

**STATE OF MICHIGAN**  
**DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET**      **January 30, 2012**  
**PROCUREMENT**  
**P.O. BOX 30026, LANSING, MI 48909**  
 OR  
**530 W. ALLEGAN, LANSING, MI 48933**

**CHANGE NOTICE NO. 5**  
**TO**  
**CONTRACT NO. 071B7200210**  
**between**  
**THE STATE OF MICHIGAN**  
**and**

NAME & ADDRESS OF VENDOR <b>Accenture LLP</b> <b>3000 Town Center</b> <b>Suite 2400</b> <b>South Field, MI 48075</b>  Email: <a href="mailto:Jamie.D.Walker@accenture.com">Jamie.D.Walker@accenture.com</a>	TELEPHONE: Jamie Walker <b>(517) 862-0192</b>
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-1640 <b>Mark Lawrence</b>
Contract Compliance Inspector: Mark Lawrence <b>Enterprise Contact Center – Department of Information Technology</b>	
CONTRACT PERIOD:                      From: <b>March 5, 2007</b> To: <b>May 4, 2012</b>	
TERMS <b>N/A</b>	SHIPMENT <b>N/A</b>
F.O.B. <b>N/A</b>	SHIPPED FROM <b>N/A</b>
MINIMUM DELIVERY REQUIREMENTS <b>N/A</b>	
MISCELLANEOUS INFORMATION:	

**NATURE OF CHANGE(S):**

**Effective immediately, the contract is EXTENDED. The new end date is changed from March 4, 2012 to May 4, 2012.**

**All other terms, conditions, pricing and specifications remain the same.**

**AUTHORITY/REASON(S):**

**Per vendor, agency and DTMB Procurement agreement.**

**TOTAL ESTIMATED CONTRACT VALUE:      \$13,000,000.00**

**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

May 19, 2010

**CHANGE NOTICE NO. 4 (REVISED)**  
**TO**  
**CONTRACT NO. 071B7200210**  
**between**  
**THE STATE OF MICHIGAN**  
**and**

NAME & ADDRESS OF VENDOR <b>Accenture LLP</b> <b>3000 Town Center</b> <b>Suite 2400</b> <b>South Field, MI 48075</b>  Email: <a href="mailto:Jamie.D.Walker@accenture.com">Jamie.D.Walker@accenture.com</a>	TELEPHONE: Jamie Walker <b>(517) 862-0192</b>
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 373-3993 <b>Dale N. Reif</b>
Contract Compliance Inspector: Mark Lawrence <b>Enterprise Contact Center – Department of Information Technology</b>	
CONTRACT PERIOD: From: <b>March 5, 2007</b> To: <b>March 4, 2012</b>	
TERMS <p style="text-align: center;"><b>N/A</b></p>	SHIPMENT <p style="text-align: center;"><b>N/A</b></p>
F.O.B. <p style="text-align: center;"><b>N/A</b></p>	SHIPPED FROM <p style="text-align: center;"><b>N/A</b></p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;"><b>N/A</b></p>	
MISCELLANEOUS INFORMATION:	

**NATURE OF CHANGE(S):**

**Effective immediately, this contract is INCREASED by \$3,000,000.00. The contract end date is changed, the correct end date should be March 4, 2012, as approved on the 5/4/2010 Ad Board.**

**All other terms, conditions, pricing and specifications remain the same.**

**AUTHORITY/REASON(S):**

**Per vendor, agency and DTMB agreement and Ad Board approval on 5/4/2010.**

**INCREASE: \$3,000,000.00**

**TOTAL REVISED ESTIMATED CONTRACT VALUE: \$13,000,000.00**

**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**

May 5, 2010

**CHANGE NOTICE NO. 4**  
**TO**  
**CONTRACT NO. 071B7200210**  
**between**  
**THE STATE OF MICHIGAN**  
**and**

NAME & ADDRESS OF VENDOR <b>Accenture LLP</b> <b>3000 Town Center</b> <b>Suite 2400</b> <b>South Field, MI 48075</b>  Email: <a href="mailto:Jamie.D.Walker@accenture.com">Jamie.D.Walker@accenture.com</a>	TELEPHONE: Jamie Walker <b>(517) 862-0192</b>
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 373-3993 <b>Dale N. Reif</b>
Contract Compliance Inspector: Mark Lawrence <b>Enterprise Contact Center – Department of Information Technology</b>	
CONTRACT PERIOD: From: <b>March 5, 2007</b> To: <b>March 4, 2011</b>	
TERMS <p style="text-align: center;"><b>N/A</b></p>	SHIPMENT <p style="text-align: center;"><b>N/A</b></p>
F.O.B. <p style="text-align: center;"><b>N/A</b></p>	SHIPPED FROM <p style="text-align: center;"><b>N/A</b></p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;"><b>N/A</b></p>	
MISCELLANEOUS INFORMATION:	

**NATURE OF CHANGE(S):**

Effective immediately, this contract is **INCREASED** by \$3,000,000.00.

All other terms, conditions, pricing and specifications remain the same.

**AUTHORITY/REASON(S):**

Per vendor, agency and DTMB agreement and Ad Board approval on 5/4/2010.

**INCREASE: \$3,000,000.00**

**TOTAL REVISED ESTIMATED CONTRACT VALUE: \$13,000,000.00**

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

March 22, 2010

**CHANGE NOTICE NO. 3**  
**TO**  
**CONTRACT NO. 071B7200210**  
**between**  
**THE STATE OF MICHIGAN**  
**and**

NAME & ADDRESS OF VENDOR <b>Accenture LLP</b> <b>3000 Town Center</b> <b>Suite 2400</b> <b>South Field, MI 48075</b>  Email: <a href="mailto:Jamie.D.Walker@accenture.com">Jamie.D.Walker@accenture.com</a>	TELEPHONE: Jamie Walker <b>(517) 862-0192</b>
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 373-3993 <b>Dale N. Reif</b>
Contract Compliance Inspector: Mark Lawrence <b>Enterprise Contact Center – Department of Information Technology</b>	
CONTRACT PERIOD: From: <b>March 5, 2007</b> To: <b>March 4, 2011</b>	
TERMS <p style="text-align: center;"><b>N/A</b></p>	SHIPMENT <p style="text-align: center;"><b>N/A</b></p>
F.O.B. <p style="text-align: center;"><b>N/A</b></p>	SHIPPED FROM <p style="text-align: center;"><b>N/A</b></p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;"><b>N/A</b></p>	
MISCELLANEOUS INFORMATION:	

**NATURE OF CHANGE(S):**

Effective immediately, this contract is **EXTENDED** one year. The new contract end date is **March 4, 2011**.

In addition, the buyer has **CHANGED**. The new buyer is **Dale Reif**.

All other terms, conditions, pricing and specifications remain the same.

**AUTHORITY/REASON(S):**

Per vendor and agency agreement and Purchasing Operations approval.

**TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$10,000,000.00**

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

June 6, 2008

**CHANGE NOTICE NO. 2  
 TO  
 CONTRACT NO. 071B7200210  
 between  
 THE STATE OF MICHIGAN  
 and**

NAME & ADDRESS OF VENDOR <b>Accenture LLP          3000 Town Center          Suite 2400          South Field, MI 48075</b> Email: <a href="mailto:Jamie.D.Walker@accenture.com">Jamie.D.Walker@accenture.com</a>	TELEPHONE: Jamie Walker <b>(517) 862-0192</b>
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-7233 <b>Joann Klasko</b>
Contract Compliance Inspector: Mark Lawrence <b>Enterprise Contact Center – Department of Information Technology</b>	
CONTRACT PERIOD: From: <b>March 5, 2007</b> To: <b>March 4, 2010</b>	
TERMS <b>N/A</b>	SHIPMENT <b>N/A</b>
F.O.B. <b>N/A</b>	SHIPPED FROM <b>N/A</b>
MINIMUM DELIVERY REQUIREMENTS <b>N/A</b>	
MISCELLANEOUS INFORMATION:	

**NATURE OF CHANGE(S):**

Effective immediately, maintenance and development services related to the technology operated for Michigan's contact centers, Treasury, Civil Service, and Department of State, is hereby being added for the Department of Management and Budget/Office of Retirement Services, per the attached Statement of Work. DMB/ORS estimated cost for the period through 9/30/2008 is \$137,311.00

**AUTHORITY/REASON(S):**

Per DIT, DMB and Purchasing Operations concurrence.

**TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$10,000,000.00**

<b>SOW #:</b>	SOW-FY08-005
<b>Project:</b>	Office of Retirement Services ("ORS")
<b>Release (if applicable):</b>	N/A
<b>Function/Description of SOW:</b>	Maintain & Enhance Siebel for the ORS Contact Center
<b>Estimate Submitted By:</b>	Ryan Sadler, Project Manager Jamie D. Walker, Senior Executive
<b>Date Submitted:</b>	04/04/08
<b>MiECC Approver:</b>	Scott Wager, Anthony Estell
<b>Approval Due Date:</b>	4/07/08

This Statement of Work SOW-FY08-005 ("SOW ") incorporates by reference the terms and conditions of Contract No. 071B7200210 for the Enterprise Contact Center Maintenance and Support– DIT/(State, Treasury, Civil Service) (the "Contract") between Accenture LLP ("Vendor") and the State of Michigan Department of Management and Budget Acquisition Services (the "State") effective March 5, 2007. The contract term for the Contract is for three (3) years with two (2) one-year extensions possible.

#### **Key Contract Functions:**

The contract was issued to maintain and enhance contact centers using Siebel as their core software. The nine MDIT Objectives for this contract include:

1. To provide effective support and enhancement to the client agency contact centers.
2. To minimize the total cost of ownership of the current Siebel contact centers.
3. To leverage the same hardware architecture across all contact centers.
4. To keep up to date with new releases of software from the COTS providers.
5. To develop MDIT staff as full partners with Accenture staff.
6. To minimize the use of custom code and to migrate to "out of the box" functionality.
7. To provide new technology that will allow efficiency and effectiveness gains.
8. To use the same software configurations across all contact centers for the same functions.
9. To provide an entry-level Siebel configuration for new agencies with minimal requirements.

#### **I. Contract Scope of Work:**

Accenture will provide the following services providing the functionality required for the State's business operations as described in the Contract, the original Statement of Work, and the Appendices. These functions are for the Contract, whereas SOW functions are listed in Section VI of this SOW.

1. Provide a support team to maintain and enhance the identified (4) contact centers Siebel applications, and other contact centers as identified through the term of the Contract including tasks for:
  - a. Break-fixes,
  - b. Product upgrades
  - c. Enhancements and,
  - d. Implementation of new functionality.
2. Train and mentor State-assigned MDIT staff enabling them to become full-valued members of this support team.
3. Create an enterprise hardware infrastructure using the existing servers within the base contract.
4. Create a standard Siebel application that would make available basic Siebel functionality to embryonic contact centers within the base contract.
5. Establish guidelines for the creation of a project control office for all Siebel implementations in the State within the base contract.

6. Help the State develop standards for contact center implementations within the base contract.
7. Support other contact centers within the State that in the future may require support.
8. Implement new contact centers within the State, at the request of MDIT.

**Out-of-scope.** The business operation of the contact centers and the actual operation of the project control office are out of scope.

**II. Service Level Agreement and Optional Goals.** Accenture currently has Service Level Agreements specified and agreed upon in the Contract and these Service Levels will be in force during the term of this SOW.

**A. Service Level Agreement.** The State's Remedy ticket system will be used to initiate and manage break/fix and maintenance requests. Remedy tickets may be created by business users or Accenture and will identify the problem to be fixed. Tickets will be classified as follows, with the following Service Level Agreement ("SLA") in accordance to Article 1, Attachment F of the Contract:

Classification	Service Level Standard
<p style="text-align: center;"><b>HIGH</b></p> <p>The problem renders the product inoperable for a majority of the users. For example, the Siebel eService application for Treasury is not accessible by the taxpayers.</p>	<p>Acknowledged within 15 minutes from time of receipt of ticket during business hours and within 30 minutes during non-business hours.</p> <p>Status report within 2 hours of receipt of ticket, usually with a workaround. Resolution dependent upon the nature of the issue.</p>
<p style="text-align: center;"><b>Medium</b></p> <p>The problem has a significant impact to the system's ability to perform, but a workaround is available or operations can continue in a degraded state. For example, the data retrieval to a Siebel screen is slow for a large number of users.</p>	<p>Acknowledged within 1 business hour(s) from time of receipt of ticket during business hours and within 2 hours during non-business hours.</p> <p>Status report within 4 hours of receipt of ticket, usually with a workaround. Resolution dependent upon the nature of the issue.</p>
<p style="text-align: center;"><b>Low</b></p> <p>The problem slightly impacts the system's ability to perform. For example, a Siebel password needs to be reset or single user related issues or ad-hoc query requests.</p>	<p>Acknowledged within 8 business hour(s) from time of receipt of ticket during business hours.</p> <p>Status Report within 2 days of receipt of ticket.</p>

**B. Return-to-Service Goals.** The below stated Return-to-Service Goals are incorporated into this SOW as a reference point and are not considered components nor evaluation criteria for the Service Level Agreements of this Contract, this SOW, nor any SOW related to this Contract.

Classification	Return-to-Service Goals
<p><b>High</b></p> <p>Level High problems are assigned the highest priority and are considered to be a business emergency situation. Mission Critical to the business as the application is critical to the organization's operation. Criteria: (1) Affects customers' or ORS' revenue base (retirement checks); (2) server down; (3) Critical infrastructure components; (4) Network outage effects many users; (5) Application unavailable/down; (6) Downtime leads to non-</p>	<ul style="list-style-type: none"> <li>• Acknowledged within 15 minutes from time of receipt of ticket during business hours and within 30 minutes during non-business hours.</li> <li>• Status report within 2 hours of receipt of ticket, usually with a workaround. Resolution dependent upon the nature of issue.</li> <li>• Return to Service Goal of 4 business hours 90% of the time.</li> </ul>

recoverable consequences.

### **Medium**

Reflect a situation where many users and/or customers are directly impacted. Considered Mission Important/Process Critical to the business as the application is critical to the organization's operations, but the impact to the customer may not be visible. Criteria: (1) Affects customers' or ORS' revenue base (retirement checks); (2) Application unavailable/down; (3) Several users down; (4) Downtime is recoverable.

### **Low**

Reflect a situation where more than one user is affected. Problems are Process Important to the business as the application is critical to the business operations but the impact to the customer is not visible. Criteria: (1) Single User Down; Processing can still exist without impacting data integrity; (3) Downtime has internal consequences only.

- Additional Progress Reports have a 1 hour interval or as agreed upon by ORS.
- Acknowledged within 1 business hour from time of receipt of ticket during business hours and within 2 hours during non-business hours.
- Status report within 4 business hours of receipt of ticket, usually with a workaround. Resolution dependent upon the nature of the issue.
- Goal of 8 business hours 90% of the time.
- Additional Progress Reports as agreed upon by ORS.
- Acknowledged within 8 business hours from time of receipt of ticket during business hours.
- Status Report within 2 business days of receipt of ticket.
- Return to Service Goal of 16 business hours 90% of the time.
- Additional Progress Reports as agreed upon by ORS.

### III. Accenture Responsibilities:

#### **In accordance to Article 1, Attachment F, section e of the Contract, Accenture shall:**

1. Provide ongoing technical system support.
2. Provide online technical system documentation.
3. Provide on-site technical support upon the state's request at the expense of Accenture.
4. Provide an escalation process for technical support.
5. With the State's approval, may provide remedial maintenance off-site via telephone or secure connection to the system.
6. Perform all maintenance by qualified personnel who are familiar with the systems.
7. Provide backup maintenance resources.
8. Provide for escalation of maintenance issues to ensure they are resolved within the agreed service level response times.
9. Provide one point of contact to report system malfunction whether malfunction is due to software or is of unknown origin. Accenture shall be responsible for providing the appropriate remedy to a software application problem.
10. Be required to use the State's SecurID system for off site support connections to the application servers.
11. Shall not be obligated nor authorized to commence any worked associated with this SOW until a Purchase Order is issued by the State.
12. Project Plan. Accenture will maintain an up-to-date master project plan.
13. Reports: Accenture will submit a comprehensive status report on the status of each sub-task, task and deliverable in the project plan on a weekly basis as outlined in the Contract. The status report also will include a detailed discussion of Accenture's performance against service levels, upcoming activities and tasks, milestones and deliverables. Additional monthly reports will be submitted summarizing all activities for that period. The report will

include a review of the budget status of the systems in relation to the deployment work plan and project status.

14. Other duties as described in this SOW.

#### **IV. State of Michigan and /or DIT Responsibilities:**

The State of Michigan agrees to provide timely access to all personnel, resources (including all necessary hardware, software, network access, adequate and secure workspace, and telephone access) and requested information that is deemed necessary by Accenture to ensure that Accenture can fulfill its commitments stated herein. Pursuant to Article 1, Section 1.202 of the Contract, the State of Michigan also specifically agrees to:

1. **The support team will consist of all MDIT staff, business staff, and Vendor staff providing services to the contact centers.**
2. **MDIT will be responsible for the State's infrastructure and work together with Accenture in determining the system configuration.**
3. **A steering committee will exist for each business agency (Civil Service, MDOS, ORS, and Treasury) comprised of the agency contact center business manager and the MDIT project director and will provide the following services:**
  - a. Review with Accenture's performance on maintenance;
  - b. Approve any point release project schedule;
  - c. Authorize modifications for scope, resources, and budget for a point release project;
  - d. Ensure senior management commitment to the project;
  - e. Resolve project issues in a timely manner;
  - f. Review project plan, status, and issues for the point releases;
  - g. Resolve deviations from project plan;
  - h. Provide acceptance sign-off;
  - i. Utilize change control procedures;
  - j. Ensure timely availability of State resources;
  - k. Make key implementation decisions, as identified by Accenture's project manager, within 48 hours of their expected decision dates.
4. An executive steering committee will exist for the contract that will include one representative from each business agency and the MDIT project director. This committee will meet to discuss issues that affect all business agencies.
5. The State's Project Director will provide the following services:
  - a. Provide State facilities, as needed;
  - b. Coordinate the State resources necessary for the project;
  - c. Facilitate coordination between various external Vendors;
  - d. Facilitate communication between different State departments/divisions i.e. Milestone acceptance sign-off;
  - e. Resolution of project issues;
  - f. Escalation of outstanding/high priority issues;
  - g. Utilize change control procedures;
  - h. Conducting regular and ongoing review of the project to confirm that it meets original objectives and requirements;
  - i. Documentation and archiving of all important project decisions;
  - j. Arrange, schedule and facilitate State staff attendance at all project meetings.

6. MDIT staff will provide the following necessary services to the support team:
  - a. SQL Database Administrator;
  - b. Telecom consultant to write Avaya vectors for telephone call flows;
  - c. Telecom staff to maintain the switch, vectors, Map D and ASAI software;
  - d. Server hosting staff to maintain all hardware and operating systems. This includes the Cisco switches that act as load balancers;
  - e. Back end legacy programmers who will maintain the extraction process of legacy information to (1) Oracle History Tables for Treasury and MDOS, and (2) Sending the Extract File from HRMN for Civil Service. (3) Sending Clereaty data to Siebel
  - f. eMichigan staff who will maintain the current Vignette 6 project (Civil Service) and maintain and enhance the Treasury web site Vignette pages with links to Treasury's Siebel eService pages for customer self-service;
  - g. FileNet technical administrator (and back up) who maintains the hardware infrastructure, the basic FileNet software configurations and all security for files and users. This administrator creates the custom lookup templates and handles all account issues (passwords, lockouts). This administrator imports all the offsite scanning and outbound correspondence and maintains all technical documentation for workstation installs.
  - h. NICE "black box" installation
  - i. **Business staff who will perform system administration.** Each agency will have one employee who will be responsible for business administration which includes adding new users and List of Values ("LOV's");
  - j. **Business staff who will product test the system.** Each agency will provide a testing team that will complete users' acceptance testing for system changes. They will also identify the data necessary to test the new functionality;
  - k. **MDIT project oversight.** MDIT will provide a project director who will provide oversight to Accenture's activities and help in the liaison between Accenture, the business users, and MDIT staff.
  - l. Provide a single point of contact ("SPOC") to represent DIT. The SPOC will have decision-making authority for most matters that may arise;
  - m. Ensure that the DIT's SPOC(s) is/are available to meet with Accenture a minimum of once a week for the status meeting if required;
  - n. Schedule project meetings with in scope agency contacts; and
  - o. Provide input to and approval for any Accenture project plan related to this Contract and/or SOW.

*V. Other Roles and Responsibilities:*

The following other vendors will have a supporting role to the team by virtue of their annual software maintenance agreements:

- Siebel
- Genesys
- Intervoice
- NICE
- FileNet
- IBM Websphere
- Avaya
- Xenos

## **VI. Description of this Statement of Work:**

The State of Michigan and Accenture have developed this SOW to document the customer's requirements as understood and to outline the approach that will be used to accomplish the work. This SOW will cover maintenance and enhancement services for the ORS call center.

### **1. Term of this SOW.**

This SOW shall commence on 05-01-2008 and is anticipated to end on 03-04-2010.

### **2. Deliverables.**

In addition to the services provided in the Contract, Accenture will provide support and maintenance for the following additional software components as related to this SOW.

- 1) Genesys Workforce Management
- 2) NICE Quality Monitoring Software
- 3) Conversant IVR

Accenture will provide support and maintenance to the current installation of the NICE Quality Monitoring Software and the Conversant IVR. Any upgrades or major enhancements to these software packages are out of scope and will be executed, implemented and then provided by the State or their designated third party vendor.

The below items are not included in this SOW:

- a. Software maintenance agreements
- b. Software licenses

### **3. Deliverable Project Price Schedule:**

Services will be billed monthly based on a fixed monthly fee as detailed below:

April 2008 – March 2009	\$ 30,825.00 monthly	= \$ 369,900
April 2009 – March 2010	\$ 30,825.00 monthly	= \$ 369,900

This SOW authorizes a total of \$ 739,800 plus any pre-approved expenses.

### **4. Personnel. Personnel listed in this section are subject to change pursuant to the terms and conditions of the Contract.**

- 1) Ryan Sadler – Delivery Manager
- 2) Rojy Thomas - Siebel Technical Architect
- 3) Pam Numerick - Siebel Application Lead
- 4) Rajaram Loganathan - Siebel/Genesys Technical Lead
- 5) Manju Yeddanapalli – Siebel Developer
- 6) Genesys Specialist

### **5. Project Plan:**

Accenture and State of Michigan will jointly develop and agree to a project plan that will, at a minimum, identify milestones, deliverable dates, responsible party (-ies) and any predecessor activities. This plan will be maintained and updated by Accenture throughout the engagement. Both parties agree to use the project plan as the primary vehicle for measuring progress of the engagement.

### **6. Status Reports and Meetings:**

A status report will be provided monthly to the agency.

Status Meetings:

- At a minimum the DIT and Accenture SPOCs will be in attendance. Additional parties will be invited based on the needs of the engagement.
- Accenture will provide an update as to the status of the engagement and plans for the coming week that will involve State of Michigan personnel or resources.
- Discussion and resolution of any non-critical issues that are occurring.
- Review of any issues that have been escalated.
- Review of the project plan.
- Accenture will document the discussions and forward the minutes to the DIT SPOC (and other State of Michigan personnel as appropriate).

Each intending to be bound to the other, the State and Vendor have caused this Statement of Work to be executed by their duly authorized representatives as of date this SOW is executed.

**Agreed to and Approved By:**

**Accenture LLP:**

*Signature:*

*Jamie D. Walker, Senior Executive*

Date:

**State of Michigan**

*Signature:*

*Scott Wager*

Date:

**State of Michigan**

*Signature:*

*Anthony Estell*

Date:

**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 16, 2007

**CHANGE NOTICE NO. 1  
 TO  
 CONTRACT NO. 071B7200210  
 between  
 THE STATE OF MICHIGAN  
 and**

NAME & ADDRESS OF VENDOR <b>Accenture LLP          3000 Town Center          Suite 2400          South Field, MI 48075</b>  Email: <a href="mailto:Jamie.D.Walker@accenture.com">Jamie.D.Walker@accenture.com</a>	TELEPHONE: Jamie Walker <b>(517) 862-0192</b>
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-7233 <b>Joann Klasko</b>
Contract Compliance Inspector: Mark Lawrence <b>Enterprise Contact Center – Department of Information Technology</b>	
CONTRACT PERIOD: From: <b>March 5, 2007</b> To: <b>March 4, 2010</b>	
TERMS <p style="text-align: center;"><b>N/A</b></p>	SHIPMENT <p style="text-align: center;"><b>N/A</b></p>
F.O.B. <p style="text-align: center;"><b>N/A</b></p>	SHIPPED FROM <p style="text-align: center;"><b>N/A</b></p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;"><b>N/A</b></p>	
MISCELLANEOUS INFORMATION:	

**NATURE OF CHANGE(S):**

**Effective immediately, the buyer for this contract is changed to Joann Klasko.**

**AUTHORITY/REASON(S):**

**Per Purchasing Operations request.**

**TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$10,000,000.00**

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

March 7, 2007

**NOTICE**  
**OF**  
**CONTRACT NO. 071B7200210**  
**between**  
**THE STATE OF MICHIGAN**  
**and**

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	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-2005 <b>Lisa Morrison</b>
Contract Compliance Inspector: Mark Lawrence <b>Enterprise Contact Center – Department of Information Technology</b>	
CONTRACT PERIOD: From: <b>March 5, 2007</b> To: <b>March 4, 2010</b>	
TERMS <p style="text-align: center;"><b>N/A</b></p>	SHIPMENT <p style="text-align: center;"><b>N/A</b></p>
F.O.B. <p style="text-align: center;"><b>N/A</b></p>	SHIPPED FROM <p style="text-align: center;"><b>N/A</b></p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;"><b>N/A</b></p>	
MISCELLANEOUS INFORMATION:	

The terms and conditions of this Contract are those of **ITB #07116200246** this Contract Agreement and the vendor's quote dated **July 6, 2006**. In the event of any conflicts between the specifications, terms and conditions indicated by the State and those indicated by the vendor, those of the State take precedence.

**Estimated Contract Value: \$10,000,000.00**

**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. 071B7200210**  
**between**  
**THE STATE OF MICHIGAN**  
**and**

NAME & ADDRESS OF VENDOR <b>Accenture LLP</b> <b>3000 Town Center</b> <b>Suite 2400</b> <b>South Field, MI 48075</b>  Email: <a href="mailto:Jamie.D.Walker@accenture.com">Jamie.D.Walker@accenture.com</a>	TELEPHONE: <b>Jamie Walker</b> <b>(517) 862-0192</b> VENDOR NUMBER/MAIL CODE  BUYER/CA (517) 241-2005 <b>Lisa Morrison</b>
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MISCELLANEOUS INFORMATION: <b>The terms and conditions of this Contract are those of <a href="#">ITB #071I6200246</a> this Contract Agreement and the vendor's quote dated <a href="#">July 6, 2006</a>. 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.</b>  <b>Estimated Contract Value: \$10,000,000.00</b>	

**THIS IS NOT AN ORDER:** This Contract Agreement is awarded on the basis of our inquiry bearing the [ITB No.071I6200246](#). Orders for delivery will be issued directly by the [Department of Information Technology](#) through the issuance of a Purchase Order Form.

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

**FOR THE VENDOR:**

**Accenture LLP**  
 \_\_\_\_\_  
 Firm Name

\_\_\_\_\_  
 Authorized Agent Signature

\_\_\_\_\_  
 Authorized Agent (Print or Type)

\_\_\_\_\_  
 Date

**FOR THE STATE:**

\_\_\_\_\_  
 Signature  
**Anthony Des Chenes, Director**  
 \_\_\_\_\_  
 Name/Title  
**Commodities Division, Purchasing Operations**  
 \_\_\_\_\_  
 Division

\_\_\_\_\_  
 Date



**Table of Contents**

**Article 1 – Statement of Work (SOW)..... 6**

1.0 Project Identification..... 6

1.001 PROJECT REQUEST ..... 6

1.002 BACKGROUND..... 6

1.1 Scope of Work and Deliverables ..... 13

1.101 IN SCOPE..... 13

1.102 OUT OF SCOPE..... 13

1.103 ENVIRONMENT ..... 13

1.104 WORK AND DELIVERABLE ..... 13

1.2 Roles and Responsibilities ..... 32

1.201 VENDOR STAFF, ROLES, AND RESPONSIBILITIES ..... 35

1.202 STATE STAFF, ROLES, AND RESPONSIBILITIES..... 37

1.203 OTHER ROLES AND RESPONSIBILITIES ..... 39

1.3 Project Plan..... 39

1.301 PROJECT PLAN MANAGEMENT ..... 39

1.302 REPORTS..... 40

1.4 Project Management ..... 40

1.401 ISSUE MANAGEMENT ..... 40

1.402 RISK MANAGEMENT ..... 40

1.403 CHANGE MANAGEMENT ..... 40

1.5 Acceptance ..... 41

1.501 CRITERIA ..... 41

1.502 FINAL ACCEPTANCE ..... 41

1.6 Compensation and Payment..... 41

1.601 COMPENSATION AND PAYMENT ..... 41

1.7 Additional Terms and Conditions Specific to this SOW ..... 42

1.701 ADDITIONAL TERMS AND CONDITIONS SPECIFIC TO THIS SOW ..... 42

**Article 1, Attachment Index**

Article 1, Attachment A.....43

Article 1, Attachment B.....44

Article 1, Attachment C.....46

Article 1, Attachment D.....47

Article 1, Attachment E.....48

Article 1, Attachment F.....58

**Article 2 – General Terms and Conditions ..... 60**

2.010 Contract Structure and Administration ..... 60

2.011 Definitions ..... 60

2.012 Attachments and Exhibits..... 60

2.013 Statements of Work ..... 60

2.014 Issuing Office ..... 61

2.015 Contract Compliance Inspector ..... 61

2.020 Contract Objectives/Scope/Background ..... 62

2.021 Background ..... 62

2.022 Purpose..... 62

2.023 Objectives and Scope ..... 62

2.024 Interpretation..... 62

2.025 Form, Function and Utility ..... 62

2.030 Legal Effect and Term..... 62

2.031 Legal Effect..... 62

2.032 Contract Term ..... 62

2.040 Contractor Personnel ..... 63

2.041 Contractor Personnel ..... 63

2.042 Contractor Identification ..... 65

2.043 Cooperation with Third Parties ..... 65



2.044	Subcontracting by Contractor .....	65
2.045	Contractor Responsibility for Personnel .....	66
2.050	State Standards .....	66
2.051	Existing Technology Standards .....	66
2.052	PM Methodology Standards .....	66
2.053	Adherence to Portal Technology Tools.....	66
2.054	Acceptable Use Policy .....	67
2.060	Deliverables .....	67
2.061	Ordering.....	67
2.062	Software.....	67
2.063	Hardware.....	67
2.064	Equipment to be New and Prohibited Products .....	67
2.070	Performance .....	67
2.071	Performance, In General .....	67
2.072	Time of Performance .....	68
2.073	Liquidated Damages.....	68
2.074	Bankruptcy .....	68
2.075	Time is of the Essence .....	68
2.080	Delivery and Acceptance of Deliverables.....	69
2.081	Delivery Responsibilities .....	69
2.082	Contractor System Testing.....	69
2.083	Approval of Deliverables, In General .....	70
2.084	Process for Approval of Written Deliverables .....	71
2.085	Process for Approval of Custom Software Deliverables .....	71
2.086	Final Acceptance .....	72
2.090	Financial.....	72
2.091	Pricing.....	72
2.092	Invoicing and Payment Procedures and Terms .....	72
2.093	State Funding Obligation .....	73
2.094	Holdback.....	73
2.095	Electronic Payment Availability .....	73
2.100	Contract Management .....	74
2.101	Contract Management Responsibility .....	74
2.102	Problem and Contract Management Procedures .....	74
2.104	System Changes .....	75
2.105	Reserved.....	75
2.106	Change Requests.....	75
2.110	Records and Inspections .....	76
2.111a	Records and Inspections .....	76
2.112	Errors .....	77
2.120	State Responsibilities.....	77
2.121	State Performance Obligations .....	77
2.130	Security .....	78
2.131	Background Checks .....	78
2.140	Reserved .....	78
2.150	Confidentiality .....	78
2.151	Freedom of Information .....	78
2.152	Confidentiality .....	78
2.153	Protection of Confidential Information.....	78
2.154	Exclusions.....	79
2.155	No Implied Rights .....	79
2.156	Remedies.....	79
2.157	Security Breach Notification.....	79
2.158	Survival .....	80
2.159	Destruction of Confidential Information.....	80
2.160	Proprietary Rights.....	81
2.163	Rights in Data.....	82
2.164	Ownership of Materials .....	82
2.165	Standard Software .....	82



2.166	Pre-existing Materials for Custom Software Deliverables.....	83
2.167	General Skills .....	83
2.170	Warranties And Representations .....	83
2.171	Warranties and Representations.....	83
2.175a	DISCLAIMER.....	86
2.175b	Standard Warranties.....	86
2.176	Consequences For Breach .....	86
2.180	Insurance .....	87
2.181	Liability Insurance .....	87
2.190	Indemnification.....	90
2.191	Indemnification .....	90
2.192	Continuation of Indemnification Obligations.....	91
2.193	Indemnification Procedures .....	91
2.200	Limits of Liability and Excusable Failure .....	92
2.201	Limits of Liability .....	92
2.202	Excusable Failure .....	92
2.203	Disaster Recovery .....	93
2.210	Termination/Cancellation by the State.....	93
2.211	Termination for Cause.....	93
2.212	Termination for Convenience .....	94
2.213	Non-Appropriation .....	94
2.214	Criminal Conviction .....	94
2.216	Rights and Obligations Upon Termination .....	96
2.217	Reservation of Rights.....	96
2.218	Contractor Transition Responsibilities .....	96
2.219	State Transition Responsibilities .....	97
2.220	Termination by Contractor .....	97
2.221	Termination by Contractor.....	97
2.230	Stop Work .....	97
2.231	Stop Work Orders .....	97
2.232	Cancellation or Expiration of Stop Work Order .....	98
2.233	Allowance of Contractor Costs .....	98
2.240	Reserved .....	98
2.250	Dispute Resolution .....	98
2.251	In General .....	98
2.252	Informal Dispute Resolution.....	98
2.253	Injunctive Relief .....	99
2.254	Continued Performance .....	99
2.260	Federal and State Contract Requirements .....	99
2.261	Nondiscrimination .....	99
2.262	Unfair Labor Practices .....	99
2.263	Workplace Safety and Discriminatory Harassment .....	101
2.270	Litigation .....	101
2.271	Disclosure of Litigation.....	101
2.272	Governing Law .....	102
2.273	Compliance with Laws .....	102
2.274	Jurisdiction.....	102
2.280	Environmental Provision.....	102
2.281	Environmental Provision .....	102
2.290	General.....	103
2.291	Amendments .....	103
2.292	Assignment .....	103
2.293	Entire Contract; Order of Precedence .....	103
2.294	Headings.....	103
2.295	Relationship of the Parties (Independent Contractor Relationship) .....	103
2.296	Notices .....	104
2.297	Media Releases and Contract Distribution .....	104
2.298	Reformation and Severability .....	105
2.299	Consents and Approvals .....	105



2.300	No Waiver of Default.....	105
2.301	Survival .....	105
2.302	Covenant of Good Faith .....	105
2.303	Permits.....	105
2.304	Website Incorporation .....	105
2.305	Taxes.....	105
2.306	Prevailing Wage .....	107
2.307	Call Center Disclosure .....	107
2.308	Future Bidding Preclusion.....	107
2.310	Reserved .....	107
2.320	Extended Purchasing .....	107
2.321	MiDEAL .....	107

**Exhibit Index**

Exhibit A.....	109
Exhibit B .....	129



## **Article 1 – Statement of Work (SOW)**

### **1.0 Project Identification**

#### **1.01 PROJECT REQUEST**

The State of Michigan (State), through the Michigan Department of Management & Budget (MDMB) and with assistance of the Michigan Department of Information Technology (MDIT), has issued this contract to maintain and enhance three (3) contact centers, all of which use Siebel as their core software.

The contract will include the following services:

- Maintenance and support,
  - Product upgrades,
  - Enhancements,
  - Implementation of new functionality,
- Training and mentoring of MDIT staff,
- Create a standard Siebel application that would make available basic Siebel functionality to simple contact centers.
- Assist the State with development of a project control office for an enterprise contact center of excellence, and
- Assist the State with development of State standards for contact centers and the creation of an enterprise hardware infrastructure.

During the contract period, there may be a requirement to implement and / or support other Siebel contact centers or other standard call center technology within the State. Their implementation and support will also fall within the scope of this contract.

The negotiated contract will have a maximum term of three (3) years, with two (2) one-year extensions possible.

#### **1.002 BACKGROUND**

The Michigan Department of Information Technology (MDIT) was created in October 2001 by [Executive Order No. 2001-3](#) to achieve a unified and more cost-effective approach for managing information technology among all Executive Branch agencies. As a state agency, MDIT is empowered to enact the enterprise use of common information technologies and provide consistent professional management of the state's Information Technology (IT) resources.

Today, MDIT supports three (3) Siebel Contact Centers; these are the Customer Contact Center at Treasury, the Michigan Human Resources (MIHR) Service Center at Civil Service and the Department of State Information Center. The contact centers at the Departments of State and Treasury serve the citizens of the State of Michigan, while the MIHR service center primarily supports the State's employee population. Each call center has the Siebel product as its core software but has been implemented as a stand-alone instance, each separate from the other contact centers and using different integrators.

The State also has two other Siebel contact centers, one at the Office of Retirement Services and the other at the Michigan Economic Development Corporation, which in the future may require support. The Department of Community Health and Department of Human Services are considering proposals that may result in Siebel contact centers.

MDIT has identified the following standard products currently used to provide contact center functionality:

- Telephone Switch – Avaya and Cisco
- CRM Software - Siebel
- Computer Telephony Integration – Genesys



- Call Monitoring and Recording – NICE
- Interactive Voice Response (IVR) – Genesys Voice Portal/ Avaya VXML
- Document Management – FileNet / Open Text

### **MDIT Objectives**

MDIT has the following objectives for this contract:

1. To provide effective support and enhancement to the client agency contact centers.
2. To minimize the total cost of ownership of the current Siebel contact centers.
3. To leverage the same hardware architecture across all contact centers.
4. To keep up to date with new releases of software from the COTS providers.
5. To develop MDIT staff as full partners with Accenture staff.
6. To minimize the use of custom code and to migrate to “out of the box” functionality.
7. To provide new technology that will allow efficiency and effectiveness gains.
8. To use the same software configurations across all contact centers for the same functions.
9. To provide an entry-level Siebel configuration for new agencies with minimal requirements.

### **Agency Background and Business Goals**

#### **General**

Each agency – Civil Service, Department of State and Treasury – has specific business goals, objectives and requirements for their own individual contact center beyond those of MDIT. The businesses seek to continue to maximize customer service, further enhance the functionality of their contact centers and minimize their total costs of ownership.

#### **Detail** – in alphabetical order of agency.

##### **a. Civil Service**

###### **Background**

This service center has approximately 30 Customer Service Representatives (CSRs) and was established in August 2004 to service State employees with specific Human Resource (HR) issues. It consists of a 1-800 telephone service center receiving up to 500 calls per day and an Internet knowledge base. CSRs answer telephone inquiries by guiding the employee to relevant pages on the knowledge base or by accessing the Civil Service HRMN legacy system. If the CSR is unable to resolve the inquiry on the phone, a detailed service request is created which is then passed to a Subject Matter Expert (SME). The SME will work the case and call the employee back with the resolution.

###### **Operation**

###### **a. Phone**

CSRs staff the call center Monday to Friday 7.00am to 6.00pm. Employees calling into the center are initially presented with several telephone menu choices using vectors in the State’s telephone system (see Civil Service appendix ref 34) that provide some limited self-service opportunities. Calls are then passed to an available CSR. This service center has no computer-telephone integration (CTI) screen pops, so the CSR on receiving the call must enter the State employee’s identification number into a Siebel search screen to retrieve the employee’s contact records. The CSR records the primary and secondary reason for the inquiry and, if necessary, creates a Siebel Service Request before closing the call. CSRs can also access the web knowledge base during the phone call to help answer the employee’s inquiry.

###### **b. Web**

Employees access the knowledge base site using the Internet and login by entering their user name and password, which has been supplied to them through a separate process. The resultant displayed content has been tailored to match the specific details of the employee’s bargaining group or agency.

###### **c. Paper Channel**

CSRs in the contact center process up to 400 inbound correspondence items per day when not answering the phones. This is currently a manual process in which correspondence is distributed to CSRs who answer the



inquiries and where necessary update the legacy system. Transactions that are completed are tracked using a Microsoft (MS) Access database that in turn is used to automatically generate an email to State of Michigan employees notifying them that their paper transaction was received and completed.

#### Quality Assurance

Call monitoring and quality assurance is provided by the NICE software. Calls are statistically sampled, evaluated and reviewed with staff by a supervisor. A series of quality assurance reports are run by team, question and CSR to trend short and long range performance and to identify areas where departmental training may be required. CSRs also have the option of recording calls on demand.

#### Customer Satisfaction

Phone customers are emailed a link to a customer satisfaction survey on the State of Michigan web site where they are asked to answer some questions. Responses are analyzed by the service center management and a quality report created.

#### Reports

Management reports in MS Excel are produced using extracted data from the Avaya CMS system and the Qwest 1-800 provider web site. Key metrics used by management include the Average Speed of Answer (ASA), Abandon Rate in the queue and Average Talk Time. In addition, there are several manual spreadsheet reports that track a variety of call center statistics on productivity, accuracy and completion rates.

#### Future Strategy

##### 1. Electronic Document Management

Civil Service would like to implement an electronic document management system that will enable the agency to handle the increasing amounts of paper correspondence with a greater level of efficiency. To date, the agency has implemented a small pilot application where some selected documents, after being processed, are scanned and indexed at an outside vendor. The indexed images are returned on disc and loaded to a FileNet Image server and associated optical jukebox where they can be reviewed by CSRs from their desktop.

The ultimate goal would be to have all documents, including inbound correspondence, scanned and indexed on initial receipt into the agency. The subsequent images could then be used to create work items on Siebel. CSRs could work these items electronically using Siebel as the front-end application.

##### 2. Enhance Telephony

The current system does not use any IVR or CTI. Civil Service would like to implement these technologies where a clear cost benefit analysis exists.

##### 3. Email

The current process for responding to emails is housed outside the Siebel application. A future enhancement should include the ability to work emails through the Siebel application and assign them to CSRs to work as one would work correspondence. This would allow for a more robust way to work, track and respond to email traffic.

##### 4. Expansion of Siebel to Other Divisions in Agency

Accenture shall provide a cost/benefit analysis for extending the Siebel application to other groups within Civil Service. This may be classified as a major implementation depending on the scope

The Department of Civil Service remains focused on maximizing customer service capability while minimizing the costs associated with maintaining a fully functional call center. The requirements outlined within this contract are constructed to support long-term development of the skills required to manage this complex operation within the State, while recognizing that technology and best business practices will continue to evolve. The successful vendor will assist Civil Service in the support of current operations, partner in the development and implementation of new applications of call center technologies, and provide guidance



regarding best business practices that, when applied, will increase our efficiency and enhance our ability to serve our customers.

## **b. State (MDOS)**

### Background

The Michigan Department of State has approximately 100 CSRs and began a project in August 2005 to consolidate their telephone contact centers. By September 2006, calls made to branch offices, regional contact centers or the information center will route through a 1-800 number to a consolidated call center.

### Operations

#### a. Phone Channel

It is anticipated that the call center will receive approximately 13,500 calls daily and will utilize customer service representatives located in two different physical locations. Citizens will be offered an opportunity for self-service through the IVR and will also have the option of speaking to a CSR. The CSRs will be divided into three main groups: tier 1, tier 2 and tier3, although each agent will have a specific skill set stored in Genesys and will be routed calls based on that skill set. However, in the main, tier 1 agents will get all initial calls from citizens unless there is a pre-existing service request on file in which case the citizen will be immediately directed to a tier 2 agent. Tier 2 agents will also get all calls that cannot be answered by a tier 1 agent. Tier 3 agents will solely handle phone calls from staff at the branch offices. There will be a separate phone channel for staff located at branch offices and this will allow these calls to by-pass the main IVR and be routed directly to a tier 3 CSR.

All citizens wishing to speak to an agent will be asked for their Drivers License Number or Vehicle Registration Number in the IVR and this will be used to screen pop their personal identification information from the Siebel database and their contact log history on to the CSRs screen when the call is connected. The IVR and Genesys CTI will determine the nature of the call and route the caller to the most appropriate, available, skilled agent using call routing strategies.

All branch office staff will enter their employee number as well as a branch identifier at an Avaya prompt and this will be used by Genesys to screen pop the appropriate records when a tier 3 agent answers the call.

#### b. Web Channel

Branch office employees can log on to a Siebel eService application through an Intranet connection. They will login with a user name and password allowing them to create a service request or review progress on previous service requests. New service requests will result in receipt of an auto-acknowledgement and an instruction to visit the web site in a specified number of days for an answer.

### Reports

The call center will use Genesys ccPulse for real time reporting. Monthly Siebel Actuate reports show the Service Request performance of the contact center.

### Future Strategy

#### a. Quality Assurance

The call center would like to implement NICE call monitoring and quality assurance. In order to minimize costs, the agency would like to look at the possibility of leveraging the existing State NICE implementations.

#### b. Enhanced IVR

It is expected that, once management is able to get detailed reports on the number and nature of calls, significant changes may be required in both the IVR and the Genesys skills-based routing.

#### c. Citizen Self Service over the Web

MDOS would like to consider the possibility of opening up web access for citizens. This might include allowing citizens to create their own service requests and then be able to revisit the site to retrieve the responses.



d. Expansion of Siebel to Other Divisions in Agency

There may be opportunities for other divisions to use the Siebel product. This could include other contact centers that could use the current application with the addition of some new roles and responsibilities and other areas where a new configuration is required.

e. White Mail

MDOS would like to consider enhancement of the system for the addition of a white mail channel for managing incoming correspondence the same as other customer contacts, utilizing an imaging component such as FileNet. This was a feature that MDOS wanted to have included in its original contact center design but was postponed for budgetary reasons.

f. Knowledge Management Base

MDOS wants to expand and build upon the knowledge base being built into its initial call center design, to add searchable documents and other resources and content, for its CSRs and other agency employees as well.

The MDOS Consolidated Contact Center has primary goals of maximizing customer service with the use of a single toll-free line for channeling all incoming calls, while reducing wait times, and providing more timely, accurate information with a higher rate of first call resolution. A secondary goal is to provide this better service in an efficient and cost-effective manner, offering convenient options for customer self-service wherever possible. MDOS is also looking toward continuous improvement, with an eye toward adding several future enhancements that had to be postponed in our initial call center build.

To maintain this capability, MDOS is looking to this contract to establish a skilled and reliable support and maintenance capability that will seamlessly transfer this responsibility from Bearing Point to Accenture. MDOS is also looking to maintain a cost-effective relationship with MDIT to leverage any economies of scale that can be taken advantage of in having an enterprise approach to sharing skilled staff, hardware and software.

**c. Treasury**

Background

The Treasury Customer Service Bureau provides the contact point for taxpayers seeking answers to Michigan tax questions. The bureau was established in October 2000 and completed the implementation of the Customer Relationship Management (CRM) System in 2002. It has a vision and values statement:

Vision

Provide superior customer service to taxpayers.

Values

Customer Focus

Continuous Service Improvement

Staff Quality, Service and Proficiency

This contact center has over 200 CSRs and was established in January 2002. It is a multi-channel contact center managing phone, IVR, email, web, inbound correspondence and certain outbound correspondence. It includes an on site imaging and indexing operation. Contacts are taxpayers, both business and individual, and the CSRs are split into groups: Individual Income Tax and Business Taxes.

Operation

a. Phone Channel

Individual income taxpayers use a 1-800 telephone number to access the contact center. A combination of Avaya vector routing, Intervoice IVR and Genesys CTI work to determine the nature of the call and route the caller to the most appropriate service, either with self-service or an agent. The peak call volume during tax filing season is in excess of 20,000 per day. The maximum number of consecutive calls is limited to the eight inbound T1's, but during the tax-filing season 2005 this was never exceeded.



The Interservice IVR is capable of handling 96 concurrent calls. Treasury's call routing strategy attempts to reserve four of the eight T1s for IVR income tax self-service during business hours. The IVR self-service includes Individual Income Tax refund or return status, expected refund date, estimated payments, prior year returns, request copies of forms, completed returns, paid refund checks and telehelp tax questions service. The IVR functions 24 x 7 within the call switch routing for the 1-800 telephone number.

Business taxpayers use several telephone numbers to access the contact center. Avaya vectors and Genesys Computer Telephony Integration (CTI) are used to route the calls to the available business account CSRs.

#### b. Web Channel

Business and Individual taxpayers can log on to the Siebel eService application through a link from Treasury's Vignette Internet web site. They will enter a user name and shared secret password allowing them to access detailed account information. This web self-service allows them to create a Service Request, which will result in receipt of an auto-acknowledgement and an instruction to visit the web site in 10-14 days for an answer.

Business taxpayer Siebel eService is focused on two of the business taxes. Business taxpayers have self-service features similar to the services listed below for Individual income taxpayers.

Individual income taxpayer Siebel eService includes refund or return status, expected refund date, estimated payments, prior year returns status, request address changes and request copies of forms, completed returns, and paid refund checks. Taxpayers can also ask tax questions.

#### c. Paper Channel - Inbound

All pieces of inbound correspondence and some specific tax returns are batched, scanned and indexed using a FileNet Capture application augmented with some Visual Basic (VB) script. Documents are grouped into document types and classes prior to scanning. Images are loaded into the FileNet Image Servers. A look ahead into Siebel is made during indexing to ensure that the key account number entered manually onto the image is a valid number. All images create Siebel contacts and, in the case of correspondence, service requests are also created. In addition, Collection Division billing correspondence indexes are electronically transferred to CRM, where a contact log and service request linked to the related CRM account are created through an Enterprise Integration Manager (EIM) Process. The service requests are routed to the appropriate CRM work groups. Once this correspondence is worked, CRM creates a daily feedback to the Collection system of the distinct pieces of completed correspondence.

#### d. Paper Channel – Outbound

Selected outbound mail is imaged by taking a copy of the print file from the print queue. The Xenos product is used to turn the print file into a tiff image and indexes, such as the key account number, are created by extracting this data automatically from the print file. The subsequent images indexes are loaded to Siebel as contacts on each account.

#### e. Email

Emails are received into various email boxes. The taxpayers get auto-acknowledgements from Siebel and the emails become Siebel service requests routed to various work groups. A Siebel Smart Answer application was developed to process these email but it has not yet been deployed. General email is a channel experiencing declining volumes. See above b., Web Channel.

#### Universal Queue

Genesys Universal Queuing has been configured to workflow inbound phone calls and Siebel service requests. This includes determining the attributes of telephone callers, selecting various call handing options and routing the call to the most appropriate agent. Currently only phone calls are actually pushed to the agents' desktops. Siebel service requests are categorized by different areas and are then selected manually by CSRs within their respective teams using specific, vendor-built queries.



### Quality Assurance

Call monitoring and quality assurance is provided by the NICE software. Calls are statistically sampled and then scored for quality by a pool of supervisors. CSRs also have the option of recording calls on demand.

### Customer Satisfaction

Phone customers using the IVR are sampled and asked to take an IVR customer satisfaction survey. Responses are analyzed by the contact center management and an IVR customer satisfaction report is created.

### Reports

The call center uses Genesys ccPulse for real time reporting. Avaya's CMS is used for some weekly and monthly reporting although the agency would like to consider replacing these CMS reports with Brio reporting from Genesys ccAnalyzer.

Monthly Siebel Actuate reports show the Service Request performance of the contact center. Ad hoc SQL reports have been created to analyze the data recorded in Siebel. These reports are reviewed after tax filing season in June/July and help the agency identify the new functionality required for their major point release in December.

### Future Strategy

The bureau creates an annual Contact Center Strategy to help direct it towards the goal of providing superior customer service. This strategy is updated every year to reflect:

1. The results of an evaluation of the Call Center's recent performance.
2. Any needed changes to the business processes, measurement and technical environment-Short and long-term objectives.
3. Enhancement plans for the coming year.

The business goals include:

- Ensure contact responses are of high quality for tax law accuracy, account accuracy, user friendliness and clarity.
- Provide timely and efficient customer communication.
- Migrate customers away from agent-assisted calls to the 24 x 7 personalized self-service IVR and web channels with 98% availability, improve retention of customers within self-help, and improve CRM data available for use in self-service.
- Provide consistent answers to customers across the self-service channels.
- Obtain timely feedback on customer experience/opinions when obtaining services from the Contact Center.
- Minimize the total costs of ownership, while continuing to enhance the functionality of the contact center.

Some of the strategies employed to achieve these goals will be:

- Extend IVR self-service to the 6 specialized business taxes teams.
- Extend Genesys routing of telephone calls to each of the 3 excise business tax teams.
- Continue to enhance and expand the IVR and Siebel eService functionality, as specified by the business users, to achieve continued yearly reductions in telephone calls to live agents and reduce paper correspondence and reduce eService service requests.
- Continuously and seasonally streamline customer service processes.
- Analyze customer contacts to identify and develop / enhance self-service options for targeted customer groups.
- Establish a comprehensive, timely archive of all data from the CRM database.
- Continue to measure employee real time and non-real time Quality of Service by channel and employee productivity and proficiency.
- Continue to age and manage service requests by type and other attributes.



- Continue to automate and enhance qualitative and quantitative data and fully implement reporting of Contact Center Performance.
- Continue to carry out an annual review of the Contact Center performance and compare against established short term and world class performance benchmarks to establish annual Contact Center Strategy.
- Insure daily refreshes from legacy systems to CRM are completed before beginning of regular business hours for customers at 8 AM of each work day.
- Train and mentor State-assigned business user staff from the contact center, enabling them to become full valued team members.

Vendors are advised that the State has methods, policies, standards and guidelines that have been developed over the years. Vendors are expected to follow these requirements. Specifically, the State's Project Management Methodology (PMM) must be followed. The PMM may be reviewed at [www.michigan.gov/projectmanagement](http://www.michigan.gov/projectmanagement).

### 1.1 Scope of Work and Deliverables

#### **1.101 IN SCOPE**

Accenture will provide the following services providing the functionality required for the State's business operations as described in this Scope of Work and the Appendices:

1. Provide a support team to maintain and enhance the identified 3 contact centers. This will include tasks for:
  - a. break-fixes,
  - b. product upgrades,
  - c. enhancements and,
  - d. implementation of new functionality
2. Train and mentor State-assigned MDIT staff enabling them to become full-valued members of this support team.
3. Create an enterprise hardware infrastructure using the existing servers within the base contract.
4. Create a standard Siebel application that would make available basic Siebel functionality to embryonic contact centers within the base contract.
5. Establish guidelines for the creation of a project control office for all Siebel implementations in the State within the base contract.
6. Help the State develop standards for contact center implementations within the base contract.
7. Support other contact centers within the State that in the future may require support. Currently the State has two other Siebel contact centers at the Office of Retirement Services and Michigan Economic Development Corporation.
8. Implement new contact centers within the State, at the request of MDIT.  
The Department of Community Health and Department of Human Services are considering proposals that may result in new contact center implementations.

#### **1.102 OUT OF SCOPE**

The business operation of the contact centers and the actual operation of the project control office.

#### **1.103 ENVIRONMENT**

Information regarding the State's information technology architecture and standards for hardware, database applications, network hardware and monitoring tools, identity management/authentication and development tools may be found at: <http://www.michigan.gov/dit/0,1607,7-139-34305---,00.html>

#### **1.104 WORK AND DELIVERABLE**

The Accenture Application Management (AM) team provides the following services:

- Service Management - Governance
- Break/fixes



- 1) Technical Break/Fix
- 2) Application Break/Fix
- Product Upgrades
- Enhancements
- New Functionality
- Application/Technical Monitoring and Maintenance

### Service Management

Service management is the overall responsibility for the delivery of Application Management (AM). Service management verifies the AM team is adhering to SLAs and coordinating services with other application support organizations. Service Management is the tactical function of managing and integrating end-to-end service delivery across all in-scope service lines. This includes managing resolution of issues reported, managing communications between agencies and other parties and the reporting of performance against established service level targets. Accenture services include an on site Service Delivery Executive (project manager) that will work directly with MDIT Management to report on progress, issues and other status items and is accountable for client satisfaction. The Service Delivery Executive will be responsible for making all decisions regarding unit operations consistent with the Service Level Agreement. Service Management activities are part of the Non-discretionary services.

The following represent the proposed Roles & Responsibilities and Key Activities for the AM team for Service Management.

#### Roles:

- ↳ Service Delivery Lead
- ↳ Application Architect Lead
- ↳ Technical Architect Lead

#### Responsibilities:

- ❖ Overall responsibility for delivery of AM
- ❖ Monitor service delivery against predefined SLAs listed in Article1, Attachment F
- ❖ Recommend enhancements and identify value opportunities for the agencies
- ❖ Represent the Siebel support team to the business sponsors, MDIT Project Executive, Project Control Office (PCO) where change requests are approved or rejected
- ❖ Escalate application issues as appropriate
- ❖ Act as the liaison between the Siebel AM team and other MDIT support groups
- ❖ Manage the release of changes to the application or environment to optimize application performance
- ❖ Coordinate the design and delivery of system enhancements
- ❖ Promote continuous project improvement by enabling all AM team members to contribute knowledge capital

The AM team key activities for Service Management include the following:

- ❖ Primary contact for all services and service level agreements
- ❖ Generate and distribute reports to reflect support level and SLA metrics to the business
- ❖ Verify SLAs are met and take appropriate action when necessary
- ❖ Conduct program and service reviews with the business
- ❖ Work with users, business sponsors, MDIT, PCO to understand issue urgency
- ❖ Provide trouble ticket status of key issues to users/Change Control Board
- ❖ Coordinate and integrate with other support organizations, including Infrastructure services and software vendors to deliver solutions and support
- ❖ Create enhancement requests and represent them to the PCO
- ❖ Manage the Siebel AM team work effort: work planning, budgeting, estimating

Application Management activities will be managed around non discretionary (break/fix, maintenance), Client discretionary (enhancements) and project work (new functionality, upgrades).

- **Non-Discretionary Services**—Non-discretionary services consist of day-to-day application and operations support services. In general, Non-discretionary services provide for “break/fix” actions. Non-



discretionary services provide the problem analysis and resolution of incidents reported through the Problem Management process. Non-discretionary changes are limited to functionality/technology currently in production and do not introduce new software functionality. A majority of these requests will be submitted through the MDIT remedy system.

- **Client Discretionary Services**—Discretionary services are generally initiated when a functional, technical, quality or external requirement is requested. The requests would be submitted through the defined Request Management process and prioritized by appropriate service delivery processes as a part of the base contract.
- **Project Services**—Project services would be classified as Major implementations, where, depending on the scope of the project, a Statement of Work (SOW) would be issued. Accenture understands from the ITB that in scope software product upgrades would be considered Client Discretionary services.

### **Technical Break/Fix**

The following represent the Roles & Responsibilities and Key Activities for the Application Management team for Technical Break/Fix services.

#### **Roles:**

- ↳ Technical Architect Lead
- ↳ Production Support Lead
- ↳ Technical Support Analyst
- ↳ Interface Developer

#### **Responsibilities:**

- ❖ Receive and investigate trouble tickets from the help desk and determine recommended resolution
- ❖ Produce high level and detailed technical design and data mapping to scope out bug fix work
- ❖ Perform impact analysis and provide estimates to deliver bug fixes
- ❖ Perform interface/data conversion development work as required to resolve bugs
- ❖ Coordinate thorough testing of the developed solution
- ❖ Participate in the configuration management process to introduce code changes into production
- ❖ Provide regular feedback and status of issues to the appropriate parties
- ❖ Establish root cause for issues resolved
- ❖ Manage the Siebel environments

The AM team key activities for Technical Break/Fix issues would include the following:

- ❖ Determine the source of a bug (application vs. environment) by working with the Application Team
- ❖ Analyze Technical or Environment-based trouble tickets (interfaces, application availability, connectivity, etc.), and facilitate their resolution
- ❖ Recreate and debug reported bugs
- ❖ Perform development work to deliver bug fixes
- ❖ Perform Unit, Integration and UAT (as required) testing
- ❖ Package developed solutions for delivery to production
- ❖ Coordinate the build/refresh of the Siebel environments
- ❖ Use the Siebel Support Web to investigate solutions to outstanding issues
- ❖ Escalate issues that require Siebel Systems support
- ❖ Leverage Internal specialists and vendors as appropriate

### **Application Break/Fix**

The following represent the Roles & Responsibilities and Key Activities for the Application Management team for Application Break/Fix services.

#### **Roles:**

- ↳ Application Architect Lead
- ↳ Developer(s)
- ↳ Interface Developer



### **Responsibilities:**

- ❖ Receive and investigate trouble tickets from the helpdesk and determine recommended resolution
- ❖ Produce high level and detailed functional design to scope out bug fix work
- ❖ Perform impact analysis and provide estimates to deliver bug fixes
- ❖ Perform application development work as required to resolve bugs
- ❖ Coordinate thorough testing of the developed solution
- ❖ Participate in the configuration management process to introduce code changes into production
- ❖ Provide regular feedback and status of issues to the appropriate parties
- ❖ Establish root cause for issues resolved

Key activities related to Application Break/Fix services for the application management team include:

- ❖ Determine the source of a bug (application vs. environment) by working with the Technical Break/Fix team
- ❖ Analyze Application based trouble tickets (configuration/reports/custom scripting/workflow and facilitate their resolution.
- ❖ Recreate and debug reported bugs
- ❖ Engage users to understand the bug and, when necessary, collaborate to design the solution
- ❖ Perform application configuration, or develop VB/eScript or code to deliver bug fixes
- ❖ Perform functional analysis of the problem
- ❖ Perform Unit, Integration and testing
- ❖ Package developed solutions for delivery to production
- ❖ Use the Siebel Support Web to investigate solutions to outstanding issues
- ❖ Escalate issues that require Siebel Systems support
- ❖ Leverage Internal experts and Vendors as appropriate

### ***Enhancements, Product Upgrades, New Functionality***

The following represent the Roles & Responsibilities and Key Activities for the Application Management team for Enhancements, Product Upgrades and New Functionality services. The same team is usually leveraged to deliver Enhancements and Break/Fix support. However, as referenced in the ITB some Projects and Enhancements may require additional roles and skill sets in a separate Statement of Work.

#### **Roles:**

- ↳ Service Delivery Lead
- ↳ Technical Architect Lead
- ↳ Production Support Lead
- ↳ Technical Support Analyst
- ↳ Application Architect Lead
- ↳ Developer(s)

#### **Responsibilities:**

- ❖ Design and develop approved enhancements to the application, interfaces, and environment
- ❖ Assess the impact of application upgrades (to the environment, re-configuration needed, etc.)
- ❖ Develop and execute a communications plan to inform users and the business organizations about functional changes to the application

Key activities related to Enhancements, Product Upgrades and New Functionality services for the application management team could include:

- ❖ Translate service requests and new business requirements into Siebel, Genesys, interface, or environment modifications
- ❖ Perform high level and detailed design (functional and technical) to modify the application or technical environment to meet user requirements
- ❖ Develop and test approved enhancements including configuration changes, workflow rules, interfaces to legacy applications, online screen changes, environment upgrades, etc.



- ❖ Perform upgrades to the Siebel application: data migration, technical upgrade, configuration upgrades, etc.
- ❖ Assist agencies with UAT testing and build support in the user community for the application changes

### ***Application/Technical Monitoring and Maintenance***

The following represent the Roles & Responsibilities and Key Activities for the AM team for Application/Technical Monitoring and Maintenance.

#### **Roles:**

- ↳ Technical Architect Lead
- ↳ Database Administrator \*\*Services to be provided by MDIT
- ↳ Production Support Lead
- ↳ Technical Support Analyst
- ↳ Infrastructure Support \*\*Services to be provided by MDIT

#### **Responsibilities:**

- ❖ Monitor the in scope application, interfaces, and environment to identify potential issues
- ❖ Recommend application and/or environment performance improvements
- ❖ Execute application or environment modifications to secure system stability and performance
- ❖ Receive and assess trouble tickets from the Help Desk
- ❖ Resolve trouble tickets that do not require a code change
- ❖ Prioritize and assign trouble tickets to MDIT infrastructure.

The AM team key activities for Service Management include the following:

- ❖ Manage application data: List of Values, Create/Update User Profiles and Visibility, Data Archiving/Validation/ Cleanup, Product Administration It is understood that the business units provide some of these services (user setup, List of Values administration). However, based on our experience the AM team would provide backup support services for technical issues.
- ❖ Monitor Siebel processes: Transaction Processor/ Router/Merger, Workflow Monitor/Action Agent, Object Managers, Server Request Processor
- ❖ Monitor the technical environment: Siebel Server and Gateway Services, Application/Database Server Disk space, Memory Utilization, Processor Utilization
- ❖ Monitor database components: Error Messages, Free Space Availability, I/O Wait, Processor/Memory Utilization, Database Index Rebuild, Table Extensions
- ❖ Recommend and schedule downtime for ad hoc application or server maintenance
- ❖ Perform application and environment maintenance
- ❖ Analyze Help Desk assigned trouble tickets
- ❖ Establish root cause for issues resolved

### **A. Requirements -**

A Service Level Agreement (SLA) will be defined and mutually agreed to, based on the requirements in the ITB, (section 1.104, A 2.I). Service measures within the SLA would include but not be limited to the following:

- Provide Application Management services from 8am to 5pm, Monday through Friday with on-call support available during off-hours for production critical problems,
- Provide agreed upon service performance measures for problem response and resolution by problem priority,

Through this Service Level approach, Accenture will be providing MDIT with service performance levels and cost predictability for Application Management that is also scalable to provide adjustments to the service program over time.

As part of the base contract price, Accenture can cooperatively respond with MDIT to problems in the 24 x 7 customer self-service channels the same calendar day they are detected. During non working business hours



we plan to make use of automated monitoring tools such as Emperix Voicewatch (IVR), Gomez (Web) alerts, monitoring scripts, Siebel workflow monitors and Siebel component monitors. These tools would collectively be setup to notify the on call Accenture support team through their support cell phones. After receiving the alert the on call Accenture support resources would document the start of the issue, notify the Accenture Delivery Lead and begin working to resolve the problem. Accenture plans to work these issues through the State of Michigan's Virtual Private Network (VPN). Accenture will provide the support team laptops for remote support at the beginning of the contract.

### ***Break/fix support - meeting defined Service Level Agreements***

These Agreements are then monitored using status reports, daily performance reports and metrics gathered by designated members of the Application Management team. Compliance is achieved by active monitoring of service levels to quickly identify problem areas. With early identification, issues can be addressed, as appropriate, to be resolved.

Accenture will provide as part of the base contract, break/fix work that will meet the defined service level agreements outlined further below under Break/fix maintenance support section.

### ***Application Management Communication***

Depending on the nature of the issue or scheduled maintenance, Accenture will communicate through a number of channels (scheduled/ad hoc meetings, email, phone) to help confirm that the impacted business areas are well informed.

### ***Year to Year Rolling Plan***

Accenture will provide a high-level rolling plan for the year's objectives for the team broken down by agency. An Application Rolling Release Plan is a plan for at least a 12-month future view of the releases associated with an application. It describes the strategy used in developing schedule criteria for items to be associated into the release package or delivered as a "standalone." It may also indicate, in general terms, the capacity of the releases.

The plan will be revised whenever a new application is transitioned to the team, whether from a development effort or from a transfer from another support entity.

The plan will be reviewed periodically and updated as needed. The schedule portion of the plan would be updated outside of an annual planning cycle. The schedule for review and update will vary depending on the level of enhancement activity. The schedule included in the deliverable is intended to cover a rolling 12-15 month period and should be updated as soon as information becomes available from the customer through Service Management for the next planning period. The Application year-to-year rolling plan should be created and maintained to stay consistent with services to be delivered.

The figure shown is a prior year example plan for the Application Management Team. Note that each of these high-level objectives would also have their own detailed plans and tasks. The Accenture Service Delivery Lead, MDIT project director and the agency business managers will produce this deliverable prior to the start of a new calendar year.



Gantt Chart	1	Production system support for Treasury Call Center (Remedy System)	Thu 1/1/04	Mon 12/27/04
	2	CRM Release and Project Plan	Thu 1/1/04	Thu 12/16/04
	3	EM Release 3.12.1	Thu 1/1/04	Thu 8/26/04
	4	EM Release 3.12.2	Thu 2/12/04	Thu 2/12/04
	5	EM Release 3.12.3	Fri 2/13/04	Fri 2/13/04
	6	EM Release 3.12.4	Tue 2/17/04	Tue 2/17/04
	7	Release 3.13	Thu 4/8/04	Thu 4/8/04
	8	Release 4.0(SIEBEL 7.5 UPGRADE)	Sat 7/10/04	Mon 7/12/04
	9	Release 4.1	Thu 8/12/04	Thu 8/12/04
	10	Release 4.2(LOV Restructure)	Thu 8/26/04	Thu 8/26/04
	11	Contact Log Archiving Part I	Thu 1/22/04	Thu 1/22/04
	12	Contact Log Archiving Part II	Fri 7/2/04	Fri 7/16/04
	13	2004 Call Flow Enhancements Part II	Fri 1/30/04	Fri 1/30/04
	14	Bank One Integration Project	Mon 2/2/04	Mon 2/2/04
	15	Filenet Performance Improvement	Thu 1/1/04	Wed 3/31/04
	16	Finalize 2004 Mid Year Call Center Data analysis	Tue 6/1/04	Tue 6/15/04
	17	Registration Outbound Corr. Enablement	Mon 5/3/04	Tue 6/1/04
	18	Siebel Upgrade to Version 7.5	Fri 3/26/04	Fri 6/18/04
	19	LOV Restructure Project	Mon 3/1/04	Wed 8/25/04
	20	2005 IIT Logic enhancements	Mon 8/2/04	Thu 12/16/04
	21	2005 Web enhancements	Mon 8/2/04	Thu 12/16/04
	22	2005 IVR Logic enhancements	Mon 8/2/04	Thu 12/16/04

This deliverable will be reviewed and updated as needed on a regular basis throughout the year.

**Regular Status Meetings**

Accenture will hold agency specific status meetings to discuss support and maintenance activities and enhancement work. These meetings can be scheduled monthly or weekly as needed. The input for the meetings will be the weekly Accenture team status reports produced by the Accenture Delivery Lead. The output of these meetings will be the meeting discussion points and any subsequent action items.

**Business approval for new functionality**

As part of the Accenture project and scope management process, it is standard process that prior to any design or development activities are conducted by the support team they must be approved by MDIT and the appropriate agency business managers.

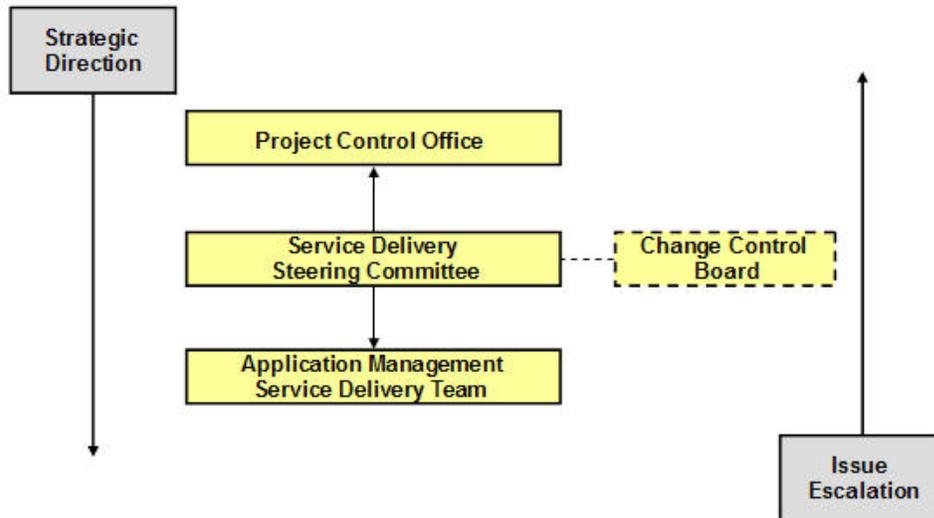
**Application Management Work Prioritization**

Accenture understands the competing priorities between agreed upon support service levels and other planned work with the agencies. Accenture will staff the Application Management team to enable both support work and new enhancement work to be conducted continuously in order to minimize resource contention.

Accenture will assist in the formation of a business steering committee and will facilitate meetings as requested by the State.



MDIT, the agency business managers and Accenture will establish a joint governance structure to facilitate decision making, link business strategy to operations, and prioritize support and enhancement efforts.



Accenture understands that each agency has specific needs for support and new development activities. As an example of defining an overall work prioritization for the Application Management team among the different agencies, we suggest establishing a Service Delivery Governance process. The process would involve a Project Control Office (PCO) and or a Service Delivery steering committee with business representatives from each agency. Each agency may have different requirements for support activities, enhancements and schedule development.

The Service Delivery steering committee would review the rolling year-to-year plan, technology upgrades, requested enhancements and infrastructure projects using the Application Management team level estimates as input to assist in determining the prioritization for the activities. For example, Treasury typically conducts new enhancement work in the fall with implementation in the early winter. During and prior to annual employee enrollment, the Department of Civil Service does not implement new functionality. Upgrade projects which may span multiple systems will be coordinated between the PCO, Application Management team and the agencies.

## 2. Maintenance and Support Requirements

- a. Accenture will, as part of this contract, be required to provide break / fix support, product upgrades and minor enhancements, including IVR changes, as part of the base contract cost. Accenture will treat major enhancements as separate projects each with its own Statement of Work created by the State and as part of this contract.
- b. The scope of the agreement will include support and maintenance of the following components:
  - i. Siebel
  - ii. Siebel interfaces:
  - iii. Batch (from Oracle legacy extract to Siebel Base)
  - iv. Real Time (MDOS Hotkeys)
  - v. Genesys (CTI and GVP and Gplus Adapter)
  - vi. Intervice
  - vii. FileNet Capture
  - viii. FileNet CIS
  - ix. WebSphere (limited to product upgrade, break/fix and minor changes to code e.g. password changes in code)
  - x. NICE (only its connection to either the State's switch and Genesys)
- c. Excluded from the scope will be:



- i. Hardware server support including the operating system
- ii. Desktop support
- iii. Avaya Switch
- iv. NICE (internal configuration set up, maintenance and upgrades)
- v. Data and Voice Connections
- vi. Oracle Database Administration
- vii. Avaya vectors
- viii. T1 Trunk lines

**I. Break / Fix Maintenance Support**

- a. Accenture will, as part of this contract, estimate the resource(s) necessary to provide the break / fix maintenance support for the contact centers based on:
  - i. Service Level Agreement  
Tickets will be classified as follows:
    - High  
The problem renders the product inoperable for a majority of the users. For example, the Siebel eService application for Treasury is not accessible by the taxpayers.
    - Medium  
The problem has a significant impact to the system’s ability to perform, but a workaround is available or operations can continue in a degraded state. For example, the data retrieval to a Siebel screen is slow for a large number of users.
    - Low  
The problem slightly impacts the system’s ability to perform. For example, a Siebel password needs to be resets or single user related issues or ad-hoc query requests.
  - ii. The State expects Accenture to meet the following response times for Problem tickets.

**Standard Response Times Required for Problem Tickets**

<b>Classification</b>	<b>Service Level Standard</b>
<b>HIGH</b>	Acknowledged within 15 minutes from time of receipt of ticket during business hours and within 30 minutes during non-business hours. Status report within 2 hours of receipt of ticket, usually with a workaround. Resolution dependent upon the nature of the issue.
<b>Medium</b>	Acknowledged within 1 business hour(s) from time of receipt of ticket during business hours and within 2 hours during non-business hours. Status report within 4 hours of receipt of ticket, usually with a workaround. Resolution dependent upon the nature of the issue.
<b>Low</b>	Acknowledged within 8 business hour(s) from time of receipt of ticket during business hours. Status Report within 2 days of receipt of ticket.

- iii. Once support is assigned, Accenture agrees to maintain a continuous effort to resolve reported high and medium severity problems. The Accenture shall commit sufficient resources to resolve any high severity level problems in as short a timeframe as possible.
- iv. If Accenture determines it cannot correct the problem within the response time defined by the service level agreement, Accenture shall promptly initiate an escalation procedure to assign sufficiently skilled personnel to resolve the problem. Additionally:
  - 1. Accenture staff shall notify both senior Accenture management and MDIT/agency management that a reported problem has not been corrected.



2. Status reports shall be provided as identified by the State on problem correction activities

d. Other Requirements

<i>Other requirements</i>	<i>Accenture solution</i>
The Contractor shall provide online technical system documentation.	Accenture has provided and would continue to provide online technical documentation. The documentation is typically stored on the designated State network shared drives.
The Contractor shall provide on-site technical support upon the State's request at the expense of the Contractor.	A majority of Accenture's Application Management Team will provide support on-site or in Lansing.
The Contractor shall provide an escalation process for technical support.	Accenture will provide an escalation process for technical support issues as part of the Service Level Agreements. Issues will be escalated to the Service Delivery Lead followed by the Accenture Michigan Government Senior Executive for the contract.
The Contractor, with the State's approval, may provide remedial maintenance off-site via telephone or secure connection to the system.	With the State's approval , Accenture plans to provide at least one resource of the Application Management team to work primarily off-site via a secure VPN connection and telephone/conference call support. Accenture would make provisions to enable this remote team resource to provide on-site support, as needed.
All maintenance shall be performed by qualified personnel who are familiar with the systems.	Accenture will have qualified staff to support the requirements of the system. Accenture will have at least one vendor certified team resource in each of the major In Scope software components.
The Contractor shall provide backup maintenance resources.	Accenture has staffed the team accordingly to provide backup support resources for the in scope components in the event that the primary skilled resource is out (ill, vacation etc).
The Contractor shall provide for escalation of maintenance issues to ensure they are resolved within the agreed service level response times.	Accenture has a defined escalation process for issues so that they are resolved within the service level response agreement. The Accenture Service Delivery Lead will be the escalation point for all system issues.
The Contractor shall provide one point of contact to report system malfunction whether malfunction is due to software or is of unknown origin.	It is Accenture's understanding that all members of the Application Management team will be setup in the MDIT Remedy system. Accenture will have a production support lead to provide the single point of contact for all production support issuers.
The Contractor shall be responsible for providing the appropriate remedy to a software application problem.	As further defined in the Break / Fix Maintenance Support section of this proposal, Accenture will provide Break/fix support for the In Scope application software components. Any software product bugs discovered in the core product will be escalated to the responsible software vendor through vendor's product support process (for example Siebel Support Web).
The Contractor will be required to use the State's Secure ID	Accenture currently has Application Management staff with Secure ID access to the appropriate systems. We understand that the application management team would be issued a SecureID with the appropriate access rights to the support systems.

e. Maintenance Record



As part of the base contract, Accenture will utilize the appropriate software tools to record and log all maintenance services and outages to the system. This data will aggregate into the monthly summary status reports provided by Accenture. Accenture will work with MDIT and the agencies to provide a tool for communicating system availability, maintenance activities and performance of the systems.

## Accenture Siebel Community of Practice

### II. Minor Enhancement Support Requirements

All minor enhancements will be prioritized by the business managers. Accenture will seek to bundle a number of enhancements that fit logically together into a new point release for each contact center that can be implemented within a 3 or 4 month time period. The business manager will sign off on the high level requirements and Accenture will produce a detailed project plan showing requirements, design, development, and testing. Upon satisfactory completion of the point release a new set of minor enhancement requirements will be bundled together and the process will begin again.

Several events can influence the timing of point releases. A product upgrade to Siebel or one of the other products may on its own constitute a point release. Individual agencies have certain periods in the year when functionality is frozen and no point releases are implemented. For example, Treasury prefers not to implement during income tax filing season.

Minor Enhancement requests will be recorded in the State's Remedy ticket system. Accenture will indicate in their response how they propose to address the issue of resourcing minor enhancements for the three different contact centers.

#### **Minor Enhancements Requirements Identified**

Some minor enhancement requirements have been identified by the individual businesses and included in the section below.

Other minor enhancements will be added to this list by the call center business managers.

#### **Civil Service**

- a. Siebel Application
  - i. Currently, the Siebel base tables are updated via a series of custom programs on a nightly basis with key data provided by output files from the HRMN system. These programs contain processes that directly update a base table directly rather than through EIM. Accenture should amend this process.
  - ii. The Siebel access to VBC data currently routes through the WAS servers to a database table. Vendor shall reconfigure this access to request the data directly from the ODM database servers.
- b. Consolidation of Database Servers
  - i. The Civil Service call center uses a pair of MS Windows Clustered Dell 6650 servers. Accenture shall assess the advantages of moving this functionality to the Sun 4800 Solaris database servers used by Treasury and MDOS and recommend a preferred migration plan.
  - ii. This shall be part of Accenture's suggested streamlined hardware architecture to support all contact centers
- c. Accenture shall provide a cost/benefit analysis for extending the Siebel application to other groups within Civil Service. This may be classified as a major implementation depending on the scope.



## MDOS

- a. NICE Call Monitoring and Recording
  - i. Accenture shall configure the current Treasury implementation on the GENERAL Office Building (GOB) switch to provide MDOS with NICE functionality for all agents on that switch.
  - ii. Vendor shall implement the necessary changes to the Genesys application and connections to the State's switch to facilitate the install and configuration of a new NICE product on the Detroit Cadillac Building switch to support the agents located at that switch. (Please note Accenture's limited scope responsibilities related to NICE above).
- b. Siebel Web Access to Citizens

Accenture will configure Siebel eService to give Internet access to citizens. This will allow citizens to create Service Requests on the web and submit them to the contact center. Accenture will follow the Office of Enterprise Security's guidelines in opening up this application to the web. Depending on scope this may be a major implementation.
- c. Siebel Email Access

All email to MDOS currently goes to one mailbox at which point it is manually assigned to various departments including the MDOS Call Center. Accenture will create a new direct email channel into Siebel allowing CSRs to receive and send email directly from Siebel.
- d. Genesys Call Routing

The current Genesys call routing configurations were based on a limited knowledge of the customers' requirements and the reason for their inquiries. It is anticipated that as the agency collects more information about the customer requirements it will want to enhance call routing to provide better customer service and improvements in agent efficiencies. Vendor shall assist MDOS in enhancing call routing service.
- e. White Mail

Vendor shall add a white mail channel to enable the contact center to manage incoming correspondence as a customer contact, utilizing an imaging component such as FileNet. This may fall into the category of a major implementation depending upon the scope.

## Treasury and MDOS Legacy Connections

- a. Treasury and MDOS currently receive legacy updates into Siebel through a process involving several servers and many PL/SQL application programs. Accenture will review this process and implement improvements that will improve the overall processing speed.

## Treasury

- a. Siebel Application

The key fields used in most of the Siebel queries need to be encrypted. This functionality is scheduled to be available in Siebel 8.0 due for release late in 2006 although there is some possibility that it may be back ported to a new version Siebel 7.8. Accenture will be required to re-configure the application for this change.
- b. FileNet Capture

Accenture will review the VB code used to enable the scanning and indexing application and where appropriate replace any VB code with configuration.
- c. Electronic Document Management System

Expand to other groups - Other work groups within Treasury will join the EDMS, using the scanning and indexing team to input their paper correspondence. Siebel will be used to create service requests from the inbound correspondence and users will work the correspondence through the Siebel application.



- i. Vendor shall make the required changes to the current VB code and extra configuration within Siebel.
  - ii. Vendor shall implement the ability to receive faxes electronically and store the electronic fax in FileNet.
- d. NICE Call Monitoring and Recording
- i. Accenture shall configure the current Treasury implementation on the GOB switch to provide MDOS with NICE functionality for all CSRs on that switch.
  - ii. The administrative functions in NICE shall be partitioned so Treasury and MDOS cannot see each others screen recordings or audio recordings, or change the other's administrative settings. (Please note the scope related to NICE changes above)
- e. Legacy Information Enhancements
- Vendor shall enhance the system to extract more information from legacy systems and make the information available to both agents and customers via IVR and web self service.
- f. Mirror self-service functions on the IVR and on the self-service web to provide consistent answers and services across these channels.
- g. Implement an eService web survey
- Accenture will use the Siebel functionality to create a web customer satisfaction survey.
- h. Other Possible Enhancements – Accenture shall:
- i. Provide customers with outreach e-services including, but not limited to:
    - Sign up for and notification of when income tax return information has changed.
    - Sign up for list services for general changes related to specific taxes.
  - ii. Enhance CRM to assist CSRs' efficiency by, including but not limited to:
    - 1. Displaying their respective AUX state in Siebel Communications toolbar.
    - 2. Increasing the size of stored e-mail addresses in CRM.
  - iii. Provide RONA report by CSR and work team
  - iv. Revise CRM daily refresh process to update CRM business accounts with the following data and display on agent screens and in self-service data from the new Registration system (2007-2008), including but not limited to:
    - 1. File class related updates to same,
    - 2. Filing Power of Attorney information and updates,
    - 3. The new Sales, Use and Withholding system currently under development, and
    - 4. Legacy systems rewrites for legislative and policy changes
  - v. FileNet hard coded document classes, and other related indexing variable values into administrative tables that can be maintained by business user. These tables could possibly reside in the Siebel administrative table.
  - vi. Extend Genesys routing of business calls respectively to work groups for Motor Fuel, Tobacco and International Fuel Tax Agreement.
  - vii. Extend IVR self-service to the 6 specialized business taxes teams.

### III. IVR Requirements

#### Treasury

Treasury has an Intervice IVR that is linked to the telephony call flow. It provides answers to frequently asked questions as well as the status on individual accounts. The IVR extracts the individual account information from the Siebel database.

The application programming and maintenance support are provided by the current vendor, Intervice. However the agency wishes to incorporate the application programming work into this new contract. The agency will continue to pay the annual software license maintenance renewals on this product to Intervice.



- a. Accenture shall provide minor application enhancements to the IVR system each year between September and December.
  - i. The enhancements are up to a maximum of 200 hours work during this time, including requirements, design, development and testing.
  - ii. Any changes that require more than 200 hours will fall within the category of major implementations and Accenture must submit a separate cost for hours over and above the 200 hours.
- b. Accenture shall review and analyze the current IVR system and identify if the maintenance/support and application programming costs would be reduced if the agency went ahead with the major implementation of moving to a VXML solution like Genesys GVP or another VXML IVR solution.
  - i. Accenture shall provide the expected comparative annual costs of the current product and Accenture's proposed VXML solution in terms of acquisition, implementation of the existing customer-facing functionality and similar and enhanced speech recognition, and annual break/fix and application programming.
  - ii. If the agency decided to make a product change, it would fall into the category of major enhancements and would be priced separately.

#### MDOS

The current Genesys IVR has just been implemented. The application design was based on a limited knowledge of the customers' requirements and the reasons for inquiries. It is anticipated, that as the agency collects more information about the customer requirements, it will want to enhance the IVR to provide better customer service and improvements in agent efficiencies.

- a. Accenture shall provide minor application enhancements to the IVR system each year.
  - i. The enhancements are up to a maximum of 200 hours work during this time, including requirements, design, development and testing
  - ii. Any changes that require more than 200 hours will fall within the category of major implementations and Accenture must submit a separate cost for hours over and above the 200 hours.

#### **IV. Product Upgrades**

Accenture understands that there would be a number of product upgrades assigned to the Application Management Team. Some of the products may have dependencies with other products and these interdependencies should be considered when scheduling product upgrades. In addition, it is preferred practice to freeze any enhancement work during an upgrade to minimize the risk of adversely affecting the application. We recommend that the Application Management team, MDIT and the agencies work closely when developing a schedule to upgrade the system software.

Product upgrades:

- ❖ Siebel 7.5.2 to Siebel 7.8 at Civil Service
- ❖ Siebel 7.5.3 to Siebel 7.8 at State and Treasury
- ❖ Genesys 6.5 to Genesys 7.0 (or later version) for Gplus and ERS components at Treasury
- ❖ FileNet Image Services 3.6 to 4.0 at Treasury
- ❖ FileNet CIS 3.0 to next version required to support the Siebel 7.8 and FileNet 4.0.
- ❖ FileNet Database Upgrade from Oracle 8.1.7 to Oracle 9 at Treasury
- ❖ Oracle 9 to Oracle 10 at all contact centers
- ❖ WAS 5.1 to WAS 5.2 or 6.0 - Civil Service
- ❖ IHS 1.3.28.1 to IHS 2.0 – Civil Service

The associated Treasury, MDOS, Civil Server sandbox environments will be utilized by the Application Management team to test the software upgrade and ensure it is compatible with the MDIT infrastructure. A



development and test environment is required to perform the actual upgrade to the existing configured applications, allowing the team to test the new software in the environment.

The Application Management team will work with MDIT, as needed, to then migrate this upgraded software into the production environment. There are several software components that are not in scope for the Application Management team for example, the FileNet Image Services, FileNet Database upgrade to Oracle 9, Oracle 9 to Oracle 10 upgrade. Accenture will play a supporting role in these projects, verifying that the in scope applications will function as expected. Accenture will work with the MDIT project manager on these projects to verify that the in scope software components function as expected after the upgrade.

### **On Going Training**

For the most part, the agencies will retain User Training Services. This includes responding to User training requirements and developing, scheduling, and conducting courses (or otherwise arranging for training) to address those requirements. As part of this arrangement, Accenture will provide “train the trainer” services as required for Minor Enhancements and upgrades.

Agencies can use the existing training materials, templates, environments developed during each agency’s original projects to generate the updated training materials.

### **V. Enhancements (General)**

The following requirements apply to all minor enhancements:

- a. Accenture shall provide an equivalent level of support for minor enhancements as the business units have received as described above.
- b. Accenture shall comply with the prioritization of all enhancements as determined by the business managers.
- c. Accenture will bundle a number of identified enhancements that fit logically together into a new point release that can be implemented within a 3 or 4 month time period.
  - i. The business manager(s) will sign off on these high level requirements.
  - ii. Accenture will produce a detailed project plan created showing requirements, design, development and testing.
  - iii. Upon satisfactory completion of the point release, a new set of enhancements will be bundled together and the process will begin again.
  - iv. Timing of point releases may be determined by:
    1. A product upgrade to Siebel or one of the other products in the current environment may on its own constitute a point release.
    2. Individual agencies have certain times when functionality is frozen and no point releases are implemented. For example, Treasury prefers not to implement during tax filing season.
- d. Accenture will indicate in their response how they will provide resources to meet minor enhancements requirements for the three different contact centers.
- e. Accenture will also provide on-going support services for system changes or new application development that the State might request as part of minor enhancements or product upgrades.

### **3. Major Implementations**

The following are some of the major implementations that are currently projected during the contract period. Accenture will be given a detailed statement of work by the agency and Accenture will provide a separate cost quote for each major implementation. Accenture will ensure that they identify the skilled resources and rate cards that would be used to complete these implementations.

### **Civil Service**

- a. Implement an Electronic Document Management System  
The anticipated statement of work will assess the scanning and indexing of all inbound correspondence using a third party vendor. Civil Service will receive discs with the images and these will be loaded into



a FileNet repository and the indexes loaded to Siebel using the FileNet CIS product to create contact logs and Service Requests in Siebel.

- i. Accenture will leverage the current EDMS configuration in Treasury to enable this functionality.
    1. The links between FileNet images and Siebel contact records will include open contact logs and service requests for inbound correspondence and closed contact logs for correspondence worked prior to scanning and indexing.
    2. The agency's desire in this implementation is to maximize the current investment by sharing infrastructure where feasible while at the same time minimizing any potential risks.
  - ii. If the current turnaround time for imaging and indexing is not adequate to meet the business requirements for specific types of inbound correspondence, Accenture will provide a cost estimate to install and maintain an in-house scanner and indexing station at the MI HR service center.
    1. This solution should leverage, where appropriate the software configuration in Treasury that uses FileNet Capture and some VB code to create the image and index that is then loaded to Siebel and FileNet.
  - iii. Accenture will utilize as much as possible of the FileNet Enterprise Architecture at Treasury, including software, but Accenture can recommend additional hardware and server software purchases that may be required.
  - iv. Accenture will create new reports to allow management oversight and control of this new process.
- b. Replacement of the current Knowledge Base with a COTS product  
The current process uses a combination of Vignette 6 and custom code to produce the necessary web-based functionality.
- i. Accenture should deliver a proposal that recommends an appropriate product (or upgrade) that will provide the necessary functionality to meet business requirements and a plan to migrate to this new solution.
- c. Implement an Interactive Voice Response (IVR) unit  
The agency continues to review call reasons and it is anticipated that there will be opportunities for IVR self-service.
- i. Accenture shall identify the resources and include a rate card for staff with the necessary skills to assess the value, and if required complete the implementation of an IVR unit.
  - ii. Accenture shall upon request provide a cost/benefit analysis for the implementation of IVR technology
- d. Implement Computer Telephony Integration (CTI)
- i. The service center currently has no (CTI) but if the call volume increases then there would be a definite benefit in implementing CTI for screen pop and call routing.
  - ii. Accenture shall upon request provide a cost/benefit analysis for the implementation of CTI technology.

## Treasury

- e. Implement a Predictive Dialer
  - i. Accenture will install the Genesys Predictive Dialer to replace the current application.
  - ii. Accenture shall identify the resources and include a rate card for staff with the necessary skills to complete the implementation of the Predictive Dialer.
- f. Replace Intervice with a Genesys GVP VXML Solution



Appendix Treasury ref 13 (see iTB) shows the call flow designs for the current Intervice IVR. The IVR retrieves customer data from the Siebel database and sends data to Siebel to enable the creation of contact logs for authenticated customers.

- i. Accenture will provide the cost to implement this functionality on the Genesys GVP platform.
- ii. This will include any programming necessary to connect to Siebel and the Genesys CTI configuration.

g. SUW/ Registration system

Treasury is currently in the RFP process to replace its current Registration and SUW systems. Since these two systems provide a data feed into Siebel, the new systems and Siebel will need to be configured to provide the same information. There will be a phased migration of data extracts from the Unisys mainframe to the new COTS package.

**State**

h. Migrate back end legacy links from the old systems to the new (Business Applications Modernization) BAM product

MDOS is currently in the process of replacing its legacy computer systems. It is anticipated that by 2008 the legacy information feed to Siebel will need to come from this new system.

- i. Accenture will be required to reconfigure the Siebel call center products accordingly.

i. Implement Siebel eService for citizens

MDOS may expand its current implementation providing eService only for branch office employees.

j. Create links to document images

MDOS stores images of various internal documents in a FileNet repository and may decide to link these images to the customers' Siebel accounts.

- i. Accenture shall identify the resources and include a rate card for staff with the necessary skills to complete the task.

k. White Mail

i. Accenture shall identify the resources and include a rate card for staff with the necessary skills to complete the implementation of a white mail channel for managing incoming correspondence utilizing FileNet for imaging, indexing and storage.

- ii. The FileNet CIS product would be used to create service requests in Siebel and allow agents to work these items from within Siebel.

l. Knowledge Management Base

MDOS wants to expand and build upon the knowledge base being built into its initial Siebel call center design, to add searchable documents and other resources and content, for its CSRs and other agency employees as well.

m. Touch Tone Registration Renewal System

MDOS has free-standing application that uses the phone keypad to transact a registration renewal and would like to migrate this telephone application with the new Genesys IVR menus. Accenture will also explore the merits of adapting MDOS' Web Renewal application to provide this functionality, using the IVR to provide input and output to this application, and using it as the underlying logic module. The web Renewal application is newer and very stable.

**5. Deliverables and Services to be Provided**

The following is a list of major tasks Accenture must provide. Accenture is not constrained from recommending additional tasks based on experience with similar engagements, to better accomplish the stated objectives of the contract. Vendor is encouraged to provide superior analysis and products for the sake of progressive improvement.



a. **Detailed Project Plan**

Accenture will provide and maintain support project Gantt charts for the work planned with MDIT and the agencies. In addition, Accenture has a defined project methodology to deliver the planned work and provide other performance management reports, as appropriate.

**Project Plan components**

Project goals and objectives

Define all phases and tasks

Project control, risk management, and issue management mechanisms

Team member roles and responsibilities

Work breakdown structure prepared using Microsoft Project define all work to be completed

Dependencies between tasks

i. **Solution Center**

Accenture's Government (AGSC) Solution Center, located in Reston Virginia, will provide support to Accenture's team. The Accenture Government Center has capabilities and reusable assets available that can be leveraged on client projects. The local Application Management team will leverage the skills, processes and technology in the Government Delivery Center network in support of this contract.

Government Delivery Center network services and associated assets include:

Access to a global Siebel knowledge base and more than 4,000 Siebel professionals in the Accenture network

Strong Siebel Functional and Technical Skills in Siebel versions 6.x, 7.0, 7.5 and 7.7

Work plans and Estimating Tools

Ability to jump start development environments

Reusable assets around tools, skills, solution components, configurations, and architectures that can be leveraged across AGSC projects.

The availability of experienced resources, that have worked on government projects, and can quickly transfer this wealth of knowledge as the need arises.

Emphasizing quality solutions, reduced risk, speed to market and predictability, the centers offer:

- ❖ Software development, web services, business process and IT outsourcing and application management.
- ❖ An end-to-end lifecycle delivery approach, from design to execution and management of a solution.
- ❖ A technically-skilled, flexible labor pool trained in Accenture's proven solution delivery approach.
- ❖ An anytime, anywhere development environment available to our clients globally for speed of delivery.
- ❖ An integrated suite of assets, methods, tools and techniques.

As part of the Accenture Government Delivery Center network, the State will have a number of Siebel resources available to the Application Management team as specialists if needed.

To continue our focus on supporting of Government projects, we are also launching a US delivery center in San Antonio, Texas. This new Delivery Center will support systems integration and outsourcing engagements for Federal agencies and state and local governments, and focus specifically on systems development and maintenance. Initially, there will be 400 resources deployed to the delivery center for Government projects.



**d. CRM On Demand**

Accenture agrees to make available for rapid deployment upon execution of the contract a vanilla “call center in a box” that meets the criteria listed in Exhibit B Deliverables and Services to be provided. Accenture understands that the deployment and availability of this solution will be included as a cost associated with the base contract.



#### **e. Enterprise Hardware Configuration**

It is Accenture's understanding from the ITB information that the State of Michigan would like to leverage existing hardware wherever technically and functionally possible to maximize the investments in the architecture while minimizing the long-term cost of ownership of these critical systems.

Accenture would break these possible configuration changes into two parts:

Modify existing Software/hardware configurations. This would consist of software consolidation mostly within the individual agencies to maximize the use of the existing hardware.

The other proposed solution would be to "Virtualize" and share the development and test environments on the same hardware to further maximize the use of the existing hardware.

#### **f. Project Control Office**

Accenture will assist in establishing guidelines for a project control office for all contact centers in the state, in accordance with Exhibit B, Deliverables and Services to be Provided. Accenture will provide a detailed outline for the coordination of contact centers across the state, upon contract start.

Based on Accenture's experience and knowledge of industry best practices we will assist and guide the state in establishing an enterprise Project Control Office for contact center management and maintenance.

#### **g. Standards for Contact Centers**

#### **Accenture Customer Contact Transformation (CCT) Operating Model**

Accenture will assist MDIT in establishing technical hardware and software standards for all contact centers in the state, in accordance with Exhibit B, Deliverables and Services to be provided. Accenture will also assist the business owners in implementing business best practices based upon the rate card provided.

#### **h. Knowledge Transfer**

Knowledge Transfer is a critical component of the transition phase, and is fundamental to the desired outcome of the eventual steady state service delivery. Accenture recognizes this criticality and places particular importance on the careful management and delivery of the Knowledge Transfer effort.

Beginning at contract execution there will be a knowledge transfer period with the current contractor team. Accenture will perform knowledge transfer with the current MDOS contractor. Since Accenture has provided Application Management services for the Department of Treasury and Department of Civil Service there will be minimal knowledge transfer required with these agencies.

The Knowledge Transfer period will provide knowledge sharing with the Application Management Team and current supporting vendors to support the production system, enhancements and releases.

The objective of the Knowledge Transfer period is to:

- Help confirm that key business process and application knowledge are maintained;

- Help verify that service levels are maintained and that disruption is minimal during this transition period;

- Provide resources with the required knowledge to manage and maintain their targeted job role;

- Allow resources to get up to speed in a short amount of time;

- Help confirm that people are successful in their new roles



Accenture's approach to knowledge transfer and training will reflect the complexity of the processes being transitioned. We will develop a detailed knowledge transfer plan, down to the individual resource level, for each function and use a set of standard tools and templates to ensure consistency and monitor progress. Formal entry and exit criteria will be used to ensure the process has been successfully completed.

The following are examples of activities that we typically use for knowledge transfer and handover:

- ❖ **Documentation:** Accenture expects completed and current documentation of the systems.
- ❖ **Knowledge Transfer Agreements:** Formal agreements, known as "KTAs," are used to document and track the progress of each role and level being transitioned. The KTA is a detailed and comprehensive list of information, documentation and capabilities required to perform each of the activities for the functions being transitioned.
- ❖ **Knowledge Transfer Schedule:** A schedule will be developed that identifies knowledge sharing sessions, review meeting and weekly checkpoints tailored to the providers' and receivers' availability.

**i. Call Center Strategy**

Accenture will make available the Lead Application Architect, Lead Technical Architect and Service Delivery Lead for Call Center Strategy activities. The annual staff hours planned for this activity are 240 per year. If the need arises for more time to be spent assisting the business with Call Center Strategic planning, Accenture would be open to spending more time as needed and as mutually agreed upon.

**j. Documentation**

- i. Accenture will maintain documentation describing the application designs at all the contact centers in accordance with best practices.
- ii. Accenture will validate the current documentation and where there are inaccuracies or omissions; Accenture will make the appropriate changes.
- iii. As Accenture makes changes to the applications, documentation will also be updated.
- iv. These tasks will be completed as part of the base service cost.

**k. Other Contact Center Services**

- i. Accenture will be required to provide extra contact center services based on specific statements of work.
  1. For example, the team will be supported by State MDIT Telecom staff who will write Avaya vectors for telephone call flows. At times the requirement for this service exceeds our internal resource and so a statement of work will be created to have Accenture provide this service.
- ii. Accenture will provide a rate card for all possible skills/ services that may be required in the contact center space.

**l. Reports**

- i. All the contact centers run various operational reports based on Siebel Reports, Genesys ccPulse and ccAnalyzer, Brio, Avaya's CMS and ad hoc reports based on SQL queries on the database.
- ii. Accenture will maintain existing reports using all the different products and where necessary create new reports.
- iii. Treasury reviews its call center performance in June/July each year and uses a significant number of pre-built SQL reports which are run on a copy of the production database. Accenture will support this process by providing a copy of the production database and by maintaining the SQL reports. The agency may make certain amendments to these reports through a mutually agreed upon change process.

**m. Testing**

- i. Each business unit will supply staff for product testing before a new release of any application software. Accenture will work with the business staff to ensure that the test scripts adequately test both the new functionality and regression test the base functionality.
- ii. Accenture shall be responsible for the timely movement of this test data into the application development and user acceptance test environments of each call center.

**n. System Configuration**

- i. Accenture shall document and provide end-to-end system configuration diagrams and descriptions, including all provided and recommended hardware, software, and interfaces for any proposed production environment.
- ii. The documentation must include configuration descriptions, configuration management flows and controls for development and testing environments

**r. Implementation Plan**

- i. Accenture will develop and provide a comprehensive implementation plan for any proposed solution(s) during the course of this contract.
- ii. Any implementation plan is to be inclusive of the following elements and deliverables:
  1. An overview of the deployment plan
  2. A timeline for the deployment, with appropriate milestones
  3. Identification of risks and mitigation strategies
  4. Operational approach, logistical approach and migration path from the existing system to the replacement system
  5. An implementation staffing plan, adequate to meet all deliverables within the stated timeframes
  6. A Communication and Education Plan, where considered appropriate by the State, targeted to end-users and designed to facilitate a seamless transition from a client/caller perspective.
    - a. The Communication and Education Plan will be developed and presented to the State for approval within 45 days of contract initiation.
    - b. The Plan will outline the strategy, approach, deliverables and timeline for preparing the appropriate State entities, the stakeholders and client base for the transition from an existing system to the new solution.
    - c. The Communication and Education Plan must clearly identify Vendor and State responsibilities.
    - d. The Communication and Education Plan approach, and any associated costs, must be included.
    - e. The communication and education plan is to include the production of any brochures, public service announcements, messages, mailings, flash cards, web postings or other methods of communication recommended by Vendor (and agreed to by the State) to educate and inform clients of any significant changes in access or information provided between the existing system and any replacement system.

**s. Performance Readiness Review**

- i. Accenture will conduct a Performance Readiness Review (PRR), which is to commence a minimum of two weeks prior to any cut-over to a new production ready system, providing a period of overlap with the existing system.
- ii. The PRR must successfully demonstrate, to the State's satisfaction, all required functionality and any discretionary functionality that the State has elected to implement with the cut-over.
- iii. The PRR must demonstrate and simulate the full production environment.
- iv. A PRR checklist and system acceptance form will be developed, and agreed upon by the State and Accenture, based upon the requirements in this contract.
- v. Any deficiencies or defects found during the PRR must be corrected by Vendor prior to cut-over, unless otherwise accepted in writing by the State.



- vi. State signatories to final sign-off and acceptance of the system as production ready will include designated representatives from the agency (-ies), MDIT, and designated representative(s) of Accenture's implementation team.
- t. **System Maintenance & Transition**  
For major implementations:
  - i. Accenture will provide a plan that details the strategy to transition all services and maintenance of the new systems to any State-supported services and maintenance team.
  - ii. The plan will identify the maintenance organization, contact lists, roles and responsibilities, process, management procedures, and approach to integrating the State personnel into the maintenance process to facilitate transition. The plan will address, at a minimum, the following tasks and issues:
    1. Develop Maintenance, Operation and Disaster Recovery Plan
    2. Provide appropriate expertise from its development team
    3. Provide maintenance and support
    4. Cross-Train State support staff
    5. Provide appropriate support information to Help-Desk staff
    6. Plan for long-term customer support
    7. Define Accenture's strategy, process and timeline for application, product and operating system releases and upgrades
    8. Define the approach, strategy and processes for upgrades to any Vendor-provided hardware
  - iii. The plan will also propose the optimal staffing levels.
  - iv. Accenture is not constrained from recommending additional tasks based on experience with similar engagements, to better accomplish the stated objectives of the contract.
- u. **Warranty Period**
  - i. Warranty requirements will be defined in Section 2.170 Warranties and Representations.
- v. **System Change Orders**  
The State will create a statement of work for major implementations which, if accepted, will result in a system change order.
  - i. Vendor must respond to an issued statement of work within 15 business days with a description of the work to be performed, timeframe for completion and a firm fixed price cost derived from the hourly rates quoted in the rate table.
  - ii. The State reserves the right to accept or reject any statement of work responses. Once accepted, statements of work fall under the same requirements and contractual terms and conditions as outlined in this contract.
  - iii. The implementation of functionality and features identified as included in the baseline product offering and cost, which can be implemented at the State's option are considered routine changes, and not chargeable as a system change order unless the State requests Accenture to expedite which may require a statement of work and additional charges.

## 1.2 Roles and Responsibilities

### 1.201 VENDOR STAFF, ROLES, AND RESPONSIBILITIES

- 1. Location of Work
  - a. Part of the work is to be performed, completed, and managed at the following location:
    - i. Lansing, Michigan
  - b. The State will provide the following resources for Accenture's use on this project:
    - Work space
    - Minimal clerical support
    - Desk
    - Telephone



PC workstation  
Printer  
Access to copiers and fax machine

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

Accenture 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.

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

The Contract Administrator shall be identified as a Key Personnel subject to the State's interview and approval. Key personnel will also include the persons designated by Accenture as the Siebel expert and the Telephony expert

Accenture will provide a project manager to work closely with the designated personnel from the State to insure a smooth transition to the new system. The project manager will coordinate all of the activities of Accenture personnel assigned to the project and create all reports required by State.

Accenture shall assign a project manager for the services. Accenture's project manager responsibilities include, at a minimum:

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

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

The Enterprise Contact Center support team will include seven different groups of personnel.

- a. Vendor staff who will be on the support team and will be full time on site.
- b. Vendor staff who will be on the support team may be part time or not on site
- c. MDIT staff who will be on the support team will be full time.
- d. MDIT staff who will provide necessary services to the support team.
- e. Business staff who will perform system administration
- f. Business staff who will product test the system.
- g. MDIT project oversight



Accenture will, as part of this contract, show a resource plan for the three years identifying all Vendor personnel involved in this project, their skills and the tasks that they will be allocated.

Accenture will describe any other Vendor resources that will be made available to on-site Vendor staff.

a. & b. Vendor staff who will be on the support team and will be full time on site and those who will either be part time or not on site.

Describe the roles and skills of these proposed Vendor personnel. Vendor will propose two teams:

1. Accenture providing all the support team staff
2. Accenture providing part of the team with MDIT staff making up the rest of the team.

Accenture will identify any specific product training or skill sets that the State staff should have in order to fulfill their role on the team.

Accenture will designate specific skill sets for their personnel permanently assigned to the team. Accenture will describe the experience of all personnel listed along with any relevant qualifications. However it may be that some skills are only required infrequently and do not justify having a full time person as part of the team. Accenture can propose an annual balance of hours and dollars that would be used for the temporary assignment of Vendor personnel to the team for short-term periods. Accenture will describe the specific skill sets that would come from this balance and the envisioned circumstances when they would be used. (This should not be confused with the knowledge base help described below where there will be no charges allocated by Accenture to the team for this support.)

Depending on the skills required from the designated State staff and recruitment timelines, Accenture may be required to begin the contract by providing all the resource for the support team (as in 1. above). Vendor staff would leave the team, as suitably trained State staff becomes proficient as determined by MDIT. The costs associated with this migration should be clearly shown.

Further it is recognized that designated State staff may leave the team and seek employment elsewhere. Accenture may be required by MDIT temporarily to provide Vendor staff with at least the same knowledge and skill levels while the State seeks a replacement. Accenture shall provide costs for this.

Likewise, Vendor staff may leave the team and seek employment elsewhere. Accenture may be required by MDIT to temporarily provide Vendor staff with at least the same knowledge and skill levels while Accenture seeks an equivalently skilled replacement.

c. MDIT staff who will be on the support team will be full time

The skills assigned to these State staff shall already exist at a higher level within Accenture team.

## **1.202 STATE STAFF, ROLES, AND RESPONSIBILITIES**

The support team will consist of all MDIT staff, business staff and Vendor staff providing services to the contact centers.

MDIT will be responsible for the State's infrastructure and work together with Accenture in determining the system configuration.

A steering committee will exist for each business agency (Civil Service, MDOS and Treasury) comprised of the agency contact center business manager and the MDIT project director and will provide the following services:

- Review with Accenture's performance on maintenance
- Approve any point release project schedule
- Authorize modifications for scope, resources, and budget for a point release project
- Ensure senior management commitment to the project
- Resolve project issues in a timely manner
- Review project plan, status, and issues for the point releases



- Resolve deviations from project plan
- Provide acceptance sign-off
- Utilize change control procedures
- Ensure timely availability of State resources
- Make key implementation decisions, as identified by Accenture's project manager, within 48-hours of their expected decision date

An executive steering committee will exist for the contract that will include one representative from each business agency and the MDIT project director. This committee will meet to discuss issues that affect all business agencies.

The State's Project Director will provide the following services:

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

#### MDIT staff who will provide necessary services to the support team

Accenture should assume that State staff will provide the following roles:

- a. Oracle Database Administrator
- b. Telecom consultant to write Avaya vectors for telephone call flows.
- c. Telecom staff to maintain the switch, vectors, Map D and ASAI software.
- d. Server hosting staff to maintain all hardware and operating systems. This includes the Cisco switches that act as load balancers.
- e. Back end legacy programmers who will maintain the extraction process of legacy information to:  
Oracle History Tables (Treasury and MDOS)  
Sending the Extract File from HRMN (Civil Service)
- f. EMichigan staff who will maintain the current Vignette 6 project (Civil Service) and maintain and enhance the Treasury web site Vignette pages with links to Treasury's Siebel eService pages for customer self-service.
- g. FileNet technical administrator (and back up) who maintains the hardware infrastructure, the basic FileNet software configurations and all security for files and users. He creates the custom lookup templates and handles all account issues (passwords, lockouts). He imports all the offsite scanning and outbound Correspondence. He maintains all technical documentation for workstation installs.

State staff does not maintain anything relating to the IDL, VB script, FileNet Capture configurations and the FileNet CIS products.

Accenture shall describe in detail the roles envisioned for the above State personnel to ensure that both the State and Vendor have a common understanding of both Vendor and State responsibilities.

#### Business staff who will perform system administration

Each agency will have one employee who will be responsible for business administration. This includes adding new users and list of values (LOV's).



### Business staff who will product test the system

Each agency will provide a testing team that will complete users' acceptance testing for system changes. They will also identify the data necessary to test the new functionality.

### MDIT project oversight

MDIT will provide a project director who will provide oversight to Accenture's activities and help in the liaison between Accenture, the business users and MDIT staff.

MDIT shall provide a Contract Administrator whose duties shall include but not be limited to supporting the management of the Contract.

## **1.203 OTHER ROLES AND RESPONSIBILITIES**

The following other vendors will have a supporting role to the team by virtue of their annual software maintenance agreements:

- a. Siebel
- b. Genesys
- c. Intervoice
- d. NICE
- e. FileNet
- f. IBM Websphere
- g. Avaya
- h. Xenos

## **1.3 Project Plan**

### **1.301 PROJECT PLAN MANAGEMENT**

#### **A. Orientation Meeting**

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

#### **A. Project Plan**

1. Within fourteen (14) working days of the award of the contract, Vendor shall submit a project plan to the Project Director for final approval, which outlines tasks, hours, personnel and deliverable products.
  - a. Microsoft Project is the preferred project management software.
2. Vendor must maintain an up-to-date master project plan.
  - a. The project plan must contain all project tasks, track all deliverables, have major dependencies defined, and have resources fully loaded and balanced sufficiently to manage the contract.
  - b. Each version of the project plan must show actual status versus planned.
  - c. The project plan will include work breakdown showing sub-projects, activities and tasks, and resources required and allocated to each, and a time-phased graphic display, showing each event, task, and decision point in work plans.
  - d. The project plan must be updated no less than weekly and must be provided to the State of Michigan Project Director.

#### **B. Project Communication**

1. There shall be continuous communication with the State of Michigan Project Director and Vendor's Project Manager regarding day-to-day progress and tasks at hand.



2. In addition, scheduled weekly meetings will be held with the State of Michigan Project Director and Vendor's Project Manager for the purpose of reviewing progress and providing necessary guidance to Accenture in solving problems that arise.
3. Separate monthly scheduled meetings will be held with the Project Director, Vendor's Project Manager, and each of the agency's business managers.

### **1.302 REPORTS**

Vendor shall submit a comprehensive status report on the status of each sub-task, task and deliverable in the project plan on a weekly basis. This shall include identification of any deficiencies, recommendations for corrective action, and any activities that have been conducted to address deficiencies identified at an earlier point. The status report shall also address any issues or risks existing or anticipated in the development and implementation process, which should be brought to the attention of the State.

The status report is to include a detailed discussion of Vendor's performance against service levels, upcoming activities and tasks, milestones and deliverables.

Vendor shall submit monthly reports summarizing all activities for that period. The report will include a review of the budget status of the systems in relation to the deployment work plan and project status.

## 1.4 Project Management

### **1.401 ISSUE MANAGEMENT**

Critical path issues, budget overrun issues, project scope issues, resource issues, and change controls should be reported, documented and escalated to State of Michigan Project Director by Vendor's Project Manager.

Issues will be logged and tracked in an automated issue tracking tool.

It shall be the objective of the State of Michigan Project Director and Vendor's Project Manager to ensure resolution of issues occurs at the lowest appropriate level and in a timely manner. The issue tracking tool will automatically escalate unresolved issues.

### **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.

Vendor will establish a risk management plan that identifies all risks, assigns priority based on probability of occurrence and impact to the project, defines mitigation strategies, and monitors the risk and mitigation strategy. Risk assessment should be conducted on a regular basis with contacts identified for each process. Vendor's weekly and monthly status reports shall include a section on the current status of identified risks and the identification of any new risks.

### **1.403 CHANGE MANAGEMENT**

Change management processes will occur on two levels, 1) internal to the project plan without contractual implications, and 2) contract related. Any changes in planned baseline delivery schedule must be approved by the State.

Change controls related to the accepted and approved project plan, which do not have contractual implications, will be handled by the State of Michigan Project Director and Accenture's Project Manager, with agency direction as appropriate. Any change controls impacting schedule, resources, milestones, or timelines will be handled through the established MDIT change control process.



Change controls with contractual implications will be escalated to the Project Director, and if approved, will be further escalated to the designated State of Michigan Contract Administrator.

The State of Michigan Contract Administrator will submit a request for change to the Department of Management and Budget, Purchasing Operations Buyer, who will make recommendations to the Director of Purchasing Operations regarding ultimate approval/disapproval of change request. If the DMB Purchasing Operations Director agrees with the proposed modification, and all required approvals are obtained (including State Administrative Board), the Purchasing Operations Buyer will issue an addendum to the Contract, via a Contract Change Notice. Vendors who provide products or services prior to the issuance of a Contract Change Notice by the DMB Office of Purchasing Operations, risk non-payment for the out-of-scope/pricing products and/or services.

## 1.5 Acceptance

### **1.501 CRITERIA**

Acceptance is tied to meeting the defined acceptance criteria and performance service levels.

### **1.502 FINAL ACCEPTANCE**

Final Acceptance is tied to performance of required Services, and delivery of identified deliverables during the term of the Contract.

## 1.6 Compensation and Payment

### **1.601 COMPENSATION AND PAYMENT**

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

If Accenture assumes that State personnel will provide certain work, this must be clearly stated in each section detailing exactly what would be required. The State personnel must be divided into two groups: those who will be full time on Accenture team and those who will provide a service to the support team.

#### **A. Base Service Cost**

A total fixed cost by year that will include all of the following tasks:

1. Maintenance and Support, including Break/Fix
  - a. Accenture will apportion their cost for this service between each contact center and include detail showing the proposed annual staffing equivalent supporting each contact center.
  - b. These costs and the related annual staffing equivalents will be based on Accenture's experience working with similarly complex Siebel contact centers and the basis for the apportionment will be explained.
  - c. Accenture may include several different methods for apportionment of costs and equivalent annual staffing with a suitable explanation.
  - d. All calculations should include a breakdown of costs per each skill set (e.g. Siebel configuration, Siebel technical administrator, Genesys configuration, Genesys Voice Portal configuration, Hardware architect)
2. Minor Enhancements
  - a. Accenture will apportion their cost for this service between each contact center and include detail showing the annual staffing equivalent supporting each contact center. These costs and the related staffing equivalents will be based on Accenture's actual time spent. All reporting should include a breakdown of costs per each skill set (e.g. Siebel configuration, Siebel technical administrator, Genesys configuration, Genesys Voice Portal configuration, Hardware architect.)
  - b. Accenture will indicate the amount of hours of annual work that will be needed to provide minor enhancements to all agencies.



3. IVR Enhancements
  - a. The annual 200-hour IVR costs per contact center should be separately identified on invoices and planning documents.
  - b. However, if the total number of hours used in enhancing each IVR each year does not reach the 200 hours maximum, Accenture will add these hours to a pool of hours that can be used by the agency towards any major implementations or minor enhancements they may require.
  - c. The hours in the pool will be usable for any type of skill not just IVR.
  - d. The accumulated hours in the pool shall carry forward for the life of the contract.
4. Product Upgrades
  - a. Accenture shall apportion their cost for this service between each contact center and include detail showing the proposed annual staffing equivalent supporting each contact center.
  - b. All reports should include a breakdown of costs per each skill set (e.g. Siebel configuration, Siebel technical administrator, Genesys configuration, Genesys Voice Portal configuration, Hardware architect.)
  - c. Accenture will review the list of upgrades required by the contract and calculate the number of hours and costs required to complete them.
  - d. These costs should be split by call center and by individual product upgrade.

Accenture will also provide the following as part of this Base Service cost:

- a. Creation of an enterprise hardware infrastructure using the existing servers that will reduce the overall cost of ownership.
- b. Assist in establishing guidelines for a project control office for contact centers in the state.
- c. Help in establishing standards for contact centers.
- d. A standard Siebel configuration that will allow the State to implement simple CRM on Demand functionality.

### **B. Knowledge Transfer Cost**

There will be a Knowledge Transfer Period for Accenture. This will begin with Accenture providing on site personnel to transfer knowledge from the current support team. This transfer of knowledge period will finish and the responsibility for support and identified work and deliverables will pass to the new Vendor.

The fixed costs for this part of the contract are to be separately identified.

### **C. Major Enhancement Costs**

Accenture must confirm the personnel, skills and rates that they would use to complete the major implementations described in this contract.

MDIT recognizes that sufficient detail has not been included to allow for an accurate cost of the major implementations. Therefore, Accenture has included a rate card detailing hourly rates (see Article 1 attachment C) for skills that they view might be required in these major implementations. Accenture will during the contract provide cost quotes for detailed statements of work that will be created by the State for major implementations. If these costs are accepted, a change order will be made to the contract to allow these implementations to proceed.

This contract describes in outline some of the changes that would be classified as major implementations. It is anticipated that other changes will be identified in the future and classified as major implementations.

## **1.7 Additional Terms and Conditions Specific to this SOW**

### **1.701 ADDITIONAL TERMS AND CONDITIONS SPECIFIC TO THIS SOW**



**Article 1, Attachment A**  
Pricing

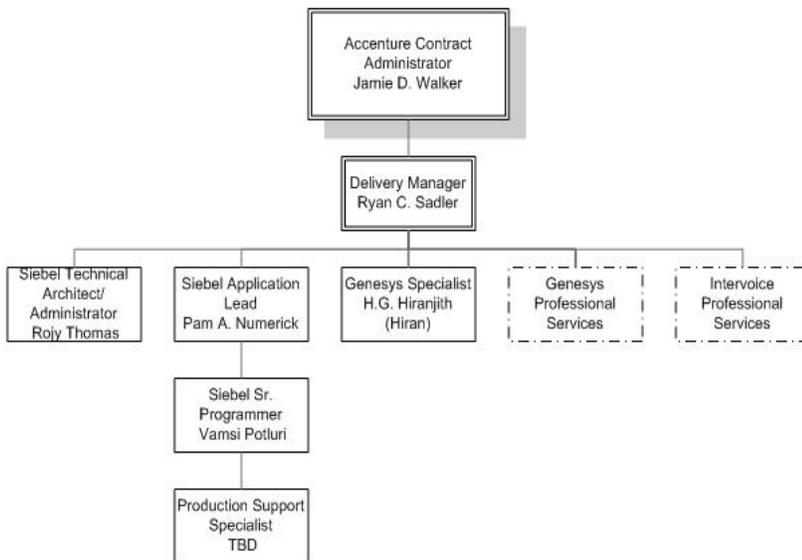
	Year 1	Year 2	Year 3	Total
<b>Agency</b>	<b>Price</b>	<b>Price</b>	<b>Price</b>	<b>Price</b>
Treasury	\$ 784,347.50	\$ 655,595.50	\$ 650,675.00	\$ 2,090,618.00
Civil Service	\$ 235,304.25	\$ 196,678.65	\$ 195,202.50	\$ 627,185.40
State	\$ 400,000.00	\$ 400,000.00	\$ 400,000.00	\$ 1,200,000.00
Other	\$ 149,043.25	\$ 58,916.85	\$ 55,472.50	\$ 263,432.60
<b>Total</b>	<b>\$ 1,568,695.00</b>	<b>\$ 1,311,191.00</b>	<b>\$ 1,301,350.00</b>	<b>\$ 4,181,236.00</b>
	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Total</b>
<b>Services</b>	<b>Price</b>	<b>Price</b>	<b>Price</b>	<b>Price</b>
Maintenance & Support	\$ 257,730.39	\$ 239,061.35	\$ 238,347.88	\$ 735,139.61
Minor Enhancements	\$ 432,956.38	\$ 375,017.98	\$ 435,097.63	\$ 1,243,071.98
IVR Enhancements	\$ 47,373.90	\$ 42,223.82	\$ 42,027.00	\$ 131,624.72
Product Upgrades	\$ 681,591.09	\$ 595,971.01	\$ 530,405.00	\$ 1,807,967.10
Major Enhancements	\$ 149,043.25	\$ 58,916.85	\$ 55,472.50	\$ 263,432.60
<b>Total</b>	<b>\$ 1,568,695.00</b>	<b>\$ 1,311,191.00</b>	<b>\$ 1,301,350.00</b>	<b>\$ 4,181,236.00</b>
<b>Knowledge Transfer:</b>				
Civil Service/Treasury		15,000.00		
MDOS		50,000.00		
<b>Total:</b>		<b>65,000.00</b>		



**Article 1, Attachment B**  
Organizational Chart, including Key Personnel



*High performance. Delivered.*





## Estimated Team Staffing

<i>Resource</i>	<i>General Role</i>
<b>Accenture Senior Executive</b>	Contract Administration
<b>Service Delivery Lead/Unit Lead</b>	Accenture lead (Project Management Professional (PMP), Genesys CTI/GVP Certified)
<b>Lead Technical Architect</b>	Technical Lead Siebel Certified
<b>Lead Application Architect</b>	Functional Lead (Siebel, FileNet) Siebel Certified
<b>Production Support Lead</b>	All technical areas in scope, Siebel Technical Administrator
<b>(1-2) Technical Analyst(s)</b>	FileNet, Siebel Administration, Interface, Reporting, IBM WAS/HTTP, Genesys CTI
<b>(2-3) Developer(s)</b>	Siebel Configuration, EIM, Siebel eScript, VB/.Net/JAVA



**Article 1, Attachment C**  
Labor Rates

**MAJOR ENHANCEMENT RATES**

Staffing Category	Hourly Rate
Project Manager	\$190
Siebel Technical Architect	\$150
Siebel Application Architect	\$150
Telephony Architect	\$150
Maintenance and Support Lead	\$125
Contact Center Business Expert	\$125
Application Analyst	\$110



**Article 1, Attachment D**  
Deliverables



## **Article 1, Attachment E**

### Project Plan

Project plans will be created based on the following methodology:

*Accenture will implement a rigorous program management approach on each of our government engagements. These rigorous quality drivers provide a highly adaptable framework to complement the Project Management Methodology adopted by the State of Michigan (See Figure 8-1). These quality drivers include:*

- *Accenture Delivery Methods*
- *Quality Performance Improvement*
- *Capability Maturity Model Integrated (CMMI) standard*
- *Our Public Sector Values, woven throughout the core elements of these quality drivers, allow our Accenture Team to continuously monitor the outcomes of our project efforts.*

Our Accenture Team believes that the amount of business value created from a system integration engagement determines the success of that project. Project control delivers business value in helping to keep our system integration engagements on-time and on budget. Project control means much more than the maintenance of a project schedule. Project control establishes a governance model, identifies and helps minimize risks, identifies and facilitates the quick resolution of issues, and establishes and executes a well-defined communication plan. Therefore, to establish a quality project control mechanism where communication is frequent, issues are resolved quickly, and risks are prevented from becoming issues, we rely heavily on our three quality drivers, Accenture Delivery Methods, our Quality Performance Improvement, and the CMMI (Capability Maturity Model Integrated standard).

#### Accenture Delivery Methods (ADM)

Where necessary, the Accenture Team supplements our client's methodologies and standards from our Accenture Team's assets.

ADM provides the detail methods (activities and tasks) to supplement those specified in the PMM. Our professionals apply ADM on each project. Our Team manages the Enterprise Contact Center support project using a "plan, execute, and control" model. In each phase of the delivery lifecycle, we focus on these three steps to maintain traceability of the work to the approved requirements, help minimize delivery risk, and build in quality. ADM defines the phases of the delivery lifecycle; design, development, deployment, testing, and transition. ADM complements PMM by identifying the tasks in each phase, as well as the transition points between phases. The most significant advantage of employing ADM in this project may be its broad flexibility to map across the methodologies of other stakeholders.

#### Quality Performance Improvement

Accenture has a team whose mission is to help verify quality in processes, results and ongoing operations across our systems integration and outsourcing engagements. This is our process of quality assurance and continuous improvement for implementation of our Accenture Delivery Methods. See Figure 8-2. Our Quality and Process Improvement (QPI) team, a group of dedicated individuals within our Accenture Government practice, help our engagements meet standards outlined by the Software Engineering Institute (SEI) implemented through our Accenture Delivery Methods.

### **1. Requirements Validation**

Requirements development includes collecting, analyzing, validating, and communicating customer and business needs. Developing product life cycle requirements is important in defining the needs of relevant stakeholders. Each phase of the product life cycle builds upon Requirements.

- ❖ The Requirements Gathering and Analysis stage develops documentation based on the specific project goals and constraints. This stage includes collecting user/client feedback and information on system behaviors.
- ❖ The Design stage documents the collected feedback for future approval and validates documented requirements.



- ❖ The Development stage uses the approved documented requirements to build functionality into the system.
- ❖ The Build/Test stage verifies and validates that the requirements are operating correctly.

Accenture would verify and validate Requirements throughout each phase of the product life cycle to verify the goal of the requirements is met. We would involve key stakeholders (internal and external) in the Requirements development and analysis process. The more visibility they have in the Requirements process, the more assurance they have that Requirements are properly identified.

### Requirements Gathering

The primary Requirements gathering and analysis is completed during the Analysis stage of the complete project life cycle. During this stage, the requirements team investigates the specific goals and constraints of the project. The team gathers feedback from various stakeholders, experts, and end users to determine how the application should solve the original business problem. Requirements may surface in later stages of the project, especially during user acceptance testing sessions. It is important to collect and analyze these requirements for merit in current or future releases. Complete and accurate Requirements gathering is an important first step in a successful project. Clear requirements, referenced in all phases of a project lifestyle, help confirm that the needs of the users and the stakeholders are ultimately met.

#### Requirements Gathering Process

- ❖ **Collecting.** Gathering feedback on system behaviors from a cross-section of individuals.
- ❖ **Documenting.** Compiling feedback into written form for future prioritization and approval.
- ❖ **Verifying.** Confirming that the documented Requirements accurately capture the inputs of the participants.
- ❖ **Prioritizing.** Ordering and eliminating the gathered and documented Requirements according to a set of parameters.
- ❖ **Validating.** Confirming the prioritized set of Requirements with stakeholders, experts, and end users to ensure this set solves the original business problem.

### Types of Requirements

Traditionally, Requirements fall into one of five categories:

- ❖ **Functional:** These Requirements specify what the user should be able to do on a system. For example, the user can compare two products from the same manufacturer.
- ❖ **Technical:** These Requirements specify any technical constraints that should be met. For example, the application is accessible via IE 4+ and Netscape 4+ browsers.
- ❖ **Performance:** These Requirements specify measurable objectives that describe the speed of a system. For example, 20,000 concurrent users are supported on the system.
- ❖ **Usability:** These Requirements specify the level of difficulty it should take for a user to complete a task. For example, the user can return to the home page from any other page on the site.
- ❖ **Content:** These Requirements specify the type of content and any presentation restrictions. For example, comparison charts are always presented in tabular format to improve legibility.

Some of these categories can be combined and sometimes other categories may be appropriate depending on the type of application being built.



### **Who Contributes Requirements**

Requirements can come from a variety of sources, ranging from end users to help desk personnel to key program executives. Existing documentation, such as results from previous user testing sessions or feedback from the production application, can be useful input into the Requirements gathering process. Customer Relationship Management systems and market research may also provide insight into users' wants and needs.

### **Requirements Writing**

Requirements are the basis for design and are used to help build accurate specifications for new systems and applications. For this reason, it is important that they be written in a clear, concise, and easily understood format to avoid misinterpretation or ambiguity.

Below are guidelines for writing quality Requirements:

- Keep sentences and paragraphs short and concise.
- Clearly define the Requirement so that it is easily understood by the client/user.
- Document individually testable Requirements. Avoid long narrative paragraphs containing more than one Requirement.
- Each Requirement should form a complete sentence, not a bullet list of buzz words, lists of acronyms, or sound bites on a slide).
- Each Requirement contains a subject and predicate where the subject is a user type or the system under discussion, and the predicate is a condition, action, or intended result.
- The whole Requirement specifies a desired end goal or result.
- Never use "and/or" or "etc." in a Requirements statement; it suggests that several Requirements are combined into one.
- Record Requirements at a consistent level of detail, making sure the stated requirement does not contradict other Requirements.
- Only define Requirements that are necessary to the system/application (i.e., if the requirement is removed or deleted, a deficiency would exist that cannot be fulfilled by other requirements).
- The requirement can be verified through inspection, analysis, demonstration, or test.

### **Requirements Analysis Verification and Validation**

Verification and validation are performed on Requirements throughout the product life cycle. Choose Requirements to verify and validate that they represent how the system being developed will satisfy the needs of the user. When issues are discovered, analyze them to determine the origination point of the issue. Once the point of origin is identified, send the issue back to the area of origination for resolution and possible process correction.

Requirements determine what impact the intended operational environment will have on the ability to satisfy the clients' needs, expectations, and constraints. Three main techniques are used to verify and validate Requirements:

- ❖ Scenarios
- ❖ Operational concepts
- ❖ Cost, schedule, and risk analysis

Functionality, performance, maintenance, support, feasibility, mission, needs, and cost constraints are all considered when performing these techniques. The objective of this type of analysis is to determine which Requirements will satisfy client needs, expectations, and constraints and will perform as intended in the operational environment. The necessary sets of Requirements are developed from this type of analysis.

### **Scenarios**

A scenario is a sequence of events that might occur when using a system. Scenarios identify the needs of the stakeholders. Review them periodically to determine their continued applicability. Use the following scenarios when analyzing and validating client Requirements:



### **Interviews**

Interviews are one-on-one discussions with the client/user and are conducted to learn how the current system works and its related problems. Interviews are most appropriate when an application already exists and analysis of the existing system is needed.

### **Focus Groups**

Focus groups are made up of end users and/or stakeholders. A facilitator leads the group in a discussion on a specific topic related to the new or existing system or application. Participant responses are recorded and analyzed. Focus groups are most helpful during the beginning stages of a project.

### **Joint Application Design (JAD) Sessions**

JAD sessions are similar to focus groups in that they are a form of group interviewing. These sessions are used to obtain a better understanding of Requirements from user/client input and feedback regarding an application. The sessions are smaller than focus groups and are more focused and structured in the exchange of information.

### **Scenario Building/Visualization**

In this technique, a facilitator asks users to visualize their current application and its related processes and then asks them to imagine their ideal application experience.

## **Enterprise Hardware configuration**

### **Civil Service Hardware Configuration**

The Civil Service HR Contact center currently utilizes 7 servers for the non-production environment and 12 servers for the production environment. If we use the recommended \$14,000 per server per year costs, the total hosting cost for the Civil Service Department is \$266,000. When we compare the size in terms of usage and overall system complexity, the Civil Service environments are significantly over architected in comparison to the Treasury and MDOS systems. After analyzing the environment software components and matching those with Accenture/Siebel preferred practices for technical architecture, we have a plan which could help lead to significantly lower cost of ownership of this system.

The Civil Service Siebel application was restructured by Accenture in March, 2006. The application was restructured to simplify the application complexity, minimize the long term maintenance costs and risks associated with having a highly customized application. This restructuring enables us to propose a simplified hardware infrastructure to help save the agency in annual hosting costs.

Accenture will focus on assisting MDIT achieve their objectives as outlined in the ITB. By simplifying the hardware architecture, Accenture will help MDIT address the following stated objectives.

- ❖ Provide effective support and enhancements to the client agency contact centers.
- ❖ To minimize the total cost of ownership of the current Siebel contact centers.
- ❖ To leverage the same hardware architecture across all contact centers.

The savings derived from hardware/software consolidation in the Civil Service Department is projected to be approximately \$126,000 per year. To achieve these savings with Civil Service, the following servers have been proposed to be decommissioned:

- DCSHRDD1
- DCSHRDW1
- DCSHRSDW1
- DCSHRPA1
- DCSHRPA2
- DCSHRBPW1
- DCSHRBPW2
- DCSHRPD1
- DCSHRPD2

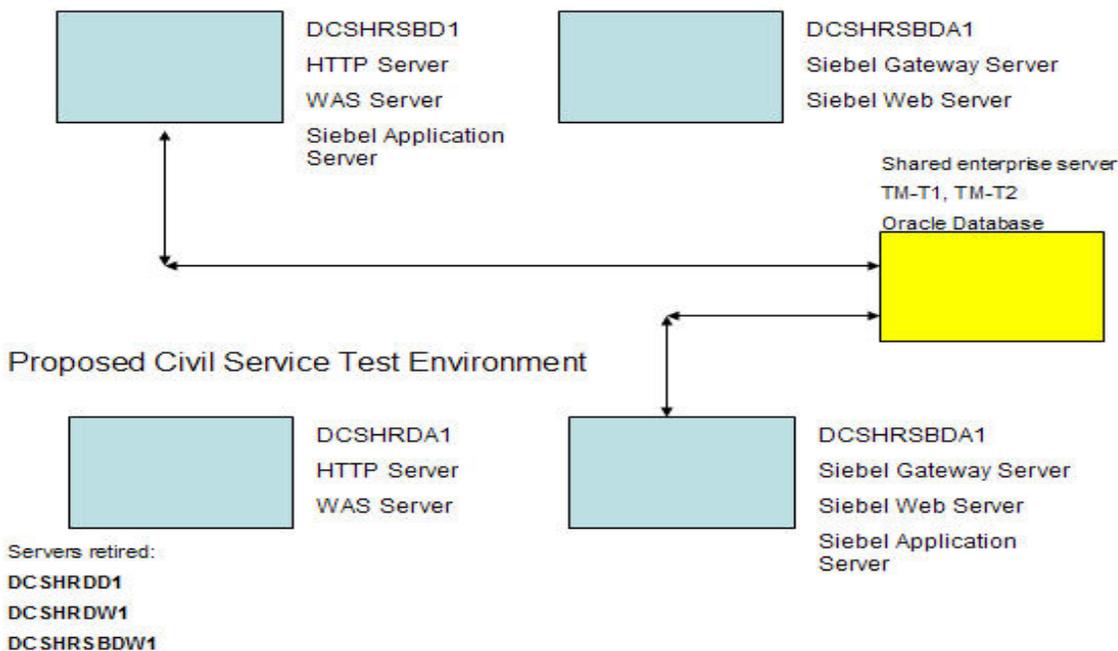
### **Key considerations, assumptions and rational Civil Service Non-Production**

- ❖ As of March 2006, Civil Service has mostly a vanilla Siebel environment.
- ❖ The Civil Service Knowledge base does not receive a high volume of hits.



- ❖ For the sake of this proposal, we have defined an enterprise server as a server that can be shared across agencies for an application.
- ❖ Although the cost estimate given in the ITB is \$14,000 per server per year, with our experience working closely with MDIT over the last several years, we understand that the database servers, DCSHRDD1, DCSHRPD1 and DCSHRPD are the most costly servers in this system. Therefore, these servers were targeted for a shared enterprise server configuration across agencies. By leveraging a shared Application Management team with MDIT database resources this enterprise server configuration makes logical sense.
- ❖ To free the DCSHRSDG1 server so MDIT can decommission the more costly DCSHRDD1 server we propose:
  - Migrating the development Siebel Web Server from DCSHRSDG1 to DCSHRSDA1.
  - Migrating the development Siebel Gateway Server from DCSHRSDG1 to DCSHRSDA1
- ❖ Development and Test environments generally do not require full physical software application separation therefore; we propose consolidating the development HTTP, WebSphere (WAS) and Siebel Application Server on DCSHRSDG1.
- ❖ Migrate the test and development databases from DCSHRDD1 to an Enterprise development/test database TM-T1/TM-D2. This will enable MDIT to decommission one of the most costly servers in this system, DCSHRDD1.
- ❖ Migrate the test Siebel Web Server from DCSHRSDW1 to DCSHRSDA1 to decommission server DCSHRSDW1.
- ❖ Migrate the test HTTP server from DCSHRDW1 to DCSHRDA1 to decommission server DCSHRDW1.
- ❖ Migrate the test Siebel Gateway server from DCSHRSDG1 to DCSHRSDA1 to decommission server DCSHRDW1. Doing this will enable the development and test environments to share the same non-production Siebel Gateway Server.

**Proposed Civil Service Development Environment**



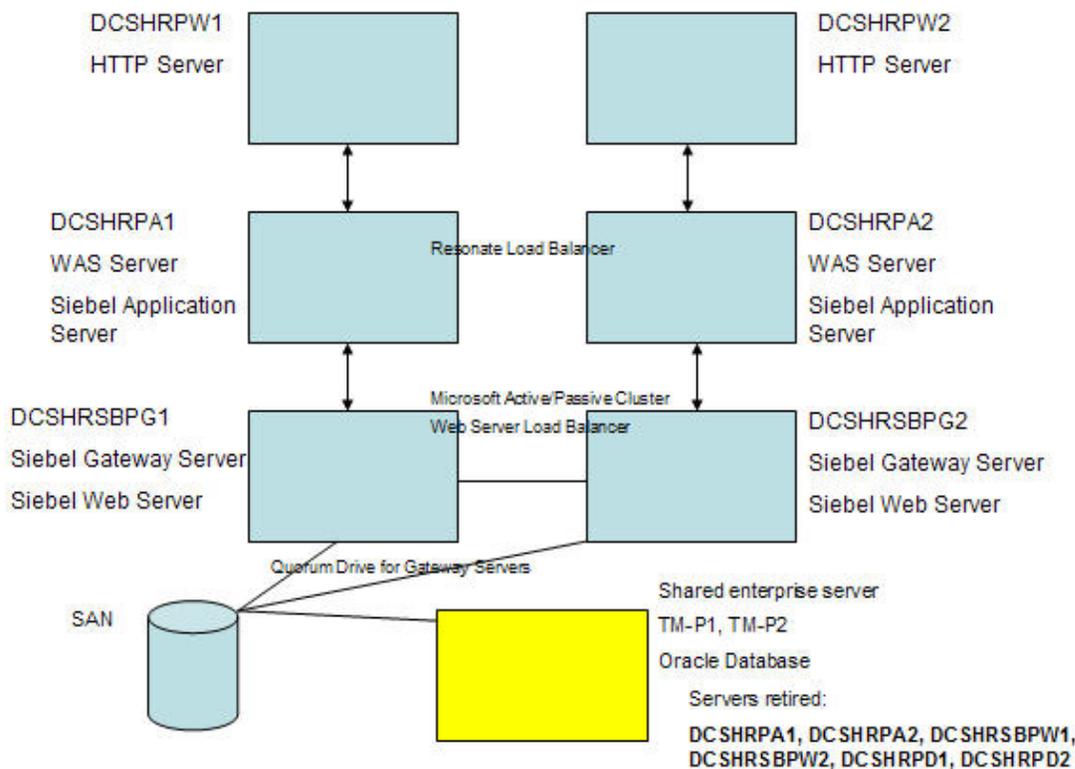
**Key considerations, assumptions and rational - Civil Service Production**

- ❖ Due to the public facing Knowledge Base application, the production environment at Civil Service has network and firewall considerations that should be considered before any hardware consolidations are performed. On a number of occasions over the last 5 years, Accenture has effectively worked with MDIT network security staff to enable a smooth transition of any production system changes.



- ❖ Migrate the WAS Server from DCSHRPA1 and DCSHRPA2 to DCSHRSPBA1 and DCSHRSPBA2, respectively. This would enable MDIT to decommission servers DCSHRPA1 and DCSHRPA2.
- ❖ Migrate the Siebel Web Server on DCSHRBPW1 and DCSHRBPW1 to DCSHRSBPG1 and DCSHRSBPG2, respectively. This would enable MDIT to decommission servers DCSHRBPW1 and DCSHRBPW2. This change would maintain application architecture best practices by keeping a physically separate Siebel (business logic) layer from other application layers.
- ❖ Migrate the production databases from servers DCSHRPD1 and DCSHRPD2 to an Enterprise production database, TM-P1/TM-P2. This will help enable MDIT to decommission two of the most costly servers in this system, DCSHRPD1 and DCSHRPD2.
- ❖ One point of consideration for any enterprise hardware solution is that the MDIT and the Application Management teams would need to coordinate any planned system outages with all agencies on the shared hardware.

**Proposed Civil Service Production Environment**



**Treasury Hardware Configuration**

The Treasury Contact center current utilizes 6 servers for the non-production Siebel and Genesys environments and 10 servers for the production environment. If we use the recommended \$14,000 per server per year costs, the total hosting cost for the Treasury Department is \$224,000. In 2004, the Accenture Application Management team successfully completed a hardware consolidation project which saved the department approximately \$150,000 per year in annual hosting costs. In the two years since this project was completed, the department has achieved server hosting savings of approximately \$300,000. After analyzing the environment software components for Treasury, we realized that most of the significant savings were already achieved by MDIT and Accenture in 2004. After further review, there were a few additional software configuration changes that we propose to achieve the MDIT objectives of helping minimize the total cost of ownership of the solution.

The savings derived from the proposed hardware and software consolidation in the Treasury Department is projected to amount to approximately \$28,000 per year. To achieve these savings with Treasury, the following servers have been proposed to be decommissioned:



- TMS-D3
- TMS-P6

### ***Key considerations, assumptions and rational Treasury Non-Production***

- ❖ Decommission the TMS-D3 server. This server is used for installing and testing new versions of Siebel, for example, Siebel 7.7. Future project requirements should be considered with the Application Management team prior to decommissioning the server.
- ❖ The Database servers, TM-T1 and TM-D2 are already in a shared enterprise hardware architecture.
- ❖ The Genesys Application Server NOC-LMA1-ASCT1 would also be considered as a target for an enterprise hardware configuration. To our knowledge, these servers currently have minimal to zero actual hosting costs to the Department so we could not accurately determine a cost/benefit to consolidate these servers into an enterprise solution. There would be an operational benefit (i.e. DCO data center services) from consolidation of the Genesys Application Server into a shared enterprise hardware configuration.
- ❖ There were no major changes in the architecture environment diagrams that Accenture currently maintains except of the removal of TMS-D3 and TMS-P6.

### ***Key considerations, assumptions and rational Treasury Production***

- ❖ Migrate the Siebel Application Server used for EIM processing and the Genesys Reporting server from TMS-P6 to TMS-P10. The TMS-P10 server is used for batch processing for the Mainframe to Siebel nightly loads. Logically, this consolidation makes sense since EIM is the final process to load data into the Siebel base tables.
- ❖ The Genesys Application Servers, NOC-LMA1-ASCT2, NOC-LMA1-ASCT3 could also be considered as a target for an enterprise hardware configuration. As mentioned above, these servers currently have minimal to no hosting costs to the department. As part of the contact center hardware, MDOS also utilizes Genesys application servers. Similarly, as with the shared database servers, the Treasury and MDOS Genesys servers could be considered in a shared enterprise hardware/software configuration. We recognize that the inbound voice channel and computer telephone integration (CTI) are critical pieces in the successful daily operation of both of these public facing contact centers. Therefore, further inbound voice and CTI service level discussions would be required at the agency level before any shared enterprise server configuration would be considered a viable option for these operationally critical components.

### ***MDOS Hardware Configuration***

The Secretary of State Contact center currently utilizes 7 servers for the non-production Siebel and Genesys environments and 11 servers for the production environment. If we use the recommended \$14,000 per server per year costs, the total hosting cost for MDOS is \$252,000. After reviewing the technical environment configuration we understand how the MDOS project has benefited from having resources familiar with the Treasury and Civil Service contact centers for the overall hardware configuration. Like Treasury, the environments have been optimized for their purpose. After further review, there was an additional software configuration change that we proposed to help achieve the MDIT objectives of minimizing the total cost of ownership of the system.

The savings derived from hardware/software consolidation at MDOS is projected to amount to approximately \$14,000 per year. To achieve these savings with MDOS, the following servers have been proposed to be decommissioned:

- YTA001

### ***Key considerations, assumptions and rational MDOS Non-Production***

- Migrate the Siebel Gateway Server and Siebel Web Server from YTA001 to MTA001. At Treasury, the Accenture Application Management team has been running this cost effective configuration in the development and test environments for several years. This will minimize the maintenance and support costs as well as the hosting hosts.
- Since there were no major changes in the architecture the environment diagrams remain generally the same with the removal of YTA001.

### ***Enterprise Hardware configuration Summary***



- The proposed Enterprise hardware optimizations are projected to save \$168,000 in hosting costs without any major disruption or changes in the current business operations.
- Civil Service represents the largest target for savings. Approximately 47% of the hosting costs for Civil Service can be retired.

**Hosting Savings**

	Annual Hosting Costs	Potential Savings
CS	\$ 266,000	\$ 126,000
Treasury	\$ 224,000	\$ 28,000
MDOS	\$ 252,000	\$ 14,000
Total	\$ 742,000	\$ 168,000

- Over the five years of this proposed support contract, this is anticipated to total \$840,000 in hosting savings alone.
- Decommissioned servers could be redeployed as shared hardware for new contact centers.
- As requested in the ITB, all agencies maintain a development, test and production environment.
- The production environments at all agencies maintain their required full redundancy.
- By leveraging a common database platform and joint Application Management team Civil Service, Treasury and MDOS can share the proposed enterprise database servers for both non production and production environments.
- Any scheduled database maintenance windows would need to be coordinated across the enterprise. The good news about this setup is that the maintenance and upgrades would only need to be done once rather than multiple times if there were many disparate systems.
- There may be opportunities to share enterprise hardware with the Genesys application servers between Treasury and MDOS. These opportunities should be further analyzed by the Application Management team and discussed with the agencies in terms of the agency specific service level agreements with the telephone channel.

**Hardware implications Upgrading Siebel 7.5.x to Siebel 7.8**

The application architecture of Siebel 7.5.x and Siebel 7.8 are identical; therefore no hardware modifications are required for such an upgrade.

Siebel has declared Resonate Central Dispatch as an “uncertified third-party load balancer” for Siebel CRM versions 7.7 and above. Load balancing is provided by Siebel’s proprietary load balancer (Siebel CRM versions 7.7 and above), or numerous other approved 3<sup>rd</sup> party load balancers. For maintenance and compatibility reasons, it is recommended Resonate Central Dispatch be replaced with an approved 3<sup>rd</sup> party load balancer, or the Siebel load balancer. The replacement of the application object manager load balancer will not affect any hardware setup in place today.

**Virtualized Development and Test Hardware sharing**

To maximize their investment in hardware (servers) Accenture is working with the Internal Revenue Service to consolidate their development and test environments using a technology known as “Virtualization”.

As enterprises grow, IT organizations like the State of Michigan must rapidly add computing capacity often in the form of new servers with a variety of operating environments. The resulting server sprawl is costly in terms of capital and people needed to operate, manage, and upgrade new servers. Server consolidation and containment with virtualization software provides a solution for these problems. Virtual infrastructure enables workload isolation and granular resource control for all of the system's computing and I/O resources. By consolidating physical systems in the data center onto servers with virtual infrastructure, enterprises experience:

- Lower total cost of ownership of servers
- Higher server utilization
- Increased operational efficiency
- Improved manageability



Accenture would evaluate this technology with MDIT and determine if it would be a viable option to assist meeting MDIT and the agencies objectives.

### ***Impact of Siebel 8 functionality***

#### ***Upgrading Siebel 7.8 to Siebel 8.0***

This analysis of upgrading from Siebel 7.8 to Siebel 8.0 is based on the Statement of Direction documentation provided by Siebel. This statement of direction may change, and thus would affect this analysis.

#### **Hardware**

Performance and scalability of Siebel 8 has been improved in the following ways:

- Improved database connection pooling; this improves database performance
- Improved Siebel Server memory management
- Improved server process utilization

With these improvements, the need for new or additional hardware is not necessary as long as the number of users is constant.

#### **Siebel Application**

There are a numerous enhancements in Siebel 8.0 over Siebel 7. We will focus only on the major enhancements and its impact on migration, and current software and hardware setup.

##### Workflow Task

This new interface guides users through task execution, allows navigation both back and forward within task execution, and enables task execution to be paused and resumed at any point. There are no foreseeable impacts on current implementation or migration issues for from this enhancement.

##### Business Rule Engine

Allows customers to create customize business rules and automates complex logic that is more compliant with Siebel best practices than custom scripting. There are no foreseeable impacts on current implementation or migration issues for from this enhancement.

##### Application Deployment Framework

Built on from the Application Deployment Manager in Siebel 7.7, this new framework will allow a more streamlined, and integrated migration process. There are no foreseeable impacts on current implementation or migration issues for from this enhancement.

##### Management Framework

This new framework allows holistic application administration capabilities. There are no foreseeable impacts on current implementation or migration issues for from this enhancement.

##### Siebel Test Express

This new feature integrates quality assurance into Siebel application; allowing test scripts to be constructed right in the application. In addition, test scripts can be constructed from the development environment, before development is 100% complete, thus allowing test automation to start much earlier in the development cycle. There are no foreseeable impacts on current implementation or migration issues for from this enhancement.

##### Siebel Search

This conceptual search capability will mimic the search functionality in popular web search engines. Users will be able to do keyword searches for anything, anywhere within the application. This new enhancement will utilize new database columns which will hold specially



formatted text for searching. The addition of these new columns means that there will be a new database schema.

In Siebel Search 8.0, Oracle plans to bring the paradigm of popular Web search engines—that of simple queries and straightforward navigation combined with tremendous breadth of coverage—to Siebel Business Applications, optimizing the search experience across multiple types and sources of information. Siebel Search 8.0 is expected to improve search engine capabilities, providing faster performance across a broad data set and offering a more intuitive interface through which users harness its power. With Siebel Search 8.0, Oracle intends to make customers' large and diverse knowledge repositories available to users in a central, transparent, intuitive interface, empowering users with rapid, easy access to critical information. In Siebel Search 8.0, it is intended that users will begin searching from a simple, intuitive Search Pane, and can then expand their searches based on the results obtained from the initial search. Searches can be refined and saved for future use

The extent of effort and resources needed in migrating from a Siebel 7.8 schema to a Siebel 8.0 schema will require a detailed analysis of a Siebel 8.0 schema; which has not yet been published.

Although marketing information such as above has been released by Oracle regarding Siebel 8, there has been no technical release information regarding the exact data schema and application architecture. Without these detailed facts from the product vendor, any estimation of work or impact analysis would be unrealistically hypothetical. As the known product features and possible impacts to current Siebel implementations become available, Accenture would work with MDIT and the agencies to assess the benefits, impacts and risk of the Siebel 8 functionality



**Article 1, Attachment F  
Service Level Agreement**

ii. **Service Level Agreement**

The State’s Remedy ticket system will be used to initiate and manage break / fix and maintenance requests. Remedy tickets may be created by business users or Accenture and will identify the problem to be fixed. Tickets will be classified as follows:

- **High**  
The problem renders the product inoperable for a majority of the users. For example, the Siebel eService application for Treasury is not accessible by the taxpayers.
- **Medium**  
The problem has a significant impact to the system’s ability to perform, but a workaround is available or operations can continue in a degraded state. For example, the data retrieval to a Siebel screen is slow for a large number of users.
- **Low**  
The problem slightly impacts the system’s ability to perform. For example, a Siebel password needs to be resets or single user related issues or ad-hoc query requests.

v. The State expects Accenture to meet the following response times for Problem tickets.

**Standard Response Times Required for Problem Tickets**

<b>Classification</b>	<b>Service Level Standard</b>
<b>HIGH</b>	Acknowledged within 15 minutes from time of receipt of ticket during business hours and within 30 minutes during non-business hours. Status report within 2 hours of receipt of ticket, usually with a workaround. Resolution dependent upon the nature of the issue.
<b>Medium</b>	Acknowledged within 1 business hour(s) from time of receipt of ticket during business hours and within 2 hours during non-business hours. Status report within 4 hours of receipt of ticket, usually with a workaround. Resolution dependent upon the nature of the issue.
<b>Low</b>	Acknowledged within 8 business hour(s) from time of receipt of ticket during business hours. Status Report within 2 days of receipt of ticket.

vi. Once support is assigned, Accenture agrees to maintain a continuous effort to resolve reported high and medium severity problems. Accenture shall commit sufficient resources to resolve any high severity level problems in as short a timeframe as possible.

vii. If Accenture determines it cannot correct the problem within the response time defined by the service level agreement, Accenture shall promptly initiate an escalation procedure to assign sufficiently skilled personnel to resolve the problem. Additionally:

3. Vendor staff shall notify senior Vendor management and MDIT/agency management that a reported problem has not been corrected.
4. Status reports shall be provided as identified by the State on problem correction activities

e. **Other Requirements**

- i. Accenture shall provide ongoing technical system support.
- ii. Accenture shall provide online technical system documentation.



- iii. Accenture shall provide on-site technical support upon the State's request at the expense of Accenture.
- iv. Accenture shall provide an escalation process for technical support.
- v. Accenture, with the State's approval, may provide remedial maintenance off-site via telephone or secure connection to the system.
- vi. All maintenance shall be performed by qualified personnel who are familiar with the systems.
- vii. Accenture shall provide backup maintenance resources.
- viii. Accenture shall provide for escalation of maintenance issues to ensure they are resolved within the agreed service level response times.
- ix. Accenture shall provide one point of contact to report system malfunction whether malfunction is due to software or is of unknown origin. Accenture shall be responsible for providing the appropriate remedy to a software application problem.
- x. Accenture will be required to use the State's SecurID system for off site support connections to the application servers.



## 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 Purchasing Operations ("OAS") and the Department of Information Technology (collectively, including all other relevant State of Michigan departments and agencies, the "State"). OAS is the sole point of contact in the State with regard to all procurement and contractual matters relating to the Contract. **OAS is the only State office authorized to change, modify, amend, alter or clarify the prices, specifications, terms and conditions of this Contract.** The Contractor Administrator within the Office of Purchasing Operations for this Contract is:

[Lisa Morrison](#)

Office of Purchasing Operations  
Department of Management and Budget  
Mason Bldg, 2nd Floor  
PO Box 30026  
Lansing, MI 48909  
[Email morrisonl1@michigan.gov](mailto:morrisonl1@michigan.gov)  
[Phone \(517\) 241-2005](tel:(517)241-2005)

#### 2.015 Contract Compliance Inspector

Upon receipt at OAS of the properly executed Contract, it is anticipated that the Director of DMB Purchasing Operations, in consultation with (insert the end using agency), will direct that the person named below, or any other person so designated, be authorized to monitor and coordinate the activities for the Contract on a day-to-day basis during its term. However, monitoring of this Contract implies **no authority to change, modify, clarify, amend, or otherwise alter the prices, terms, conditions and specifications of such Contract as that authority is retained by the Office of Purchasing Operations.**

The Contract Compliance Inspector for this Contract is:

Mark Lawrence  
Department of Information Technology  
Constitution Hall, Atrium - South Tower  
525 W. Allegan  
Atrium - South Tower  
Lansing, Mi. 48913  
[Lawrencem1@michigan.gov](mailto:Lawrencem1@michigan.gov)  
(517) 241-1640

#### 2.016 Project Manager

The following individual will oversee the project:



David Gilliland  
Department of Information Technology  
Operations Center  
Second Floor  
Secondary Complex  
Dimondale  
MI 48821  
gillilandd@michigan.gov  
Phone: (517) 636-5006

## 2.020 Contract Objectives/Scope/Background

### **2.021 Background**

See Article 1.

### **2.022 Purpose**

See Article 1.

### **2.023 Objectives and Scope**

See Article 1.

### **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 three (3) years commencing on the date that the last signature required to make the Contract enforceable is obtained. All outstanding Purchase Orders shall also expire upon the termination (cancellation for any of the reasons listed in 2.210) of the Contract, unless otherwise extended pursuant to the



Contract. Absent an early termination for any reason, Purchase Orders issued but not expired, by the end of the Contract's stated term, will remain in effect for the balance of the fiscal year for which they were issued.

#### 2.033 Renewal(s)

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

### 2.040 Contractor Personnel

#### 2.041 Contractor Personnel

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

##### (b) Key Personnel

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

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

(iii) The State will have the right to recommend and approve in writing the initial assignment, as well as any proposed reassignment or replacement, of any Key Personnel. Before assigning an individual to any Key Personnel position, Contractor will notify the State of the proposed assignment, will introduce the individual to the appropriate State representatives, and will provide the State with a resume and any other information about the individual reasonably requested by the State. 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 \$10,000.00 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 \$10,000.00 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 \$10,000.00 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 \$25,000.00 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 Purchasing Operations 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.

(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](http://www.michigan.gov/dit/0,1607,7-139-30639_30655---,00.html).

#### **2.052 PM Methodology Standards**

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

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

#### **2.053 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**

RESERVED

##### **2.063 Hardware**

RESERVED

##### **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 Purchasing Operations has approved a change order pursuant to **Section 2.106**.

#### 2.070 Performance

##### **2.071 Performance, In General**



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

## 2.072 Time of Performance

(a) Contractor shall use commercially reasonable efforts to provide the resources necessary to complete all Services and Deliverables in accordance with the time schedules contained in the Statements of Work and other Exhibits governing the work, and with professional quality.

(b) Without limiting the generality of **Section 2.072(a)**, Contractor shall notify the State in a timely manner upon becoming aware of any circumstances that may reasonably be expected to jeopardize the timely and successful completion of any Deliverables/Services on the scheduled due dates in the latest State-approved delivery schedule and, in such event, shall inform the State of the projected actual delivery date.

(c) If Contractor believes that a delay in performance by the State has caused or will cause Contractor to be unable to perform its obligations in accordance with specified Contract time periods, Contractor shall notify the State in a timely manner and shall use commercially reasonable efforts to perform its obligations in accordance with such Contract time periods notwithstanding the State's failure. Contractor will not be in default for a delay in performance to the extent such delay is caused by the State.

## 2.073 Liquidated Damages

RESERVED

## 2.074 Bankruptcy

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

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

## 2.075 Time is of the Essence

RESERVED

## 2.076 Service Level Agreements (SLAs)

(a) SLAs will be completed with the following operational considerations:

(i) SLAs will not be calculated for individual Incidents where any event of Excusable Failure has occurred as defined in **Section 2.202**,

(ii) SLAs will not be calculated for individual Incidents where loss of service is planned and where the State has received prior notification and/or coordination.

(iii) SLAs will not apply if the applicable Incident could have been prevented through planning proposed by Contractor and not implemented at the request of the State. In order to invoke this consideration, complete documentation relevant to the denied planning proposal must be presented to substantiate the proposal.



(iv) Time period measurements will be based on the time Incidents are received by the Contractor and the time that the State receives notification of resolution based on 24x7x365 time period, except that the time period measurement will be suspended based on the following (“Stop-Clock Conditions”):

1. Time period(s) will not apply where Contractor does not have access to a physical State Location and where access to the State Location is necessary for problem identification and resolution.

2. Time period(s) will not apply where Contractor needs to obtain timely and accurate information or appropriate feedback and is unable to obtain timely and accurate information or appropriate feedback from the State.

(b) Chronic Failure for any Service(s) will be defined as three (3) unscheduled outage(s) or interruption(s) on any individual Service for the same reason or cause or if the same reason or cause was reasonably discoverable in the first instance over a rolling thirty (30) day period. Chronic Failure will result in the State’s option to terminate the effected individual Service(s) and procure them from a different vendor for the chronic location(s) with Contractor to pay the difference in charges for up to three (3) additional months. The termination of the Service will not affect any tiered pricing levels.

(c) Root Cause Analysis will be performed on any Business Critical outage(s) or outage(s) on Services when requested by the Contract Administrator. Contractor will provide its analysis within two (2) weeks of outage(s) and provide a recommendation for resolution.

(d) All decimals shall be rounded to two decimal places with 5 and greater rounding up and 4 and less rounding down unless otherwise specified.

### 2.080 Delivery and Acceptance of Deliverables

#### **2.081 Delivery Responsibilities**

**Attachment D** contains a list of the Deliverables to be prepared and delivered by Contractor including, for each Deliverable, the scheduled delivery date and a designation of whether the Deliverable is a document (“Written Deliverable”) or a Custom Software Deliverable. All Deliverables shall be completed and delivered for State review and written approval and, where applicable, installed in accordance with the State-approved delivery schedule and any other applicable terms and conditions of this Contract.

Prior to delivering any Deliverable to the State, Contractor will first perform all required quality assurance activities, and, in the case of Custom Software Deliverables, System Testing to verify that the Deliverable is complete and in conformance with its specifications. Before delivering a Deliverable to the State, Contractor shall certify to the State that (1) it has performed such quality assurance activities, (2) it has performed any applicable testing, (3) it has corrected all material deficiencies discovered during such quality assurance activities and testing, (4) the Deliverable is in a suitable state of readiness for the State’s review and approval, and (5) the Deliverable/Service has all Critical Security patches/updates applied.

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

#### **2.082 Contractor System Testing**

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

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



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

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

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

### **2.083 Approval of Deliverables, In General**

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

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

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

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

If, after three (3) opportunities (the original and two repeat efforts), Contractor is unable to correct all deficiencies preventing State approval of a Deliverable, the State may: (i) demand that Contractor cure the failure and give Contractor additional time to cure the failure at the sole expense of Contractor; or (ii) keep this Contract in force and do, either itself or through other parties, whatever Contractor has failed to do, in which event Contractor shall bear any excess expenditure incurred by the State in so doing beyond the contract price



for such Deliverable and will pay the State an additional sum equal to ten percent (10%) of such excess expenditure to cover the State's general expenses without the need to furnish proof in substantiation of such general expenses; or (iii) terminate this Contract for default, either in whole or in part by notice to Contractor (and without the need to afford Contractor any further opportunity to cure). Notwithstanding the foregoing, the State shall not use, as a basis for exercising its termination rights under this Section, deficiencies discovered in a repeat State Review Period that could reasonably have been discovered during a prior State Review Period.

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

#### **2.084 Process for Approval of Written Deliverables**

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

#### **2.085 Process for Approval of Custom Software Deliverables**

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

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

For the Custom Software Deliverables listed in **Attachment D**, the State Review Period for conducting UAT will be as indicated in Attachment D. For any other Custom Software Deliverables not listed in 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 is not working according to specifications, 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** 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](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. 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**

**RESERVED**

### **2.095 Electronic Payment Availability**



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

## 2.100 Contract Management

### **2.101 Contract Management Responsibility**

(a) Contractor shall have overall responsibility for managing and successfully performing and completing the Services/Deliverables, subject to the overall direction and supervision of the State and with the participation and support of the State as specified in this Contract. Contractor's duties will include monitoring and reporting the State's performance of its participation and support responsibilities (as well as Contractor's own responsibilities) and providing timely notice to the State in Contractor's reasonable opinion if the State's failure to perform its responsibilities in accordance with **Article 1, Attachment E** (Project Plan) is likely to delay the timely achievement of any Contract tasks.

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

### **2.102 Problem and Contract Management Procedures**

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

### **2.103 Reports and Meetings**

#### (a) Reports.

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

- (i) separately address Contractor's performance in each area of the Services;
- (ii) for each area of the Services, assess the degree to which Contractor has attained or failed to attain the pertinent objectives in that area, including on-time completion and delivery of Deliverables;
- (iii) explain the reasons for any failure to achieve on-time completion and delivery of Deliverables and include a plan for corrective action where appropriate;
- (iv) describe any circumstances that Contractor anticipates will impair or prevent on-time completion and delivery of Deliverables in upcoming reporting periods;
- (v) include plans for corrective action or risk mitigation where appropriate and describe the status of ongoing problem resolution efforts;
- (vi) provide reports setting forth a comparison of actual hours spent by Contractor (including its augmented personnel and Subcontractors) in performing the Project versus hours budgeted by Contractor.
- (vii) set forth a record of the material personnel changes that pertain to the Services and describe planned changes during the upcoming month that may affect the Services.
- (viii) include such documentation and other information may be mutually agreed to verify compliance with, and meeting the objectives of, this Contract.
- (ix) set forth an updated schedule that provides information on the status of upcoming Deliverables, expected dates of delivery (or redelivery) of such Deliverables and estimates on timing for completion of the Project.

#### (b) Meetings.

Within thirty (30) days after the Effective Date, the parties shall determine an appropriate set of meetings to be held between representatives of the State and Contractor. Contractor shall prepare and circulate an agenda sufficiently in advance of each such meeting to give participants an opportunity to prepare



for the meeting. Contractor shall incorporate into such agenda items that the State desires to discuss. At the State's request, Contractor shall prepare and circulate minutes promptly after a meeting.

#### **2.104 System Changes**

Contractor is not responsible for and not authorized to make changes to any State systems without written authorization from the State. Any changes Contractor makes to State systems with the State's approval shall be done in accordance with applicable State procedures, including security, access and configuration management procedures.

#### **2.105 Reserved**

#### **2.106 Change Requests**

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

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

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

In the event prices or service levels are not acceptable to the State, the Additional Services or New Work shall be subject to competitive bidding based upon the specifications.

(a) Change Requests

(i) State Requests

If the State should require Contractor to perform New Work, Additional Services or make changes to the Services that would affect the Contract completion schedule or the amount of compensation due Contractor (a "Change"), the State shall submit a written request for Contractor to furnish a proposal for carrying out the requested Change (a "Change Request").

(ii) Contractor Recommendations

Contractor shall be entitled to propose a Change to the State, on its own initiative, should it be of the opinion that this would benefit the Contract.

(iii) Upon receipt of a Change Request or on its own initiative, Contractor shall examine the implications of the requested Change on the technical specifications, Contract schedule and price of the Deliverables and Services and shall submit to the State without undue delay a written proposal for



carrying out the Change. Contractor's proposal will include any associated changes in the technical specifications, Contract schedule and price and method of pricing of the Services. If the Change is to be performed on a time and materials basis, the Amendment Labor Rates shall apply to the provision of such Services. If Contractor provides a written proposal and should Contractor be of the opinion that a requested Change is not to be recommended, it shall communicate its opinion to the State but shall nevertheless carry out the Change as specified in the written proposal if the State directs it to do so.

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

(v) No proposed Change shall be performed until the proposed Change has been specified in a duly executed Contract Change Notice issued by the Department of Management and Budget, Office of Purchasing Operations.

(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 three (3) 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 No Third Party Beneficiaries.**

The parties agree that this Contract is solely for the benefit of the parties and nothing herein is intended to create any third party beneficiary rights for Subcontractors or other third parties.

### 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.** 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.

### **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**

Parties agree that at the time of contract execution, Accenture does not plan to provide equipment or software in support of this effort.

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.
- (c) It is the lawful owner or licensee of any Deliverable licensed or sold to the State by Contractor or developed by Contractor under this Contract, and Contractor has all of the rights necessary to convey to the State the ownership rights or licensed use, as applicable, of any and all Deliverables. None of the Deliverables provided by Contractor to the State under this Contract, nor their use by the State, will infringe the patent, copyright, trade secret, or other proprietary rights of any third party.
- (d) If, under this Contract, Contractor procures any equipment, software or other Deliverable for the State (including equipment, software and other Deliverables manufactured, re-marketed or otherwise sold by Contractor under Contractor's name), then in addition to Contractor's other responsibilities with respect to such items in this Contract, Contractor shall assign or otherwise transfer to the State or its designees, or afford the State the benefits of, any manufacturer's warranty for the Deliverable.
- (e) The contract signatory has the power and authority, including any necessary corporate authorizations, necessary to enter into this Contract, on behalf of Contractor.



(f) It is qualified and registered to transact business in all locations where required.

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

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

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

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

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

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

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

## **2.172 Software Warranties**

### **(a) Performance Warranty**

The Contractor represents and warrants that Deliverables, after Final Acceptance, will perform and operate in compliance with the requirements and other standards of performance contained in this Contract (including all descriptions, specifications and drawings made a part of the Contract) for a period of ninety (90) days. In the event of a breach of this warranty, Contractor will promptly correct the affected Deliverable(s) at no charge to the State.

### **(b) No Surreptitious Code Warranty**

The Contractor represents that it will not knowingly insert and will use commercially reasonable efforts to prevent a copy of licensed Software provided to the State from containing 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 viruses from software prior to delivering it to the State.

(c) Calendar Warranty

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

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

(d) Third-party Software Warranty

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

### **2.173 Equipment Warranty**

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

The Contractor represents and warrants that the equipment/system(s) shall be in good operating condition and shall operate and perform to the requirements and other standards of performance contained in this Contract,



when installed, at the time of Final Acceptance by the State, and for a period of one (1) year commencing upon the first day following Final Acceptance.

Within three (3) business days of notification from the State, the Contractor shall adjust, repair or replace all equipment that is defective or not performing in compliance with the Contract. The Contractor shall assume all costs for replacing parts or units and their installation including transportation and delivery fees, if any.

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

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

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

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

#### **2.174 Physical Media Warranty**

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

#### **2.175a DISCLAIMER**

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

#### **2.175b Standard Warranties**

(a) Warranty of Merchantability

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

(b) Warranty of fitness for a particular purpose

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

(c) Warranty of title

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

#### **2.176 Consequences For Breach**



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

## 2.180 Insurance

### 2.181 Liability Insurance

#### (a) Liability Insurance

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

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

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

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

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

See [http://www.mi.gov/cis/0,1607,7-154-10555\\_22535---,00.html](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 Purchasing Operations, 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 Purchasing Operations, Department of Management and Budget. The notice must include the Contract or Purchase Order number affected and be mailed to: Director, Purchasing Operations, 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



\$300,000 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 Purchasing Operations 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 one 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, 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.

(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 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 to be mutually agreed upon. 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 **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 Purchasing Operations, 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 Purchasing Operations, 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 Purchasing Operations.

(2) Contractor shall also notify the Office of Purchasing Operations 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 Purchasing Operations 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 Purchasing Operations  
Attention: Lisa Morrison  
PO Box 30026  
530 West Allegan  
Lansing, Michigan 48909

with a copy to:

State of Michigan  
Department of Information Technology  
Attention: Mark Lawrence  
Constitution Hall, Atrium - South Tower  
525 W. Allegan  
Atrium - South Tower  
Lansing, Mi. 48913

Contractor(s):

Name Jamie D. Walker  
Address 1000 Long Boulevard  
Lansing, MI 48911  
[Jamie.D.Walker@accenture.com](mailto:Jamie.D.Walker@accenture.com)

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

(b) Binding Commitments

Representatives of Contractor identified in Section 2.296 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



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

### **2.298 Reformation and Severability**

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

### **2.299 Consents and Approvals**

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

### **2.300 No Waiver of Default**

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

### **2.301 Survival**

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

### **2.302 Covenant of Good Faith**

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

### **2.303 Permits**

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

### **2.304 Website Incorporation**

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

### **2.305 Taxes**

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



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



### 2.306 Prevailing Wage

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

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

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

### 2.307 Call Center Disclosure

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

### 2.308 Future Bidding Preclusion

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

*2.310 Reserved*

*2.320 Extended Purchasing*

### 2.321 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://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/codification/executive_order/12549.html)

[http://www.archives.gov/federal\\_register/executive\\_orders/pdf/12869.pdf](http://www.archives.gov/federal_register/executive_orders/pdf/12869.pdf)

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





## EXHIBIT A

### WORK PRODUCT AND OWNERSHIP

The following provisions supplement the provisions set forth in section 2.160 of the contract.

1. The DEPARTMENT grants to the CONTRACTOR: 1) a perpetual, irrevocable, non-exclusive, worldwide, royalty-free, paid-up license to use, execute, reproduce, display, perform, distribute (internally and externally) copies of, and prepare derivative works based on Work Products, and; 2) the right to authorize others to do any of the former. In no event shall the CONTRACTOR be precluded from developing for itself, or for others, materials which are competitive with the Work Product, irrespective of their similarity to the Work Product. Contractor agrees to pay the Department an amount to be mutually agreed upon in exchange for the aforementioned license which fee will be deducted from the Department's first payment to Contractor.
  
2. Notwithstanding any provision of this Contract to the contrary, any preexisting work or materials including, but not limited to, any routines, libraries, tools, methodologies, processes or technologies (collectively, the "Development Tools") created, adapted or used by the Contractor in its business generally, including any and all associated intellectual property rights, shall be and remain the sole property of the Contractor, and the State shall have no interest in or claim to such preexisting work, materials or Development Tools, except as necessary to exercise its rights in the Work Product. Such rights belonging to the State shall include, but not be limited to, the right to use, execute, reproduce, display, perform and distribute copies of and prepare derivative works based upon the Work Product for the exclusive use of State, and the right to authorize others to do any of the foregoing, irrespective of the existence therein of preexisting work, materials and Development Tools, except as specifically limited herein.
  
3. The Contractor and its subcontractors shall be free to use and employ their general skills, knowledge and expertise, and to use, disclose, and employ any generalized ideas, concepts, knowledge, methods, techniques or skills gained or learned during the course of performing the services under this Contract, so long as the Contractor or its subcontractors acquire and apply such information without disclosure of any confidential or proprietary information of the State, and without any unauthorized use or disclosure of any Work Product resulting from this Contract.



## EXHIBIT B

### Section 1.104.6 from ITB 07116200246

#### Deliverables and Services to be provided

##### **6. Deliverables and Services to be Provided**

The following is a list of major tasks the Contractor must provide. The Contractor is not constrained from recommending additional tasks based on experience with similar engagements, to better accomplish the stated objectives of the contract. Contractor is encouraged to provide superior analysis and products for the sake of progressive improvement.

##### **b. Detailed Project Plan**

- i. The State recognizes that this contract has some identified tasks that would require a detailed project plan (enhancements, product upgrades and major implementations) and other tasks that will not necessarily require a project plan. The contractor should include in their bid response a description of their methodology and approach for this type of engagement and any examples of how they have supported other customers with similar requirements. The Contractor will within 14 days of contract commencement provide the State with a High Level Project Plan. After a further period to be mutually agreed with the State a detailed project plan will be required from the contractor. This plan shall:
  1. Describe Project goals and objectives,
  2. Define all phases and tasks, and
  3. Describe project control, risk management, and issue management mechanisms designed to keep the tasks on target and ensure that tasks are completed on time, within budget, and meeting the State's objectives.
  4. Identify all members of the Project Team including State and Contractor personnel,
  5. Contain a detailed work breakdown structure prepared using Microsoft Project that defines all major phases and tasks, milestones, and include a list of deliverables.
    - a. Dependencies between tasks must be defined and the resource qualifications must be described.
- ii. At a minimum, the detailed Project Plan must contain the following, as the State requires:
  1. Project Goals and Objectives
  2. Project Scope
  3. Project Phasing with Milestones and Key Deliverables identified, including;
    - a. Project Initiation
    - b. Design
    - c. Development
    - d. Transition and Implementation
    - e. Performance Readiness Review (PRR)
    - f. System Acceptance and Sign-off
    - g. Post Implementation and Project Closeout
  4. Project Organization Structure
  5. Resource and Skill Requirements
  6. Initial Risk and Mitigation Strategies
  7. Project Management and Control Strategies
  8. Estimated Budget and Costs
  9. Detailed Work Breakdown structure showing tasks, hours, duration, deliverables, and dependencies, as well as staff loading and balancing
  10. Critical Path Identification



- iii. The Contractor shall be responsible to maintain and monitor all aspects of the project plan and project oversight which is under their control and to coordinate all project planning and project oversight activities with the MDIT Project Control Office.
  - iv. Contractor will keep the plan current and provide current plans as requested and include updates with regularly scheduled status reports to MDIT and agency designated staff.
  - v. The Contractor will be required to work closely with the MDIT and the agencies to insure tasks are coordinated with and do not interfere with other vendors' projects.
- b. **Requirements Validation** – The Contractor shall:
- i. Describe and follow their methodology to conduct and document requirement validation sessions and walkthrough sessions with Subject Matter Experts.
  - ii. Provide requirements documentation in a manner that is consistent with Rational Suite and methodology
  - iii. Clarify any unclear or ambiguous requirements which could have an impact on system design or implementation. The requirements validation activities must include, but are not limited to:
    - 2. Review and analysis of current systems deployed
    - 3. Network WAN, LAN, and telephone requirements
    - 4. Necessary hardware and software specifications
- o. **Solution Center (Mandatory)**- The Contractor will as part of this proposal:
- i. Identify their own centers of excellence where these contact center technologies are implemented in a test environment.
  - ii. The Contractor's centers of excellence will act as a knowledge source for the on-site Contractor staff when complex problems arise.
    - 1. On-site Contractor staff shall be able to reach out to experts at these centers to help in problem solving without extra cost to the State.
    - 2. It will also host examples of all new versions of the software applications and give guidance to on-site Contractor staff.
  - iii. The Contractor will describe any Contractor resources that would be made available to on-site Contractor staff
- p. **CRM On Demand**
- i. The Contractor will create a generic Siebel application before the contract start date that will allow any State department to use Siebel as a simple contact management solution.
  - ii. The functionality provided should be sufficient to support a simple call center without telephony integration.
  - iii. MDIT would like this application to share the hardware architecture used to support the main State contact centers described in this RFP, although the Contractor may suggest a threshold number of users for this application that would necessitate additional new hardware.
  - iv. The Contractor will supply this application on December 1, 2006 so that the Siebel srf can be installed as soon as the new contract begins.
  - v. The Contractor will include in their response:
    - 1. A design document detailing a proposed Siebel configuration for this requirement and how it would work or, alternatively,
    - 2. Provide the design document and screen shots of an application that they have already configured and is working which they would propose for this requirement.
- q. **Enterprise Hardware Configuration**
- i. The Contractor will as part of this proposal, suggest a New Hardware Configuration using only existing servers to minimize the hosting costs which can be taken as \$14,000 per annum per server. The appendix lists the hardware currently used by all the contact centers.
  - ii. The Contractor may suggest as part of this proposal, the purchase of new hardware to replace existing hardware if the return on capital cost is within one year. For example, one new server might replace two existing servers thereby saving the \$14,000 hosting cost on one server.
  - iii. The Contractor will provide detail to all hardware infrastructure rationalization proposals.



1. For example, if the Contractor believes that the number of Genesys servers could be reduced they must describe the final hardware server configuration, the logical elements on each server, the operating systems and software on each server and a migration strategy that will minimize any possible loss of service or response time during migration.
  - iv. All the hardware required supporting the Siebel functionality must be clearly designated.
    1. The location of every Siebel component needs to be identified e.g. Communication Manager.
    2. If Microsoft Clustering is required, this must be indicated as well as the location of any quorum drive used to support the cluster.
    3. Siebel interfaces with other products and this sometimes results in third party drivers being located on Siebel hardware. All third party drivers must be identified and located in the hardware environment.
  - v. The State wishes to have at a minimum; production, test and development environments. Given the enterprise nature of these contact centers, a product fix environment may also be required. If the Contractor proposes installing more than one environment on a single hardware server, this must be stated.
  - vi. If the Contractor proposes installing software for different contact centers on the same sharing hardware, this should be clearly identified. For example, the Siebel Web Server Extension and the Siebel Gateway or Name Server.
  - vii. Any hardware implications of moving to Siebel 7.8 must be included in the Contractor's response. For example, the Contractor must provide the option, rationale and costs to use a different object manager load balancer instead of Resonate.
  - viii. Discuss the possible impact of Siebel 8 functionality and new database schema. For example, Siebel 8 brings a new search functionality that makes Siebel a better product for a knowledge base.
- r. **Meeting MDIT's Objectives**
- i. Contractor shall describe in some detail how they will help MDIT meet all its strategic objectives, identified in Section 1.002, in this contract.
- s. **Project Control Office**
- i. Contractor shall assist in establishing guidelines for a project control office for contact centers in the State.
  - ii. The Contractor should provide as a part of their response a high level outline for creating a project control office for coordination of Siebel contact center implementations across the state.
    1. This outline will include a proposed staff model.
    2. The Contractor will assist in developing guidelines and identifying roles and responsibilities.
- t. **Standards for Contact Centers**
- i. Contractor shall assist in establishing standards for contact centers.
  - ii. MDIT wants to minimize the costs of implementing and supporting agency contact centers. The Contractor will help MDIT establish standards based on best business practices for managing this type of activity.
  - iii. The Contractor will use resources from their own contact center practice to complete these tasks.
- u. **Knowledge Transfer**
- i. There will be a Knowledge Transfer Period for the Contractor.
  - ii. This will begin October 1, 2006, with the Contractor providing on site personnel to transfer knowledge from the current support team.
  - iii. This transfer of knowledge period will finish at December 31, 2006, and Contractor's responsibility to provide the identified Work and Deliverables will begin on that date.
    1. With the exception that the Security Review detailed in I. below shall be performed during the Knowledge Transfer period.
  - iv. It is expected that during this transfer period the Contractor will gain a detailed operational understanding of all the contact centers and the IT systems that support them.



- v. The Contractor will provide sufficient staff with the appropriate skills to undertake this knowledge transfer.
    - 1. It should not be assumed that the current support team will be free all the time during this period to update the Contractor since they will be engaged in supporting the various contact centers. Therefore a weekly timetable of meetings will be scheduled to facilitate Q&A sessions.
  - vi. This Knowledge Transfer period is not to be used by the Contractor as training for their team in how to configure the various software products employed.
    - 1. This Knowledge Transfer period is for the on-site transfer of knowledge of the existing configurations in the various technologies of each of the three contact centers to personnel of the new Contractor who are already fully skilled and proficient in the various products and their respective integrations.
  - vii. The Contractor will gain a detailed understanding of the interfaces from/to the various legacy systems connected to Siebel identified earlier in this document and interfaces with products previously identified which are maintained by MDIT.
- v. **Call Center Strategy**
- i. The Contractor will be required to assist the business managers in creating a contact center strategy and annual customer service enhancement plans. Contractor's proposal shall indicate how, and with what personnel, this will be accomplished.
  - ii. It is anticipated that each call center will revise/ create its call center strategy and annual customer service enhancement plans once a year. The Contractor will be expected to provide this assistance on annual basis for a limited number of hours as part of the base price for this contract.
    - 1. The Contractor will indicate the number of annual staff hours (including staff description) that it proposes to make available to each of the three contact centers for this purpose.
- w. **Quality of Support**
- i. The Contractor will describe how they propose to measure and communicate the quality of their support. This should include examples of Service Level Agreements used by the Contractor in other contact support contracts.
- x. **Security Review**
- i. The Contractor will be required to complete a security review of all three contact centers within the Knowledge Transfer part of the contract.
  - ii. This review will compare the implementations against Siebel's published security guidelines and the State's Office of Enterprise Security (OES) security guidelines and will identify any weaknesses or omissions.
  - iii. The Contractor will ensure that it makes available the appropriate resources to carry out this review.
    - 1. Contractor personnel that are not part of the named support team may carry out this task.
  - iv. It is anticipated that before the commencement of this contract Siebel will have a Common Criteria certification. The State will want all their Siebel contact centers to be configured to meet the Common Criteria standard.
- y. **Documentation**
- i. The Contractor will maintain documentation describing the application designs at all the contact centers in accordance with best practices.
  - ii. They will validate the current documentation and where there are inaccuracies or omissions, the Contractor will make the appropriate changes.
  - iii. As the Contractor makes changes to the applications, documentation will also be updated.
  - iv. These tasks will be completed as part of the base service cost.
- z. **Other Contact Center Services**
- i. The Contractor will be required to provide extra contact center services based on specific statements of work.



1. For example, the team will be supported by State MDIT Telecom staff who will write Avaya vectors for telephone call flows. At times the requirement for this service exceeds our internal resource and so a statement of work will be created to have the Contractor provide this service.
- ii. Contractor will provide a rate card for all possible skills/ services that may be required in the contact center space.

**aa. Reports**

- i. All the contact centers run various operational reports based on Siebel Reports, Genesys ccPulse and ccAnalyzer, Brio, Avaya's CMS and adhoc reports based on SQL queries on the database.
- ii. The Contractor must demonstrate the ability to maintain existing reports using all the different products and where necessary create new reports.
- iii. Treasury reviews its call center performance in June/July each year and uses a significant number of pre-built SQL reports which are run on a copy of the production database. The Contractor will be expected to support this process by providing a copy of the production database and by maintaining the SQL reports. The agency may make certain amendments to these reports.

**bb. Testing**

- i. Each business unit will supply staff for product testing before a new release of any application software. The Contractor will work with the business staff to ensure that the test scripts adequately test both the new functionality and regression test the base functionality.
- ii. The Contractor shall be responsible for the timely movement of this test data into the application development and user acceptance test environments of each call center.

**cc. System Configuration**

- iii. Contractor shall document and provide end-to-end system configuration diagrams and descriptions, including all provided and recommended hardware, software, and interfaces for any proposed production environment.
- iv. The documentation must include configuration descriptions, configuration management flows and controls for development and testing environments

**s. Implementation Plan**

- iii. Contractor will develop and provide a comprehensive implementation plan for any solution(s).
- iv. The implementation plan is to be inclusive of the following elements and deliverables:
  7. An overview of the proposed deployment plan
  8. A timeline for the deployment, with appropriate milestones
  9. Identification of risks and mitigation strategies
  10. Operational approach, logistical approach and migration path from the existing system to the replacement system
  11. An implementation staffing plan, adequate to meet all deliverables within the stated timeframes
  12. A Communication and Education Plan, where considered appropriate by the State, targeted to end-users and designed to facilitate a seamless transition from a client/caller perspective.
    - f. The Communication and Education Plan will be developed and presented to the State for approval within 45 days of contract initiation.
    - g. The Plan will outline the strategy, approach, deliverables and timeline for preparing the appropriate State entities, the stakeholders and client base for the transition from an existing system to the new solution.
    - h. The Communication and Education Plan must clearly identify Contractor and State responsibilities.
    - i. The Communication and Education Plan approach, and any associated costs, must be included in the Contractor's response to the ITB.
    - j. The communication and education plan is to include the production of any brochures, public service announcements, messages, mailings, flash cards, web postings or other methods of



communication recommended by Contractor (and agreed to by the State) to educate and inform clients of any significant changes in access or information provided between the existing system and any replacement system.

u. **Performance Readiness Review**

- i. Contractor will conduct a Performance Readiness Review (PRR), which is to commence a minimum of two weeks prior to any cut-over to a new production ready system, providing a period of overlap with the existing system.
- ii. The PRR must successfully demonstrate, to the State's satisfaction, all required functionality and any discretionary functionality that the State has elected to implement with the cut-over.
- iii. The PRR must demonstrate and simulate the full production environment.
- iv. A PRR checklist and system acceptance form will be developed, and agreed upon by the State and the Contractor, based upon the requirements in this RFP and the contractual deliverables.
- v. Any deficiencies or defects found during the PRR must be corrected by Contractor prior to cut-over, unless otherwise accepted in writing by the State.
- vi. State signatories to final sign-off and acceptance of the system as production ready will include designated representatives from the agency(ies), MDIT, and designated representative(s) of the Contractor's implementation team.

v. **System Maintenance & Transition**

For major implementations:

- i. Contractor will provide a plan that details the strategy to transition all services and maintenance of the new systems to any State-supported services and maintenance team.
- ii. The plan will identify the maintenance organization, contact lists, roles and responsibilities, process, management procedures, and approach to integrating the State personnel into the maintenance process to facilitate transition. The plan will address, at a minimum, the following tasks and issues:
  9. Develop Maintenance, Operation and Disaster Recovery Plan
  10. Provide appropriate expertise from its development team
  11. Provide maintenance and support
  12. Cross-Train State support staff
  13. Provide appropriate support information to Help-Desk staff
  14. Plan for long-term customer support
  15. Define the Contractor's strategy, process and timeline for application, product and operating system releases and upgrades
  16. Define the approach, strategy and processes for upgrades to any Contractor-provided hardware
- iii. The plan will also propose the optimal staffing levels.
- iv. Contractor is not constrained from recommending additional tasks based on experience with similar engagements, to better accomplish the stated objectives of the contract.

v. **Warranty Period**

- i. Contractor shall provide an end-to-end system and application warranty period for new products.
- ii. This period will be at least six months from the date any system is fully deployed and formally accepted by the State.
- iii. The purpose of the warranty period is to identify and correct any problems, at no additional cost to the State, which result from Contractor's deliverables. This includes, but is not limited to, resolving software, hardware or interface problems, scripting errors, training questions, back-up failure or other system malfunctions.
- iv. Any software changes made or introduced by Contractor during the initial warranty period, or subsequent to the initial warranty period, shall be covered to be free of defects for an additional 90 day period.
  1. Defects identified during the 90 day warranty will be corrected by Contractor at no additional cost to the State.



2. The definition of a defect includes not only a deficiency or flaw in the modified or new code, but also the introduction of a software change that adversely affects other functionality or performance of the IVR system.
3. The warranty extends to any introduction of software changes made by Contractor, including custom code, proprietary software or COTS applications.
- v. Hardware which is not supplied by Contractor, but procured by the State from another source will not be included in this warranty coverage.

w. **System Change Orders**

The State will create a statement of work for major implementations which, if accepted, will result in a system change order.

- i. Contractor must respond to an issued statement of work within 15 business days with a description of the work to be performed, timeframe for completion and a firm fixed price cost derived from the hourly rates quoted in the cost proposal response to this RFP.
- ii. The State reserves the right to accept or reject any statement of work responses. Once accepted, statements of work fall under the same requirements and contractual terms and conditions as outlined in this ITB and the subsequent resulting contract.
- iii. The implementation of functionality and features identified as included in the baseline product offering and cost, which can be implemented at the State's option are considered routine changes, and not chargeable as a system change order.