIC Division will develop preliminary process and outcome objectives related to the evaluation of the training

Post-classroom Practice Exercises

The Training Team will provide the capability for post-classroom, self-directed practice to allow recently trained end users to build upon the initial classroom training. The exercises will enable end users to practice based on their job responsibilities, in the training environment. At all times trainees will be supported by the Online User Aids, Web-based tutorials (WBT, and their classroom training materials (Student manuals)

Help Desk Guide

The Training Team will develop a Help Desk Guide with help desk processes and scripts to support the new application, data and workflow. This tool will be available two months prior to Pilot implementation. The Help desk will generate weekly Help Desk Support Metrics Report containing details as outlined in the ITB.

Policy and Procedure Documentation

The Training Team will work closely with State WIC Division staff to ensure that all policies and procedures are correctly identified. All users' manuals and on-line documentation will reflect these items and as changes are made, will be updated.

Deliverables and Reporting Requirements

The Training Team will provide the following deliverables and reporting requirements as directed by the Project Manager and the ITB requirements for State MI WIC Division, which includes, but is not limited to:

- Biweekly written and verbal reports to the Project Manager on training activity status in the development and submission of the reporting requirements of the Project Manager to the State.
- Both system and business workflow (as it relates to the automated process) training to end users (State, local agencies, and MDIT).
- Development of Online User Aids (Online User Interface Guide, web page, and field help).
- Electronic version of all end user training materials
- Hardcopies of all end user training materials
- Training report at the conclusion of the user training which will include (approach, schedule, number of staff trained, material covered, proficiency attained in each section/module by trainee, based on analysis of evaluation, assessment of effectiveness, including documentation that the trainings sessions were held, and covered the required geographic areas in the pre-approved Training Plan, reaching the population/personnel to be trained, Gap analysis, and a listing a areas for State follow-up.
- Help Desk Support Metrics which will minimally contain:
 - Number of tickets opens during the current period.



- Year-to-date (YTD) number of tickets opened.
 - Number of tickets closed during the current period.
 - YTD number of tickets closed.
 - Number of tickets open for more than three days.
 - Problems identified.
 - Problem type or category.
- Sections of the Pilot Review Report (Training issues and current status, site support activities and held desk support activities and other general concerns)
 - Delivery of all training materials upon the completion of the system implementation
- 8. Facility and Data Security Discussion/Approach** - This shall include Contractor's:
- a. Approach for maintaining a physically secure office site.
 - b. Approach for ensuring that all data (particularly Protected Health Information, PHI) is secure.
 - c. Policies and procedures that will be followed and any additional documentation that the State requires to document adherence to information security standards. At a minimum, policies and procedures must be established that address the following:
 - i. Training - Policies, procedures, and materials for training employees on specific facility and/or data security issues.
 - ii. Incident Reporting and Response - Policies and procedures for reporting and responding to breaches of facility and/or data security.
 - iii. Sanctions - Identification of the disciplinary actions that will take place if an employee has exposed the facility or data to security risk(s).
 - iv. Supervision - Policies and procedures established for the supervision of employees with access to facilities and/or data that are related to this contract.
 - v. Clearance and Termination - Policies and procedures for establishing or terminating employee access to facilities and/or data that are related to this contract.
 - d. The server for the WIC system will be located in a State facility. Therefore the building security will be a State responsibility. Physical security at the Contractor's site will be Contractor's responsibility and data security is a joint responsibility.
- 9. Business Continuity and Disaster Plan** - The Contractor's plan, policies, and procedures for maintaining a systems and business operations environment that will be minimally impacted by hardware and software failures, human error, sabotage, natural disasters, or other emergencies that have the potential to interrupt operations. This plan shall describe:
- a. Contractor's methodology to ensure secure backup for all software, operating systems, databases, systems, operational capacity, and user documentation, detailing:
 - i. Scheduled system and data backups.
 - ii. Backup data storage at a secure, off-site location.
 - iii. Responsibilities of Contractor and State staff when the plan has been activated.
 - iv. Continued processing of all business transactions assuming loss of the primary processing site, including provision for interim support for the online component of the system.
 - v. Description of data files and backup retention.
 - vi. Location of procedure manuals and other documentation for the WIC operations.
 - vii. Procedure for updating off-site materials.
 - viii. Recovery procedures for loss of manual files and hardcopy documents.
 - ix. Annual testing plan for the Business Continuity and Contingency Plan.
 - x. Strategies for backup, failover, and clustering, as well as strategies to address issues related to high availability and rapid system restoration.
 - b. Activities for the following scenarios:
 - i. Failure of a single hub in the storage subsystem.
 - ii. Failure of a single disk in any single server.
 - iii. Failure of a single CPU in any individual database, web, or application server.



- iv. Single failure of any network interface on any server or appliance, including interfaces to external storage systems and external applications (including interfaces with EBT EFT Host).
- v. Failure of the power supply in any individual power supply.
- vi. Failure of any single circuit used to power the servers and appliances used in the system.
- vii. Failure of any switch or hub essential to the system.
- viii. Complete loss of any single server.
- ix. Complete loss of any single appliance such as a load balance, security device, etc.
- x. Complete loss of the primary storage system.
- c. The joint responsibility for business continuity and disaster recovery on this project as the server for the system will be located in a State facility. Therefore, the building security will be primarily a State responsibility. Physical security at the Contractor's site will be Contractor's responsibility and data security is a joint responsibility.
- d. How the plan will be tested within one (1) year of project initiation or within two (2) months after the Pilot, whichever is later.

10. Test Plan - The Contractor will provide a detailed approach to Unit Testing, System Testing, Acceptance Testing, Quality Assurance, Performance, and Operations Testing. The Test Plan Deliverable shall contain the following, at a minimum:

- a. Description of testing approach.
- b. Selection of test cases or processes.
- c. Resources from the State and Contractor.
- d. Schedule.
- e. Validation of test results.
- f. Corrective action approach.
- g. Describe how their testing approach will accommodate program functionality in different stages of development that could entail sequential unit, system, acceptance, quality assurance, performance, and operations testing for the different system components.

11. Data Conversion Plan – Contractor will provide a Data Conversion Plan three (3) months after the start of the project.

- a. Contractor must determine data conversion requirements and develop automated conversion software and scripts for data cleansing and actual conversion. State staff will be available for assistance.
- b. The plan must identify the extent of data and files to be converted, sources of this information, and any unique issues for Michigan.
- c. The Contractor is responsible for designing, constructing, testing, and executing all conversion software scripts.
- d. The quality of the data conversion shall be the Contractor's responsibility.
- e. The Plan shall include:
 - i. Description of conversion process, including staged conversion of files.
 - ii. How and when data cleansing will be performed.
 - iii. Indication of any State resources needed.
 - iv. Methodology used for data conversion.
 - v. Scope of conversion effort, including recommendations on how many years of WIC data to be converted to the new system including:
 - 1. Data sources.
 - 2. Required resources.
 - 3. Data validation process.
 - 4. Manual corrections.
 - 5. Contingency approach for data gaps.

11. Application Turnover Plan - This Plan is a critical component for successful completion of the project. The Plan must contain the following:



- a. A description of how the Contractor will prepare MDCH staff to assume responsibility for business operations as of the Operations Date, and support the State in performing the business functions of WIC over the transition period.
- b. A description of how the Contractor will perform application software support for the system and provide the knowledge to MDIT staff to take over the maintenance responsibilities when the Contractor's support ends.
- c. Schedules.
- d. A process for determining if the knowledge level is adequate for State staff to assume specific responsibilities.
- e. Contingency process for setback or failure of any aspect of the transition process.

12. Requirements Validation - The Contractor is required to confirm the requirements in Appendix D - Business Requirements, Appendix E - WIC MIS Technical Requirements, and Appendix F - Reporting Requirements. This process does not include a complete re-determination of the requirements.

- a. This validation will be developed using the minutes of the JAD Sessions, Michigan's Use Cases and the Requirements Overview Document with Summary of Changes. The JAD sessions must include any alternate processes supported by the Contractor's system to meet specific State requirements.
- b. Include:
 - i. Schedule of meetings and participants.
 - ii. Identified and proposed strategy for covering the requirement.
 - iii. Impact on the State of accepting an alternate business process.
 - iv. Format of the results write-up.

c. Milestone 3 – Application Design and Development - This milestone constitutes the most significant effort in the DDI Phase. It includes all system modification and testing as well as development of external interface components. It also includes the operations test for the entire WIC System.

- i. Activities For Milestone 3
 - 1. Review requirements.
 - 2. Analyze system requirements.
 - 3. Identify gaps and propose solutions.
 - 4. Design system.
 - 5. Construct system modifications.
 - 6. Build system interfaces.
 - 7. Document data model and data dictionary.
 - 8. Create physical data model.
 - 9. Document technical specifications.
 - 10. Test application to validate that requirements have been met.
 - 11. Test for quality assurance and performance.
 - 12. Develop user acceptance test cases.
 - 13. Support user acceptance testing.
 - 14. Prepare user, system, and operations documentation.
- ii. Deliverables for Milestone 3

Requirements Overview Document with Summary of Changes needed to the Transfer System - The Contractor will provide a Requirements Overview Document - an outline of the high-level requirements, their dependencies, and a reference to the details of each high-level requirement. During the review, the Contractor Team will describe the functionality within the proposed transfer system, WIC on the WEB (WOW), and compare the functionality to the requirements listed by MDCH in Appendix D - Business Requirements, F – Reporting Requirements, O – Functional Requirements Traceability Matrix, and P – WIC Interfaces Inventory of the contract. The differences, modifications, and exceptions to the requirements will be noted, as well as the modification required to the WOW application to meet the agreed upon requirements, and will be documented within session minutes. The document shall:



- a. Provide alternative formats and approaches consistent with the overall development methodology.
- b. Identify business processes within the State that are missing or must be modified to meet a particular functional requirement.
- c. Assist the State in customizing the application as used by the majority of the users to facilitate the entry of intake, appointment, demographic, and medical data to maximize efficiency and accuracy.
- d. Provide a summary of changes needed in the transfer system to meet Michigan WIC requirements.

Gaps in the existing WOW system and Michigan WIC requirements as described in this contract will be identified during the JAD sessions using Michigan's Use Cases and documented in the Requirements Overview Document with Summary of Changes needed.

Areas where WOW does not meet the State's requirement will be identified and further evaluated to first, determine the value of the requirement – i.e Required, Mandatory, Optional, or Preferred; and then to evaluate the work involved to meet the requirement. Proposed solutions to identified gaps will be prepared and reviewed with the State to determine the most effective solution that does not impact the State's current implementation schedule.

1. Logical and Physical Data Model - The Contractor will provide the State with the Logical and Physical Data Model of the application in a shared work product, such as TOAD. The contractor's database names will remain the same as the base transfer system.

Both the physical schema and the logical views will be used to support generation of the data models and data dictionary reports described in the next section entitled Data Dictionary.

2. **Data Dictionary** - The Contractor will provide the State with a data dictionary of the database schema in a shared work product such as TOAD. The data dictionary must include:
 - a. Field definitions
 - b. Field edits
 - c. Domain values
 - d. Field constraints
 - e. Field attributes

During the DDI Phase, the physical columns in the transfer system will be mapped to the Data Elements suggested for the Michigan WIC Management Information System listed in Appendix U.

The data dictionary reports themselves will be developed using Oracle Discoverer to expose the required meta-data, including the mapping of physical column names to the logical data element name comments of the logical schema. This tool will ensure the reports are web-enabled and available to relevant users via their privileges at single-sign-on. In addition, privileged users will be able to customize the data dictionary reports to meet their specific needs.

Technical Design - The design effort will require validation of the WOW System, rather than a ground-up analysis and design effort, the goal of minimizing changes to the proposed solution, as it exists "out of the box" will be the focus the design meetings. The baseline for these discussions will be the Functional and Technical Requirements as described in the contract.



3. The design shall:
 - a. Translate requirements into a set of deliverables that can be used to drive and support the building of software artifacts; such as code, configuration data, and rules; with proper use of domain-related typing wherever possible.
 - i. Restrictions based on the underlying application framework must be clearly identified and explained.
 - ii. The design documents must be concise and accurate.
 - b. Include the following items:
 - i. A list of proposed schema changes.
 - ii. Web page mockups for new or modified pages.
 - iii. A set of high-level classes to be implemented.
 - iv. A textual description of algorithms to be deployed.
 - v. Business rules to be deployed in the rules engine.
 - vi. Configuration changes in the application or framework to enable the necessary functionality.
 - vii. Business process diagrams for modified business processes.
 - viii. Descriptions of common user interface objects such as menus and other navigational items.
 - c. Include a unit test plan and a system integration test plan.
 - i. The unit test plan will describe how the developer will evaluate the resulting artifacts while testing the unit independent of all other units.
 - ii. The integration test plan will describe how the developer will evaluate the resulting artifacts while testing the unit as a component of the system, emphasizing regression testing for common objects or other objects that have dependencies to other artifacts.
 - iii. The test plans will include test data, expected inputs and outputs, and any automated testing to be utilized.
 - d. Be reviewed and approved by business staff and by technical staff (MDIT and MDCH Project Manager).
 - e. During testing, developers will update the design documents to reflect any clarifications that were made during development and testing.
 - f. The Contractor and State will determine the exact components of each of these design documents upon contract award
 - g. Interface Design

4. **Technical Documentation** - The Contractor will produce and update technical documentation for the system.
 - a. Final versions of these documents are due before implementation as well as at interim time periods as agreed upon by the Contractor and the State.
 - b. The documentation shall include the following components:
 - i. Object model.
 - ii. System architecture.
 - iii. Source code and artifacts structure.
 - iv. High-level interaction between modules/packages (system flows).
 - v. Version control process and procedures.
 - vi. Process and procedures to move releases to production environment.
 - vii. Backup procedures.
 - viii. Batch schedule and procedures.
 - ix. Standard system tasks such as starting up and shutting down software and servers.
 - c. All technical documentation shall be delivered to, and become the property of the Department of Information Technology. Initially, an electronic version and one hardcopy of the technical documentation shall be provided to the DIT PM, and then provided as updates are made.



5. Source Code and Artifacts -

- a. The Contractor will have sole responsibility for developing source code, configuration data with respect to frameworks, rules for the rules engine, and the batch schedule.
- b. The Contractor shall unit test all of the resulting artifacts.

6. Test Results

- a. Once the system has been transferred, and modifications completed, the Contractor will provide comprehensive testing to validate functionality and performance.
- b. Testing will include separate:
 - i. Unit testing, to include:
 1. Scope, or aspect of the system tested,
 2. Method for selecting cases,
 3. Test cases,
 4. Results,
 5. System errors identified, and
 6. Corrective action and ongoing maintenance requirements.
 - ii. Systems testing, to include:
 1. Sequence for a complete system test,
 2. Method for selecting cases,
 3. Test cases,
 4. Results and implications for overall system operation, and
 5. Corrective action and ongoing maintenance requirements.
 - iii. User acceptance testing
 - iv. Quality assurance testing
 - v. Performance testing
 - vi. Operations testing, to include:
 1. Identification of all operations areas requiring testing,
 2. Sequence of activities for operations test,
 3. State participants,
 4. Results and implications for overall WIC operation, and
 5. Deficiencies, corrective action, and required training.
- c. In addition to unit testing, the Contractor Development Team shall perform integration testing in the development environment; ensuring defects are not introduced when the unit is combined with the other software artifacts for the given iteration or release.
- d. Each phase of the testing will require a report that summarizes the approach, scope, inputs and outputs, design errors, and corrective actions.
- e. The Contractor will produce test result deliverables: unit test, system test, acceptance test, quality assurance, performance, and operations test.
- f. Successful data interfaces will be a major focus in determining acceptance of the system.

The Contractor will initially produce test plans, followed by detailed test scripts that contain the test cases. The Test Plans for Integration, System, and Regression Testing define the scope, objectives, assumptions and constraints, strategy, entry/exit criteria, pass/fail criteria, test configuration, regression test strategy, and the resources needed to adequately test the system. The Test Plans will describe the issue tracking and control process that is used throughout testing. Within the Contractor's software development process, the software engineers are responsible for planning and conducting Integration Tests. The Test Team, with the Project Manager's supervision, is responsible for System Testing, Regression Testing, and UAT planning.

Test cases will be derived from user requirements as described in /appendix D- Business Requirements. A test case includes a set of inputs, execution conditions, and expected results developed for a particular objective. In addition, it will define pre and post test states of the environment. The development of test cases is an iterative process that starts in the



Design Phase and continues into and through the Development Phase. Test cases will be developed for System and Integration, Testing.

Within the development environment, the software engineers are responsible for unit testing their software using automated and non-automated testing tools. The latest unit test results will be reported and stored in the Configuration Management System coincidental with system and integration testing. Updated results will be provided during those times for existing unit tests when changes require retesting.

Cases for the Integration Test Plans will be developed beginning in the Development Phase. The purpose of integration testing is to ensure the application components work together and that the whole system functions, including software and hardware. The Integration Test Plan is reviewed and updated as necessary with the comments and suggestions received from the review. In addition, the Test Plan will be updated following the actual implementation of the software and the first exercise of the test scripts to correct deficiencies and errors contained within the scripts. As these plans are repeated after completion of each of the subsystem components (e.g., clinic) the scripts continue to be corrected and updated. Development of the system test plans also begins during the Development Phase.

During system development, the contractor will perform the initial Integration Testing within the test environment. Integration testing will be performed on all fully developed components, along with system testing as applicable to the system in its then-current state.

It should be noted that while system testing will normally be conducted in the Test Environment, each system environment (that is, Test, Quality Assurance, Training, and Production) will be system tested at least once to ensure the correct implementation of the respective system.

Regression testing is the retesting of the system and/or specific component to ensure that newly added functionality or program fixes have not had unintended consequences. The intent is to verify that previously working functionality has not been adversely affected by recent changes. The Contractor will perform regression testing for previously tested components during each subsequent subsystem release iteration.

During the System Qualification testing, all deviations from the expected test results are documented as an Incident Report (IR) and researched. A priority scheme of one (1) to seven (7) is assigned to the IR, and is used to evaluate the severity of the issue. The explanation of the various severity levels is:



Error Level	Definition
Level 1: Blocker	A defect that blocks development and/or testing work.
Level 2: Critical	A defect that has serious consequences, such as crashes, loss of data, or severe memory leak.
Level 3: Major	A defect that results in a major loss of function.
Level 4: Normal	A defect with small or negligible consequences, a "run of the mill" bug.
Level 5: Minor	A defect that results in a minor loss of function or other problem where an easy workaround is present.
Level 6: Trivial	A trivial defect, which causes no system functional consequences or erroneous output. These errors may include poor screen layout or misspellings on the screen or in documentation.
Level 7: Enhancement	The functioning requested is in fact not a bug and represents additional functionality.

Severity levels are determined through consensus in a group setting following the completion of testing for each day. The goal of the Contractor's project team during the System Qualification is not to have any Severity one (1), two (2), or three (3) issues, and a limited number of Severity four (4), five (5), or six (6) issues.

Severity seven (7) issues are researched to ensure the requirement has been implemented correctly as defined in the requirements documentation. If the requirement has not been implemented correctly, the priority code is changed to the appropriate lower level and placed in the fix queue. If the requirement has been implemented correctly, the requested modification will be subject to the formal change control process.

Shortly after the completion of the System Qualification Testing, a Test Report is prepared and published. The report documents the results of the test, along with the details and disposition of every IR reported during the testing. The Test Report is a living document that will continue to be updated until every reported IR from the test is resolved and closed.

7. **Quality Assurance and Performance Testing** - The Contractor will conduct Quality Assurance testing and performance testing in accordance with the Test Plan.
 - a. The Quality Assurance testing must be performed in the Quality Assurance (QA) Testing environment.
 - b. The Contractor shall resolve all defects and perform all other technical support required to successfully complete this testing.
 - c. The Contractor must ensure that staffing levels are sufficient to address defects without interfering with other development and ongoing production support activities.



- d. During this testing, the Contractor will analyze and evaluate performance of all components of the system to be delivered, including the technical infrastructure as well as the actual application.
- e. The Contractor will be responsible for all technical architecture and application system modifications required to ensure system performance meets stated performance standards (reference Appendix N - Technical Requirements Traceability Matrix).
- f. The Contractor will prepare performance test results documents. These documents must:
 - i. Include information to permit the State to validate that the test plans have been successfully executed.
 - ii. Document any modifications made to the system.
 - iii. Identify any software or automated testing packages used by the Contractor during this testing, or the documentation thereof, must be provided as part of the test results to be added to the set of project artifacts.
- g. The Contractor will conduct a walk-through of the testing process and the test results to enhance State understanding and to facilitate the State approval process, including a review of performance metrics and general “lessons learned” from all testing participants.
- h. The Contractor will involve the MDIT testing group so that State employees will be well versed in the testing approaches and methodologies used by the Contractor.
- i. The Contractor must train MDIT testing staff in the use of the testing products and, to the extent possible, involve MDIT staff in testing the various releases.
- j. The Contractor shall retain full responsibility for the quality assurance testing and performance testing.

The Contractor’s Team will work with Michigan to determine the target response times for the different types of clinics (e.g. T1 site (intra & inter), 56kbps Site, Cable modem/DSL site, and Dial-up). Once the target response times have been determined, the team will outline the maximum “Get” bytes that a screen can require for combination of communication and response requirement that is the “weakest link.” If, for example, Michigan decides that a 5 second response time is required over a 56kps dedicated line, the maximum number of “Get” bytes would be computed as follows:

$$56 \text{ kbps} / 8 \text{ bits/byte} = 7 \text{ bytes per sec} \times 5 \text{ sec} = \text{max "Get" bytes of 35 K}$$

The above analysis assumes the user can take advantage of all 56kbps whenever it is required, and that the line is “clean” enough that all bandwidth is available. Neither of these cases is ever true, so the maximum “Get” bytes would have to be lowered to account for the above two items. For this reason, screens on the WOW system were designed to be less than 30 kilobytes. Part of unit testing will include comparing the max “Get” bytes number to those measured by using the CommView tool.

At most sites, it is not enough to measure the response time of a single screen. We must instead analyze the interaction of multiple workers performing different clinic functions. Work performed at a small, medium, and large clinic will be mapped into functional models that can then be used to estimate whether the current bandwidth at each of the sites is implemented. The first step to creating this model will be the identification of the work flows or “strings,” that occur during normal operations. Once these are identified, how many and how often they occur, will be incorporated into the model. Finally, the amount of data and timing of the data will be added to the model.

8. User Acceptance Test (UAT) Cases –

- a. The Contractor will develop the test plans for User Acceptance Testing.



- b. The State may partner with the Contractor to create additional test cases.
 - c. The user acceptance test cases should include data edits and data validation criteria.
 - d. The Contractor shall retain full responsibility to create the test cases.
 - e. The UAT test cases must be completed at least 45 days prior to UAT and approved by the MDCH and MDIT PMs before use.
- 9. User Acceptance Testing –**
- a. The Contractor will schedule, coordinate, monitor, and manage all User Acceptance Testing (UAT) activities in conjunction with the State.
 - b. The State is responsible for providing end users (from State and local agencies) and subject matter experts to perform the user acceptance testing.
 - c. Users participating in UAT are expected to signoff on the test results at the completion of UAT, providing their recommendation to the State Project Managers for formal approval and readiness for production. The system will not be ready for production until after formal approval and signoff by the MDCH and MDIT PMs.
 - d. State testers will update the test cases with the test results. If results are successful, they will provide their signoff by marking the test case as 'Passed'.
 - e. The Contractor will provide support for the duration of UAT.
 - i. This support must include both business and technical assistance.
 - ii. The support should be "dedicated" (i.e., individuals assigned to nothing else) throughout UAT.
 - f. The testing process will include the ability to advance the testing clock to provide for a complete test of the life cycle of participant certification and food issuance and redemption over many simulated months or years.
 - g. The test results must generate associated reports for verification and validation.
 - h. The Contractor will support the UAT by:
 - i. Monitoring system performance,
 - ii. Investigating why data was not processed,
 - iii. Monitoring computer resource usage,
 - iv. Participating in problem review meetings,
 - v. Creating and running batch schedules,
 - vi. Investigating problems and identifying potential problems,
 - vii. Informally training users by answering questions about the system,
 - viii. Investigating and ensuring user access to the system in the UAT environment, and,
 - ix. Generally helping the users execute tests and review results.
 - i. During testing, State and USDA authorized testers will log all problems encountered during the execution of the test cases.
 - j. The Contractor will acknowledge all test case issues within two hours of being reported by the State.
 - k. The Contractor will correct all defects discovered during UAT in a timely manner by following normal application development procedures – modifying the appropriate configuration items in the development environment, unit and integration testing the change, promoting the configuration item to the testing environment, quality assurance testing the change, and promoting the change to the UAT environment.
 - l. Promotions to UAT shall occur on a regularly scheduled basis unless it is an emergency situation (e.g., UAT cannot continue until problem is resolved).
 - m. After each promotion to UAT, the State will conduct Regression Testing before new functionality is tested.
 - n. When defects are encountered during a test case run, State testers will attempt to continue the execution of the test case and not stop the run immediately, unless the defect does not allow the State to proceed further in the test case.
 - o. The Contractor must have procedures and tools for tracking, reporting, and correcting deficiencies.
 - p. The Contractor must meet the requirements of section 1.110 of Appendix E – WIC MIS Technical Requirements for test environments.

**10. Training Material -**

- a. The Contractor will be responsible for creating an Instructor's Manual and a Student Manual to be used during all classroom sessions.
- b. The Contractor will provide an electronic version of all end user training material, as well as hardcopies of this material for review purposes.
- c. The Contractor will be responsible to provide all required copies for classroom sessions.
- d. The Student Manual shall include additional practical exercises in the back of the manual that the end user can complete upon return to their work location.
- e. Both manuals should include curriculum by functionality, with sufficient examples and exercises to accomplish the stated training objective of assuring that end users gain the skills necessary to perform their job functions in the new WIC system.
- f. The Contractor will all also create any other necessary training aids such as presentation outlines and audiovisual materials.
- g. The Contractor's training plan and approach shall include training on how to effectively utilize the Online User Aids described in subsection 15 below.
- h. Additional training materials may include Web-Based Tutorials (WBTs), CDs, videos, and virtual classrooms. An introduction to these items should be provided during the classroom training, with the intent that these materials supplement the training received by students upon their return to their work location.
- i. All training materials shall be delivered to, and become the property of the WIC Division, Department of Community Health, State of Michigan, upon the completion of the system implementation.

11. Training Data -

- a. The Contractor will be responsible for developing and maintaining base data for all training activities.
- a. The Contractor must refresh the training data to its base data upon request by the State.
- b. The responsibility for the training data continues for the duration of the contract.

12. Online User Aids -

- a. The Contractor will produce Online User Aids, including web page and field help, and an Online User Interface Guide.
- b. The Online User Interface Guide should be delivered in electronic format only, but be printable by the end user if desired.
- c. The Contractor will design and develop the Online User Interface Guide and include:
 - i. Features most used in the WIC system,
 - ii. Features hardest to understand,
 - iii. Problems most significant to the end user,
 - iv. Features that cause the most calls to a help desk,
 - v. Features that would potentially result in less training required, supplementing the training already received, and,
 - vi. Simulations to help the user do a task.
- d. The guide shall:
 - i. Address the usage of the system from a business process (workflow) perspective, describing how to accomplish business processes associated with the new system.
 - ii. Be easy to use by enabling users to quickly locate the particular help they need with options such as "how do I?" and step-by-step procedures.
 - iii. Link to the Michigan WIC Policies and Procedure Manual to allow the user to identify the policy or regulation pertaining to services provided to the participant.
 - iv. Be available in conjunction with UAT tasks to allow for testing of the user instructions in parallel to the software.

- d. **Milestone 4 – Implementation Support** - The purpose of implementation support is to ensure the successful implementation of the system in each local agency after the implementation.



Implementation support provides coordination of all project-related activities taking place at the local agency and enables staff to make a smooth transition to the new system.

- i. Activities for Milestone 4:
 1. Installation of production environment hardware and software.
 2. Convert M-TRACX and other files/data.
 3. Train program support trainers.
 4. Train end user.
 5. Conduct pilot.
 6. Perform site support.
 7. Rollout WIC application statewide.
 8. Provide Help Desk support activities.

- ii. Deliverables for Milestone 4:
 1. **Production Environment -**
 - a. The Contractor shall install and configure all hardware purchased through them, along with the customized Michigan WIC application solution in Lansing, Michigan.
 - b. If the State uses the option of using their own purchasing to obtain hardware, it shall be a joint responsibility between the Contractor and MDIT to install and configure according to Contractor specifications and in accordance with the project schedule.
 - c. The new system will be expected to carry five years of data for routine processing.
 - d. The warranty period will commence after the statewide installation in the production environment.

 2. **Data Conversion -**
 - a. Data Conversion, including the quality of the converted data, is the responsibility of the Contractor.
 - b. The State may assist the Contractor on a need basis only. Conversion shall include any supplemental data such as default values or mocked up standard data to make the WIC system a fully functional system.
 - c. Data conversion will include downloading existing WIC participant records, historical certification records, coupon issuance and redemption data, EBT issuance and redemption data, UPC data from M-TRACX, WIC contractor/retailer data from PC File, Formulary data, and FMNP data validating the data through a series of edits and uploading the data to the new system's database. Older data, if required, will be pulled from the data warehouse.
 - d. The Contractor will need to work with State staff to determine if any data could be taken from the data warehouse to load the new system's database.
 - e. The Contractor will be required to produce a conversion report showing what data was converted, data sources, volume of data converted, and gaps. The report must describe:
 - i. The steps involved in converting the data for the new system.
 - ii. Any significant differences in approach from the earlier data conversion plan and the results.
 - iii. The content and volume of data converted.
 - iv. Gaps in data.
 - v. Recommendations for compensating for the data gaps.

To achieve the goal of an automated conversion, the Contractor will first load static data and then develop and iteratively test the processes which load dynamic operational data and finally to develop standardization algorithms. To support monitoring and correction, conversion reports will demonstrate required conversion metrics, such as data sources and input/output data volumes.

Load Look-up and Validation tables



Base load files will be maintained for each look-up and validation table. If during the iterations of the conversion process, new or updated values are required, the base load files will be modified accordingly to reflect the values applicable for Michigan, so these files will be controlled in the same manner as source code. A refresh process will be developed that prepares the database for a full reload and ensures this static data is loaded from controlled source files first. Completion of this first step should enable the majority of UI processes which in turn allows those processes to be utilized in verifying conversion of the dynamic operational data. Reload of a fresh database with each execution ensures repeatable results.

Production Data Extraction

The Contractor Team will and test conversion processes using extracts of live production data to ensure accuracy and performance.

Data Mapping and Translation

Since the physical database must be finalized before the conversion development can be completed, these tasks will be scheduled to take place after the logical-to-physical data mapping has been completed. Building on the artifacts generated with the data dictionary and logical to physical data mapping, the Contractor Team will proceed to identify where additional information or translation is required:

- Identify the fields which require generation of a new key identifier (if the field format varies between the old and new systems then a new key will be generated and a cross-reference table built)
- Identify the fields that require business logic for conversion. In some instances field level mapping will not be feasible and may require business logic programs to migrate data from the existing format.
- Analyze text fields for data usage.
- Identify the fields that are no longer required.
- Review code values in existing tables and identify any changes or additions required to Look-up and Validation tables.

Load of file data

Since file data will tend to be less dynamic and smaller in volume, scripts will be developed to load all data in a single pass. Most likely, this approach will apply to the contractor/retailer data, formulary data and FMNP data.

Iterative Load of extracted M-TRACX IDS-II data

Scripts will be developed to load data into the new database. Depending on the table being populated and the quality and quantity of data the scripts will:

- Load the tables with current data, default data or translated data (for example Alpha-numeric data may need to be changed into numeric data, or a field in the current system may need to be broken into two fields in the new system.)
- Create foreign keys and related records (for example, in the WOW system all participants are related to a family)
- In some cases, scripts may be necessary to load data into a temporary table where constraints are removed prior to loading it in the final table.

Since Michigan has chosen to do a rollout of their system, the scripts must be designed to move both the common information and then Local Agency specified information, on demand. As such, incremental conversion scripts will be written to ensure only selected clinics are processed with each increment and prevent the accidental loading of old data



in the operational database. In addition, a full export of the new system will be performed prior to any loading or modification of the operational system.

The Conversion Scripts will be executed in a test environment against extracts of production data, and generate reports showing what data was successfully converted and what data failed the conversion.

This is an iterative process that will be done in conjunction with the refining of the conversion software. After each test run on conversion, data that could not be converted due to invalid data values or missing data will be reported. The Contractor Team will work with State and Local Agency stakeholders to see if missing data can be obtained, if additional rules and translations are needed to cleanse the data, or if the data should just not be converted.

When the final run of the conversion is made, data that has missing required fields or values that do not pass validations will not be converted to the new database. After the conversion, the new database will contain only valid, complete records. Reports will be generated and distributed to the local agency/clinic identifying any participants that were not converted along with as much information about the participant that is in the current database.

The last step in the Data Migration effort is the final clean up and standardization of the data in the database. For this step, the Contractor Team will develop a series of scripts that will review the data in the new system and identify fields that could be standardized (for example, the capitalization of names, the use of commas, and the use of street types (Street, Avenue, Road)). We will also identify areas where cities may have the wrong zip code. For any remaining data gaps, system users and/or help desk personnel will be notified of contingency procedures to be handled as individual records are encountered.

3. User Training –

- a. The Contractor will be expected to provide the full complement of training, as approved by the State in the Training and Knowledge Transfer Plan.
- b. Training for the local agency/clinic staff, State WIC staff, and other State users must coincide with the schedule in the Project Work Plan for system implementation.
- c. The Contractor will be expected to integrate the user training with the Pilot implementation of the system.
- d. The Contractor will be required to provide a training report at the conclusion of the user training. This report will cover all aspects of the training activity, including:
 - i. Approach.
 - ii. Schedule.
 - iii. Number of staff trained.
 - iv. Material covered.
 - v. Assessment of effectiveness, including demonstrating that all training sessions were held, that the Contractor's training covered all the areas required in the approved Training Plan and that Contractor made a concerted effort to include all personnel required by WIC Division, MDCH.
 - vi. Gaps.
 - vii. Areas for State follow-up documentation.
- e. The Contractor will provide both system and business workflow (as it relates to the automated process) training to end-users.
- f. The Contractor will not be required to provide training in navigating in a browser-based environment or in basic keyboard skills.
- g. Training will be conducted by region in coordination with the State rollout plan.



- h. The Contractor will be responsible for scheduling people using State facilities, State-authorized registration programs, and databases as approved in the Training Plan.
- i. The Contractor will minimize travel cost/time for trainees when developing the training portion of the Training Plan.
- j. Costs for training facilities and the establishment of additional temporary training facilities will be the responsibility of the State.
- k. The Contractor will provide initial training for all end-users via a hands-on classroom/PC lab.
 - i. Each trainee will have his or her own PC.
 - ii. The classroom training will begin with a high-level introduction and interaction with the system and will progress deeper into low-level end-user system functionality and business processes and workflows.
 - iii. The Contractor will provide training for users to use the ad hoc reporting tool with common reporting examples.
 - iv. Classroom training will be directed and offsite, except in instances where a local agency office or local county health department has an available training facility meeting classroom training requirements.
 - v. Classroom training will be business process driven and specific to the trainee audience.
 - vi. The training application within the classroom will function in all ways as a production application with all the necessary participant, configuration, and food package data.
 - vii. The State recommends that the training data include audience specific (WIC Coordinators, Competent Professional Authorities (CPAs), Registered Dietitians (RDs), Clerks, Lab Technicians, etc) data.
 - viii. It is recommended that the larger percentage of the training be hands-on and job-related.
 - ix. The State expects that staff attending training do not spend more than eight (8) hours a day at the classroom environment.
 - x. Each training class will have at least one facilitator and an assistant. The State may partner with the Contractor to provide additional trainers. However, no guarantee can be made to the availability of this staff.
- m. The Contractor shall retain full responsibility to complete the requirements of training the end-users (local agency, State WIC, and MDIT).
- n. The Contractor will ensure all end-users that have completed the training curriculum will have the ability to correctly complete activities and functions within the WIC program environment corresponding to their day-to-day responsibilities.
 - i. At a minimum, the State expects that 95% of the trainees will achieve this level of proficiency.
 - ii. An option to repeat the training will be available, but the Contractor should expect the estimated number of repeats is already included in the staff counts.
- o. Each training group will receive training that includes an overview of all the functionality, including a clear understanding of how his or her responsibilities relate to and rely upon all the other WIC functionality.
- p. The Contractor will plan different classroom curriculum based on functionality and the results of the Training Needs Analysis.
- q. The Contractor will provide training for up to 1,000 end users, according to geographic location (region) and job classification as shown in Appendix G – Program Statistics.
- r. The Contractor will be responsible for collecting and reporting information on classroom training, including:
 - i. Progress to Schedule (classes scheduled v. classes actually held, total planned to be trained v. number actually trained).
 - ii. Number and category of staff trained.
 - iii. Material covered by trainer.
 - iv. Proficiency attained in each section/module by trainee, based on analysis of evaluation.



4. **Post-classroom Practice Exercises –**
 - a. The Contractor will provide the capability for post-classroom, self-directed practice to allow recently trained end-users to build upon the initial classroom training.
 - b. The post-classroom practical exercises shall enable end-users to practice, based on their job responsibilities, in the training environment.
 - c. Trainees will be supported in their practice efforts via the Online User Aids, Web-Based Tutorials (WBT), and their classroom training material (Student Manual).
5. **Train the Trainers –**
 - a. The Contractor will be responsible for training the WIC Division program support trainers and any other trainers that the State wants to partner with the Contractor to provide training to the end-users.
6. **Help Desk Guide –**
 - a. The Contractor will develop a Help Desk Guide with help desk processes and scripts to support the new application, data, and workflow.
 - b. The Contractor will provide the Help Desk Guide two months prior to Pilot implementation.
7. **Help Desk Support Metrics –**
 - a. The Contractor will generate a Help Desk Support Metrics Report every week. The report will minimally contain:
 - i. Number of tickets open during the current period.
 - ii. Year-to-date (YTD) number of tickets opened.
 - iii. Number of tickets closed during the current period.
 - iv. YTD number of tickets closed.
 - v. Number of tickets open for more than three days.
 - vi. Problems identified.
 - vii. Problem type or category.
8. **Pilot Michigan WIC Application Implementation –**
 - a. Before statewide implementation, the Contractor will conduct a Pilot implementation of the application for a minimum of two local agencies and a maximum of four local agencies, preferably in the vicinity of the Lansing area.
 - b. The local agencies selected will represent the various different infrastructure, personnel, and caseload.
 - c. The Pilot should be completed no later than 17 months after the contract start date and shall run for a minimum of three months before other local agencies are converted.
 - d. The Pilot implementation shall include all of the implementation support identified in this activity – namely:
 - i. Data Conversion.
 - ii. Training.
 - iii. Site Support.
 - iv. Help Desk Support.
 - e. The Contractor may provide an alternate timeline for implementation with proper justification based on their previous WIC system implementation experience for similar size caseload.
9. **Pilot Review Report –**
 - a. At the completion of the Pilot, the Contractor will provide a formal report on the Pilot to the State. The report shall include information on:
 - i. Readiness of the software for statewide use.
 - ii. Data conversion issues and current status.
 - iii. Training issues and current status.
 - iv. Site support activities.



- v. Help Desk support activities.
Issues, concerns, and lessons learned for statewide deployment.

10. Michigan WIC Application Implementation –

- a. After a successful Pilot of at least 90 days, the remainder of the local agencies/clinics will be converted to the new WIC system according to the approved Installation Plan.
- b. The statewide rollout must begin within six (6) months after pilot start date.
- c. The Contractor will complete implementation of the customized Michigan WIC solution statewide within 30 months of the execution of the contract.
- d. The Contractor may provide an alternate timeline for implementation with proper justification based on their previous WIC system implementation experience for a similar size caseload.
- e. The Contractor will coordinate local agency IT (including contracted local WIC program staff) to set up LAN, personal computers, printers, electronic signature pads, document scanners, and network connections needed for the new environment setup.
- f. The Contractor will provide implementation support a minimum of 10 days prior to and 10 days subsequent to each local agency converting to the new system. The support will supplement the Contractor's end-user support provided by the Help Desk.
- g. The Contractor will provide centralized Help Desk services as a primary point of help for local agencies, clinics, and state offices relative to the implementation of the new system. This service is also referred to by the State, as "triage" to signify the quick assessment of criticality of the help requests received.
- h. The Contractor will handle help issues related to the application, data, and implementation starting at Pilot implementation and continuing until three months after statewide deployment of the new WIC application.
 - i. Issues not related to the application, data, and implementation of the new system will be forwarded to the State's standard Help Desk (also known as "Client Service Center").
 - ii. Site support personnel are also intended to be an integral part of this post-implementation help, resolving routine issues onsite without Contractor Help Desk intervention.
- i. The Contractor will provide Help Desk services, from the United States, preferably Michigan, during normal WIC business hours (Monday through Friday 7:30 AM to 7:30 PM) during implementation and to perform the following tasks:
 - i. Implement a triage process to determine criticality of request.
 - ii. Perform initial investigation, impact assessment, and prioritization of all requests.
 - iii. Forward non-WIC implementation related issues to the State's Client Service Center.
 - iv. Forward requests that cannot be resolved immediately to the Ongoing Production Support Team; if possible, develop and communicate end user workarounds for such requests.
 - v. Capture and track Help Desk requests.
- j. Prior to implementation, the Contractor will have full responsibilities to:
 - i. Monitor progress against a detailed installation plan for the clinic ensuring each task is completed accurately and on schedule.
 - ii. Communicate with the State Project Managers to provide status and escalate issues.
 - iii. Participate in a daily call with the implementation team to coordinate activities, discuss status, and resolve issues.
 - iv. Coordinate clinic implementation with training.
 - v. Ensure data readiness.
 - 1. Coordinate with the data conversion team to address manual and automated data correction activities pre- and post-conversion.
 - 2. Provide staff to perform manual and automated data. cleanup/conversion activities.
 - 3. Provide support for business continuity data entry.



- vi. Implement new workflow:
 1. Install infrastructure hardware.
 2. Work with local agency, clinic, local agency IT, and State staff (MDCH and MDIT) to plan the transition from the existing workflow to the new one.
 3. Ensure that the clinic staff understands the new workflow.
 - vii. Provide onsite post-implementation help to resolve workflow and application issues.
- e. **Milestone 5 – Turnover and Transition** – Activities during this phase are split between Contractor responsibilities and MDCH/MDIT activities. On the business side, the MDCH staff is responsible for daily operations, under the oversight of the Contractor. The Contractor has its assigned personnel supporting each major subsystem.

The Contractor's support includes production of all files for data transmittal to outside entities and acceptance of incoming files for automatic system updates. State users would perform any direct data entry for file updates.

On the technical side, MDIT has assumed responsibility for hardware and system maintenance support. The Contractor is providing application software maintenance and enhancement, and at the same time is training the MDIT staff to take over routine support for application software.

i. Activities for Milestone 5 -

1. Key Activities:

- a. Prepare updated Turnover Plan
 - i. Develop training for Client Service Center (Help Desk) staff based on the Help Desk processes and scripts.
 - ii. Develop training for WIC Help Desk support based on the Help Desk processes and scripts to provide program process and policy help.
 - iii. Develop a Help Desk Transition Plan to transition the Help Desk function to the Client Service Center and WIC Division.
 - iv. Train Client Service Center staff.
 - v. Transition support to the Client Service Center and WIC Division at the completion of the three month Help Desk Support window.
 - vi. Support the State by providing updates to the Help Desk Guide reflecting new functionality as it is released.
 - vii. Complete training and operations testing for State business users.
 - viii. Review all aspects of system operations with State managers to assure State resources are prepared for initial operations.
2. System Maintenance and Enhancement Activities - Software maintenance and enhancement will follow the definitions below:
- a. System Maintenance:
 - i. Refers to regular and routine work performed by the Contractor on the WIC system, and any ancillary systems or interfaces run by the Contractor under this contract.
 - ii. Includes any work required to correct defects in the system operation as required to meet the project requirements as described in Article 1. This includes:
 1. Any routine file maintenance to update any information required for operation of the system such as data changes, constructing new edits, investigating batch job failures, investigating and correcting application defaults, repairing jobs run incorrectly, repairing problems due to system hardware or software failures, repairing problems due to operator or schedule error, rectifying problems due to web page, program, object, class, scripts, control language, or database errors, repairing security problems, repairing and restoring corrupted files, table structures, and databases, rectifying incorrect documentation, and repairing problems due to jobs run with incorrect data.



- i. The Contractor will perform system maintenance at the direction of the State, and, as defined in the Scope of Work, for the component parts of the system after its implementation.
 - ii. If the Contractor considers that any individual maintenance change requested by MDIT constitutes a system enhancement (as defined in this section), the Contractor will advise the MDIT Contract Manager in writing within ten (10) business days of receiving the request that the Contractor considers the request a system enhancement.
 1. If the MDIT Contract Manager agrees with the Contractor on the classification of this work order, he/she will re-classify the work order as a system enhancement.
 2. If the MDIT Contract Manager denies the Contractor's request for reclassification of the work order, the Contractor may seek remedy through the dispute resolution process.
3. Adaptive and Preventive Maintenance Activities –
 - a. Adaptive and preventive maintenance addresses upgrades to the system due to technical changes to system components to keep the system maintainable, including the following services:
 - i. Upgrades or patches of the application server, Windows components, java virtual machine, operating system, RDMBS, or other system and application software.
 - ii. Software modifications and upgrades necessary because of expiring contractor support.
 - iii. Hardware, database, or application conversions that do not modify user functionality.
 - iv. One-time loads or reformats of user data.
 - v. Report distribution changes.
 - vi. Disaster recovery plan activities.
 - b. The changes should be transparent to the user.
 - c. Adaptive release changes will be performed in a monthly patch release.
 - d. For major upgrades requiring a more significant amount of time to develop, test, and implement, the changes should be completed as part of a development release or a quarterly release.
4. Performance Maintenance Activities - Performance maintenance addresses activities to improve the performance of the application.
 - a. Performance maintenance includes the following services:
 - i. Improve the performance, maintainability, or other attributes of an application system.
 - ii. Data table restructuring.
 - iii. Data purges to reduce/improve data storage.
 - iv. Run time improvements.
 - v. Replace utilities to reduce run time.
 - vi. Potential problem correction.
 - vii. Data set expansions to avoid space problems.
 - b. Performance maintenance changes will be performed in a monthly patch release or, for major changes requiring significantly more time to develop, test, and implement, the changes should be completed as part of a development release or quarterly release.
 - c. Activities that can typically be completed independent of a production release (e.g., data set expansions, data purges) may be completed on a more frequent basis (e.g., daily or weekly).
5. System Enhancement Activities -
 - a. System enhancement includes changes to the system that are necessary to meet:
 - i. New State policy requirements,
 - ii. New Federal regulations,
 - iii. New technology requested by the State, or
 - iv. Accommodate new or updated interfaces requested by the State.
6. Other Transition Activities -



- a. The Contractor's operations staff provides oversight of all business functions
 - b. The Contractor's technical staff provides application software maintenance and automated file transfers
 - c. The Contractor's technical staff performs software enhancements, pursuant to approved change orders from the State.
 - d. The Contractor's technical staff provides any formal training and "Hands-On" experience in the transfer system software, pursuant to the Knowledge Transfer Plan.
- ii. Deliverables for Milestone 5 -
- 1. **Updated Turnover Plan**
 - a. The Contractor must implement the turnover process, consistent with the approved Turnover Plan.
 - b. This implementation will begin with an updated Turnover Plan to the State confirming the steps and requisite responsibilities for transferring the daily business operation to State staff.
 - c. The updated plan is due no later than 90 days prior to the final Statewide Implementation Date for the new system and should include:
 - i. Responsibilities of the respective parties (MDCH, MDIT and Contractor) for each system area.
 - ii. Proposed transition schedule to State staff.
 - iii. Level of resources required after transition.
 - iv. Backup plan for any failed transfers.
 - v. Proposal for maintenance after the Transition Phase is complete.
 - d. The Updated Turnover Plan must be approved by the MDCH and MDIT PMs before execution.
 - 2. **Final Turnover Report**
 - a. The Contractor must provide a report to the State describing the successes and any deficiencies in State operation of the system during the Transition Phase.
 - b. This report is due 60 days prior to the termination of the Transition Phase for the new system and should include:
 - i. Training provided to each business area.
 - ii. Performance level of each business area based on testing of selected business responsibilities.
 - iii. Any risks and proposed remediation for continued MDCH operation of the business areas after the Transition Phase.
 - iv. Level of State business resources required after transition.
 - 3. **Knowledge Transfer Reports –**
 - a. During the DDI Phase, and continuing through the Transition Phase, the Contractor will provide a series of monthly progress reports on the activities, issues, and progress in knowledge transfer for the MDIT employees.
 - b. The Contractor will file a summary report no later than 30 days prior to the termination of the Transfer Phase describing the knowledge transfer process, the accomplishments, and any obstacles to MDIT's assumption of full responsibility for the system at the termination of the Transition Phase. The content should include:
 - i. Training provided to each technical area.
 - ii. Performance level of each technical area based on testing of technical maintenance requests.
 - iii. Any necessary corrective action or remediation taken.
 - iv. Risks in State assumption of operation.
 - 4. **Updated Application Source Code Artifacts** - The Contractor will follow the agreed upon procedures to modify, test, and implement code.
 - 5. **Updated Documentation –**
 - a. The Contractor will update any documentation that has been previously created by the Contractor to reflect the updated and enhanced functionality of the application/system.
 - b. The Contractor will provide updated versions of all systems, user, training, and operations documentation prior to the implementation date.



- c. Documentation must meet all requirements of the approved Documentation Standards Plan and be provided in electronic and hard copy.
- d. Documentation includes:
 - i. Complete system documentation.
 - ii. User manuals.
 - iii. Training manuals.
 - iv. Updates to the Help Desk Guide to reflect new functionality as it is released.
 - v. All operations procedures not covered in a user manual.

f. Milestone 6 – Maintenance Support

- i. *Activities for Milestone 6* - Software Maintenance and enhancement will follow the definitions as described in the Turnover and Transition period.
 - 1. System Maintenance.
 - 2. Adaptive and Preventive Maintenance.
 - 3. Performance Maintenance.
 - 4. System Enhancement.
 - 5. Documentation Update.
 - 6. Provide a routine status report to the State.
 - 7. During the one-year maintenance support period, the Contractor will provide on-site staff for enhancements or trouble-shooting on the new system.
 - 8. The maintenance period is the one-year period from the Statewide Systems Operations Date to the date when the State assumes sole responsibility for operation of the WIC system.
 - a. All maintenance will be performed by qualified personnel who are familiar with the system.
 - b. The Contractor will provide backup maintenance resources.
 - c. The Contractor will provide for escalation of maintenance issues to ensure critical issues are resolved.
 - d. The Contractor will provide remote diagnostic capabilities.
 - e. 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.
 - f. The Contractor will provide the following services for the system, commencing upon installation of the deliverable(s):
 - i. Error Correction. Upon notice by State of a problem with the system (that can be verified), the Contractor shall use reasonable efforts to correct or provide a working solution for the problem.
 - ii. The Contractor shall notify the State of any material errors or defects in the deliverables known, or made known to the Contractor from any source during the Contract term that could cause the production of inaccurate or otherwise materially incorrect, results.
 - iii. The Contractor shall initiate actions, as may be commercially necessary or proper to effect corrections of any such errors or defects.
- ii. *Deliverables for Milestone 6* -
 As noted above, the Contractor is responsible for the maintenance support for one-year from the date the system is implemented statewide. This includes support of MDCH and MDIT staff in their assumption of these operation responsibilities.

1.2 Roles and Responsibilities

1.201 CONTRACTOR STAFF, ROLES, AND RESPONSIBILITIES

A. Contract Staff

All persons assigned to this contract shall be employees, or subcontractors, of the Contractor and, in the case of key personnel, meet the qualifications in Appendix J – Minimum Qualifications for Key Personnel. The



Contractor needs to include a similar provision in any contract with any subcontractor selected to perform work under this project. 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 provide, and update when changed, 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 must also show lines of authority to the next senior level of management and indicate who within the firm will have prime responsibility and final authority for the work.

The Contractor shall assign a project manager for the services. 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 Contractor 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.

The Contractor will provide:

1. Personnel with the ability to work professionally with the users, administrators, MDCH WIC Division, MDIT personnel, WIC Division-contracted local WIC programs, and other State agencies serving the citizens of the State of Michigan
2. Personnel with abilities to work with state and local agency personnel that have wide ranges of application and computer-related knowledge
3. Personnel with the ability to work with public health professionals from MDCH and MDCH WIC Division-contracted local WIC programs
4. Personnel with the ability to train and/or educate while assisting MDCH personnel
5. Personnel with the ability to document and act on customer suggestions and complaints
6. Provide personnel with the ability to document problems, fixes, resolutions, and preventative measures for the future
7. Personnel with the ability to troubleshoot problems and provide timely resolutions in order to prevent downtime

B. Key Personnel

The Contractor will identify key personnel and provide a resume for each individual. Key personnel must meet the qualifications described in Appendix J – Minimum Qualifications for Key Personnel. Key personnel by phase are as follows:

The Contractor must designate one of the key personnel as Security Officer to serve through the Transition Phase. The Contractor may add an additional key person for this role, if preferred.



1. DDI Phase
 - a. Account Manager – TC Mullany
 - b. Conversion Manager – Sreenivasulu Bezawada
 - c. Systems Development Manager – Krushanu Majmundar
 - d. Training Director (Business Operations) – Hope Rollins
 - e. Knowledge Transfer Manager (Technical support) – TC Mullany
 - f. Database Administrator – Beth Krushinski

2. Transition Phase
 - a. Transition Manager (should have been a member of the DDI team) – TC Mullany
 - b. Systems Operations Manager – Krushanu Majmundar
 - c. Knowledge Transfer Manager – TC Mullany

3. Maintenance Phase
 - a. WIC Systems Modifications Manager – Krushanu Majmundar

C. Approval of Key Personnel

The MDCH and MDIT Project Managers shall have the absolute right to approve or disapprove the Contractor's and any subcontractor's key personnel assigned to this contract. The State Project Managers may also approve or disapprove any proposed changes in key staff or require the removal or reassignment of any key Contractor employee or subcontractor personnel found unacceptable by the State.

1. Notice of Change to Key Personnel

The Contractor shall notify the State Project Manager in writing of any changes in key personnel at least 30 days prior to the change, except in the case of immediate risk to the health and safety of project staff, or in the case of unlawful security breaches. The Contractor shall, upon request, provide MDCH and MDIT with a resume of any members of its staff or a subcontractor's staff assigned to or proposed to be assigned to any part of this contract.

Individuals assigned by the Contractor are employees of that Contractor, and are not, under any circumstances or conditions, employees of MDCH.

MDCH and MDIT Project Managers reserve the right to interview and approve the Contractor's personnel. MDCH and MDIT Project Managers reserve the right to reject any proposed staff member and require the appointment of a satisfactory Contractor staff member, as well as to require verification of a proposed staff member's skills through demonstration and/or testing.

MDCH and MDIT will retain the right to release outright or request the replacement of any Contractor representative who is working at an inferior level of performance, as determined by the MDCH and/or MDIT Project Manager. The Contractor will be given 24 hours advance notice of this action. The Contractor shall provide an acceptable replacement within five (5) working days of notice of this release.

The Contractor will assume full responsibility for the behavior of its employees and will remove any of its employees from MDCH or MDIT premises at the request of the MDCH or MDIT Project Manager.

The individual(s) assigned to the project may not be replaced during the course of the project without the prior approval of the State Project Managers. The State Project Managers and/or their representatives may interview candidates prior to this approval.



1.202 STATE STAFF, ROLES, AND RESPONSIBILITIES

A. State Project Team

The State will work to assist the Contractor in delivering the system. The State will provide Project Managers from MDCH and MDIT and Project Sponsors from MDCH, MDIT, and USDA. These senior managers will lead the project.

The State Project Managers will be responsible for ensuring that the project is in compliance with the contract and satisfies the requirements stated in the contract. The State Project Managers will consult with the Project Sponsors on a continuing basis in every phase of the project. This joint effort will ensure that the system is properly implemented, supports the requesting agency's defined functional and technical requirements, and is properly documented. A special goal in this partnership will be to ensure that the system is flexible and expandable to accommodate new requirements that may be legislated.

The Project Managers from the State will provide expertise, assistance, and technical leadership in all matters such as policy, organization and staff, environment, data, information processing, current systems, acceptance testing, and so forth. The State's Project Managers will work closely with the Contractor's Project Manager in day-to-day project activity.

The State 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 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 project meetings

The State Project Managers, along with the Contractor's Project Manager, will report to a Steering Committee. The WIC Division Director, Senior Managers from the WIC Division, Senior MDIT Managers, and a County Health Department WIC Program Director will represent the Steering Committee.

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

- Approve the project schedule
- Authorize modifications for scope, resources, and budget
- Ensure senior management commitment to the project
- Act as a final arbiter on proposed changes that significantly affect the business interests of the State
- Resolve project issues in a timely manner
- Review project plan, status, and issues
- Resolve deviations from project plan
- Utilize change control procedure

MDIT shall provide a Contract Administrator whose duties shall include but not be limited to: i) supporting the management of the Contract, ii) advising the State's 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.



1.203 OTHER ROLES AND RESPONSIBILITIES

If the Contractor identifies a need for additional State staff, the Contractor should indicate these needs as a part of their proposal. At the State's discretion, State personnel may be substituted or added as needed.

1.3 Project Plan

1.301 PROJECT PLAN MANAGEMENT

The Project Plan will cover both Contractor and State tasks and responsibilities, as well as a work schedule. At a minimum, the Plan must contain the following items, or reasonable substitutions:

- A. Project team and organization
 - 1. A description of how the Contractor will organize, deploy, and administer the project team.
- B. Project Work Plan, which includes the following:
 - 1. A work breakdown structure of the major phases of the project, accounting for all tasks, deliverables and milestones. This should include all aspects of the WIC application in order to provide the functionality stated in the Work and Deliverables portion of Section 1.104, Appendix D - Business Requirements, Appendix E – WIC MIS Technical Requirements, and Appendix F – Reporting Requirements.
 - 2. A timetable and resource assignment for each task, deliverable, and milestone. This includes both State and Contractor resources and tasks.
 - 3. Critical path with parallel and dependent project tasks.
 - 4. A summary of total Contractor and State hours by phase. The Work Plan, as described above, must cover the entire project and each phase, and must reflect State staff, tasks, and schedules.
- C. Any assumptions or constraints identified by the Contractor. If there is a need for State staff in addition to those referenced in Section 1.202 A, the Contractor should note this at this point.
- D. An explanation of how the schedule provides for the handling of potential and actual problems. This must also include general plans for dealing with the slippage of critical dates.
 - ii. The draft Project Plan that was submitted as a part of the bid response will be reviewed and updated by both the State team and the Contractor. Once updated and approved by the State, the resultant Project Plan will be turned over to the Contractor who must maintain it throughout the remainder of the project.

1.302 REPORTS

Reporting formats must be submitted to the State for approval within ten (10) business days of the execution of this contract. Once both parties have agreed to the format of the report, it shall become the standard to follow for the duration of the contract. The following reports must be provided, together with any reports identified in Section 1.104, Work and Deliverables, and the following requirements met:

- A. Written monthly summaries or progress reports that outline work accomplished during the reporting period, work to be accomplished during the subsequent reporting period, if known; problems, real or anticipated, which should be brought to the attention of the MDCH and MDIT Project Managers and notification of any significant deviation from the previously agreed upon work plans. All areas of deviation must be reviewed in detail with the MDCH and MDIT Project Managers prior to any final decision. The State Project Managers must approve of the deviation. Each monthly progress report will contain the following:
 - 1. Project schedule status.
 - a. Identify if the project is on schedule or if there is any deviation from the previously agreed upon schedule.
 - b. If the project has deviated from the previously agreed upon schedule, identify the reason for the deviation and the affected areas.
 - c. Identify in detail the steps that will be taken to resolve the deviation.
 - d. Specify any schedule adjustments that have resulted from the deviation.



2. Activities of the past month - Summarize the actions taken and progress made on the project during the past month.
 3. Activities of the following month - Summarize the actions planned for the following month in order to meet the project delivery and performance schedule requirements.
 4. Deliverables - Identify deliverables delivered to MDCH in the past month and deliverables planned for delivery to MDCH in the following month.
 5. Issues - Identify problems, difficulties, either anticipated or encountered, and suggested solutions.
 6. Resolution of prior issues - Identify resolutions to issues identified in previous progress reports.
 7. Percentage completed. Indicate the percentage completed for each task defined in the work plan during the past month, the total percentage completed for each task, total percentage completed for the development phase, and the total percentage completed for the project phase.
- B. The Contractor will maintain progress and resource schedules for all tasks under this contract. This documentation will include, as appropriate, progress Gantt charts, resource schedule reports, and progress reports. The Contractor is responsible for tracking hours expended on each task.
- C. All documentation prepared by the Contractor must be submitted to MDCH and/or MDIT as both a printed hard copy and in Microsoft Word electronic format. MDCH/MDIT and the Contractor must mutually agree upon alternative electronic formats.
- D. 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 and invoices.
- E. All documentation submitted to MDCH or MDIT by the Contractor must contain a title page with the following information:
1. Contract Number
 2. Contract Expiration Date
 3. Task Name (if applicable)
 4. Deliverable Name
 5. Name of Contractor
 6. Contractor Project Director
 7. Date of Deliverable or Report
 8. Time Period of Deliverable or Report
- F. All reports and deliverables to be furnished by the Contractor, as described in Section 1.104, Work and Deliverables, will be delivered to the MDCH and MDIT Project Managers for their approval. The Contractor will inspect all reports and deliverables for accuracy and adequacy prior to delivery.

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 Project 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 Contractor)
- Resources assigned responsibility for resolution
- Resolution date
- Resolution description.

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 meet with the State of Michigan to discuss a risk management approach. . Once both parties have agreed to the approach, it shall become the standard to follow for the duration of the contract. Risk management documents must be monitored and updated monthly, or as agreed upon.

1.403 CHANGE MANAGEMENT

Controlling scope and providing for system changes that result from legislative mandates, agency request, or Contractor suggestion is extremely important to the State in maintaining project accountability.

For enhancements and change orders requested by the State, the Contractor will provide to the State its cost estimate, including programming time and/or any incremental changes for the State's review prior to implementing any requested changes. The cost estimate will be provided by hour, utilizing the hourly rate for the labor grades provided in the Contractor's pricing proposal. The Contractor will provide its cost estimate for enhancements and change orders requested by the State within two weeks of receiving the request. If the Contractor is unable to provide an accurate estimate within two weeks, the Contractor will provide, within a two week timeframe, a date when a complete estimate will be delivered to the State. Work will not begin on the enhancement and/or change order by the Contractor until written approval is received from the State in the form of a Contract Change Notice issued by the Department of Management & Budget, Acquisition Services.

Change control is ongoing throughout the duration of the contract and is subject to the following limitations:

- A. The Contractor will perform system maintenance, as defined in Section 1.104, at no additional cost to MDCH.
- B. The Contractor will perform system enhancement tasks approved by the State. System enhancements include the following:
 1. Implementation of capabilities not included in Section 1.104.
 2. Activities necessary to meet new or revised federal requirements.
 3. Activities necessary to meet new or revised State requirements.
 4. Changes to established reports, screens, or tape formats.
 5. The Bidder will propose an hourly rate in their Price Proposal (Appendix B) for system enhancements
- C. During DDI, State Contract Managers may exercise their option for change requests for system enhancements consistent with the change control process outlined below, not to exceed 10% of the proposed fixed price for DDI as incorporated into the Contract.
- D. During the Transition Phase, the State Contract Managers may exercise their options for change requests for system enhancements consistent with the change control process outlined below, not to exceed 2,400 hours. Any requests for enhancements exceeding the 2,400 hours included in the Transition Phase Operations Fee would be reimbursed at the agreed upon blended hourly rate for system enhancements, as incorporated into the Contract.
- E. All Change Requests for Enhancement work require prior approval from State Contract Managers prior to the onset of any work.
- F. All Change Order descriptions must be in writing with estimates of required resources and costs.

If a proposed contract change is approved by the Contract Compliance Inspector, the Contract Compliance Inspector will submit a request for change to the Department of Management and Budget, Acquisition Services Buyer, who will make recommendations to the Director of Acquisition Services regarding ultimate approval/disapproval of a change request. 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. **Contractors 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.

1.5 Acceptance

1.501 CRITERIA

The following criteria will be used by the State to determine acceptance of the deliverables provided under this contract. The criteria covers the DDI and Transition Phases. The DDI Phase includes the transfer, modification, and installation of the new system. The Transition Phase includes MDCH business operation with Contractor oversight and transition of technical support from the Contractor to MDIT, along with a maintenance period.

The criteria also cover two aspects of compliance: performance of the Contractor in meeting the requirements in the contract, and contract compliance, both financial and non-financial.

- A. Document Deliverables - Documents include, but are not limited to plans, design documents, project schedules, user guides, and procedure manuals.
1. Documents are dated and in electronic format, compatible with State of Michigan software in accordance with Article 1.302.
 2. Requirements documents are reviewed and updated throughout the development process to assure requirements are delivered in the final product.
 3. Draft documents are not accepted as final deliverables.
 4. The documents will be reviewed and accepted in accordance with the requirements of the Contract and Appendices D, E, F, N, and O.
 5. MDCH and MDIT will review business documents within a mutually agreed upon timeframe.
 - a. Approvals will be written and signed by both the MDCH and MDIT Project Managers.
 - b. Unacceptable issues will be documented and submitted to the Contractor.
 - c. After issues are resolved or waived, the Contractor will resubmit documents for approval within 30 days of receipt.
 6. Both MDIT and MDCH Project Managers will review technical documents within a mutually agreed upon timeframe.
 - a. Approvals will be written and signed by both the MDCH and MDIT Project Managers.
 - b. Unacceptable issues will be documented and submitted to the Contractor.
 - c. After issues are resolved or waived, the Contractor will resubmit documents for approval within 30 days of receipt.
 7. Both the MDCH and MDIT Project Managers will review project documents within a mutually agreed upon timeframe.
 - a. Approvals will be written and signed by both Project Managers.
 - b. Unacceptable issues will be documented and submitted to the Contractor.
 - c. After issues are resolved or waived, the Contractor will resubmit documents for approval within 30 days of receipt.
- B. Software Deliverables - Software includes, but is not limited to, software product, development tools, support tools, data migration software, integration software, and installation software.
1. Beta software is not accepted as final deliverable.
 2. The software will be reviewed and accepted in accordance with the requirements of the contract.
 3. Both the MDCH and MDIT Project Managers will review software within a mutually agreed upon timeframe for acceptance of functionality, usability, installation, performance, security, standards compliance, backup/recovery, and operation.
 - a. Approvals will be written and signed by both the MDCH and MDIT Project Managers.
 - b. Unacceptable issues will be documented and submitted to the Contractor.
 - c. After issues are resolved or waived, the Contractor will resubmit software for approval within 30 days of receipt.
 4. Software is installed and configured, with assistance from MDIT, in an appropriate environment (e.g. development, conversion, QA testing, UAT testing, production, and training).



5. Contingency plans, de- installation procedures, and software are provided by the Contractor and approved by both the MDCH and MDIT Project Managers.
 6. Final acceptance of the software will depend on the successful completion of UAT.
 7. MDCH and MDIT will review test software, data, and results within a mutually agreed upon timeframe.
 - a. Approvals will be written and signed by both the MDCH and MDIT Project Managers.
 - b. Unacceptable issues will be documented and submitted to the Contractor.
 - c. After issues are resolved or waived, the Contractor will resubmit test software, data and results for approval within 30 days of receipt.
 8. MDIT will review software license agreements within a mutually agreed upon timeframe.
 - a. Approvals will be written and signed by both the MDCH and MDIT Project Managers.
 - b. Unacceptable issues will be documented and submitted to the Contractor.
 - c. After issues are resolved or waived, the Contractor will resubmit the license agreement for approval and final signature by authorized State signatory within 30 days of receipt
 9. Software source code, where applicable, is reviewed by MDIT within a mutually agreed upon timeframe for readability, structure, and configuration management.
 - a. Approvals will be written and signed by the MDIT Project Manager.
 - b. Unacceptable issues will be documented and submitted to the Contractor.
 - c. After issues are resolved or waived, the Contractor will resubmit source code for approval.
- C. Service Deliverables - Services include, but are not limited to training, data migration, help desk, and support.
1. The services will be accepted in accordance with the requirements of the contract.
 2. Both the MDCH and MDIT will review a Request for Approval of Services within a mutually agreed upon timeframe from completion or implementation.
 - a. Approvals will be written and signed by both the MDCH and MDIT Project Managers.
 - b. Unacceptable issues will be documented and submitted to the Contractor.
 - c. After issues are resolved or waived, the Contractor will resubmit a Request for Approval of Services for approval within 30 days of receipt.
 3. MDCH and MDIT will review migrated and configured data within a mutually agreed upon timeframe from completion.
 - a. Approvals will be written and signed by both the MDCH and MDIT Project Managers.
 - b. Unacceptable issues will be documented and submitted to the Contractor.
 - c. After issues are resolved or waived, the Contractor will resubmit a request for approval within 30 days of receipt.
 4. Both the MDCH and MDIT staff are properly trained and supplied with the proper tools and documentation to support, upgrade, monitor, operate, and configure the application in accordance with the requirements of this contract and the accepted Contractor's proposal.
 5. The Contractor has the tools and connectivity installed, in compliance with MDIT standards, to properly support and monitor the application.
- D. Transition - Transition will include activities necessary for the operation of all WIC subsystems, food instrument processing, accounting, and reporting activities by State staff, along with Contractor support for all interfaces required for the routine operation (including WIC EBT) of the Michigan WIC Program and continued preparation of MDIT staff for transfer of system maintenance and enhancement responsibilities.
1. The transition period is a joint responsibility of the Contractor and the State. The Turnover Plan will clearly define roles reflecting the respective responsibilities. The criteria for acceptance during transition is the ability of the DCH staff to perform their business activities and the DIT staff to maintain, enhance and support the WIC system.
- E. System Performance - The hardware and software proposed by the Contractor to support the Michigan WIC Program must meet the following metrics in each of the listed categories. For specific comparative metrics, the Contractor must provide the required measurement. Some of these metrics can be differentiators for systems that are otherwise "tied" with respect to functionality and basic technical requirements.



- a. User Load:
 - i. The system will support 1.5x the peak number of concurrent users in the current system in order to provide sufficient capacity for growth. The current system supports 1000 users; the new system requirement will be 1500 users.
 - ii. The response time for user screens will not degrade below current response times for the peak number of users listed previously. The response time should be broken down by class of user actions:
 - 1. Search screens have the longest allowed times (5 seconds depending on complexity)
 - 2. Natural screen flows resulting in the updates of single logical records are one second or less.
 - 3. Screen actions invoking complex computations or rules engines are two seconds or less.
 - 4. Actions invoking remote interfaces or systems are time limited by the responsiveness of the remote system.
 - iii. Response time for the system will be measured at multiple locations in the Lansing area.
 - iv. The Contractor will measure response time and report the results to the State Contract Managers.
 - v. Required user bandwidth will be 256kbps.
- b. Transaction Performance:
 - i. The system is able to perform 1.5x the peak rate of transactions on the current system with 2x the number of participants in order to provide sufficient spare capacity for future growth. If there are multiple classes of transactions, this metric will be per transaction type applied simultaneously across all transaction types.
 - ii. The batch window time will be clearly defined based on the estimated caseload and class of batch job.
 - iii. The backup window times will be clearly defined, both incremental and weekly/monthly etc.
 - iv. The Contractor will address where batch jobs have been eliminated in favor of online transactions (the more the better in general), without excessively degrading system performance. This will be in addition to any mandated online transactions.
- c. System Down Time:
 - i. The system must be operational twenty-four hours per day, seven days per week.
 - ii. The Contractor will provide a configuration for a failover solution with one hour or less time to switch to the standby/backup DR solution.
 - iii. If appropriate, the Contractor should provide a cluster configuration for the production environment (this is a zero downtime solution), if such a configuration is possible.

1.502 FINAL ACCEPTANCE

The following criteria will be used by the State to determine Final Acceptance of the project.

1. All documents, software and services are delivered and accepted by both MDCH and MDIT in accordance with the requirements of the contract.
2. For thirty (30) days after installation and configuration in the staging environment (model office), the software and any related infrastructure must meet or exceed acceptance testing requirements in accordance with the requirements of the contract.
3. Due to the nature of required reporting at various times throughout the year, there will be a thirty (30) day period after the creation of quarterly, semi-annual, and yearly reports, in which the performance and reliability requirements must be met in order to prove the creation, operation, and accuracy of those first reports.
4. The software must meet or exceed the acceptance testing requirements for a period of ninety (90) consecutive days at the Lansing facility and for ninety (90) consecutive days at any contracted local



WIC program (local agency) office that determines a separate acceptance test be necessary at their site.

- a. Approvals will be written and signed by both the MDCH and MDIT Project Managers.
 - b. Unacceptable issues will be documented and submitted to the Contractor.
5. After installation and configuration in the production environment, all issues discovered during the warranty period are resolved and accepted or waived by both MDCH and MDIT. Approvals will be written and signed by both the MDCH and MDIT Project Managers.
 6. All bills related to this contract have been submitted and approved for payment.
 7. A product roadmap is available to both MDCH and MDIT including information such as technical requirements, functional enhancements, and product availability periods.

1.6 Compensation and Payment

1.601 Compensation and Payment

Cost Proposal

State shall pay Contractor an amount not to exceed **\$7,253,922.00** for the performance of all activities necessary for or incidental to the performance of work as set forth in this SOW. The Contractor's Pricing Table for the Deliverables can be found in Article 1, Attachment D.

The State shall pay Contractor a fixed price for the performance of all activities necessary for or incidental to the performance of work as set forth in this SOW. Payments will be deliverable-based, where each deliverable has a cost, and upon approval/acceptance of each deliverable by the MDIT and MDCH Project Managers, the contractor will receive payment for that deliverable.

Deliverables will be either physical deliverables (documents) or a service deliverables. Service deliverables will be invoiced on a monthly basis. Physical deliverables will be invoiced upon acceptance of the deliverable. The physical deliverables are those listed in each Milestone under Deliverables. The pricing for the deliverables is all-inclusive. Any expenses the Contractor expects to incur should be built into the price for the deliverable. The State will not pay for travel costs. Travels costs expected should be estimated as a component of the Contractor pricing and included with the Vendor's bid submitted to the State.

Both MDCH and MDIT will review all work for acceptance within 30 days from completion and/or receipt. The Vendor will not be paid for any costs attributable to corrections of any errors or omissions that have been determined by both the MDCH and MDIT Project Managers to be occasioned by the Vendor. Payments will not be made until work is accepted.

All prices/rates quoted by the Vendor in this contract will be firm for the duration of the Contract. No price changes will be permitted.

1.7 Additional Terms and Conditions Specific to this SOW

1.701 Additional Terms and Conditions Specific to this SOW

1. The Contractor, during the performance of services detailed in this contract, will be responsible for any loss or damage to original documents belonging to MDCH that are in the Contractor's possession. Restoration of lost or damaged original documents shall be at the Contractor's expense.
1. 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 the MDCH and MDIT Project Managers.
2. The Contractor shall agree that it will not volunteer, offer, or sell its services to any litigant against MDCH with respect to any services that it has agreed to perform for MDCH, 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.

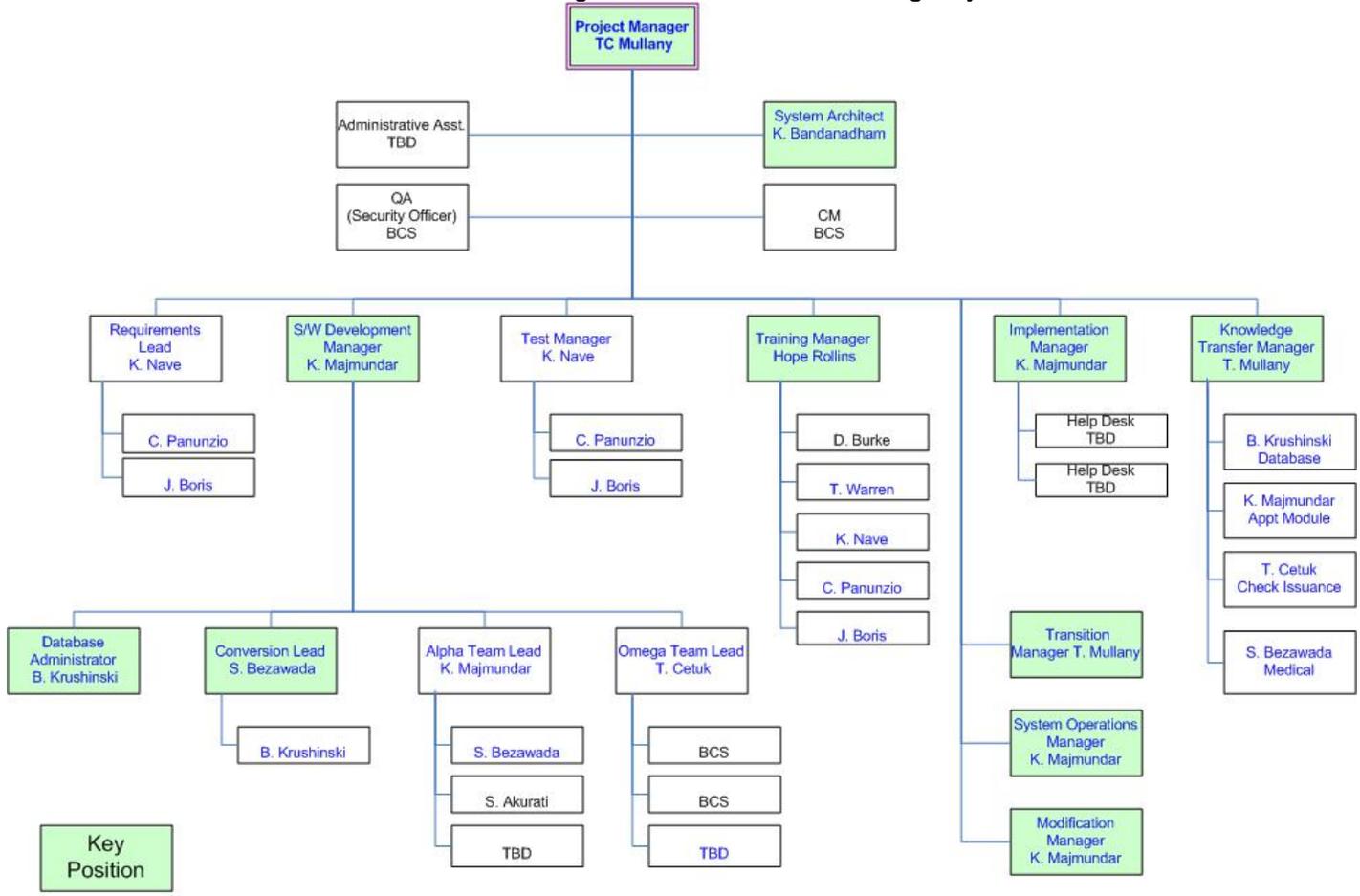


3. The Contractor will certify in writing that they are in conformance with applicable federal and state civil rights laws and practices, equal employment opportunity for all persons regardless of race, creed, color, religion, national origin, gender or handicap. The Contractor is also in conformance with the requirements of the Americans with Disabilities Act. Failure to comply with the aforementioned laws may result in the termination of the Contract.
4. MDIT has developed, and will continue to develop during the course of this effort, a growing number of information technology standards. The Contractor must follow any and all standards adopted by MDIT. Where standards do not exist, the final acceptance of any new technique, technology, or design will rest with the MDIT Project Manager. The acceptance of any new technique, technology, or design by the MDIT Project Manager must be in writing. Current IT Standards are available at (<http://www.michigan.gov/dit/0,1607,7-139-34305---,00.html>). MDIT will provide the applicable standards to the Contractor as well as notices of changes that occur during the life of the contract.
5. MDCH, in accordance with Title VI of the Civil Rights Act of 1964, 78 stat. 252, 42 U.S.C. 2000d to 2000d-4, hereby notifies all respondents that in any Contract entered into pursuant to this Invitation to Bid, minority business enterprises will be afforded full opportunity to submit bids in response to this invitation and will not be discriminated against on the grounds of race, color, or national origin in consideration for an award.
6. The Contractor shall use and take advantage of existing data sources created by other MDCH automation projects. These data sources shall not be duplicated without prior written approval by the MDCH and MDIT Project Managers.
7. The Contractor will not be limited to the tasks identified in this document or work plan, and may supplement them with an alternate list of tasks or sub-tasks that will still permit the proper development of the project. Any additions or modifications of the tasks by the Contractor must be so noted, along with reasons the changes were necessary. Changes and modifications are subject to written approval by the MDCH and MDIT Project Managers.
8. All products (software, documents, and other) will remain in the public domain, as WIC is a 100% federally funded program. The Contractor will have no claim or rights over the work products developed under this contract.
9. U.S. Department of Agriculture Food and Nutrition Service (FNS) will have royalty free rights to use software and documentation developed.
10. The contractor must be compliant with:
 - a. Executive Order 11246 related to "Equal Employment Opportunity"
 - b. Copeland "Anti-Kickback Act" (18 U.S.C. 874)
 - c. Anti-Lobbying Act
 - d. Debarment (suspension) requirements
 - e. Section 306 of the Clean Air Act
 - f. Section 308 of the Clean Water Act



Article 1, Attachment A
Pricing
See Appendix I

Article 1, Attachment B
Organizational Chart, including Key Personnel



Note: All persons in Blue Font have previous WIC experience



Job Category	Three Sigma SW Team Member
Project / Account Manager	TC Mullany
DDI Phase	
Conversion Manager	Sreenivasulu Bezawada
System Development Manager	Krushanu Majmundar
Training Director	Hope Rollins
Knowledge Transfer Manager	TC Mullany
Database Administrator	Beth Krushinski
Transition Phase	
Transition Manager	TC Mullany
Systems Operation Manager	Krushanu Majmundar
Knowledge Transfer Manager	TC Mullany
Maintenance Phase	
WIC Systems Modification Manager	Krushanu Majmundar



Article 1, Attachment C
Labor Rates



Michigan Department of Community Health
The Office of the Michigan WIC Program

Pricing Schedule D

System & Service Enhancements Price Information

Staffing Category	Hourly Rate	Extended Price @ 2080hrs per year
Junior Analyst/Developer	\$ 95.00	\$ 197,600
Senior Analyst/Developer	\$ 125.00	\$ 260,000
Business Analyst	\$ 95.00	\$ 197,600
DBA	\$ 125.00	\$ 260,000
Technical Architect	\$ 125.00	\$ 260,000
Trainer	\$ 100.00	\$ 208,000
Site Support Technician	\$ 100.00	\$ 208,000
Tester	\$ 105.00	\$ 218,400
Help Desk Technician	\$ 90.00	\$ 187,200
Project Manager	\$ 145.00	\$ 301,600



Article 1, Attachment D

Deliverables

Note: Dates to be updated after Contract Kick-off/Start up.

Deliverable	Start	Finish
Milestone 1 - Project Oversight Plans	11/15/06	02/27/09
Kick-off Meeting	11/27/06	11/27/06
Detailed Project Plan	11/15/06	12/20/06
Electronic Project Library	11/20/06	12/01/06
Quality Management Discussion	11/20/06	12/27/06
Software Development Approach Discussion/Presentation	11/20/06	01/18/07
Project Staffing and Facility Discussion	11/20/06	01/04/07
Risk Management Discussion	11/20/06	01/04/07
Project Status Report	11/17/06	02/27/09
Prepare Development Facility	11/20/06	12/06/06
System Releases	01/08/07	01/12/07
Initial System (Transfer of WOW)	01/08/07	01/12/07
Milestone 2 – Planning	11/17/06	03/17/08
	12/04/06	01/02/07
Equipment/Technology Acquisition Plan	12/04/06	12/15/06
Technical Architecture discussion/Presentation	11/17/06	03/17/08
Capacity Plan	02/01/07	03/14/08
Configuration Plan	01/02/07	02/14/07
Installation Plan	01/02/07	02/21/07
Staff Training and Knowledge Transfer Plan	01/29/07	03/13/07
Facility and Data Security Approach discussion/presentation	11/20/06	01/10/07
Business Continuity and Disaster Plan	01/02/07	02/21/07
Test Plan	02/26/07	04/16/07
Data Conversion Plan	01/29/07	03/20/07
Application Turnover Plan	02/26/07	04/10/07
Initial JADs	11/20/06	05/31/07
	01/15/07	07/03/07
Configure Equipment in Michigan	03/05/07	03/09/07
System Releases	03/05/07	06/12/07
Release .01 (Inclusion of JAD Modifications)	03/05/07	03/13/07
Release .02 (Inclusion of JAD Modifications)	05/07/07	05/15/07
Release .03 (First Look at Converted Data)	06/04/07	06/12/07
Milestone 3 – Application Design and Development	11/15/06	03/15/08
System Releases (Continuous Build and Test)	08/06/07	01/15/08
Release .04 (Inclusion of JAD/IF Modifications)	08/06/07	08/14/07
Release .05 (Inclusion of JAD/IF Modifications)	10/08/07	10/16/07
Release .1 (Test Baseline)	12/03/07	12/11/07
Release .2 (Acceptance Test Release)	01/07/08	01/15/08
Knowledge Transfer Meetings	05/14/07	02/05/08
Application Design Development Plan	11/20/06	12/31/07
Rqmts Overview Doc with Summary of Changes needed	11/20/06	01/04/07
Detailed Rqmts Doc, including Gap Analysis and Trace Matrix	11/20/06	01/05/07
Logical and Physical Data Model in shared work products (Ex: TOAD)	11/20/06	01/04/07
Data Dictionary in shared work products (Ex: TOAD)	11/20/06	01/18/07

Article 1, Attachment D

Deliverables - Continued



Deliverable	Start	Finish
Milestone 3 – Application Design and Development - Continued		
Technical Design	11/20/06	01/25/07
Technical Documentation	11/20/06	01/18/07
Source Code and Artifacts	11/15/06	12/28/07
Test Results for Design	12/31/07	02/26/08
Quality Assurance and Performance Testing	12/31/07	02/22/08
User Acceptance Test (UAT) Cases	12/31/07	02/01/08
User Acceptance Testing	12/31/07	02/26/08
Training Material	08/20/07	02/08/08
Training Data	12/03/07	01/25/08
Online User Aids	10/15/07	11/30/07
Web Base Training Modules	08/20/07	09/28/07
Ad hoc Reporting Material	01/28/08	02/08/08
Milestone 4 – Implementation Support	04/02/07	01/29/09
Pilot	02/27/08	07/17/08
Data Conversion	04/02/07	01/24/09
Training	02/11/08	01/20/09
Site Support	06/09/08	01/29/09
Help Desk	10/25/08	01/23/09
Michigan WIC Application Implementation	07/18/08	01/29/09
Milestone 5 – Turnover and Transition	10/01/08	02/10/10
Updated Turnover Plan	01/05/09	01/27/09
Final Turnover Report	01/19/09	02/11/09
Knowledge Transfer Reports	10/01/08	10/27/08
Updated Application Source Code Artifacts	01/05/09	03/02/09
Updated Documentation	01/05/09	01/27/09
Software Maintenance, Trouble shooting assistance and requested en	02/03/09	02/05/10
Enhancement@200 Hours/Month for 12 Months Period	02/03/09	02/05/10



Article 1, Attachment E
Project Plan

SEE APPENDIX H – Proposed Project Schedule



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 Michigan Department of Community Health (DCH) and Michigan Department of Information Technology (DIT) (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 Contract Administrator within the Office of Acquisition Services for this Contract is:

Joann Klasko
 Office of Acquisition Services
 Department of Management and Budget
 Mason Bldg, 2nd Floor
 PO Box 30026
 Lansing, MI 48909
 Email: KlaskoJ@michigan.gov
 Phone: (517)241-7233

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 DCH/DIT, 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:

Peter Devlin
 Department of Information Technology
 Bureau of Strategic Policy – Office of Contracts
 Constitution Hall, South Atrium
 525 West Allegan Street
 Lansing, MI 48913
 devlinp@michigan.gov
 Phone: 517 241-8515 / Fax: 517 241-8852

2.016 Project Manager

The following individuals will oversee the project:

From the Michigan Department of Community Health:



Name: Ms. Alethia Carr
Department of Community Health
2150 Apollo Drive
Lansing, MI – 48909
carra@michigan.gov
Phone: 517-335-9299
Fax: 517-335-9444

From the Michigan Department of Information Technology:
Linda Myers
Department of Information Technology
300 East Michigan Avenue
Lansing, Michigan 48913
Email myers@michigan.gov
Phone: (517) 373-3926
Fax: (517) 241-7486

2.020 Contract Objectives/Scope/Background

2.021 Background

See Article I – Statement of Work.

2.022 Purpose

See Article I – Statement of Work.

2.023 Objectives and Scope

See Article I – Statement of Work.

2.024 Interpretation

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

2.025 Form, Function and Utility

If the Contract is for use of more than one State agency and if the Deliverable/Service does not 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 five (5) 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/0,1607,7-139-30639_30655---,00.html except for the existing components of the transfer system, or as approved by the DIT Project Manager. New components written for the Michigan system must follow the State of Michigan standards.

The Contractor must ensure that all applications operate in accordance with the final and amended rules adopted under HIPAA for security and privacy. It is the State of Michigan's responsibility to identify the system changes necessary to comply with HIPAA. It will be the contractor's responsibility to identify the impact of the requirements and make the changes in accordance with Section 2.106 Change Requests.

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 PMM 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 Liquidated Damages

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

The Contractor agrees that time is of the essence in the performance of the Contractor's obligations under this Contract.

2.076 Service Level Agreements (SLAs)

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.

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 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 ten (10) Business Days for Written Deliverables of one hundred (100) pages or less and fifteen (15) 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 Holdback

The State will holdback 10% from each deliverable payment. The holdback will be made as a payment for the deliverables 90 days after State Wide Roll out of the new System.

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

2.111a Records and Inspections

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

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

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

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

2.112 Errors

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

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

2.120 State Responsibilities

2.121 State Performance Obligations

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



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

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

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

2.161a 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 365 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 RESERVED

2.174 Physical Media Warranty

(a) Contractor represents and warrants that each licensed copy of the Software provided by the Contractor is free from physical defects in the media that tangibly embodies the copy. This warranty does not



apply to defects discovered more than thirty (30) days after that date of Final Acceptance of the Software by the State. This warranty does not apply to defects arising from acts of Excusable Failure. If the Contractor breaches this warranty, then the State shall be entitled to replacement of the non-compliant copy by Contractor, at Contractor's expense (including shipping and handling).

2.175a DISCLAIMER

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

2.176 Consequences For Breach

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

2.180 Insurance

2.181 Liability Insurance

(a) Liability Insurance

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

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

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

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

The insurers selected by Contractor shall have an A.M. Best rating of A or better, or as otherwise approved in writing by the State, or if such ratings are no longer available, with a comparable rating from a recognized insurance rating agency. All policies of insurance required in this Contract shall be issued by companies that have been approved to do business in the State.

See http://www.mi.gov/cis/0,1607,7-154-10555_22535---,00.html.

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

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



P.O. Box 30026, Lansing, Michigan 48909. Failure to provide evidence of coverage, may, at the State's sole option, result in this Contract's termination.

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

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

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

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

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

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

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

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

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

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

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

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



□ 8. Fire and Personal Property Insurance covering against any loss or damage to the office space used by Contractor for any reason under this Contract, and the equipment, software and other contents of such office space, including without limitation, those contents used by Contractor to provide the Services to the State, up to the replacement value thereof, where such office space and its contents are under the care, custody and control of Contractor. Such policy shall cover all risks of direct physical loss or damage, including without limitation, flood and earthquake coverage and coverage for computer hardware and software. The State shall be endorsed on the policy as a loss payee as its interests appear.

(b) Subcontractors

Except where the State has approved in writing a Contractor subcontract with other insurance provisions, Contractor shall require all of its Subcontractors under this Contract to purchase and maintain the insurance coverage as described in this Section for the Contractor in connection with the performance of work by those Subcontractors. Alternatively, Contractor may include any Subcontractors under Contractor's insurance on the coverage required in this Section. Subcontractor(s) shall fully comply with the insurance coverage required in this Section. Failure of Subcontractor(s) to comply with insurance requirements does not limit Contractor's liability or responsibility.

(c) Certificates of Insurance and Other Requirements

Contractor shall furnish to 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:
State of Michigan
Office of Acquisition Services
Attention: Joann Klasko
PO Box 30026
530 West Allegan
Lansing, Michigan 48909

with a copy to:
State of Michigan
Department of Information Technology
Attention: Pete Devlin
525 West Allegan
Constitution Hall, South Atrium
Lansing, Michigan 48913

Contractor(s):
Thomas Mullany
113 West Liberty Stree, Suite 207
Charles Town, WV 25414

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 fringe benefits paid to each individual employed in connection with this contract. This record shall be available to the State upon request for reasonable



inspection.

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

2.307 Call Center Disclosure

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

2.308 Future Bidding Preclusion

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

2.310 Reserved

2.320 Extended Purchasing

2.321 MiDEAL

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

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

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

2.322 State Employee Purchases 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/epl/servlet/EPLSearchMain/1>



Exhibit A
Approved Subcontractors



MICHIGAN PUBLIC
HEALTH INSTITUTE

Our team member, the Michigan Public Health Institute (MPHI), has strong training experience relating specifically to Michigan's WIC Program. MPHI has been providing training support to the State's WIC Program since 1999 and has provided logistical planning for WIC's training and annual conferences. MPHI will worked collaboratively to plan training timelines, design and disseminate marketing materials, maintain registration management, provide on-site staffing, and conduct training evaluations.



Team member, BCS, brings with it strong electronic benefits transfer (EBT) experience on the current Michigan EBT project as well as past experience with the Maryland WIC Program and the baseline system used to develop WOW. This team member has been the 'customer' as well as the contractor and fully understands that the successful completion of a project isn't measured by checking off the 'to do' list; it's delivering a quality product in a timely manner that exceeds the expectations of the customer.



Exhibit B
Approved Hardware

Item #	Line Item Description	Unit Price	Number of Units/ Licenses	Extended Price	Ongoing Annual Maintenance or Licensing Fees*
PRODUCTIONHARDWARE¹⁰					
1	Redline Accelerator	\$ 29,000.00	1	\$ 29,000.00	
2	Dell Blade Enclosure	\$ 5,000.00	1	\$ 5,000.00	
3	Application Server* - Dell Poweredge 1955 1 Dual core 3 GHz 4 mb l2 cache	\$ 3,966.00	2	\$ 7,932.00	\$ 1,100.00
	Memory - 4GB	\$ 436.00	2	\$ 872.00	
	Hard Drive - 73GB RAID 1				
	Windows 2003 Server Standard Ed	\$ 799.00	2	\$ 1,598.00	
4	Database Server* - Dell Poweredge 1955 2 Dual core 3 GHz 4 mb l2 cache with Q logic fibre channel card	\$ 6,113.00	2	\$ 12,226.00	\$ 1,100.00
	Memory - 4GB	\$ 436.00	2	\$ 872.00	
	Hard Drive - 73GB RAID 1				
	Solaris 10 (5 yr maintenance)	\$ 600.00	2	\$ 1,200.00	
5	Storage Array Network* - Hewlett-Packard MSA100 SAN Starter Kit Bundle with 2 150GB 15k drives	\$ 12,000.00	1	\$ 12,000.00	\$ 3,722.00
6	Report Server* - Dell Poweredge 1955 1 Dual core 3 GHz 4 mb l2 cache	\$ 3,966.00	1	\$ 3,966.00	\$ 550.00
	Memory - 4GB				
	Hard Drive - 73GB RAID 1				
	Solaris 10 (5 yr maintenance)	\$ 600.00	2	\$ 1,200.00	
7	UPS	\$ 6,000.00	1	\$ 6,000.00	
8	Tape Drive	\$ 3,000.00	1	\$ 3,000.00	

Note that Oracle pricing is quoted through Mythics, Inc. for license agreement GS-35F-0153M; All Oracle products should be Oracle 10g Release 2 (or the latest release/patch set available at the time of contract award as supported by the licensing/maintenance fees). Oracle annual maintenance fees increase 5% with each successive year

* - For hardware, maintenance fees are for 3 years as provided by the hardware vendors since that is the industry-standard life-cycle

Equipment at Clinics



Item #	Line Item Description	Unit Price	Number of Units/ Licenses	Extended Price	Ongoing Annual Maintenance or Licensing Fees*
31	Scanners / Software	\$ 100.00	300	\$30,000.00	\$ 6,000.00
32	UPC Scanners at Local Agencies	\$ 800.00	4	\$ 3,200.00	\$ 640.00
32	LCD Signature Pads	\$ 550.00	300	\$165,000.00	\$ 33,000.00

Note that Oracle pricing is quoted through Mythics, Inc. for license agreement GS-35F-0153M; All Oracle products should be Oracle 10g Release 2 (or the latest release/patch set available at the time of contract award as supported by the licensing/maintenance fees). Oracle annual maintenance fees increase 5% with each successive year

* - For hardware, maintenance fees are for 3 years as provided by the hardware vendors since that is the industry-standard life-cycle

¹ All Hardware purchases must be Pre Approved by the SOM Department of Information Technology Project Manager.



Exhibit C
Approved Software

Item #	Line Item Description	Unit Price	Number of Units/ Licenses	Extended Price	Ongoing Annual Maintenance or Licensing Fees*
SOFTWARE AND TRAINING¹¹					
Each of the following is a per-processor license for the 2 database servers in the cluster each with 2 processors					
9	Oracle Database Enterprise Edition	\$ 24,000.00	4	\$ 96,000.00	\$ 21,120.00
10	Oracle Real Application Cluster	\$ 12,000.00	4	\$ 48,000.00	\$ 10,560.00
11	Oracle Partitioning	\$ 6,000.00	4	\$ 24,000.00	\$ 5,280.00
12	Oracle Change Management Pack	\$ 1,800.00	4	\$ 7,200.00	\$ 1,584.00
13	Oracle Diagnostics Pack	\$ 1,800.00	4	\$ 7,200.00	\$ 1,584.00
14	Oracle Tuning Pack	\$ 1,800.00	4	\$ 7,200.00	\$ 1,584.00
15	Oracle Configuration Management Pack	\$ 1,800.00	4	\$ 7,200.00	\$ 1,584.00
Each of the following is a per-processor license report server with 1 processor					
16	Oracle Application Server Enterprise Edition	\$ 18,000.00	1	\$ 18,000.00	\$ 3,960.00
17	Oracle Internet Developer Suite	\$ 3,000.00	1	\$ 3,000.00	\$ 660.00
TEST / TRAINING					
18	Redline Accelerator	\$ 29,000.00	1	\$ 29,000.00	
19	Dell Blade Enclosure	\$ 5,000.00	1	\$ 5,000.00	
20	Application Server* - Dell Poweredge 1955 1 Dual core 3 GHz 4 mb I2 cache	\$ 3,966.00	2	\$ 7,932.00	\$ 550.00
	Memory - 4GB	\$ 436.00	2	\$ 872.00	
	Hard Drive - 73GB RAID 1				
	Windows 2003 Server Standard Ed	\$ 799.00	2	\$ 1,598.00	
21	Database Server* - Dell Poweredge 1955 2 Dual core 3 GHz 4 mb I2 cache with Q logic fibre channel card	\$ 5,377.00	1	\$ 5,377.00	\$ 799.00
	Memory - 6GB				
	Hard Drive - 300GB				
	Solaris 10 (5 yr maintenance)	\$ 600.00	2	\$ 1,200.00	
22	Report Server* - Dell Poweredge 1955 1 Dual core 3 GHz 4 mb I2 cache	\$ 3,966.00	2	\$ 7,932.00	
	Memory - 4GB				
	Hard Drive - 73GB				

¹¹ All software purchases must be Pre Approved by the SOM Department of Information Technology Project Manager.



	RAID 1				
	Solaris 10 (5 yr maintenance)	\$ 600.00	2	\$ 1,200.00	
Each of the following is a named user license for 25 users					
23	Oracle Database Enterprise Edition	\$ 800.00	25	\$ 20,000.00	\$ 4,400.00
24	Oracle Partitioning	\$ 120.00	25	\$ 3,000.00	\$ 660.00
25	Oracle Change Management Pack	\$ 36.00	25	\$ 900.00	\$ 198.00
26	Oracle Diagnostics Pack	\$ 36.00	25	\$ 900.00	\$ 198.00
27	Oracle Tuning Pack	\$ 36.00	25	\$ 900.00	\$ 198.00
28	Oracle Configuration Management Pack	\$ 36.00	25	\$ 900.00	\$ 198.00
29	Oracle Application Server Enterprise Edition	\$ 360.00	25	\$ 9,000.00	\$ 1,980.00
30	Oracle Internet Developer Suite	\$ 3,000.00	1	\$ 3,000.00	\$ 660.00

Note that Oracle pricing is quoted through Mythics, Inc. for license agreement GS-35F-0153M; All Oracle products should be Oracle 10g Release 2 (or the latest release/patch set available at the time of contract award as supported by the licensing/maintenance fees). Oracle annual maintenance fees increase 5% with each successive year

* - For hardware, maintenance fees are for 3 years as provided by the hardware vendors since that is the industry-standard life-cycle.



Appendix I

Payment Schedule for WIC IS Contract



	Est. Start Date	Est. Finish Date	Bill Month	Total Bill	Bill	Hold Back
Milestone 1 - Project Oversight Plans				\$0.00		Paid Jan '09
<i>Kick-off Meeting</i>	2/19/2007	2/19/2007	Mar-07	\$7,560.00	\$6,804.00	\$756.00
Detailed Project Plan	2/5/2007	3/13/2007	Mar-07	\$27,000.00	\$24,300.00	\$2,700.00
Quality Management Discussion						
Project Staffing and Facility Discussion						
Risk Management Discussion						
Electronic Project Library	2/5/2007	3/12/2007	Apr-07	\$9,600.00	\$8,640.00	\$960.00
Software Development Approach Presentation	2/19/2007	3/12/2007	Apr-07	\$5,000.00	\$4,500.00	\$500.00
Initial System Demonstration	2/5/2007	2/26/2007	Mar-07	\$67,840.00	\$61,056.00	\$6,784.00
Project Status Report (paid monthly)	2/5/2007	2/1/2009		\$79,172.00	\$71,254.80	\$7,917.20
Milestone 2 – Planning				\$0.00		
Documentation and Standards Plan	2/26/2007	3/22/2007	Apr-07	\$8,400.00	\$7,560.00	\$840.00
Equipment/Technology Acquisition Plan	3/26/2007	4/20/2007	May-07	\$4,200.00	\$3,780.00	\$420.00
Technical Architecture Presentation	1/26/2007	3/15/2007	Apr-07	\$15,000.00	\$13,500.00	\$1,500.00
Capacity Plan	3/19/2007	3/14/2008	Jun-07	\$21,240.00	\$19,116.00	\$2,124.00
Configuration Plan	3/5/2007	4/17/2007	May-07	\$16,000.00	\$14,400.00	\$1,600.00
Installation Plan	4/2/2007	5/22/2007	Jun-07	\$32,770.00	\$29,493.00	\$3,277.00
Staff Training and Knowledge Transfer Plan	4/23/2007	6/5/2007	Jul-07	\$30,720.00	\$27,648.00	\$3,072.00
Facility and Data Security Presentation	2/26/2007	3/12/2007	Apr-07	\$5,000.00	\$4,500.00	\$500.00
Business Continuity and Disaster Plan	3/26/2007	5/15/2007	May-07	\$41,760.00	\$37,584.00	\$4,176.00
Test Plan	5/7/2007	6/25/2007	Jul-07	\$31,392.00	\$28,252.80	\$3,139.20
Data Conversion Plan	3/5/2007	4/24/2007	May-07	\$33,300.00	\$29,970.00	\$3,330.00
Application Turnover Plan	4/16/2007	5/29/2007	Jun-07	\$23,040.00	\$20,736.00	\$2,304.00
Joint Applications Design Sessions (JADS)					\$0.00	\$0.00
JAD - Overview, DUPRK01, DUPRK02, DUPRK03, DUPRK04	3/5/2007	3/8/2007	Apr-07	\$21,120.00	\$19,008.00	\$2,112.00
JAD - DUPRK05, 06, 07, 08, 09 10, 11	3/19/2007	3/22/2007	Apr-07	\$17,280.00	\$15,552.00	\$1,728.00
JAD - DUPRK12, 14, DUEXI01, 02, 03, 07	4/2/2007	4/5/2007	May-07	\$15,360.00	\$13,824.00	\$1,536.00
JAD - DUFBI01, 02, 03, 04, DUNUE01	4/16/2007	4/19/2007	May-07	\$26,880.00	\$24,192.00	\$2,688.00
JAD - DUADM01, 02, 03, 04, 06, 07	4/30/2007	5/3/2007	Jun-07	\$24,000.00	\$21,600.00	\$2,400.00
JAD - DUNPE01, 04, 05, 07, 09, 12	5/14/2007	6/11/2007	Jul-07	\$22,080.00	\$19,872.00	\$2,208.00
JAD - DUPJF01, DUVM001, 02, 03, 06	6/13/2007	6/26/2007	Jul-07	\$26,880.00	\$24,192.00	\$2,688.00
Configure Equipment in Michigan	4/30/2007	5/2/2007	May-07	\$9,600.00	\$8,640.00	\$960.00
Release .01 (Inclusion of JAD Modifications)	4/9/2007	4/9/2007	May-07	\$46,000.00	\$41,400.00	\$4,600.00
Release .02 (Inclusion of JAD Modifications)	5/21/2007	5/21/2007	Jun-07	\$46,000.00	\$41,400.00	\$4,600.00
Release .01 (First Look at Converted Data)	7/16/2007	7/16/2007	Jul-07	\$46,000.00	\$41,400.00	\$4,600.00
Milestone 3 – Application Design and Development				\$0.00		



Application Design Development Plan	6/4/2007	7/16/2007	Aug-07	\$97,032.00	\$87,328.80	\$9,703.20
Requirements Overview Doc with Summary of Changes needed	6/27/2007	8/9/2007	Aug-07	\$30,720.00	\$27,648.00	\$3,072.00
Logical and Physical Data Model	7/23/2007	8/10/2007	Aug-07	\$10,000.00	\$9,000.00	\$1,000.00
Data Dictionary	7/30/2007	8/24/2007	Aug-07	\$10,000.00	\$9,000.00	\$1,000.00
Technical Design	8/6/2007	10/9/2007	Oct-07	\$42,300.00	\$38,070.00	\$4,230.00
Technical Documentation	9/3/2007	10/30/2007	Nov-07	\$37,800.00	\$34,020.00	\$3,780.00
Source Code and Artifacts					\$0.00	\$0.00
Release .04 (Inclusion of JAD/IF Modifications)	8/6/2007	8/4/2007	Sep-07	\$465,562.00	\$419,005.80	\$46,556.20
Quality Assurance and Performance Testing	8/6/2007	8/4/2007	Sep-07	\$32,200.00	\$28,980.00	\$3,220.00
Release .05 (Inclusion of JAD/IF Modifications)	10/8/2007	10/16/2007	Oct-07	\$465,562.00	\$419,005.80	\$46,556.20
Quality Assurance and Performance Testing	10/8/2007	10/16/2007	Oct-07	\$32,200.00	\$28,980.00	\$3,220.00
	Est. Start Date	Est. Finish Date	Bill Month	Total Bill	Bill	Hold Back
Release .1 (Test Baseline)	12/3/2007	12/11/2007	Dec-07	\$465,562.00	\$419,005.80	\$46,556.20
Quality Assurance and Performance Testing	12/3/2007	12/11/2007	Dec-07	\$32,200.00	\$28,980.00	\$3,220.00
Release .2 (Acceptance Test Release)	1/7/2008	1/15/2008	Feb-08	\$465,562.00	\$419,005.80	\$46,556.20
Quality Assurance and Performance Testing	1/7/2008	1/15/2008	Feb-08	\$32,200.00	\$28,980.00	\$3,220.00
Knowledge Transfer Meetings					\$0.00	\$0.00
KTM #1, #2	7/2/2007	7/10/2007	Aug-07	\$17,664.00	\$15,897.60	\$1,766.40
KTM #3, #4	8/13/2007	8/21/2007	Sep-07	\$17,664.00	\$15,897.60	\$1,766.40
KTM #5, #6	9/24/2007	10/3/2007	Oct-07	\$17,664.00	\$15,897.60	\$1,766.40
KTM #7, #8	11/5/2007	1/14/2007	Nov-07	\$17,664.00	\$15,897.60	\$1,766.40
KTM #9, #10	12/31/2007	1/9/2008	Jan-08	\$17,664.00	\$15,897.60	\$1,766.40
Test Results for Design					\$0.00	\$0.00
User Acceptance Test (UAT) Cases	11/1/2007	1/18/2008			\$0.00	\$0.00
Test Cases for DUPRK01, DUPRK02, DUPRK03, DUPRK04	11/1/2007	12/13/2007	Jan-08	\$14,500.00	\$13,050.00	\$1,450.00
Test Cases for DUPRK05, 06, 07, 08, 09, 10, 11	11/1/2007	12/13/2007	Jan-08	\$14,500.00	\$13,050.00	\$1,450.00
Test Cases for DUPRK12, 14, 15, DUEXI01, 02, 03, 07	11/1/2007	12/13/2007	Jan-08	\$14,500.00	\$13,050.00	\$1,450.00
Test Cases for DUFBI01, 02, 03, 04, DUNUE01	11/1/2007	12/13/2007	Jan-08	\$14,500.00	\$13,050.00	\$1,450.00
Test Cases for DUADM01, 02, 03, 04, 06, 07	12/13/2007	1/18/2008	Feb-08	\$14,500.00	\$13,050.00	\$1,450.00
Test Cases for DUNPE01, 04, 05, 07, 09, 12	12/13/2007	1/18/2008	Feb-08	\$14,500.00	\$13,050.00	\$1,450.00
Test Cases for DUPJF01, DUVMO01, 02,	12/13/2007	1/18/2008	Feb-08	\$14,500.00	\$13,050.00	\$1,450.00



03, 06						
User Acceptance Testing					\$0.00	\$0.00
Acceptance of DUPRK01, DUPRK02, DUPRK03, DUPRK04	1/21/2008	2/10/2007	Feb-08	\$8,160.00	\$7,344.00	\$816.00
Acceptance of DUPRK05, 06, 07, 08, 09, 10, 11	1/21/2008	2/10/2007	Feb-08	\$8,160.00	\$7,344.00	\$816.00
Acceptance of DUPRK12, 14, 15, DUEXI01, 02, 03, 07	2/10/2007	3/14/2008	Mar-08	\$8,160.00	\$7,344.00	\$816.00
Acceptance of DUFBI01, 02, 03, 04, DUNUE01	2/10/2007	3/14/2008	Mar-08	\$8,160.00	\$7,344.00	\$816.00
Acceptance of DUADM01, 02, 03, 04, 06, 07	2/10/2007	3/14/2008	Mar-08	\$8,160.00	\$7,344.00	\$816.00
Acceptance of DUNPE01, 04, 05, 07, 09, 12	2/10/2007	3/14/2008	Mar-08	\$8,160.00	\$7,344.00	\$816.00
Acceptance of DUPJF01, DUVMO01, 02, 03, 06	2/10/2007	3/14/2008	Mar-08	\$8,160.00	\$7,344.00	\$816.00
Training Material					\$0.00	\$0.00
Training Data	12/3/2007	1/25/2008	Feb-08	\$57,600.00	\$51,840.00	\$5,760.00
Online User Aids	10/15/2007	11/30/2007	Dec-07	\$33,600.00	\$30,240.00	\$3,360.00
Web Base Training Modules	8/20/2007	9/28/2007	Oct-07	\$50,400.00	\$45,360.00	\$5,040.00
Ad Hoc Reporting Material	1/28/2008	2/8/2008	Mar-08	\$9,600.00	\$8,640.00	\$960.00
Milestone 4 – Implementation Support					\$0.00	
Production Environment	1/7/2008	2/15/2008	Feb-08	\$25,200.00	\$22,680.00	\$2,520.00
Pilot					\$0.00	\$0.00
User Training	2/25/2008	2/27/2008	Apr-08	\$105,906.67	\$95,316.00	\$10,590.67
Data Conversion	3/1/2008	3/2/2008	May-08	\$105,906.67	\$95,316.00	\$10,590.67
Completion of Pilot	3/1/2008	6/1/2008	Jun-08	\$105,906.67	\$95,316.00	\$10,590.67
					\$0.00	\$0.00
Implementation					\$0.00	\$0.00
Implement Local Agencies	6/1/2008	6/30/2008	Jun-08	\$210,825.00	\$189,742.50	\$21,082.50
Implement Local Agencies	7/1/2008	7/31/2008	Jul-08	\$210,825.00	\$189,742.50	\$21,082.50
Implement Local Agencies	8/1/2008	8/31/2008	Aug-08	\$210,825.00	\$189,742.50	\$21,082.50
Implement Local Agencies	9/1/2008	9/30/2008	Sep-08	\$210,825.00	\$189,742.50	\$21,082.50
Implement Local Agencies	10/1/2008	10/31/2008	Oct-08	\$210,825.00	\$189,742.50	\$21,082.50
Implement Local Agencies	11/11/2008	11/30/2008	Nov-08	\$210,825.00	\$189,742.50	\$21,082.50
Implement Local Agencies	12/1/2008	12/31/2008	Dec-08	\$210,825.00	\$189,742.50	\$21,082.50
Implement Local Agencies	1/1/2009	1/31/2009	Jan-09	\$210,825.00	\$189,742.50	\$21,082.50



	Est. Start Date	Est. Finish Date	Bill Month	Total Bill	Bill	Hold Back
			Jan-09	Hold Back Payment	\$540,675.40	
Milestone 5 – Turnover and Transition						
Updated Turnover Plan		Jan-09	Feb-09	\$16,400.00	\$14,760.00	\$1,640.00
Final Turnover Report		Jan-09	Feb-09	\$16,400.00	\$14,760.00	\$1,640.00
Knowledge Transfer Reports		Feb-09	Mar-09	\$20,500.00	\$18,450.00	\$2,050.00
Updated Application Source Code Artifacts		Feb-09	Mar-09	\$18,450.00	\$16,605.00	\$1,845.00
Updated Documentation		Feb-09	Mar-09	\$17,600.00	\$15,840.00	\$1,760.00
Release 1.1		May-08	Jun-08	\$135,320.00	\$121,788.00	\$13,532.00
Release 1.2		Jun-08	Jul-08	\$135,320.00	\$121,788.00	\$13,532.00
Release 1.3		Aug-08	Sep-08	\$135,320.00	\$121,788.00	\$13,532.00
Release 1.4		Oct-08	Nov-08	\$135,320.00	\$121,788.00	\$13,532.00
Release 1.5		Dec-08	Jan-09	\$135,320.00	\$121,788.00	\$13,532.00
Release 1.6		Feb-09	Mar-09	\$135,320.00	\$121,788.00	\$13,532.00
			Mar-09	Hold Back Payment	\$90,127.00	
Milestone 6 - Maintenance Support						
March		Mar-09	Apr-09	\$18,200.00	\$18,200.00	
April		Apr-09	May-09	\$18,200.00	\$18,200.00	
May		May-09	Jun-09	\$18,200.00	\$18,200.00	
June		Jun-09	Jul-09	\$18,200.00	\$18,200.00	
July		Jul-09	Aug-09	\$18,200.00	\$18,200.00	
August		Aug-09	Sep-09	\$18,200.00	\$18,200.00	
September		Sep-09	Oct-09	\$18,200.00	\$18,200.00	
October		Oct-09	Nov-09	\$18,200.00	\$18,200.00	
November		Nov-09	Dec-09	\$18,200.00	\$18,200.00	
December		Dec-09	Jan-10	\$18,200.00	\$18,200.00	
January		Jan-10	Feb-10	\$18,200.00	\$18,200.00	
February		Feb-10	Mar-10	\$18,200.00	\$18,200.00	
Total for DDI Transition and Maintenance					\$ 6,526,424.00	
Equipment and Software Purchase (OPTIONAL)					\$660,848.00	
OPTIONAL COMPONENTS						
Autodialer					\$ 50,000.00	
Total Contract Amount					\$7,237,272.00	

APPENDIX I - Pricing Schedule B

Core WIC Application and Operations

A) WIC Management Information System with Electronic Benefits Transfer

#	Cost Category	Price for Component
1	Design, Development, and Implementation (DDI) Phase (From Pricing Schedule B-1)	\$ 5,406,754
2	Equipment and Software Purchase (From Pricing Schedule B-2)	\$ 660,848
3	Transition Phase (From Pricing Schedule B-3)	\$ 901,270
4	Maintenance Phase (From Pricing Schedule B-4)	\$ 218,400
	Grand Total	\$ 7,187,272
Grand Total of Optional Services		\$ 50,000

APPENDIX I - Pricing Schedule B-1

Pricing Detail, Design, Development and Implementation (DDI) Cost

A) WIC Management Information System with Electronic Benefits Transfer

<u>Item #</u>	<u>Cost Category</u>	<u>Bid Price</u>
1	Project Oversight Plans	\$ 196,172.00
2	Planning	\$ 564,022.00
3	Application Design and Development	\$ 2,617,040.00
4	Implementation Support	
4.1	Data Conversion	\$ 313,200.00
4.2	Training	\$ 326,880.00
4.3	Site Support	\$ 547,200.00
4.4	Help Desk	\$ 132,880.00
4.5	Pilot	\$ 317,720.00
4.6	Statewide Implementation	\$ 391,640.00
	Milestone 4 Total	\$ 2,029,520.00
	Grand Total	\$ 5,406,754.00

Pricing Schedule B-2

APPENDIX I - Pricing Detail, Equipment and Software Purchase

Pricing Schedule B-2

Item #	Line Item Description	Unit Price	Number of Units/ Licenses	Extended Price	Ongoing Annual Maintenance or Licensing Fees*
PRODUCTION					
1	Redline Accelerator	\$ 29,000.00	1	\$ 29,000.00	\$5,000.00
2	Dell Blade Enclosure	\$ 5,000.00	1	\$ 5,000.00	
3	Application Server* - Dell Poweredge 1955 1 Dual core 3 GHz 4 mb I2 cache	\$ 3,966.00	3	\$ 11,898.00	\$1,100.00
	Memory - 4GB	\$ 436.00	3	\$ 1,308.00	
	Hard Drive - 73GB RAID 1				
	Windows 2003 Server Standard Ed	\$ 799.00	3	\$ 2,397.00	
4	Database Server* - Dell Poweredge 1955 2 Dual core 3 GHz 4 mb I2 cache with Q logic fibre channel card	\$ 6,113.00	2	\$ 12,226.00	\$ 1,100.00
	Memory - 4GB	\$ 436.00	2	\$ 872.00	
	Hard Drive - 73GB RAID 1				
	Solaris 10 (5 yr maintenance)	\$ 600.00	2	\$ 1,200.00	
5	Storage Array Network* - Dell EMC-CX3-20, 600GB RAID 1+0 (with 2 hot spares) - including installation, EMC SnapView + 3 year service	68,070	1	\$ 68,070.00	
6	Report Server* - Dell Poweredge 1955 1 Dual core 3 GHz 4 mb I2 cache	\$ 3,966.00	1	\$ 3,966.00	\$ 550.00
	Memory - 4GB				
	Hard Drive - 73GB RAID 1				
	Solaris 10 (5 yr maintenance)	\$ 600.00	2	\$ 1,200.00	
7	UPS	\$ 6,000.00	1	\$ 6,000.00	
8	Tape Drive	\$ 3,000.00	1	\$ 3,000.00	



Each of the following is a per-processor license for the 2 database servers in the cluster each with 2 processors					
9	Oracle Database Enterprise Edition	\$ 24,000.00	4	\$ 96,000.00	\$ 21,120.00
10	Oracle Real Application Cluster	\$ 12,000.00	4	\$ 48,000.00	\$ 10,560.00
11	Oracle Partitioning	\$ 6,000.00	4	\$ 24,000.00	\$ 5,280.00
12	Oracle Change Management Pack	\$ 1,800.00	4	\$ 7,200.00	\$ 1,584.00
13	Oracle Diagnostics Pack	\$ 1,800.00	4	\$ 7,200.00	\$ 1,584.00
14	Oracle Tuning Pack	\$ 1,800.00	4	\$ 7,200.00	\$ 1,584.00
15	Oracle Configuration Management Pack	\$ 1,800.00	4	\$ 7,200.00	\$ 1,584.00
Each of the following is a per-processor license report server with 1 processor					
16	Oracle Application Server Enterprise Edition	\$ 18,000.00	1	\$ 18,000.00	\$ 3,960.00
17	Oracle Internet Developer Suite	\$ 3,000.00	1	\$ 3,000.00	\$ 660.00
TEST / TRAINING					
18	Redline Accelerator	\$ 29,000.00	1	\$ 29,000.00	
19	Dell Blade Enclosure	\$ 5,000.00	1	\$ 5,000.00	
20	Application Server* - Dell Poweredge 1955 1 Dual core 3 GHz 4 mb l2 cache	\$ 3,966.00	2	\$ 7,932.00	\$ 550.00
	Memory - 4GB	\$ 436.00	2	\$ 872.00	
	Hard Drive - 73GB RAID 1				
	Windows 2003 Server Standard Ed	\$ 799.00	2	\$ 1,598.00	
21	Database Server* - Dell Poweredge 1955 2 Dual core 3 GHz 4 mb l2 cache with Q logic fibre channel card	\$ 5,377.00	1	\$ 5,377.00	\$ 799.00
	Memory - 6GB				
	Hard Drive - 300GB				
	Solaris 10 (5 yr maintenance)	\$ 600.00	2	\$ 1,200.00	
22	Report Server* - Dell Poweredge 1955 1 Dual core 3 GHz 4 mb l2 cache	\$ 3,966.00	2	\$ 7,932.00	
	Memory - 4GB				
	Hard Drive - 73GB RAID 1				
	Solaris 10 (5 yr maintenance)	\$ 600.00	2	\$ 1,200.00	
Each of the following is a named user license for 25 users					
23	Oracle Database Enterprise Edition	\$ 800.00	25	\$ 20,000.00	\$ 4,400.00
24	Oracle Partitioning	\$ 120.00	25	\$ 3,000.00	\$ 660.00
25	Oracle Change Management Pack	\$ 36.00	25	\$ 900.00	\$ 198.00



26	Oracle Diagnostics Pack	\$ 36.00	25	\$ 900.00	\$ 198.00
27	Oracle Tuning Pack	\$ 36.00	25	\$ 900.00	\$ 198.00
28	Oracle Configuration Management Pack	\$ 36.00	25	\$ 900.00	\$ 198.00
29	Oracle Application Server Enterprise Edition	\$ 360.00	25	\$ 9,000.00	\$ 1,980.00
30	Oracle Internet Developer Suite	\$ 3,000.00	1	\$ 3,000.00	\$ 660.00
Equipment at Clinics					
31	Scanners / Software	\$ 100.00	300	\$ 30,000.00	\$ 6,000.00
32	UPC Scanners at Local Agencies	\$ 800.00	4	\$ 3,200.00	\$ 640.00
32	LCD Signature Pads	\$ 550.00	300	\$ 165,000.00	\$ 33,000.00
			GRAND TOTAL	\$ 660,848.00	\$ 65,507.00

Note that Oracle pricing is quoted through Mythics, Inc. for license agreement GS-35F-0153M; All Oracle products should be Oracle 10g Release 2 (or the latest release/patchset available at the time of contract award as supported by the licensing/maintenance fees). Oracle annual maintenance fees increase 5% with each successive year

* - For hardware, maintenance fees are for 3 years as provided by the hardware vendors since that is the industry-standard life-cycle

APPENDIX I - Pricing Schedule B-3

Pricing Detail, Transition Phase

<u>Item #</u>	<u>Line Item Description</u>	<u>Bid Price</u>
1	Personnel Cost	\$ 625,270.00
2	Enhancements @200 Hours/Month for 12 Month Period	\$ 276,000.00
3	Other Costs (Itemized in the following rows)	\$ -
		\$ -
		\$ -
	Grand Total	\$ 901,270.00

APPENDIX I - Pricing Schedule B-4

Pricing Detail, Maintenance Phase

#	Cost Category	Price for Component
1	Personnel Cost	\$ 218,400.00
3	Other Costs (Itemized in the following rows)	
	Grand Total	\$ 218,400.00

APPENDIX I - Pricing Schedule C

Optional Components

#	Proposed Option	Price for Component per month
1		\$
2	Other Optional Services/Products - Autodialer	\$50,000.00
	Note 1: This price requires a 36 month contract with termination fees if terminated prior to 36 months.	
	Note 2: This price assumes that the backup system will be used less than 10 times per year.	
	Note 3: This price assumes that coupon processing will wait until the primary system is returned to operation status	
	Total Optional Services	50,000.00

APPENDIX I - Pricing Schedule D

System & Service Enhancements Price Information

Staffing Category	Hourly Rate	Extended Price @ 2080hrs per year
Junior Analyst/Developer	\$ 95.00	\$ 197,600
Senior Analyst/Developer	\$ 125.00	\$ 260,000
Business Analyst	\$ 95.00	\$ 197,600
DBA	\$ 125.00	\$ 260,000
Technical Architect	\$ 125.00	\$ 260,000
Trainer	\$ 100.00	\$ 208,000
Site Support Technician	\$ 100.00	\$ 208,000
Tester	\$ 105.00	\$ 218,400
Help Desk Technician	\$ 90.00	\$ 187,200
Project Manager	\$ 145.00	\$ 301,600