

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY MANAGEMENT AND BUDGET
PROCUREMENT & REAL ESTATE SERVICES ADMINISTRATION September 15, 2011
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 6
TO
CONTRACT NO. 071B7200346
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Compuware Corporation One Campus Martius Detroit, MI 48226 Email: Cindy.Janssen@compuware.com	TELEPHONE Cindy Janssen 517-267-5252
	VENDOR NUMBER/MAIL CODE
	BUYER (517) 241-3215 Steve Motz
Contract Administrator: Mike Breen (517) 241-7720 C-TRAK Contract Management System for the Michigan Department of Transportation (MDOT)	
CONTRACT PERIOD: From: September 13, 2007 To: March 31, 2012	
TERMS N/A	SHIPMENT N/A
F.O.B. Delivered	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS No Minimum Order Requirement.	
MISCELLANEOUS INFORMATION:.	

NATURE OF CHANGE (S):

Effective immediately, this contract is hereby INCREASED by \$332,288.00 and is EXTENDED through March 31, 2012 per the attached. Please note that the vendor's phone number has been updated. All other terms, specifications, and pricing remain unchanged.

AUTHORITY/REASON:

Per Ad Board approval on 9/15/2011.

INCREASE: \$332,288.00

TOTAL REVISED ESTIMATED CONTRACT VALUE: \$2,636,718.00

Required Advice of Change/Contract Change Notice(s) for Infrastructure/Hosting Services:

- New contract term for hosting/infrastructure services from 9/13/11 through 3/31/12
- Appropriate monies added to contract of \$307,303.00, as outlined above
- Compuware will not provide a disaster recovery site or disaster recovery services for C-TRAK
- Infrastructure/Hosting Services to include:
 - Existing Co-Location for Primary Site (Southfield, MI): Cabinet, Internet Access, Power Supply
 - Existing Infrastructure (Servers, Hardware, Operating Systems & OS Licensing) Upgrades:
 - VMware vSphere 4.1 or 5.0 Bundle with Software Assurance
 - Additional storage capacity to the existing SAN (as needed)
 - Upgrade Support Coverage on all existing equipment
 - Installation / Implementation / Configuration services
 - Existing Oracle 10 Software
 - Existing T1 line Access
 - Compuware Team's resources for support

- If for any reason, the State of Michigan (State) elects to terminate before 3/31/12, the following terms and conditions are applicable:
 - The State must provide Compuware with a minimum thirty (30) days prior written notice of cancellation via the following contact information:
 Cindy Janssen, Managing Director
 E-mail: Cindy.Janssen@Compuware.com
 - The following early cancellation fees will payable by the State to Compuware, in addition to any outstanding monies owed for services already delivered and/or invoiced:

Termination/Cancellation During Month of:	Early Termination / Cancellation Fee	Invoice Date
September 2011	\$129,408.00	10/1/11
October 2011	\$118,025.00	11/1/11
November 2011	\$106,642.00	12/1/11
December 2011	\$95,257.00	1/1/12
January 2012	\$83,876.00	2/1/12
February 2012	\$72,493.00	3/1/12
March 2012 (prior to 3/31/12)	\$46,561.00	4/1/12

Contraxx Software Maintenance

The State has requested the option to extend the Compuware contract 071B7200346 to renew the Contraxx Software Maintenance agreement for a period of five (5) months as follows:

Service	Coverage Dates	Payment Amount
5 months of Contraxx Software Maintenance	11/1/11-3/31/12	\$51,208.33

Compuware must be notified by the State in writing, of the State's intent to utilize contract # 071B7200346 for the renewal of the Contraxx software maintenance agreement by 9/30/2011, via the following contact information:

Cindy Janssen, Managing Director

E-mail: Cindy.Janssen@Compuware.com

Required Advice of Change/Contract Change Notice(s) for Contraxx Software Maintenance:

- New contract term for Contraxx Software Maintenance Agreement from 11/1/11 through 3/31/12
- Appropriate monies added to contract of \$51,208.33, as outlined above

Upon receipt of the notice, Compuware will invoice the State and the State agrees to pay the associated invoice by 11/01/2011.

Estimated Transition Services

The State has requested a bank of reserve hours to utilize as necessary to perform transition support services from 9/13/11-3/31/12. Compuware is providing the following estimates based upon the State's request and estimated hours per role (as provided by the State):

Role	Hourly Bill Rate	Estimated Hours	Estimated Cost
DBA	\$210.00	42	\$8,820.00
Systems Analyst	\$230.00	40	\$9,200.00
QA Manager	\$199.00	35	\$6,965.00
		Estimated Grand Total	\$24,985.00

Required Advice of Change/Contract Change Notice(s) for Estimated Transition Services:

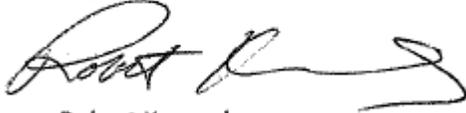
- Term for Transition services from 9/13/11 through 3/31/12
- Appropriate monies added to contract of \$24,985.00, as outlined above
- If the State requires additional transition services above the reserved bank of hours and/or money, then additional monies must be added to the contract before additional transition services can commence

It is Compuware's understanding that the State will make separate arrangements regarding hosting/infrastructure services and the Contraxx Software Maintenance Agreement for the period past 3/31/12.

We make IT rock around the world

Compuware is providing this proposal at the request of the State of Michigan, MDOT and DTMB as described above. If you should have any questions, please contact Cindy Janssen at our Lansing office – (517) 267-5252.

Regards,

A handwritten signature in black ink, appearing to read "Robert Kennedy", with a stylized flourish at the end.

Robert Kennedy
Vice President
Compuware Corporation

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

January 18, 2011

CHANGE NOTICE NO. 5
TO
CONTRACT NO. 071B7200346
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Compuware Corporation One Campus Martius Detroit, MI 48226 Email: Cindy.Janssen@compuware.com	TELEPHONE Cindie Augé 517-347-1696 ext. 229
	VENDOR NUMBER/MAIL CODE
	BUYER (517) 241-3215 Steve Motz
Contract Administrator: Mike Breen (517) 241-7720 C-TRAK Contract Management System for the Michigan Department of Transportation (MDOT)	
CONTRACT PERIOD: From: September 13, 2007 To: September 12, 2011	
TERMS N/A	SHIPMENT N/A
F.O.B. Delivered	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS No Minimum Order Requirement.	
MISCELLANEOUS INFORMATION:.	

NATURE OF CHANGE (S):

Effective immediately, this Contract is hereby **INCREASED** by \$90,000.00.

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

AUTHORITY/REASON:

Per Ad Board approval on 1/18/2011 and DTMB/Procurement & Real Estate Services Administration.

INCREASE: \$90,000.00

TOTAL REVISED ESTIMATED CONTRACT VALUE: \$2,304,430.00

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

September 15, 2010

CHANGE NOTICE NO. 4
TO
CONTRACT NO. 071B7200346
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Compuware Corporation One Campus Martius Detroit, MI 48226 Email: Cindy.Janssen@compuware.com	TELEPHONE Cindie Augé 517-347-1696 ext. 229
	VENDOR NUMBER/MAIL CODE
	BUYER (517) 241-3215 Steve Motz
Contract Administrator: Mike Breen (517) 241-7720 C-TRAK Contract Management System for the Michigan Department of Transportation (MDOT)	
CONTRACT PERIOD: From: September 13, 2007 To: September 12, 2011	
TERMS N/A	SHIPMENT N/A
F.O.B. Delivered	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS No Minimum Order Requirement.	
MISCELLANEOUS INFORMATION:	

NATURE OF CHANGE (S):

Effective immediately, this contract is hereby INCREASED by \$142,952.00 and is EXTENDED one year to September 12, 2011. All other terms, specifications, and pricing remain unchanged.

AUTHORITY/REASON:

Per contractor request, agency concurrence, and Ad Board approval on 9/14/2010.

INCREASE: \$142,952.00

TOTAL REVISED ESTIMATED CONTRACT VALUE: \$2,214,432.00

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

July 1, 2010

CHANGE NOTICE NO. 3
TO
CONTRACT NO. 071B7200346
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Compuware Corporation One Campus Martius Detroit, MI 48226 Email: Cindy.Janssen@compuware.com	TELEPHONE Cindie Augé 517-347-1696 ext. 229
	VENDOR NUMBER/MAIL CODE
	BUYER (517) 241-3215 Steve Motz
Contract Administrator: Mike Breen (517) 241-7720 C-TRAK Contract Management System for the Michigan Department of Transportation (MDOT)	
CONTRACT PERIOD: From: September 13, 2007 To: September 12, 2010	
TERMS N/A	SHIPMENT N/A
F.O.B. Delivered	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS No Minimum Order Requirement.	
MISCELLANEOUS INFORMATION:	

NATURE OF CHANGE (S):

Effective immediately, this contract is hereby INCREASED by \$4,516.00 (See attached Change Control Request C014) to include additional spending authority required to provide additional functionality not provided in the original contract. All other terms, specifications, and pricing remain unchanged.

AUTHORITY/REASON:

Per contractor request, agency concurrence, and Ad Board approval on 6/30/2010.

INCREASE: \$4,516.00

TOTAL REVISED ESTIMATED CONTRACT VALUE: \$2,071,478.00

**State of Michigan
C-TRAK Project
Change Control Request**

A. General Information

Information to be provided in this section is general in nature and provides the necessary information about the organization of the project and project participants.

Project ID/Acronym:	<u>C-TRAK</u>	Date:	<u>February 11, 2010</u>
Controlling Agency:	<u>MDOT</u>	Modification Date:	<u>February 16, 2010</u>
Prepared by:	<u>Diane Toscano</u>	Control Number (From Control Log)	<u>C014</u>

B. Requestor Information

Proposed Change Description and References:

The requestor will provide information concerning the requested change along with any supporting documentation.

This CCR C014 incorporates three requested MDOT changes:

- 1) Modify MERS Contract View (Bugtracker Issue #401) – add a new column Service Completion Date. For IDS contracts, the Service Completion Date should be pulled at the authorization level. For Regular contracts, use the expiration date.
- 2) Modify CPS View (Bugtracker Issue #350) – see embedded word document at the end of this section for specifications
- 3) Add CA Comments under the Appeal area for a Regular Contract or Authorization (Bugtracker Issue #135) – There is no place to put CA Comments under the Appeal area for a Regular Contract or Authorization. This will require modifications to the existing contract/authorization/project authorization templates and several input screens plus run scripts in QA and PROD to add this field to existing records.

Below are the detailed specifications for CPS View changes



C:\Documents and Settings\mibdt0\My I

Impact of Not Implementing Proposed Change:

Not having necessary data available to MDOT in C-Trak.

Alternatives:

None

C. Initial Review Results of the Change Request

Initial Review Date: 2/10/2010

Assigned to: Compuware

Approve for Impact Analysis

AK Outbound Interfaces

State System: CPS

USER: CTRAK_CPS_VIEWER

Note: Remove the filter type_cd='IDS' from the current query, we would like to have all contracts. If any of the column in number or date data type in CTRAK, please give us in the same format and do not convert the type to character.

Table	Column	Data type	Description	Select
VW_CTRAK_CPS_CNTRCT_VENDOR	VNDR_ID	NUMBER	IDS Contractor ID	✓
	VNDR_NAME	VARCHAR2(80)	Name of the IDS Contractor	✓
	VENDOR_STATUS	Char, Not sure about the size	Vendor status or vendor such as 'Active' or 'Inactive' if any	✓
	CNTRCT_FY	VARCHAR2(4)	IDS CONTRACT YEAR. This part of the IDS Contract number	✓
	CNTRCT_SEQ_NUM	VARCHAR2(4)	This is part of the Contract Number. Both CNTRCT_FY and CNTRCT_SEQ_NUM should be used to identify any contract.	✓
	CNTRCT_TTL	VARCHAR2(80)	Description of the contract if any	✓
	TYPE_CD	Not sure about the data type and size	Type of contract, example IDS, REG etc. All contracts are required for new.	✓
	EFFECT_DATE	DATE	Start of the contract or effective date	✓
	EXP_DATE	DATE	Contract expiration date	✓
	STAT_CD	Not sure about the data type and size	Current Status of Contract	✓

All vendor pre-qualification information

Table	Column	Data type	Description	Select
VW_CTRAK_CPS_PRE_QUAL	VNDR_ID	NUMBER	IDS Contractor ID	✓
	PREQUALIFICATION CATEGORY CODE or ID	Not sure about type and size	Pre-qualification category id if there is code	✓
	PREQUALIFICATION CATEGORY DESCRIPTION	Not sure about type and size	Pre-qualification category description	✓
	CLASSIFICATION	Not sure about type and size	Description of qualification	✓
	STATUS	Not sure about type and size	Approval status for the vendor	✓
	EFFECTIVE DATE	DATE	Date from when the contract is effective.	✓
	EXPIRATION DATE	DATE	Date till the pre-authorization valid	✓

D. Initial Impact Analysis

Baselines Affected:

Cost

Configuration Items Affected:

Interfaces and Contract functionality

Cost / Schedule Impact Analysis Required? Yes No

Impact on Cost: 23 hours of System Analysis, Testing, Development and PM Support required to implement the desired changes

Impact on Schedule:

None – maintenance agreement term still in effect

Impact on Resources:

None

Final Review Results:

Review Date:

Classification: HIGH MEDIUM LOW

E. Impact Analysis Results

Specific Requirements Definition:

Additional Resource Requirements	Work Hours	Cost
System Analysis	14	\$ 3,220.00
QA/Testing	4	\$ 796.00
Project Management/ Support	5	\$ 500.00
TOTAL		\$ 4,516.00

Impact of Not Implementing the Change:

Not having necessary data available to MDOT in C-Trak.

Alternatives to the Proposed Change:

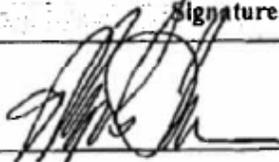
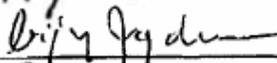
None

Final Recommendation:

Approve

F. Signatures

Governance Body:

Name/Title	Signature	Date
Wayne Roe, MDOT Administrator, Contract Services Division		2/17/2010
Vijay Jagdale, MDIT C-TRAK Support Manager		2/16/2010
Diane Toscano, Compuware Program Director		2/22/10

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

August 18, 2009

CHANGE NOTICE NO. 2
TO
CONTRACT NO. 071B7200346
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Compuware Corporation One Campus Martius Detroit, MI 48226 Email: Cindy.Janssen@compuware.com	TELEPHONE Cindie Augé 517-347-1696 ext. 229
	VENDOR NUMBER/MAIL CODE
	BUYER (517) 241-3215 Steve Motz
Contract Administrator: Mike Breen (517) 241-7720 C-TRAK Contract Management System for the Michigan Department of Transportation (MDOT)	
CONTRACT PERIOD: From: September 13, 2007 To: September 12, 2010	
TERMS N/A	SHIPMENT N/A
F.O.B. Delivered	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS No Minimum Order Requirement.	
MISCELLANEOUS INFORMATION:	

NATURE OF CHANGE (S):

Effective immediately, this contract is hereby INCREASED by \$59,500.00 (See attached Change Control Request C005) to include additional spending authority required to support key interface requirements not included in the original contract. All other terms, specifications, and pricing remain unchanged.

AUTHORITY/REASON:

Per contractor request, agency concurrence, and Ad Board approval on 8/4/09.

INCREASE: \$59,500.00

TOTAL REVISED ESTIMATED CONTRACT VALUE: \$2,066,962.00

**State of Michigan
C-TRAK Implementation
Change Control Request**

A. General Information

Information to be provided in this section is general in nature and provides the necessary information about the organization of the project and project participants.

Project ID/Acronym:	C-TRAK	Date:	3/10/09
Controlling Agency:	MDOT	Modification Date:	6/11/2009
Prepared by:	Don Tondreau	Control Number (From Control Log)	C005

B. Requestor Information

Proposed Change Description and References:

The requestor will provide information concerning the requested change along with any supporting documentation.

Interface requirements work began on 11/19/2007 with subsequent State updates/revisions to specifications sent to Compuware in May 2008, June 2008, October 2008, November 2008, December 2008, January 2009, March 2009, April 2009 and May 2009. Per the project schedule, this work was supposed to have been completed by the State in December 2008 and a mapping document was provided to Compuware at that time. However, the mapping provided by the State as "final" in December 2008 was not correct. While several hundred Compuware team hours were expended prior to January 2009 on this effort (analysis, development and testing), those hours are not included in this CCR.

Multiple meetings, reviews, re-definition and re-creation of the links occurred from January through May 2009 before the mapping was finally correct. Changes in the outbound interface specs also resulted in additional rework. This resulted in additional hours being expended beyond what could reasonably be expected for this fixed price work. The table below reflects those additional hours:

Month	Item Description	Compuware		Ecteon		TOTAL
		Hours	Cost	Hours	Cost	
January 2009	Review meetings to determine new mapping	33	\$6,105	30	\$6,900	\$13,005
February 2009	Review meeting and follow-up: AE coding	87	\$16,095	5	\$1,150	\$17,245
March 2009	Revised scripts and mapping reviews	12	\$2,220	45	\$10,350	\$12,570
April and May 2009	Revised scripts and mapping reviews; changes to outbound interfaces	28	\$5,180	50	\$11,500	\$16,680
TOTALS		160	\$29,600	130	\$29,900	\$59,500

Compuware alerted the State of concerns regarding this critical path item in a February 2009 email, followed by a Change Control Request to perform an impact analysis. The impact analysis CCR was submitted on 3/10/09 and approved by the State on 3/24/09. The issue/risk was also part of the C-Trak monthly executive review meetings in January, March and April 2009.

Impact of Not Implementing Proposed Change:

Loss of compensation for re-work fairly performed to meet changing State requirements/specifications.

Alternatives:

None

C. Initial Review Results of the Change Request

Initial Review Date: _____ Assigned to: _____

Approve for Impact Analysis

Reject

Defer Until:

Reason:

D. Initial Impact Analysis

Baselines Affected:

Cost/Schedule

Configuration Items Affected:

None

Cost / Schedule Impact Analysis Required? Yes No

Impact on Cost:

\$59,500

Impact on Schedule:

See Change Control Request #C006 for impact on schedule.

Impact on Resources:

Several times, resources were allocated from other project activities to focus on interface analysis, development and testing as new specifications were delivered from the State.

Final Review Results:

Review Date:

Classification:



HIGH



MEDIUM



LOW

E. Impact Analysis Results

Specific Requirements Definition:

Estimates have been made for the amount of work/re-work expected as described above. A summary table of the additional hours and cost is provided below. Once this Change Request is approved, the amount below will be invoiced to the State. **Estimates below are in hours, not days.**

Additional Resource Requirements	Work Days	Cost
Ectcon Analytical Support - Interfaces	130	29,900
Compuware Analytical Support - Interfaces	160	29,600
TOTAL:	290	59,500

Impact of Not Implementing the Change:

Loss of compensation for re-work fairly performed to meet changing State requirements/specifications.

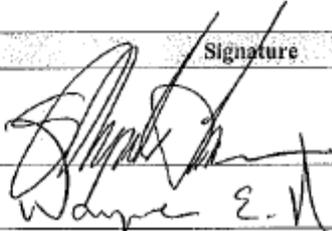
Alternatives to the Proposed Change:

None

Final Recommendation:

F. Signatures

Governance Body:

Name/Title	Signature	Date
Myron Frierson, MDOT Bureau Director, Finance & Administration		6/12/09
Wayne Roe, MDOT Administrator, Contract Services	Wayne E. Roe	6/12/09

Division		
Cindy Janssen, CPWR Director of Services	<i>Cindy Janssen</i>	<i>6/12/09</i>

Scott Thompson 6/12/09

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

October 24, 2007

CHANGE NOTICE NO. 1
TO
CONTRACT NO. 071B7200346
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Compuware Corporation One Campus Martius Detroit, MI 48226 Email: Cindy.Auge@compuware.com	TELEPHONE Cindie Augé 517-347-1696 ext. 229
	VENDOR NUMBER/MAIL CODE
	BUYER (517) 241-3215 Steve Motz
Contract Administrator: Mike Breen (517) 241-7720 C-TRAK Contract Management System for the Michigan Department of Transportation (MDOT)	
CONTRACT PERIOD: From: September 13, 2007 To: September 12, 2010	
TERMS <u>N/A</u>	SHIPMENT <u>N/A</u>
F.O.B. <u>Delivered</u>	SHIPPED FROM <u>N/A</u>
MINIMUM DELIVERY REQUIREMENTS <u>No Minimum Order Requirement.</u>	
MISCELLANEOUS INFORMATION:	

NATURE OF CHANGE (S):

Effective immediately, the following modifications are made:

1) Section 2.162 Source Code Escrow, is replaced by the following:

2.162 Source Code Escrow

Compuware has an existing Escrow Agreement with Brooks and Kushman, P.C., a copy of which is attached is for your review - Escrow Agreement. Additionally, the State may become a beneficiary to this Agreement for no additional cost.



Compuware Escrow
Agreement.pdf

Contraxx Escrow:

1. Licensor has entered into an escrow agreement (the "Escrow Agreement") with EscrowTech International Inc. (the "Escrow Agent") whereby Licensor has delivered and will deliver to the Escrow Agent, pursuant to the terms thereof, the following:
 - (i) A complete copy in machine-readable form of the source code and executable code of the most recent version (update) of the Software;
 - (ii) A complete copy of the existing technical documentation and user documentation for the most recent version (update) of the Software; 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. (collectively the "Deposit")

Upon Licensee's written request, Licensor and Licensee shall execute and deliver the appropriate documents to enroll Licensee as a Licensee under the Escrow Agreement with the release provisions provided herein.

2. Licensee shall cooperate and at Licensor's request, promptly sign and deliver such documents to release superceded versions of Software from the escrow which are not required to be supported under this agreement and in the event that this Maintenance Agreement is not renewed. If Licensee fails to deliver its consent to release such version from escrow, or if Licensee wants to maintain said version in escrow, Licensee shall pay any costs for maintaining such version in escrow.
3. If Escrow Agent ceases to provide escrow services or at Licensor's discretion, Licensor shall be entitled to find a suitable substitute for Escrow Agent, subject to Licensee's consent, which consent shall not be unreasonably withheld if Licensee receives the same benefits as provided in the current Escrow Agreement.
4. Licensee has examined a copy of the Escrow Agreement and accepts the terms thereof subject to the supplemental terms set forth in this agreement.
5. **Release Conditions** .The Escrow Agreement shall provide that during the term of this Agreement, as extended from time to time, provided that the Licensee is current and in compliance with all its obligations to the Licensor under the License Agreement and Maintenance Agreement the Licensee ("Beneficiary") shall be entitled to a copy of the Deposit on the following release condition:
 - (i) The Licensor 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 Licensor has wound up or liquidated its business voluntarily or otherwise and the State has reason to believe that such events will cause the Licensor to fail to meet its warranties and maintenance obligations in the foreseeable future;
 - (iii) The Licensor voluntarily or otherwise discontinues support of the provided products or fails to support the products in accordance with its maintenance obligations and warranties.
6. In the event that Licensee is granted possession of the source code under the Escrow Agreement, Licensee shall be entitled to use the source code solely for the purposes of maintaining, updating, and/or supporting the licensed Software in accordance with the allowed uses under the License Agreement. Licensee agrees that such source code is Licensor's proprietary confidential information, and will not disclose it to any third party except as needed for the limited purposes set forth herein.

7. Release Event Procedures. If the Licensee desires to obtain the Deposit from the Escrow Agent upon the occurrence of an Event in Section 14.5, then:
 - (i) The Licensee shall comply with all procedures in the Escrow Agreement;
 - (ii) The Licensee shall maintain all materials and information comprising the Deposit in confidence in accordance with this Contract;
 - (iii) If the release is a temporary one, then the Licensee shall promptly return all released materials to Licensor when the circumstances leading to the release are no longer in effect.

8. License. Upon release from the Escrow Agent pursuant to an event described in Section 14.5, the Licensor automatically grants the Licensee a non-exclusive, irrevocable license to use, reproduce, modify, maintain, support, update, have made, and create Derivative Works. Further, the Licensee shall have the right to use the Deposit in order to maintain and support the Software so that it can be used by the Licensee as set forth in this Contract.

9. Derivative Works. Any Derivative Works to the source code released from escrow which are made by or on behalf of the Licensee shall be the sole property of the Licensee. The Licensee acknowledges that its ownership rights are limited solely to the Derivative Works and do not include any ownership rights in the underlying source code.

10. This Escrow section 14 shall terminate upon termination of the Software License Agreement, termination of the Maintenance Agreement, default of Licensee in the payment of fees due hereunder (which default has not been cured within 30 days after notice), or release of the Deposit to Licensee. Upon termination of this agreement, Licensee shall promptly provide any documents necessary to remove Licensee as a Beneficiary under the Escrow Agreement. If Licensee fails to timely provide such release documents, Licensee shall be reimburse Licensor for any reasonable legal costs and court costs incurred by Licensor in obtaining said documents.

2) Section 2.172 Software Warranties, (a) Performance Warranty, is replaced by the following:

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 **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.

3) Section 2.201 Limits of Liability, is added to this contract via this change notice:

2.201 Limits of Liability

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

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

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

4) The attached Appendix F - *Software End-User License Agreement*, has been executed and is hereby included in this contract:



Appendix F.doc

5) The attached Appendix G - *Software Maintenance Agreement*, has been executed and is hereby included in this contract:



Appendix G.doc

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

AUTHORITY/REASON:

Per contractor request and agency concurrence.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$2,007,462.00

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. 071B7200346

between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF VENDOR Compuware Corporation One Campus Martius Detroit, MI 48226 Email: Cindy.Auge@compuware.com	TELEPHONE Cindie Augé 517-347-1696 ext. 229 VENDOR NUMBER/MAIL CODE BUYER (517) 241-3215 Steve Motz
Contract Administrator: Mike Breen (517) 241-7720 C-TRAK Contract Management System for the Michigan Department of Transportation (MDOT)	
CONTRACT PERIOD: From: September 13, 2007 To: September 12, 2010	
TERMS <p style="text-align: center;"><u>N/A</u></p>	SHIPMENT <p style="text-align: center;"><u>N/A</u></p>
F.O.B. <p style="text-align: center;"><u>Delivered</u></p>	SHIPPED FROM <p style="text-align: center;"><u>N/A</u></p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;"><u>No Minimum Order Requirement.</u></p>	
MISCELLANEOUS INFORMATION: The terms and conditions of this Contract are those of ITB #07116200249, this Contract Agreement and the vendor's quote dated July 31, 2007. 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: \$2,007,462.00	

THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the [ITB No. 07116200249](#). Orders for delivery of equipment will be issued directly by the [State Agencies](#) 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: Compuware Corporation	FOR THE STATE:
Firm Name	Signature Greg Faremouth, Division Director
Authorized Agent Signature	Name/Title Information Technology Division, Purchasing Operations
Authorized Agent (Print or Type)	Division
Date	Date



**STATE OF MICHIGAN
DEPARTMENT OF MANAGEMENT AND BUDGET
PURCHASING OPERATIONS**

Contract No. 071B7200346

**C-TRAK - Contract Management System for the
Michigan Department of Transportation (MDOT)**

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

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Terms, Acronyms and Definitions: The definitions included in the table below pertain to every component of this Contract, including all attachments

Term	Definition
AD Board	Administrative Board that has the final authority to review and approve recommendation packages/contract changes.
Addendum	Document utilized to modify posted documents (such as bid packages, contracts, etc.)
Acquisition Folder	Includes documentation from the Requisition through Contract/Purchase Order development and approval.
ADPICS	MAIN module utilized currently by the state for processing of procurement transactions such as requisitions, invitations to bid, and purchase orders.
Advice of Change	Document utilized for processing changes to requisitions, CS-138's, purchase orders and contracts.
Agency	Executive Branch Department
Bid Tab	The recommendation document that goes to the Administrative Board for approval.
BPO	Blanket Purchase Order (multi-year contract).
Category	The way a procurement request is organized. Procurements are usually organized by commodities (general or IT) or services (general, IT or (professional), or a procurement that is a combination of several.
CATS (MDOT)	Contract Administration and Tracking System (Michigan Department of Transportation)
Clarifications	Questions compiled by the bid evaluation team surrounding a vendor's response. Clarifications may be technical or pricing.
Close Out	The phase that collects the project documentation from the entire project, including milestone acceptance, encumbrance liquidation, documentation of vendor/state review, etc. so that it can be archived.
Contract	Refers either to the agreement (including terms and conditions) corresponding to a BPO (see above), or an agreement between a State agency and a cooperative purchasing partner (local unit of government, for example), or an agreement between one State agency and another State agency.
Contract Archive File	Archived purchase package and any additional documentation gathered through Close Out (see above).
Contract folder	Includes all documentation from the point of contract execution, through contract management, invoicing, payment, closeout, and expiration/termination.
C-TRAK	The Entire contract management solution as it applies to MDOT
CS-138	Civil Service Approval document for contracted services
Department	Another term for Agency, end-using organization
DIT-15	Document used to initiate an IT purchase. Approval document for purchase requests and amendments routing through Department of Information Technology (DIT).
DMB AS-1	Approval document for purchase requests and amendments routing through DMB Purchasing Operations
DPO /PO	Direct Purchase Order/Purchase Order (single-year contract)
EDI	Electronic Data Interchange
EFT	Electronic Funds Transfer
Evaluation Worksheet	A worksheet to evaluate if a vendor bid meets the procurement requirements, according to the selection criteria and purchasing process identified in Article 4 of the solicitation.
F & C	Finance & Claims Committee
FEIN	Federal Employer Identification Number



FOIA	Freedom of Information Act
ITAM	The State's Information Technology Asset Management System
ITB	Invitation to Bid (See RFP)
MAIN	Michigan Administrative Information Network
MAP (MDOT)	MDOT Architecture Project
MFOS (MDOT)	MAP Financial Obligation System
MIDB	Michigan Informational Database
MPINS (MDOT)	MAP Project Information System
Multiple Award	A single bid results in more than one contract award. Also called Split Award.
NAS	Network Area Security
NIGP	National Institute of Governmental Purchasing
Notifications	Communication sent by email.
P-Card	Procurement card used by authorized state card holders for authorized purchases within parameters established by policy.
PAB (MDOT)	Project Accounting and Billing
PO Release	Purchase Order release from BPO
Posting	A document for internal or external viewing that cannot be changed or modified. Electronic documents are usually posted in MAIN or to the State website. Posted documents can only be amended through an advice of change or addendum..
Procurement Path	A state defined workflow to procure an item. The specific process flow, tasks, documents, data, and approvals vary based on the path. For example, requisitions for an IT commodity under \$25,000 and on a BPO may follow a different workflow than a non-IT service over \$25,000.
Procurement Request	The initial request to buy something as documented in step 1.3 of ID Needs and Approval. Once approved (step 1.4), the procurement request becomes a requisition.
Project	Term utilized to describe the purchase request at any phase of the purchasing life cycle
Purchasing Package	Includes all documentation accumulated from the initial procurement request, through acquisition, award, etc., up to contract expiration/termination.
Question and Answer	A phase in the Acquisition process where vendors can send questions about a bid to the State. The State compiles the questions, answers them, and then posts both questions and answers on the website.
RFP Response Evaluation Package	Includes all documentation from the Acquisition Folder, vendor responses, and evaluation materials.
R*STARS	MAIN module (financial application)
Request Folder	Includes all research, and approval documentation through Identification of Needs and Approval.
Requisition	The result of an approved procurement request, assigned a unique number.
RFI	Request for Information
RFP	Request for Proposals
RFP response Package	Contains the necessary documentation provided to vendors so they can provide an appropriate response to the bid. The bid package may contain the following elements: Terms and Conditions, Evaluation Criteria, specifications, Statement of Work, Contact Information, Due Date.
RFP Response Recommendation	When all responses have been reviewed, and any necessary vendor negotiations have been completed, the authorizing party makes a final recommendation as to the most appropriate vendor to supply the commodity or service.
RFQ	Request for Quotation
SAN	Storage Area Network
Service Level	Agreements within the State to meet certain benchmarks.



Agreements(SLA)	
Solicitation	Notification sent to select vendors that a bid is available.
SOM	State of Michigan
SOW	Statement of Work
Split Award	A single bid results in more than one contract award. Also called Multiple Award.
SPS	Special personal services
SVES (MDOT)	Service Vendor Evaluation System
Vendor	Vendor File as related to the Contract Management system designates a vendor/supplier interested in bidding and award opportunities with the State. Any references to Vendor in relation to payment, designates a Vendor Payee, registered in MAIN/RSTARS to receive payments.
Vendor Payee	Vendors registered within MAIN/RSTARS to receive payments from the State.
Vendor Performance	Phase used only when a problem exists with the vendor or the vendor has done something noteworthy.

Article 1 – Statement of Work (SOW)

1.0 Project Identification

1.001 PROJECT REQUEST

The purpose of this contract for the purchase and implementation of a software solution to provide ASP hosted Contract Management functionality for MDOT to handle performance monitoring, amendments and current/historical data accumulation for areas of use, pricing, positive/negative performance documentation, Vendor & Vendor Payee Management, milestone and deliverable compliance, spend and contract balances regardless of payment method, and market comparison and trends. In addition, this contract contains options that will allow Contract Management functionality to be rolled out Statewide and also allows for the additional purchase of eProcurement modules outlined in this contract which would maintain direct linkages between each component of the procurement life cycle (Identification of Need/Approvals, Acquisition, Contract Management, Receiving, Payment Processing, Inventory, and Vendor & Vendor Payee Management), and provide a level of integration that will eliminate duplication of effort and will provide for retention of, and easy access to, relevant historical data.

1.002 BACKGROUND

MDOT processes thousands of contracts/amendments with private vendors (mostly consultants) and public agencies each year. It is not just the number, but instead the variety of these contracts that makes MDOT's overall contracting process so complex. Even though several standalone and automated systems are used to support the diverse roles and responsibilities of each MDOT organization, the Contract Administration and Tracking System (CATS) is most widely used. CATS is a client/server application using Powerbuilder development tools. A summary of the current system problems are:

- Lack of a consolidated system for all MDOT service contracts.
- Doesn't support the uniqueness of each contract's requirements, especially grants.
- Doesn't support the amendment of some contract information.
- Lack of data integrity due to missing system interfaces and high level of redundant data entry.
- No invoice processing and payment tracking capability.
- Data entry rules are flexible.
- Difficult to produce ad-hoc reports.
- Lack of configurability, especially with business rules.
- Limitations with security roles and rules.
- Unable to track the organizational changes of Vendors.
- Limited tracking and processing of Vendor pre-qualification of services.
- Unable to track and reconcile project funding properly.
- Lacks the tracking and processing of requesting a contract and selecting a Vendor.
- Contractual costs aren't recorded at the appropriate level of detail.
- No support for multi-party contracts.
- Some limitations of tracking and processing audits of contracts and vendors.
- No support of processing Vendor performance evaluations.
- Lack of support for automating business processes, including approvals and electronic notifications.
- Vendors and other business partners don't have electronic access to the information they need.
- Documents and contract language are maintained in MS Word and require manual entry of data.

1.1 Scope of Work and Deliverables

1.101 IN SCOPE

1. Vendor Self-Management: Electronic access will be provided to 1000 vendors through a web portal. This portal will allow vendors to read (only) their own contracts and amendments, change their vendor profile with notification to MDOT that change was made. The system will also allow vendors to upload contract requirement documents, such as Insurance Certificates, etc.



2. Vendors will not directly interface with the SVES system. Vendors will interface through the Contract Management Module which in turn will interface directly with the SVES.
3. The system will interface with the following State systems:

No	Source System	Target System	Information Integrated	Inbound/Outbound
1	Contract Module	R-Stars	Inbound accounting transactions	Inbound to R-Stars
2	R-Stars	Contract Module	Accounting event extract	Inbound to Contract Module
3	R-Stars	Contract Module	Payment status	Inbound to Contract Module
4	R-Stars	Contract Module	Vendor & Vendor Payee File Extract	Inbound to Contract Module
5	R-Stars	Contract Module	Valid account coding block entries	Inbound to Contract Module
6	MDOT - PAB	Contract Module	Financial Transactions Journal	Inbound to Contract Module
7	Contract Module	MDOT - PAB	Financial Transactions Input	Inbound to PAB
8	MDOT - SVES	Contract Module	Pre qualified vendors, their specialties	Inbound to Contract Module
9	Contract Module	MDOT - MPINS	Amount spent to date, obligated amount, etc.	Inbound to MPINS
10	Contract Module	MDOT - MFOS	Amount spent to date, obligated amount, etc.	Inbound to MFOS
11	MDOT - MIDB	Contract Module		Inbound to Contract Module
12	MDOT - Remis/Resale	Contract Module		Inbound to Contract Module

4. The following Acquisition/Contract personnel will access the system after Phase 1 is rolled out:
 - a. (20) Contract Administrators
 - b. (300) Project Managers
 - c. (100) Data Users (have views to use CATS data in legacy applications)
 - d. (2) System Administrators
 - e. (10) Pre-qualified Employees
 - f. (100) Read-only access employees
5. MDOT will be the only department using the Contract Management System in Phase 1. Other State agencies can use the 500 licenses with MDOT approval; however the Contractor's costs outlined in this contract are reflective of only the activities required to deploy the Contract Management System to MDOT. The Contractor will provide the State an option for an upgrade to an unlimited license at the cost provided in Article 1, Appendix A - Pricing, Table 1, COTS Package Comments. The unlimited license cost is for the software license only and does not include implementation services.
6. The system will allow end-users to enter data into the system during requisition.
7. The Contractor will load historical data (pertaining to currently active contracts) into the system. MDOT considers a contract "active" until it has been closed and audited and there are no more than 20,000 contracts to be loaded by the Contractor.
8. Existing scanned contract documents will be contained in the system.



9. The Contractor will provide hosting services at a site located within the USA, preferably in Michigan.

The implemented solution must provide at a minimum, a turnkey solution incorporating the following functionality that integrates efficiently and effectively with the current State systems policies, standards and workflows in place. Successful integration will be measured in the ease of transition, customer satisfaction, quantifiable procurement metric improvements, and interoperability with existing State systems. The envisioned functionality may be described as follows:

- Configurable Work Flow and Business Rules “Engine”, maintained by State system administrators, that supports the definition of policies, procedures and processes for the C-TRAK system.
- Contract Management and Administration that handles performance monitoring, amendments and current/historical data accumulation for areas of use, pricing, positive/negative performance documentation, milestone and deliverable compliance, spend and contract balances regardless of payment method, and market comparison and trends.
- Reporting flexibility to provide status, alarms, notification and tracking capabilities for each contract request throughout its lifecycle, along with relevant product and service data collection to support multivariate analysis.
- The Contract Management module shall provide an efficient and timely process for vendor/project progress and performance tracking, status updates, change requests, amendments, expiration notices, remaining balance notices, etc.

1.102 OUT OF SCOPE

- Vendor evaluation capabilities are out of scope for phase 1 of the C-TRAK implementation.
- eProcurement functionality is out of scope for phase 1.
- Replacement of the State’s financial application is out of scope; only the required interfaces listed above are anticipated. Additional services may be required for implementation by other specific agencies.
- Roll out to areas/agencies outside of MDOT is out of scope for phase 1 of the C-TRAK implementation.

1.103 ENVIRONMENT

The following sections are designed to explain the current SOM infrastructure, product standards and resources. All content was pulled from the www.michigan.gov/dit web site.

- 1) Hardware & Software Product Standards
- 2) Web Standards
- 3) Security Standards
- 4) Technical Architecture Design Plan

1) Hardware & Software Product Standards

Contractor shall abide by the State of Michigan Hardware and Software product standards provided on the www.michigan.gov/dit website.

2) Web Standards

a. Michigan Accessibility Policy Standards

Michigan recognizes the importance of making its digital government services available to the largest possible audience and has attempted to design the Michigan.gov web site to be accessible by everyone. This web site was coded to comply with both the Americans With Disabilities Act and the Priority 1 Level Checkpoints of the World Wide Web Consortium (W3C) Web Content Accessibility Guidelines 1.0. Users who wish to view these specifications can do so at: <http://www.w3.org/TR/WAI-WEBCONTENT/>.

Along with Priority 1 compliance, efforts have been made to ensure compatibility with common technologies utilized by the adaptive community. This site has been tested for compliance with ZoomText for image magnification, Jaws for Windows screen reader for speech synthesis and Lynx for web browsing.

Michigan will continue to test future releases of this site and remains committed to maintaining its compliance and serving the widest possible audience for Michigan's digital government services.

b. Look and Feel Standards for e-Government

Contractor shall adhere to the standards identified in section 2.053 and at the following URL;

http://www.michigan.gov/documents/Look_and_Feel_Standards_2003v2_72379_7.0.pdf

3) Security Standards

The DIT Office of Enterprise Security (OES) mission is to ensure that the appropriate level of security is implemented and maintained in order to protect the integrity of the State government computing resources and information. As part of this project the OES office will be an integral part of the review committee and will take pro-active steps to ensure the solution is secure for the SOM and its users. In addition, the State requires vendors to follow best practices for ensuring confidentiality, application integrity and availability.

The best practices would include:

- Microsoft's Guidelines for developing secure applications
- NIST 800 series guidelines located at <http://csrc.nist.gov/publications/nistpubs/> especially 800-64, -53
- Michigan State Standards
- COBIT Audit Standards

a. Security Architecture

In order to protect SOM assets to the fullest extent possible, a multi-layered and highly extensible security architecture has been designed. This architecture seeks to utilize the absolute "best of breed" security products, devices and tools, combined with careful planning and policy-making, across the entire State enterprise. In addition to utilizing the best products and tools for each situation, an overall design/implementation strategy has been developed to further enhance the security of State data and resources. By utilizing risk analysis, security policy creation, applications and data sources can be protected based upon sensitivity levels assigned to them. According to this methodology, each data source or application to be made available in the e-Government initiative is to be evaluated based upon its sensitivity, attractiveness to intruders, and dependencies. Based upon this evaluation, the data source can be given a security rating that corresponds to a predefined level of protection that must be provided for that class of information. These different "levels" of protection will be constructed with the information at stake in mind, they will be composed of different combinations of security devices, tools and configurations designed to guard the data source from theft or attack in the most up to date and effective manner possible at all times. The required security controls for this application have been designated as "High" according to NIST guidelines for applications and further security requirements are that the data to be encrypted when in storage and transmission.

Vendor will be required upon Contract award to provide a complete security plan that includes disaster recovery plan, business continuity plan, change management, and identification of all controls for Confidentiality, Integrity, and Availability.

b. Enterprise Security POLICY 1350.00

POLICY 1350.00

Issued Date: August 8, 2001

Effective Date: August 20, 2001

Executive Branch departments, boards, commissions or agencies and sub-units shall comply with the standards and guidelines set forth under this Enterprise Security Policy. These standards cover all aspects of security for platforms, networks, and physical access to information technology support facilities. Practical business risk methodologies will guide technical security infrastructure decisions and determine the degree to which a risk should be mitigated or accepted. Departments will be required to report their current status in areas where compliance with the State standard is essential to the well being of State information technology resources. To further strengthen the protection of information technology assets, the State will assess events occurring within the State’s information technology environment and take actions deemed appropriate to protect the integrity of the Enterprise. The goal of an enterprise security framework of standards established under this policy is to ensure:

- **Individual Confidentiality and Privacy** – ensure information classified as protected by law or having the potential of being personal identifying information is processed in ways to prevent unauthorized access to the extent permitted by current technology.
- **System Integrity** – information is protected from tampering and unauthorized modification while in route and residing within the State’s controlled infrastructure.
- **Application Availability** – authorized users of information technology resources can access appropriate resources in a timely manner. Procedures and standards resulting from this Enterprise Security Policy will address and support the security functions of:
 - **Authentication** – certainty of source
 - **Authorization** – granting of rights and privileges
 - **Administration** – security management
 - **Auditing** – enforcement and reporting

The standards described in this section are the minimum level of protection that will be implemented across the Enterprise. State Departments desiring to implement more stringent procedures for their information technology environments may do so with the approval of Enterprise Security. The Management and Budget Act, Public Act 431 of 1984, as amended, § 203.

Vendor & Vendor Payees must follow Statement on Auditing Standards (SAS) No. 70, auditing standard.

SAS No. 70 is the authoritative guidance that allows service organizations to disclose their control activities and processes to their customers and their customers' auditors in a uniform reporting format. A SAS 70 examination signifies that a service organization has had its control objectives and control activities examined by an independent accounting and auditing firm. A formal report including the auditor's opinion ("Service Auditor's Report") is issued to the service organization at the conclusion of a SAS 70 examination.

Vendor & Vendor Payees must use ISO 17799 as a baseline or framework for the information security function, to assist in identifying the controls that have been placed into operation.

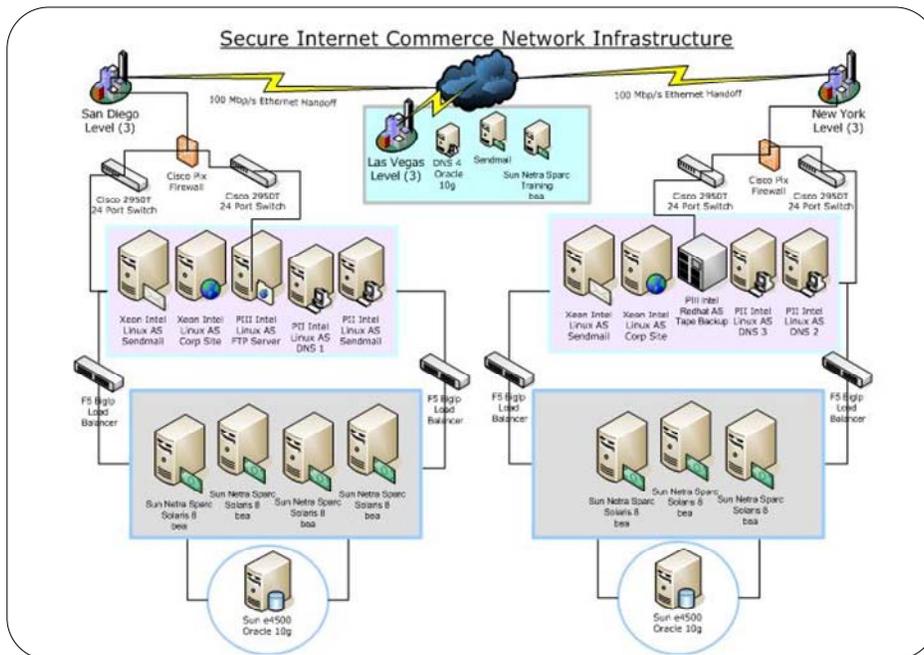
ISO 17799 is intended to provide a single reference point for the wide range of controls needed for most situations where information technology is used in industry, commerce, and communication. This detailed security standard is divided into 10 key sections:

- | | |
|--|--|
| 1. Information Security Policy | 6. Computer and Network Management |
| 2. Security Organization | 7. System Access Control |
| 3. Asset Classification and Control | 8. Systems Development and Maintenance |
| 4. Personnel Security | 9. Business Continuity Planning |
| 5. Physical and Environmental Security | 10. Compliance |

A COBIT (or equivalent) process of controlled migration of the configuration, through development, test and production environments while maintaining separation of duties is preferred. A process which may be perpetuated by the technical administration staff after the system has been delivered is preferred. At no time shall developers have administrative access to test or production environments.

4) Technical Architecture Design Plan
Application Service Provider (ASP)

The application architectural design plan for the State will be based on in-production systems. Contractor will “copy” of this environment, exclusive of data, configurations, etc., scale it to the state specific requirements, and place it in Southfield, Michigan. This allows for a very fast implementation with a known solution. The technical architecture diagram is presented below.



This application architecture that is currently employed allows for virtually unlimited expandability as load increases. Contractor’s production environment includes CISCO™ routers and firewall, F-5 Networks BIG-IP™ load balancers, SUN™ E4500 and Netra T1 servers, SUN™ Solaris OS, SUN, BEA And ISS Web servers, Oracle 8.1, Oracle 10g, and MS SQL. Multiple techniques are used to exchange data based on the nature of the data. For example:

- HTTPS (128 bit encrypted) is the standard html protocol.
- SSH is used to "telnet" between machines and is the conduit of all cross-platform CVS(application code) moves. (128 bit encrypted)
- SFTP is used to transfer files between machines (128 bit encrypted)
- cybersource <http://www.cybersource.com/> handles credit card processing requests. (128 bit enc)
- POP-3 is used for email.
- Other data movement protocols include, but are not limited to: smtp 465/tcp for SMTP over SSL.
- Contractor’s development environment includes RedHat 7.1 running I-Planet. UE, CVS and TOAD are the three main applications used for application development, and the solution is written in SUN SSJS, and MS .asp.
- The development process follows the three-tiered environment established by the professional programming community: Multiple development systems where all programmers code applications.



- A stable testing environment where all the testing staff determines stability and verifies the proper operation of the software.
- An Enterprise-level production environment located in a high security installation

Network Transport

All co-locations are served by redundant 100Mb/s drops and https is used for all external web traffic. Internal traffic is application dependent.

Remote Database Connections

Contractor's solution current does not support external connections to internal databases.

Hours of Operation

- 24 x 7 network monitoring and response to system issues and outages
- 7:00am – 7:00pm EST helpdesk support
- 7:00pm – 7:00am EST pager support for outages

Security Approach

Security is provided on many levels. First, security for the facilities is provided by Level 3, which is where all web hosting servers and databases are located. Second, the transfer of sensitive information between the hosting facility and the user's web browser is provided for by the universally accepted HTTPS standard. This can be at the 128-bit encryption level if desired. Third, the authentication of users entering the site is via User ID and password is maintained by the application software. User IDs are kept within directory services. Additionally, Digital Certificates are optionally available. The use of challenge-password logon, individual access rights, secure Socket Layer (SSL) technology as well as 32-bit encryption ensures maximum system and data security. Contractor's solution uses state-of-the-art security technology to provide maximum security for system databases and Internet transactions. This includes 128 bit Secure Socket Layer Technology for transmission of data, X-509.v3 Certificates and Password verification, and IPsec VPN Tunneling for secure agency data transmission can also be incorporated where required. As a result of this configuration, only authorized users have access to the system or the data. The solution has a redundant firewall, CISCO v. 12.1 in place. Inbound traffic is allowed via PORT 443 (https) and DNS, which is PORT 53. Outbound traffic is limited to web browsing and e mail. All other ports are blocked through the use of access lists and proxies.

Disaster Recovery

Contractor is proposing dedicated servers, SAN services and network appliances for the State with a Disaster Recovery (DR) site located in New York, NY. Contractor supports Unix, Microsoft and Linux platforms at all of our hosting locations and Oracle and MS SQL server databases. All servers, switches, networks and databases are monitored for performance and capacity and, if required, capacity is increased to manage the system demand. This increase is a part of the service and requires no investment on the part of the State, this includes any bandwidth requirements within our hosting facility. All components have failover components. The databases are replicated, and the application servers are load balanced. This has allowed us to achieve an availability of over 99.75% on a year over year basis. In addition, the database content is replicated to our geographically diverse DR site allowing us to move all traffic to the DR location very quickly and with minimal disruption is service This geographic diversity ensures that if a large scale disaster hits the region where Contractor is hosting the application, the services will continue to be available throughout the duration of the disaster. This diversity will allow the emergency supplies which are needed to support the disaster relief to be acquired. As a hosted solution, Contractor will manage all aspects of operation to meet the state availability requirements and will work with the State to continue to improve our processes.

SicommNet staff manages its entire proprietary network. The current bandwidth is IP CrossRoads 3MB/s, burstable to 100MB/s, for each location. This choice of co-location provides a highly-reliable and secure environment for the solution's server and network infrastructure, including:

- Close coupling to the core of Level 3's advanced Global network
- Climate-controlled space (state-of-the-art air flow technology), with a controlled temperature and humidity, including the elevation of the floors to enhance circulation of air and provide an added measure of flood security



- Security, including closed-circuit video surveillance, access cards and palm scan identification, and individually locked server spaces to prevent unauthorized access
- Uninterrupted power source: Electrical security is provided by multiple power lines from local utilities feeding into batteries that provide insurance against both power failure and surges. Additionally, there are generators on premises to provide power in the event of total area power loss.
- 24 x 7 network monitoring.
- Grounding to main buss bar.
- Serviced by multiple, diversely routed connections for highly redundant connectivity.
- Availability to all major cross-connects in support of the solutions future / custom requirements, to include:
 - POTS • DS-1 • DS-3
 - OC-3 • OC-12 • OC-48
 - Ethernet • E-1
 - STM-1 • STM-4 • STM-16

Development and Testing

The Development and Test environments are identical to the production environments. This will allow for realistic evaluation of the performance and reliability of the solution.

Source Code Management

Source code is managed using Subversion Servers on Raid 5 storage arrays.

Software Updates

All updates start in development, where they are fully unit and integration tested. When they pass, the “build components” are packaged into a software release package. These components are migrated to Test by the operations team per the installation instructions. Once installed, tests are conducted per the test plan. If any updates are required, a new package is created in development and the migration process re-executed. Once the build is certified for release, the same migration scripts are used to promote to production. Once in production, specific “basic” tests are executed to ensure the system is operating normally. Once these tests are complete, the system is “released” for users.

Backup Schedule

Nightly full backups to redundant site are conducted on a daily basis.

Archiving

Currently, all data is kept online for the full seven year period. No data is archived for restoration at a future date. When data ages to the point where it is desired to be migrated offline, Contractor will develop standard data extracts to meet the state’s archival requirements do develop permanent records of the information. This data will not be “re-importable” as system data.

1.104 WORK AND DELIVERABLE

The following Attachments and Language comprise the C-TRAK Solution:

Attachment 1: C-TRAK Overview and Functional Requirements

This document describes the functional requirements for the C-TRAK solution and provides an overview of the Contract Management Module.

Attachment 2: eProcurement Functional Requirements

The optional Statewide eProcurement functional requirements identified in **Attachment 2**, will be reviewed by both MDOT and the Contractor to determine which of these requirements are within the scope of the C-TRAK implementation. These requirements may be used as the basis for the optional eProcurement implementation. Attachment 2 is defined as the Functional Requirements that were included in ITB #07116200249 as Attachment 7.

Attachment 3: MDOT Contract Management Workflows



The work flow models will be utilized to provide the background necessary to adequately respond to the Functional Requirements Document. Attachment 3 is defined as the MDOT Contract Management Workflows that were included in ITB #071I6200249 as Attachment 8.

Attachment 4 – R*STARS Interface Specifications

Attachment 4 is defined as the R*STARS Interface Specifications that were included in ITB #071I6200249 as Attachment 9.

Attachment 5, MDOT Interface File Layouts.

The record layouts and field descriptions can be found in Attachment 5. Attachment 5 is defined as the MDOT Interface File Layouts that were included in ITB #071I6200249 as Attachment 10.

Attachment 6, MDOT CATS Contract Conversion Specifications

Attachment 6 is defined as the MDOT CATS Contract Conversion Specifications that were included in ITB #071I6200249 as Attachment 11.

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

II. Project Work Plan and Approach

The Microsoft Project work plan is as Article 1, Appendix E. This plan details the major phases, activities and tasks required to complete the configuration, integration and implementation of the Contract Management module for MDOT. The project start date will be October 1, 2007. The narrative section below describes the approach to solving each part of the project implementation. The project is divided into two major components:

1. Establishing a project management office to drive the management, requirements, implementation, configuration, testing and deployment of the solution.
2. Technical installation, configuration and deployment of the Contract Management solution.

Once the project management structure has been put in place, requirements confirmation will commence. This is when Contract Management SMEs will confirm MDOT's requirements for the solution in facilitated sessions that are scheduled in advance with agency business experts. Interface requirements with State technical and business SMEs will also be confirmed at this time. Contract configuration and conversion activities and system interface development commences immediately following approval of the requirements by the State. This is the majority of the work to be performed and will take several months along parallel paths. Once the solution has been set up, training and user acceptance testing will commence.

The Contractor team has developed a project management plan based upon the State's PMM. This plan addresses the CMMI Level 3 Key Process Areas (KPA). A full system will be deployed 12 months from the project start date.

In the following sections the State's requirements and/or expectations will be described to assist with the vendor development of the work plan and estimates. Those sections are:

- 1) Project Management
- 2) Infrastructure Implementation
- 3) Requirements Analysis and Confirmation
- 4) Configuration
- 5) Customization
- 6) Interfaces
- 7) Conversions
- 8) Training
- 9) User, system, and acceptance testing
- 10) P.A.R.E.

11) Implementation

1) Project Management

The Project Management methodology is aligned with the Project Management Institute’s Project Management Body of Knowledge (PMBOK) approach and includes the project management processes for initiating, planning, executing and controlling, and closing projects.. Contractors overall approach to Project Management includes all of the key areas identified in the CMMi framework for a level 3 organization, which are applicable to a COTS implementation.

Contractor will manage the MDOT Contract Management project in accordance with the guidelines outlined in the State’s Project Management Methodology (PMM). The project management plan for this project will be developed and finalized within the first 20 business days after the contract start date.

The initial planning activities will be focused on finalizing the project management deliverables. These are:

- Work Breakdown Structure
- Project Schedule (tasks, subtasks, deliverables, resource allocation)
- Technical Project Components Document
- Requirements Management Plan
- Project Monitoring and Review
- Configuration Management Plan
- Change Management Plan
- Risk Management Plan
- Communications Plan
- Project Status Reports
- Project Planning Transition Checklist
- Post Implementation Evaluation Report

Approach

The Contractor’s team approach to project management is generally based on PMBOK and specifically to the State’s PMM. Contractor will be tailoring the project during initial project management activities to reflect activities associated with a COTS implementation to MDOT for Phase I. This tailoring includes participation by State sponsors, stakeholders, Steering Committee members, and subject matter experts. The following sections summarize key areas of the project management approach.

Project Organizational Definition

The project team includes:

Resources specifically charged with execution of the project, which could include:

- Requirements development resources
- Business rule specification resources
- Project management resources
- Subject matter experts (SME’s)
- Documentation (business & technical) resources
- Training resources
- Technical resources
- Leaders/decision makers
- Customers/Clients
- Project sponsor
- Stakeholders

The Contractor’s project manager is ultimately responsible for the success of the project. To ensure project success, the Contractor PM will, very early in the planning process, identify all the stakeholders; determine their needs and expectations; and document this in a “Roles and Responsibilities” document.

The PM will ensure that each member of the team and other stakeholders are familiarized with the norms of the project management process specific to this project.

Work Breakdown Structure (WBS)

The WBS developed for the MDOT Contract Management project will be reviewed in conjunction with the State’s PM. The technical and business analysts will conduct a structured walkthrough of the WBS and the final product will be approved by the Client. The approved WBS will describe the products and services to be delivered by the project, will include all the project scope and will be an important tool in managing the project. The project schedule will be developed based on the WBS.

Detailed Project Schedule

Within 20 business days after the project start date of the Contract, the Contractor’s team will finalize the project schedule. The schedule will include all the tasks, subtasks, deliverables, services, milestones, start dates and end dates, and resource allocations. The project schedule will include all the project management and other services to be performed during the project.

The final project plan will be based on the initial plan provided in Article 1, Appendix E, and will reflect the tasks identified in the Contract. Once this project plan is finalized, any changes to scope, schedule or budget will be addressed through the agreed upon change management process, as outlined in the contract. Any changes to the project will be communicated in writing to the State, including explanations for the change and impact on scope, schedule and/or budget. As indicated in section 1.301 of the Contract, Contractor agrees that the Final Project Plan will:

- Provide documentation of management and system requirements that allows for a descriptive interpretation to understanding the management approach and the full system operability, usability, and maintainability.
- Contractor will work directly with the State’s Project Manager to define and agree upon the amount, type, and format of project and system documentation required, as it is dependent upon the size and scope of the project.
- Provide the State with clearly written processes for managing updates to software and configuration during and after the implementation of the system. Contractor will include a COBIT compliant (or equivalent) process of controlled migration through development, test and production environments while maintaining separation of duties is required. Contractor’s process will ensure that at no time shall developers have administrative access to test or production environments.
- Contractor will provide a plan showing Contractor responsibility in leading and managing end user testing as specified by the Statement of Work (SOW).
- Contractor agrees to provide a detailed process for controlling the development of all deliverables. This would include controlling access to documents and version control.
- Contractor agrees to use Microsoft Project for planning, monitoring, and tracking the Contract’s progress and the level of effort of any Contractor personnel spent performing Services under the Contract. Contractor agrees to maintain staffing tables with names of personnel assigned to Contract tasks.
- Contractor agrees to supply graphs showing critical events, dependencies and decision points during the course of the Contract. Any tool(s) used will produce information of a type and in a manner and format that will support reporting as agreed to with the State.

Detailed Requirements Confirmation

The Contractor team will document and verify the detailed business and system requirements during the initial Requirements Analysis and confirmation phase using facilitated sessions. Business subject matter experts (SMEs) experienced in contract requirements determination will facilitate scheduled sessions with State Subject Matter Experts to identify detailed business requirements and to validate existing requirements. The captured requirements will be organized by functional area and put into the appropriate document format.

Contract will work with the State business and technical resources to validate and finalize the business requirements which have been defined and included in the Contract. The Requirements are complete as stated

and need for customization will be minimal. The Contractor’s team will facilitate the sessions necessary to gather and finalize the requirements.

In order to ensure that the requirements are documented at a sufficient level of detail to enable immediate design and development activities, Contractor will adopt the following:

Facilitate face-to-face requirements gathering session with key users identified by the State

- Validate existing requirements contained in Contract
- Organize requirements by functional area
- Document requirements using the prescribed templates

Requirements Management

The requirements document will be provided to the State Project Manager after it has been finalized for review and approval within 15 business days. Any comments or errors found during the review will be discussed and relevant corrections incorporated in the document. Once the requirements document has been approved, the detailed business requirements will then be considered as base-lined, which means they come under version control and cannot be changed without going through the project change control process.

Communications Management Plan

Communications Management activities will formally start after the Contractor team is on board for one week.

Materials that will be circulated on State PMM templates include:

Type	Information/Content	How/When? Medium/Frequency	Owner	Recipients
Project Tracking	Project status : Schedule Risks Issues Accomplishments this period Deliverables next period	Weekly Updates or as agreed to by SOM Project Manager	Contractor Project Manager	State PM, Core Team
Team Status Meeting	Project status review of: Schedule Risks Issues Accomplishments Upcoming Deliverables	Weekly Meetings Agendas Minutes with record of invitees & participants Action Item log	Contractor team	State Project Manager Project Team
Joint Technical Review	Results of Project Deliverable reviews Requirements Definition/Design Test Plan, Test Cases, Test results, etc. Interface Design	Scheduled meetings as defined in the Project Schedule	Contractor Technical Lead, BA	State Project Manager As agreed to during Planning
Document Review communication (Offline)	Includes: - Document to be reviewed Review Log (if applicable) Supporting documents (if any)	E-mail communication Per project schedule	Contractor PM	Project Team All reviewers and approvers for the document as agreed

Project Monitoring and Review

Project monitoring and review meetings will formally start after the Contractor team is on board for one week.

Review meetings will include:

Type	Information/Content	How/When?	Owner	Audience
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		Medium/Frequency		
Progress Review: Team Meetings	Project status review of: Previous Action items Schedule to plan & WBS Budget to plan Customer & project deliverables Monitors the project related documents such as project deliverables, Work Products, Status Reports and Minutes Risks, issues, changes Resources Lessons learned	Weekly Meetings Conferencing capability (if applicable) Time and date Agendas Minutes with record of invitees & participants Project log (issues, risks, changes)	Contractor PM	Project Team Stakeholders
Requirements Providers Meetings	Status of the requirements gathering Status on conflicting/ambiguous requirements Requirements changes	Weekly Meetings	BA	Requirements Providers Requirements Analyst, Project Sponsor, State PM
Joint Technical Reviews Meeting	Review of Deliverables Review and sign-off by relevant team members of documents for current project phase Lessons learned	Two weeks prior to each review meeting	Contractor PM	Project Team Stakeholders
Phase-end Review Meeting	Project status & request approval to proceed	Reviews (conducted as per project schedule)	Contractor PM	Stakeholders State Sponsor State PM
Senior Management Review Meeting (SMR)	PMR Presentation and Project Status/4-Up including: Project approach Schedule to plan Budget to plan Risks, Issues, Changes, Resource commitments General status Deployment plans, etc.	Monthly	Contractor PM	Senior Manager State PM
Post Project Review Meeting	Review of items that went well or would be done differently on the project.	During transition from Test to Deploy	Contractor PM	Project Team Stakeholders State nominees

Configuration Management Plan

The purpose of the Configuration Management (CM) Plan is to describe the processes that will be used to perform configuration management activities for this project. The CM Plan provides specific configuration management information for this project. The CM Plan will cover the entire project life cycle for all configuration items. The elements of Configuration Management plan are:

- Identification of work products that are placed under CM
- Establishing the Configuration Management Library System
- Processing Change, Baseline Update, and work product release requests
- Preparing Baseline Status, Baseline Change Summary, Cumulative Revision History, and Change Activity Reports.

- Performing baseline audits and reporting the results.

Software Configuration Management activities address these four topics:

- Identification
- Control
- Status accounting
- Baseline auditing

Configuration Items and Baseline Identification

After the configuration items for this project have been identified, created and approved during the project startup phase, the items will be baselined.

A baseline will be created after each review in the project life cycle. The content of the baselines will be the appropriate version of all deliverables created to date, which includes all deliverables created or updated in the current phase and all deliverables baselined in prior phases that have not been updated in the current phase. For each baseline, the baselined version of each deliverable is recorded. The configuration items for this project will be finalized during the initial project planning activities.

Configuration Management System Resource Plan

The Resource Plan will cover the resource management of all project resources, including vendor and State resources.

The State resource requirements as identified in this Contract have been forecasted based on expected work effort and deliverables load. As part of the weekly team meetings, these resource requirements will be revisited to ensure proper coverage for upcoming meetings or SME work sessions.

If a new resource is required to participate on the project and the resource is unfamiliar with the project goals, technologies and or direction, this resource will be provided with the proper background materials and project documentation.

If a team member experiences a conflict (i.e. over resource allocation, schedules) the conflict will be escalated to the State Project Manager. The State Project Manager will work with the Contractor PM to resolve the issue. If the conflict can not be resolved, the issue will be escalated to the next levels of management (Project Sponsor, Steering Committee and Executive Committee as required) until the issue is resolved. The goal is to resolve conflicts in a manner that causes the least disruption to the project in terms of timeline, deliverables and cost.

Project Status Reporting

Contractor will adhere to all of the State’s reporting needs and formats as outlined in the Contract. During the planning phase, Contractor will work with the appropriate State personnel to ensure that the Contractor will mutually agree on the formats, content, frequency and distribution of all management reports. Contractor acknowledges the need for accuracy and timely reporting.

Project progress reports summarize collective project data and portray the overall health of the project. Specifically, they report actual versus planned completion status of project milestones and deliverables. The Communications Management Plan includes the procedures required to ensure timely and appropriate identification, generation, collection, dissemination, storage, analysis, and ultimate disposition of project information. The Communications Management Plan is developed during the early planning stages and in parallel with overall project planning. It contains the details of all the formal communications activities that will occur throughout the project. All of our communication templates will conform to the state PMM requirements.

The Communications Management Plan is then implemented to make needed information available to project stakeholders in a timely manner. This plan includes performance reporting such as collecting and disseminating cost, schedule, and quality information to project stakeholders about the status of project objectives.



Contractor will establish weekly project status reports using the prescribed PMM format. The report will provide:

- Summary of weekly and monthly activities
- Summary of Accomplishments since the last report
- New issues and outstanding issue status
- Risks and mitigation strategies
- Upcoming key events

In the event of unexpected issues, Contractor will include in these weekly reports project revision timeframes for future deliverables or work, including budget (hours) information, negotiated and proposed scope changes, and all potential project overruns.

Risk Management Plan

The Contractor PM will prepare the initial Risk Management Plan. The Risk Management Plan will be developed and finalized during the planning stage. It will need to be approved by the State PM as part of controlling a project during the Execution Phase is to have an established risk management process. The key elements in this process are:

- Results of the risk identification
- Results of Risk analysis (Qualitative and Quantitative Risk Analysis)
- Risk prioritization
- How risks will be tracked throughout the project (Risk Response Planning)
- How contingency plans will be implemented, (Risk Monitoring and Control)
- How project contingency reserves will be allocated to handle risk

In addition, the Risk Management Plan will cover:

- Risk Management Strategy – Documenting how to approach and plan the risk management activities for a project.
- Risk Management Methodology – Defining the approaches, tools, and data sources used to perform risk management on this project. Different types of assessments may be appropriate, depending upon the project stage, amount of information available, and flexibility remaining in risk management.
- Risk Assumptions – Defining any initial risk assumptions that are known at the current time.
- Risk Management Roles and Responsibilities – Defining the lead, support, and risk management team membership for each type of action in the Risk Management Plan. Risk management teams organized outside of the project office may be able to perform more independent, unbiased risk analyses of project than those from the project team.
- Risk Mitigation – Plans necessary to mitigate the risk in the event of occurrence. Only prioritized risks will have mitigation plans.
- Risk Communications – defining how the results of the risk management processes will be documented and communicated to the project team, internal and external stakeholders, project sponsors, Steering Committee, Executive Committee and others.

Issue Management

The Contractor team employs an aggressive approach to issue identification and resolution. An issue is an identified event that if not addressed may affect schedule, scope, quality, or budget. The Issue Management process will adhere to the State PMM guidelines and templates and will include the following:

Issue Identification

State project team members, project core team representatives and the project team members can identify and raise an issue. Once an issue is identified, it will be captured and tracked until resolved.

A key responsibility of the Contractor Project Manager is to detect issues that may not have been clearly articulated. The Contractor PM being the communication facilitator, as well as performance monitor, will have access to a wide array of independent data sources for identifying issues that may otherwise go undetected. Possible sources of issues in this category are:

- Recurring problems between project teams
- Articulated problems for which no one claims ownership
- Discrepancies between verbal status, metrics analysis, or configuration management repository status
- Changes in work patterns around a project deliverable
- Reports during meetings that may impact other teams or deliverables
- Access to SME from appropriate State agency and/or core team
- Availability of and access to hardware and software environment

The Contractor PM will proactively analyze input from these independent data sources, identifying trends and anomalies which will be reviewed with the appropriate managers to determine if there is indeed an issue.

Issue Tracking

Once an issue is identified, the project will follow the formal issue management process, where the issue is accepted and managed per the plan. The Project team will use Microsoft Excel to manage project issues or the State prescribed tool as agreed. The following issue details will be logged:

- Description of issue
- Issue identification date
- Responsibility for resolving issue
- Priority for issue resolution (to be mutually agreed upon by the State and the Contractor)
- Resources assigned responsibility for resolution
- Resolution date
- Resolution description
- Issues will be tracked and reported at the weekly project status meeting.

Issue Ownership

Identified issues will be assigned an owner, who will be responsible for follow up and issue resolution. The assigned issue owner will research the background of the issue, develop alternative resolutions and develop a recommendation for resolution.

Issues Leading to Change

When issue resolution requires changes to the approved base-lined project plan or any other artifacts, the issue will be converted to a change control item and the change control process will be followed.

Responsibility

Issue resolution is the responsibility of the Contractor Project Manager, and will resolve the issue at the lowest possible organizational level. If an issue cannot be resolved at one level, the project manager will escalate the issue to the State PM, Project Sponsor, Steering Committee or Executive Committee as appropriate, ensuring it is brought to the attention of appropriate parties and successfully resolved.

Escalation

Project management makes decisions that resolve project level issues. In some instances, project management will need to escalate issues for resolution to the State PM, the Project Core team, the Project Sponsor, Steering Committee or Executive Committee for timely resolution.

Change Management

Project changes may result in an increase, decrease or no change to Project cost and/or duration. Regardless, a Project Change represents a change to the agreement between the State and the team, and as such must be documented and accepted by both organizations.

As the project progresses, opportunities for changes to the Project may occur. It is imperative that these opportunities be identified, analyzed and managed in a way that project objectives are met in the most effective manner. This will be accomplished through the Project Change Management Process. Project change will be defined as any deviation from, or modification to, any approved document or deliverable such this Project Plan, test plan, test results, or printed report. Project Change Requests often result from the addition of or enhancement to, a specific baselined function or feature. However, Project change can also result from changes to the project approach, roles and responsibilities, timing, or any other aspect of the project that changes the overall project risk or the way in which the project is to be conducted. Examples of common types of Project Change could include:

- Addition of a system interface not identified during development of the Project Plan, or replacement of an identified interface with system integration.
- A key State resource originally planned to be 100% available to the Project by a specified date who, due to other business considerations, is available only 50% of the time.
- A milestone from another project, outside the control of this Project’s management team but critical to the timing of this Project, which is late.
- A directive from management to change the projects scope.

The State and Contractor team may consider a Project Change as a significant change in the complexity of any part of the Project due to a deeper understanding of the requirements. A typical example of this may occur during data conversion when a greater understanding of the complexity to clean and convert the existing data is realized. The State and Contractor team may consider this to be a Project Change if it were determined that a reasonably experienced analyst or programmer could not have inferred this level of complexity from analyzing the documentation.

All Project Changes will be documented in writing and submitted to the State Project Manager and Project Sponsor for discussion and approval. Discussions will be conducted with the State Project Manager to confirm that the item actually entails a “Project Change” and decide if the change should be made. These discussions will be scheduled and conducted prior to when the decision must be made so that the stated impact to the Project is not invalidated. If approved, the Change will be analyzed and then implemented as part of the agreement. The State is responsible for the cost and any time spent analyzing the impact of a Project Change request (“Impact Analysis”), regardless of whether the change is approved.

Prior to performing the Impact Analysis, Change Requests will be approved for investigation by the State Project Manager. When a Change Request has been approved, a final analysis of the schedule and cost impact will be prepared by the Contractor PM and presented to the State for final Acceptance of the Change.

The Contractor PM will escalate pending Change Requests for which no decision has been made by the date specified or which are rejected by the State, and the team Project Manager believes them to be necessary to the Project, to the State Project Manager, the Core team, Project Sponsor, Steering Committee or Executive Committee as required.

Project Closure

The closeout procedure will be performed once all the project objectives have been achieved. The closeout procedure will be routine and will prepare for product turnover to the State operations (if applicable). Project closeout activities will include:

- Administrative closure – turnover of approved deliverables, documentation, etc.
- Archiving – archiving of configuration items
- Lessons Learned – facilitated session with participation of team and State project members



- Post Implementation Evaluation Report – documentation of failures and successes, and other pertinent metrics
- Project sign-off – final milestone indicating client’s acceptance of products/services for final payment

Project Clarifications

- The project management approach will be based on the State’s current PMM as of the date the eProcurement ITB was released (5/25/06).
- The State and the Contractor Project Manager will jointly agree upon and define the specific deliverables that are required for this project during the initial project startup and project management activities.
- Access to Various Subject Matter Experts from the State as agreed to by the State’s Project Manager.
- Availability of and access to state technology resources as required.

2) Infrastructure Implementation

Contractor assumes responsibility for Infrastructure Implementation.

3) Requirements Analysis and Confirmation

Contractor will confirm the requirements the State has identified. Through brainstorming sessions and exchange of Contractors Contract Management knowledge base, Contractor will establish the environment that will be most productive in mutually developing a viable, needs fulfilling requirements plan.

Approach

The Contractor team will employ a Requirements Analysis and Confirmation process which will utilize the State’s “to-be” processes as a baseline. Contractor will then facilitate a “Requirements Finalization” workshop where this work, along with any other new State information, will be assessed and system configurations will be defined. Ambiguous or unrealistic requirements will be clarified or eliminated, conflicts and overlaps in requirements will be resolved and a revised set of requirements will be produced. A risk analysis and prioritization of the requirements will be performed and final requirements determined. Contractor will formalize these requirements in the requirements management system. Once the requirements are approved by the State, any and all changes will be managed as a part of the change management process.

Requirements management will be established to support the maintenance, change control and traceability of the requirements. The requirements will be captured into a repository using Microsoft Excel or a Requirements Management tool as required by the State.

Change management will be established to facilitate the change, removal and addition of requirements. Requirements traceability will be developed to manage the dependency relationships between requirements and other system artifacts as well as between the requirements themselves. The traceability matrix will be utilized to support the system test plan and ensure that all requirements have been addressed.

As outlined in the project plan located in Article 1, Appendix E, the activities, tasks and resources allocated for the Requirements Analysis and Confirmation portion of the project will support the State’s objective to implement C-TRAK in MDOT. The training received by the State resources involved with the initial installation will allow the State the opportunity to manage the implementation of the remaining State departments and agencies.

Deliverables, Tools and Techniques

- The primary method used to finalize the requirements will be Requirements Confirmation Workshops
- The sessions will be driven by a prioritized list of workflows.
- The State Personnel required to determine the requirements will be available when necessary
- Custom data filtering and input scripts may be used to satisfy system configuration data specifics
- A structured requirements approach will be used for clarity and to optimize customer interaction
- Contractor will use visualization tools to represent customer specified workflows

Project Clarifications

- Availability of State SME Contract Management and DIT resources necessary to perform the activities



- Existing Contract Management processes either do not require re-engineering or any re-engineering will be carried out prior to final requirements gathering

4) Configuration

Configuring the Contract management module to the specifications required by the State is an activity which is accomplished by the Contractor team working with the business users. The team will help identify and confirm the requirements and then configure the solution. The users will observe this configuration activity and become familiar with how the solution is configured, thereby empowering them to make their own configuration modifications in the future.

Approach

Upon finalization of Requirements and Identification of Configuration Data, the Contractor team will work with and train the State system administrators and users, as appropriate, to load these configuration-based rules and menus provided with the Contract management module. The data entry will be executed by the State system administrators under the guidance of the Contract module trainer during the configuration phase, with oversight and training provided by the Contractor team.

It is expected that all State system administrators and State management personnel that understand the state's requirements and can make decisions regarding policy and procedures are available during the implementation process to resolve any ambiguities in the configuration parameters.

The final timeline regarding the configuration activities will be confirmed during the requirements analysis/confirmation phase.

There are two levels of system administration (both are administrative, non IT background individuals); a "System Administration" (SA) and a "Department Administration," (DA) both of which use a graphical user interface to create rules, routes and workflows.

The State System Administrator is responsible for creating the overriding rules of the system that affect all departments and has privileges to create departments and to authorize department level system administrators. Departments have their own identities and processing rules.

State Department Administrators have many of the same functions available to them as the State System Administrator. The State Department Administrators can view and collect information on the activity of their department. This is accomplished by running standard system reports or by logging in as a Department User to view their activity.

Tools and Techniques

- The primary tool is our System Administration GUI (web based) interface.
- Data loading scripts to ease the loading of bulk data
- Manual data entry for low volume data imports
- Face-to-face meetings with State staff to show them the system requirements and discuss implications of new procedures.

Project Clarifications

- Obtaining the information necessary to configure the system in a timely manner.
- Availability of resources necessary to perform the activities.
- The State will sign off on the Configuration Workbook prior to commencement of work on other deliverables. Changes to the requirements from that point forward may require a change order.

5) Customization

Because the solution is a configurable COTS package, minimal customization will be required.

6) Interfaces

The following interfaces have been identified as mandatory for the implementation of C-TRAK.

No	Source System	Target System	Information Integrated	Inbound/Outbound
1	Contract Module	R-Stars	Inbound accounting transactions	Inbound to R-Stars
2	R-Stars	Contract Module	Accounting event extract	Inbound to Contract Module
3	R-Stars	Contract Module	Payment status	Inbound to Contract Module
4	R-Stars	Contract Module	Vendor & Vendor Payee File Extract	Inbound to Contract Module
5	R-Stars	Contract Module	Valid account coding block entries	Inbound to Contract Module
6	MDOT - PAB	Contract Module	Financial Transactions Journal	Inbound to Contract Module
7	Contract Module	MDOT - PAB	Financial Transactions Input	Inbound to PAB
8	MDOT - SVES	Contract Module	Pre qualified vendors, their specialties	Inbound to Contract Module
9	Contract Module	MDOT - MPINS	Amount spent to date, obligated amount, etc.	Inbound to MPINS
10	Contract Module	MDOT - MFOS	Amount spent to date, obligated amount, etc.	Inbound to MFOS
11	MDOT - MIDB	Contract Module		Inbound to Contract Module
12	MDOT-Remis/Resale	Contract Module		Inbound to Contract Module

Detailed specifications for each of the interfaces can be found in the attachments.

Inbound Accounting Transactions to R-Stars will be the following types:

- 1 - BUDGETARY
- 2 - REVENUES
- 3 - ENCUMBRANCES
- 4 - EXPENDITURE

Approach

12 specific interfaces are required to be in place upon implementation. These interfaces fall into three categories: asynchronous “batch” file interfaces, real-time direct database “views” and notification. The sections below summarize the Contractor’s approach for these types of interfaces.

MAIN – R*STARS

All R*STARS transactions are batch in nature. There are four inbound transactions and one outbound transaction required for the R*STARS system. The specific content of these files is specified in **Attachment 4 – R*STARS Interface Specifications**, with the exception of the Valid Account Coding Block Entries file extract, which is yet to be defined. The Contract management module has standard data extract and load mechanisms which will be configured to accommodate these interface requirements.

Contractor can utilize a flat file transport using secure FTP, the state’s messaging bus or any other type of file transport based on industry standard mechanisms. The Contractor team will work with the State to determine the specific and appropriate method for these interfaces within the timeline established by the State PM and

Contractor PM during the project planning phase in a format and structure consistent with the State's interface specification.

Department of Transportation

The following interfaces are required for the Department of Transportation:

- Project Accounting and Billing (PAB – Inbound and Outbound)
- Service Vendor Evaluation System (SVES)
- MAP (Michigan Architecture Project) Project Information System (MPINS)
- MAP (Michigan Architecture Project) Financial Obligation System
- Michigan Informational Database (MIDB)
- Remis/Resale

The PAB interface is batch in nature and will be developed in a manner consistent with the R*STARS interfaces. The five remaining interfaces are all “real-time.” SVES system derives data from CATS via six views mentioned in **Attachment 5**. The Contract management module can replicate the views based on the columns mentioned. Since these views reside on the SVES system, an in-depth study of the view definitions will be done when SVES data schema is supplied. Contractor has evaluated the Entity Relationship Diagram (ERD) found in **Attachment 6** and will implement the contract vendor views to read the MAP data. Real time interfaces can be built to receive MPINS, MFOS, MIDB, and Remis/Resale systems. These interfaces can be implemented via views, file transfer, Web Service or any method preferred by the State.

Tools and Techniques

- The system contains a number of configurable data export routines which have been leveraged for these interfaces.
- Contractor will deliver Interface specifications within the timeline established by the State PM and Contractor PM during the project planning phase in a format and structure consistent with the State's interface specification
- Contractor will deliver Data transport specifications within the timeline established by the State PM and Contractor PM during the project planning phase in a format and structure consistent with the State's interface specification

Project Clarifications

- Current data models are available for the MDOT systems.
- The interface team will work directly with the appropriate State resources to review and resolve all issues and inconsistency regarding data and define an interface that is consistent with the pricing supplied in this proposal within the timeline established by the State PM and Contractor PM during the project planning phase.
- An in-depth study of the view definitions in the SVES system is necessary before implementing them in the Contract management module.
- The interface work will only be applicable to MDOT's use of the Contract Management solution; adding additional agencies may add additional costs

7) Conversions

The Contractor will convert up to 20,000 open contracts from Contract Administration and Tracking (CATS) database for the Michigan Department of Transportation.

The Contractor team will work with the State to jointly identify and develop the extract layout for this conversion.

Approach

The Contract Management module does not have any practical limit on the number of contracts to be stored. XML templates will be designed to receive the data, map the source data to target fields and build the conversion routines.

The Contract Management module has the ability to execute data conversion of the contracts data from CATS either by reading the CATS tables directly or flat file extracts of the tables. The Contractor team will develop the capacity plan upon receipt of the sizing information provided by the State. Data conversion of the contracts data can be achieved using either of these methods:

- **Flat File Extract** – The State provides flat file extracts of the contracts data from the CATS application. These files will be read by the Contract Management module to load the contracts and catalog information into the database. The current estimate is that there are no more than 20,000 contracts in the system. The number of records contained within those is currently unknown.
- **Direct read of CATS database** – the State provides Read Only access to the CATS database. The Contract Management module directly reads the tables, converts the data and loads it into the database. The current estimate is that there are no more than 20,000 contracts in the system. The number of records contained within those is currently unknown.

Although the Contract Management module is capable of implementing either kind of method mentioned above, Contractor recommends the first option to avoid possible performance degradation caused by direct table read.

The Contract Business Specialist resources provide both experience from similar conversions from Access, Excel, and SQL data sources, as well as a Data Migration Toolkit (“DMT”) that transforms data migration of structured information sources into a turnkey process.

Using the DMT, all business rules are entered into the mapping table, such as: source field type, list transformations, filtering criteria, target Contract management field destination. The DMT also captures the relational structure from the source database. (i.e., it does not require a simplified flat-file source for conversion, it can handle a complex, normalize data structure as well). Once the business rules have been identified, the DMT handles all the technical mechanics of the migration. At the end of the migration run, a log file is available for reviewing the conversion results and the built-in contract management reporting tools can be used to create further conversion validation reports.

Using the contract management reporting tools enables the Contract Business SMEs to be very specific as how each customer participates in the validation process. Through the flexibility of the contract management module, every customer validation requirement can be met.

Deliverables, Tools and Techniques

- Converted Contracts
- Contract Data Migration Toolkit
- Conversion Programs

Project Clarifications

- The state will provide the appropriately formatted flat file extracts of data in a timely fashion as specified in the conversion table layout.
- If the direct database read method is selected, the State will grant the Contract Management module “read” access to the CATS database.
- The data contained in CATS is as described in the ERD’s noted in the Contract. If there are differences which cause a substantial change in the process of exporting or importing data, the team reserves the right to request a change of scope.
- The state will have available a knowledgeable resource and documentation to explain the technical structure and business purpose for each source data point in CATS
- The data from CATS will be “clean”; Contractor is not responsible for any manual data scrubbing

8) Training

The onsite training program for the Contract Management module will leverage the processes identified by the State. The training program will focus on ensuring that each role within the state has training that is tailored to the activities required to be effective using the Contract Management module. The training program will consist of the following:



- Development of system installation (if state-hosted option selected) and administration specific documentation and training
- Development of role specific and departmental training curricula and collaterals such as:
 - Train the trainer guide
 - Role specific end user desk aids
 - User-friendly quick reference guides
 - Departmental administration guides
- Maintenance of materials based on software upgrades and departmental implementations
- All system training will be developed in “help” format, and user specific training will be delivered in Microsoft Word format.

Approach

The Contractor team will develop and produce a Training Plan in direct cooperation with the State. The Training Plan will consist of the following:

- Logistics: Details for training the identified State staff, including locations available for training.
- Schedule: Overall training schedule, which will include individual schedules for executing training prior to the implementation date
- Materials: Outline of all training materials required for future instructors (i.e., train the trainer) and the materials for each student (i.e., end-user). The bulk of this material already exists and will be modified to fit the State’s business processes and user groups.
- Curricula: Curricula to be employed that will ensure end users receive a sufficient quantity of training to adequately prepare them to perform their job within the Contract Management module environment, including training on how to effectively use all online user aids.

Planning will take into account the State’s requirement that Contract Management training cover all facets of the module from administrative setup, user training by function, and any required hardware and software management tasks.

Training Material

The Contract Management module has been broadly implemented in government settings and training material already exists. The purpose of this task will be to modify the material to the extent necessary in order to fully integrate Michigan’s business processes and function groups of Contract Management users.

Training will typically address Administrators (Operational Management) and Contract Managers. At training sessions, users will receive bound User Manuals with step-by-step instructions, copies of all PowerPoint presentations, a quick reference guide and all current update information.

Project Clarifications

- The State personnel required to participate in training are made available for training.
- The State will provide on site facilities to conduct training sessions and they will be available as needed.
- The State resources identified to participate in training sessions attend as scheduled.
- All user training is based on train-the-trainer

9) User, system, and acceptance testing

Overview

To ensure that the Contract Management module meets the State’s expectations, the Contractor team is proposing to conduct formal User Acceptance Testing (UAT) within the project. UAT covers all aspects of user testing, from validating the requirements with end users, supporting the development of use cases, to monitoring the system in production, ensuring that it behaves as expected.

Approach

Contractor will leverage its testing tools as licensed by the State (C.1.104 section 9, Project Clarifications) and processes to deliver services to the project. The information outlined in this section provides an overview of



Contractor's approach to user acceptance activities which Contractor will be using in this project. This approach focuses on:

- Ensuring that all functional and non-functional requirements are defined and the Requirements Document are validated.
- Detection and resolution of variances as early in the project life cycle as possible
- Encouraging "buy-in" and acceptance of "users" through involvement and participation during each phase of the testing work-stream
- Providing management with timely information so that informed business decisions can be made with respect to the promotion of the Contract Management module through the configuration, customization, interface, conversion and testing phases.

Testing Principles

The following testing principles will be adhered to throughout the life cycle of the MDOT Contract Management project:

- Quality Principle: Quality cannot be tested into the software. Testing cannot improve quality; it must be inherent within the software. The framework requires formal quality reviews by key members from the user, development, and infrastructure/technical support team to confirm quality is built in.
- Testability Principle: Ensure that requirements are testable and that the Contractor will follow the motto of "Test Early and Test Often."
- Verification Principle: Check that the test deliverables and test documentation are developed to align with the goals of the project's requirements and design and that they follow the Contractor process (Templates, Standards and Guidelines).
- Reusability Principle: Build test assets that can be used on an ongoing basis.
- Validation Principle: Test that the system components meet user's expectations and defined system requirements.
- Risk Based Principle: Test high-risk items/features first.

Testing Objectives

The objective of testing is to verify that the Contract Management module satisfies the business and system requirements as specified in the Requirements Document. System requirements also have acceptance criteria, which must be validated in order to confirm that the requirements have been met. A Requirements Traceability Matrix (RTM) will capture the relationship between system requirements and the tests cases that verify that those requirements are met.

The following are defined as the overall objectives of the testing activities:

- Ensure that the requirements are testable.
- Ensure that requirements should reflect business objectives and specify the relationship between the software and the rest of the subsystems
- No requirement should conflict with any other requirement.
- All requirements will be examined in relation to each other for consistency and compatibility.
- Requirements must also avoid any built-in assumptions with respect to functional knowledge on the part of the reader that could lead to misinterpretation of the requirement.
- All requirements must be testable to demonstrate that the software end product satisfies its business needs.
- To be testable, requirements must be specific, unambiguous, and quantitative whenever possible. Vague, general statements must be avoided. For example, any time definitions for tests must be explicit and measurable; storage specifications must include actual size required.
- Ensure that all the test documentation is completed as per Contractor guidelines and are approved by the State.
- Ensure that the test results are documented and approved by the State using the team guidelines.
- Validate the functional requirements as specified in the latest approved version of the Requirements Document.



- Validate the non-functional requirements specified in Requirements Document.
- Create defects for any deviations in behavior when compared to the specifications in the Requirements Document or for any software failures encountered during testing.
- Ensure defect fixes are retested and closed.
- Conduct Data Migration testing to ensure that data is extracted, transformed, and loaded as per the Data Migration Plan.
- Conduct Systems Integration Testing (SIT) to ensure that interaction with all external interfaces are validated as per the requirements in an end-to-end environment. These interface details will be provided in the SIT Test Plan.
- Conduct User Acceptance Testing (UAT) to ensure that user acceptance criteria are met in an end-to-end environment.
- Report whether the entry and exit criteria for each test phase/type are met.

Testing Scope

There are three high-level testing activities:

- Review Requirements:
 - Purpose: Validating for Testability and Risk Weighting.
 - After every Design Validation workshop, the Contractor team will validate whether the requirements are testable.
 - The Requirements Traceability Matrix (RTM) will be updated with details of the Requirement and its trace to design modules along with criteria to determine the priority of implementing this requirement.
- Review Test Plans:
 - The Contractor Test Lead will review the Integration Test Plans created by the Requirements resources.
 - The Contractor team will conduct internal reviews of the SIT, Data Migration, and UAT test plans they create.
 - As a part of the review process, reviews will provide feedback to ensure that the documents follow the State's standards and are in line with the project plan and project testing methodology.
- Review Test Cases:
 - After Test Cases are created for each planned test type, a review of the RTM will be conducted to ensure that the Test Cases are mapped to requirements and that every functional requirement has test cases associated with it.
 - A subset of test cases will be selected and validated using guidelines and standards for format, consistency, traceability, and accuracy.
 - The review process will also ensure that these subsets of tests are written in a way that any tester without detailed knowledge of the system can execute the test.

The scope includes the types of tests listed under this section and are executed by the Contractor team. A separate test plan will be created for each test type/phase. These Test Plans document the scope of the testing, the schedule for developing test cases, the entry criteria to begin testing, a schedule to train personnel to setup and operate the test environment, conducting the test (Execute the test cases) and reporting the test results and the exit criteria that must be met at the completion of testing.

The following types of testing are required for this project:

Table 1 – Test Type Definitions		
Type of test	Definition	Deliverables
Data Migration Testing	Testing conducted to ensure that the legacy data is migrated as per the definitions in the Data Migration Plan	Data Migration Test Plan Data Migration Test Cases Data Migration Test Results RTM
System Integration Testing	The process of testing an integrated hardware and software system (with emphasis on interface validation) to verify that the system meets its specified requirements.	SIT Plan SIT Test Cases SIT Test Results RTM
User Acceptance Testing	Formal testing conducted to determine whether or not a system satisfies its acceptance criteria and to enable the customer to determine whether or not to accept the system	UAT Test Plan UAT Test Cases UAT Test Results RTM

Tools and Techniques

The following tools will be utilized to conduct the testing activities for the MDOT Contract Management project:

Table 4 - Test Tool Usage Scope		
Tool Name	Used For	Comments
Track Record	Defect Tracking	Automated tool to track defects found during Requirements Verification, Review Sessions, Software, Hardware, Post-Deployment monitoring.
MS Excel	Requirements Management and RTM	Spreadsheet format to capture requirements
QA Center Enterprise Edition	Test Management, RTM	All Integration Test Cases will have to be migrated into this tool prior to start of Validation testing.

Project Clarifications

- Test plans shall be written by the Contractor team – SIT, Data Migration, and UAT.
- All test cases will be traced to requirements in the RTM.
- State will provide requirement details around Non functional specifications.

- Performance and load testing will be accomplished in the P.A.R.E
- The State already owns and will provide the license for QA Center Enterprise Edition toolset.

10) P.A.R.E

See Section 2.105 Performance and Reliability Evaluation (PARE) for the detailed requirements to be satisfied by the Contractor.

12) Implementation

Approach

A repeatable process will be developed which encompasses all aspects of system deployment at the agency level. This process will be developed through a collaborative effort between the Contractor team and the State by leveraging deployment information from other implementations of this solution. This process includes:

- Tools for the support of requirements validation including workflow definition, role definition and screen content
- Defining historical data loading and special interface development
- Defining special reporting requirements
- Tailoring specific training requirements and collaterals
- Developing a process to support State personnel who will be managing the subsequent deployments in a “train the trainer” fashion.

Site Deployment Plan Highlights

The scope of the Contractor’s effort includes:

- Detailed identification of agency’s requirements
- Customization of our offering to meet the agency’s requirements
- Building of interfaces and integration with the back-end system
- Preparation for full production

Contractor’s approach begins with a series of information-gathering tasks, called Identification/Operational Plan, including a kickoff meeting that results in the publishing of an updated more complete and more detailed version of the project plan. Contractor will then begin the analysis of agency requirements. The major output of this effort is the publishing of the agency’s requirements.

Once the requirements are acknowledged, Contractor will configure our system to meet the agency’s needs. The configured system is tested and accepted by the agency prior to implementation. Part of the configuration effort is the defining of additional reports, based upon the agency’s needs.

Contractor’s integration specialists develop the interfaces needed to meet the agency’s requirement for integrating data with the agency’s back-end systems. As part of this set of tasks, data conversions and the defining of hardware and software architectures are accomplished.

Training classes are customized for the agency and training is held for agency personnel at the times agreed upon between the agency and the Contractor team. Once training has been completed, implementation begins.

Deliverables, Tools and Techniques

- Deployment Kit
- Training Kit

Project Clarifications

- State personnel will be available when needed for the deployment and possess the appropriate skills necessary to assist the Contractor team.
- The time for deployment of MDOT as outlined in the Project Plan is appropriate.
- All agency requirements will be identified during the requirements confirmation phase.

1.2 Roles and Responsibilities

1.201 CONTRACTOR STAFF, ROLES, AND RESPONSIBILITIES

A table identifying Contractor Staff, Roles, and Responsibilities is provided in **Article 1, Appendix B.**

1.202 STATE STAFF, ROLES, AND RESPONSIBILITIES

A table identifying State Staff, Roles, and Responsibilities is provided in **Article 1, Appendix B.**

1.203 OTHER ROLES AND RESPONSIBILITIES -

RESERVED

1.3 Project Plan

1.301 PROJECT PLAN MANAGEMENT (See also 1.104 - Request for Proposal Deliverables- II Project Work Plan and Approach)

A final project plan must be delivered within the first twenty (20) business days after the project start date of the contract. The final project plan, based on the Contract submitted project plan, must reflect the tasks lists identified in each section of the Contract. Any changes to scope, schedule or budget must follow a change management process, and they must be agreed upon and communicated to the State of Michigan’s Project Manager in writing explaining the reason for the change and the impact on scope, schedule, and/or budget.

The Contractor will manage the project in accordance with the best practices and guidelines in PMBOK® (Project Management Body of Knowledge from the Project Management Institute), in the framework outlined in the State of Michigan’s Project Management Methodology (PMM) (see section 2.052). The State’s PMM is available at www.michigan.gov/projectmanagement. The intent of these requirements are to deliver the highest quality solution by deploying and maintaining best practices, methodologies, tools, and knowledge within a structured framework.

The final project plan shall:

- (a) Provide documentation of Management and System requirements that allows for a descriptive interpretation to understanding the management approach and the full system operability, usability, and maintainability. The amount, type, and format of project and system documentation required needs to be agreed upon, and it is dependent upon the size and scope of the project.
- (b) Provide the State with clearly written processes for managing updates to software and configuration during and after the implementation of the system. A COBIT compliant (or equivalent) process of controlled migration through development, test and production environments while maintaining separation of duties is required. At no time shall developers have administrative access to test or production environments.
- (c) Provide for a plan showing Contractor responsibility in leading and managing end user testing as specified by the Statement of Work (SOW).
- (d) Provide a detailed process for controlling the development of all deliverables. This would include controlling access to documents and version control.

The Contractor will use an automated tool(s) for planning, monitoring, and tracking the Contract’s progress and the level of effort of any Contractor personnel spent performing Services under the Contract. Contractors who use software other than Microsoft Project, as a project management tool, need to specify this use.



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

- (a) Staffing tables with names of personnel assigned to Contract tasks.
- (b) Project plans showing tasks, subtasks, deliverables, and the resources required and allocated to each (including detailed plans for all Services to be performed within the next sixty (60) calendar days, updated monthly). Updates must include actual time spent on each task and a revised estimate to complete.
- (c) Graphs showing critical events, dependencies and decision points during the course of the Contract. 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 as agreed to by the contractor and the State.

1.302 REPORTS

The Contractor must adhere to all of the State's reporting needs and formats as outlined in the Contract. During the project initiation phase or as designated by the State, Contractor will work with MDOT and MDIT to ensure that the Contractor will mutually agree on the formats, content, frequency and distribution of all management reports.

Project progress reports will summarize collective project data and portray the overall health of the project. Specifically, they report actual versus planned completion status of project milestones and deliverables. The following is a listing of reports that will be provided on a monthly basis as specified in section 1.302 Reports of the Contract. Contractor acknowledges that there are likely other reports that will be required, and will produce them.

Monthly Status report: As specified by the State, the project manager will submit a monthly progress report containing the following information:

- Project schedule status
- Activities of the past month
- Activities for the following month
- Deliverables submitted in the prior month and planned for the following month
- Issues identified and suggested resolutions
- Resolution of prior issues
- Percentage complete for each task defined in the work plan during the past month, the total percentage completed for each task, total percentage completed for the development, and total percentage completed for the project.
- Progress and Resource Schedules: Traditional reports that fall into this category include:
 - Gantt charts
 - Resource schedule reports
 - Progress reports

In addition to the reports listed above, other reports and documents will be produced as part of the daily project operations:

- Meeting agendas
- Meeting minutes
- Report Distribution Schedules
- Configuration Item and Summary Reports
- Issue Summary Logs
- Change Control Summary Logs
- Change Control Detail

Access to all reports will be at the discretion of the State Project Manager and Executive Sponsor.

1.4 Project Management

1.401 ISSUE MANAGEMENT

An issue is an identified event that if not addressed may affect schedule, scope, quality, or budget. The team employs an aggressive approach to issue identification and resolution in order to maintain the project budget and schedule.

Issue Identification

State project team members, project core team representatives and the project team members can identify and raise an issue. Once an issue is identified, it will be captured and tracked until resolved.

A key responsibility of the Contractor Project Manager is to detect issues that may not have been clearly articulated. The PM being the communication facilitator, as well as performance monitor, will have access to a wide array of independent data sources for identifying issues that may otherwise go undetected. Possible sources of issues in this category are:

- Recurring problems between project teams
- Articulated problems for which no one claims ownership
- Discrepancies between verbal status, metrics analysis, or configuration management repository status
- Changes in work patterns around a project deliverable
- Reports during meetings that may impact other teams or deliverables
- Access to SME from appropriate State agency and/or core team
- Availability of and access to hardware and software environment

The Contractor PM will proactively analyze input from these independent data sources, identifying trends and anomalies which will be reviewed with the appropriate managers to determine if there is indeed an issue.

Issue Tracking

Once an issue is identified, the project will follow the formal issue management process, where the issue is accepted and managed per the plan. The Project team will use Microsoft Excel to manage project issues or the State prescribed tool as agreed.

The following issue details will be logged:

- Description of issue
- Issue identification date
- Responsibility for resolving issue
- Priority for issue resolution (to be mutually agreed upon by the State and the Contractor)
- Resources assigned responsibility for resolution
- Resolution date
- Resolution description
- Issues will be tracked and reported at the weekly project status meeting.

Issue Ownership

Identified issues will be assigned an owner, who will be responsible for follow up and issue resolution. The assigned issue owner will research the background of the issue, develop alternative resolutions and develop a recommendation for resolution.

Issues Leading to Change

When issue resolution requires changes to the approved base-lined project plan or any other artifacts, the issue will be converted to a change control item and the change control process will be followed.

Responsibility

Issue resolution is the responsibility of the Contractor Project Manager, and will resolve the issue at the lowest possible organizational level. If an issue cannot be resolved at one level, the project manager will escalate the issue to the State PM, Project Sponsor, Steering Committee or Executive Committee as appropriate, ensuring it is brought to the attention of appropriate parties and successfully resolved.

Escalation

Project management makes decisions that resolve project level issues. In some instances, project management will need to escalate issues for resolution to the State PM, the Project Core team, the Project Sponsor, Steering Committee or Executive Committee for timely resolution.

1.402 RISK MANAGEMENT

Risk management constitutes an integral task of project planning and management. Risk Management approach will be based on the Risk Management Process, as defined in the Project Management Institute's Project Management Book Of Knowledge (PMBOK®), containing six major processes:

- Risk Management Planning
- Risk Identification
- Qualitative Risk Analysis
- Quantitative Risk Analysis
- Risk Response Planning
- Risk Monitoring and Control

The project manager will facilitate risk identification brainstorming session. Participants in risk identification will include project team, subject matter experts from MDOT and stakeholders. The Contractor PM will prepare the Risk Management plan, which will include:

- Results of the risk identification
- Results of Risk analysis (Qualitative and Quantitative Risk Analysis)
- Risk prioritization
- How risks will be tracked throughout the project (Risk Response Planning)
- How contingency plans will be implemented, (Risk Monitoring and Control) and
- How project contingency reserves will be allocated to handle risk.

In addition Risk Management Plan will also cover:

- Risk Management Strategy – deciding how to approach and plan the risk management activities for a project.
- Risk Management Methodology – defines the approaches, tools, and data sources used to perform risk management on this project. Different types of assessments may be appropriate, depending upon the project stage, amount of information available, and flexibility remaining in risk management.
- Risk Assumptions – defines any initial risk assumptions that are known at the current time.
- Risk Management Roles and Responsibilities – defines the lead, support, and risk management team membership for each type of action in the Risk Management Plan. Risk management teams organized outside of the project office may be able to perform more independent, unbiased risk analyses of project than those from the project team.
- Risk Thresholds – the threshold criteria for risks that will be acted upon.
- Risk Communications – defines how the results of the risk management processes will be documented and communicated to the project team, internal and external stakeholders, sponsors, and others.

Then, as scheduling, budgeting, and resource planning occur, the plan is updated to reflect further risks identified throughout the Planning Phase.

Just prior to the Project Execution Phase, the Risk Management Plan will be reviewed again, and any new risks will be added to it.

The Risk management Plan will be reviewed and updated throughout the project life cycle.

Risk Management Process

Part of controlling a project during the Execution Phase is to have an established risk management process. The key elements in this process are as follows:

- Creating a central repository for risk information and associated documentation of risk items and resolution strategies.
- Assigning a risk manager.
- Including a risk summary in the regular status meetings
- Providing a consistent and ongoing evaluation of risk items (iterative process), includes four overlapping steps:
 - Risk Identification
 - Qualitative and Quantitative Risk Analysis
 - Risk Response Planning
 - Risk Monitoring and Control
 - Conduct briefings to C-TRAK Steering Committee as well as executive sponsor for active risks being managed.

A risk management plan format shall be submitted to the State for approval within twenty (20) business days after the project start date.

1.403 CHANGE MANAGEMENT

The Contractor is responsible for establishing and utilizing a change control process. This process will be utilized to recommended modifications to agreed upon phases, processes, etc. as well as enhancement requests above and beyond original scope of this Contract. This process includes the recording of proposed changes, impact assessments on scope, timeframes and project budget (if any), establishing change control triggers and reviews, and documentation of the final determination of the acceptance or denial of the proposed change. State identified stakeholders will make the final acceptance or denial decision based upon input from the Contractor and state staff. The final decision will be signed off on by both the Project Manager for the respondent and the State of Michigan Project Manager.

The Contractor can provide the tools for managing the change control process or the State will provide the tools if preferred. The Contractor and the State will jointly develop change controls and triggers during the project initiation phase. The Contractor will perform the initial impact assessment (including schedule, cost, and risk), and both parties will participate in the formal change control reviews.

If a proposed change requires a contract change notice it will be submitted to the designated stakeholders and steering committee for state approval, and then sent to the DMB 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 if necessary), the Purchasing Operations Buyer will issue an addendum to the Contract, via a Contract Change Notice. **Respondents who provide products or services prior to the issuance of a Contract Change Notice by DMB Purchasing Operations, risk non-payment for the out-of-scope/pricing products and/or services.**

1.5 Acceptance

1.501 ACCEPTANCE CRITERIA

The following criteria will be used by the State to determine Acceptance of the Services, Software and Deliverables provided under this SOW.

1. Document Deliverables

Documents include, but are not limited to, plans, design documents, project schedules, user guides, technical support manuals and procedure manuals.



- a. Documents are dated and in electronic format, compatible with State of Michigan software in accordance with Article 1.302.
- b. Requirements Traceability Matrix is reviewed and updated throughout the development process to assure requirements are delivered in final product.
- c. Beta documents are not accepted as final deliverable.
- d. The documents will be reviewed and accepted in accordance with the requirements of the contract and the accepted Respondent's proposal.
- e. The State of Michigan will review business documents within 15 business days of receipt. Approvals will be written and signed by the State Project Manager with assistance from DMB. Unacceptable issues will be documented and submitted to the Contractor. After issues are resolved or waived, the Contractor will resubmit documents for approval within 15 business days of receipt.
- f. The State of Michigan will review technical documents within 15 business days of receipt. Approvals will be written and signed by the State Project Manager with assistance from DIT. Unacceptable issues will be documented and submitted to the Contractor. After issues are resolved or waived, the Contractor will resubmit documents for approval within 15 business days of receipt.
- g. State Project Manager will review project documents within 15 business days of receipt. Approvals will be written and signed by the State Project Manager. Unacceptable issues will be documented and submitted to the Contractor. After issues are resolved or waived, the Contractor will resubmit documents for approval within 15 business days of receipt.

2. Software Deliverables

Software includes, but not limited to, software product, development tools, support tools, data migration software, integration software and installation software.

- a. Beta software is not accepted as final deliverable.
- b. The software will be reviewed and accepted in accordance with the requirements of this contract.
- c. The State of Michigan will review software within 15 business days of receipt for acceptance of functionality, usability, installation, performance, security, standards compliance, backup/recovery and operation. Approvals will be written and signed by the State Project Manager with assistance from the State. Unacceptable issues will be documented and submitted to the Contractor. After issues are resolved or waived, the Contractor will resubmit software for approval within 15 business days of receipt.
- d. Software is installed and configured, with assistance from DIT, in appropriate environment (e.g. development, test, production). Contingency plans and de-installation procedures and software are provided by Contractor and approved by the State Project Manager with assistance from the State.
- e. Final software testing is performed in DIT's Quality Assurance Infrastructure without any compatibility issues and passes DIT's defined measurements for stress tests. Software is accessible by central, remote and external users.
- f. The State will review test software, data and results within 15 business days of receipt. Approvals will be written and signed by the State Project Manager with assistance from State. Unacceptable issues will be documented and submitted to the Contractor. After issues are resolved or waived, the Contractor will resubmit test software, data and results for approval within 15 business days of receipt.
- g. The State will review software license agreements within 15 business days of receipt. Approvals will be written and signed by the State Project Manager with assistance from DIT. Unacceptable issues will be documented and submitted to the Contractor. After issues are



resolved or waived, the Contractor will resubmit license agreement for approval within 15 business days of receipt.

- h. Software source code, where applicable, is reviewed by the State within 15 business days of receipt for readability, structure, and configuration management. Approvals will be written and signed by the State Project Manager with assistance from DIT. Unacceptable issues will be documented and submitted to the Contractor. After issues are resolved or waived, the Contractor will resubmit source code for approval within 15 business days of receipt.

3. Service Deliverables

Services include, but are not limited to training, software development, data migration, help desk and support.

- a. The services will be accepted in accordance with the requirements of this contract.
- b. The State will review a 'Request for Approval of Services' within 15 business days of completion or implementation. Approvals will be written and signed by the State Project Manager with assistance from DMB and DIT. Unacceptable issues will be documented and submitted to the Contractor. After issues are resolved or waived, the Contractor will resubmit a 'Request for Approval of Services' for approval within 15 business days of receipt.
- c. The State will review migrated and configured data within 15 business days of completion. Approvals will be written and signed by the State Project Manager with assistance from State Agencies. Unacceptable issues will be documented and submitted to the Contractor. After issues are resolved or waived, the Contractor will resubmit a request for approval within 15 business days of receipt.
- d. The State staff are trained sufficiently to operate and utilize the system to perform their required daily functions, and supplied with the proper tools and documentation to support, upgrade, monitor, operate and configure the application in accordance with the requirements of this contract.
- e. The Contractor has the tools and connectivity installed, in compliance with DIT standards, to properly support and monitor the application.

1.502 FINAL ACCEPTANCE

The criteria provide in the Performance and Reliability Evaluation (PARE) Section 2.105 as well as the criteria listed below, will be used by the State to determine Final Acceptance:

- All documents, software and services are delivered and accepted by the State in accordance with the requirements of the contract.
- For thirty (30) days after installation and configuration in the staging environment (model office), the software and any related infrastructure must meet or exceed acceptance testing requirements in accordance with the requirements of the contract.
- Due to the nature of required reporting at various times throughout the year, there will be a thirty (30) day period after the creation of quarterly, semi-annual, and yearly reports, in which the performance and reliability requirements must be met in order to prove the creation, operation, and accuracy of those first reports.
- The software must meet or exceed the acceptance testing requirements for a period of ninety (90) consecutive days.
- Approvals will be written and signed by the state Project Managers.
- Unacceptable issues will be documented and submitted to the team for resolution
- After installation and configuration in the production environment, all issues discovered during the warranty period are resolved and accepted or waived by the State. Approvals will be written and signed by the State PM.
- All bills related to this contract have been submitted and approved for payment.
- A product roadmap is available to the state including information such as technical requirements, functional enhancements, and product availability periods.

Services

Contractor will provide the services as already identified in the In Scope section of the document along with those identified above to successfully complete the implementation of the system that provides the functionality for the State to perform its business operations.

Project Clarifications

This Contract is based on the clarifications noted in this section. Deviations that arise during the proposed project may be managed through the Change Control Process.

1. The State has designated a Project Manager as the single point of contact, and a Core Team as the organization responsible for the oversight of the project.
2. The State agrees to the Roles and Responsibilities for the project team and State project personnel.
3. The team will have timely access to the clients business and technical information needed to perform project duties.
4. Timely access to appropriate Subject Matter Experts when needed is available throughout the project.
5. The State personnel, assigned to the project, have the technical skills necessary to participate in the effort.
6. Personnel in the State's DIT department are available to provide timely and accurate information and answer questions as required.
7. The team will have access to the client's system during normal client work hours.
8. Systems will be available to the project team during weekend and off-hours with a two-day notice for any time not available.
9. The State will make all relevant technical and functional documentation available to the project Team.
10. Performance testing is not required for the contract management module.
11. Estimates are based on a 40-hour workweek, 5 days per week, 8 hours per day.
12. Contractor defines a standard workweek as Monday through Friday. Weekends and Contractor holidays are excluded from normal business days. The Contractor recognized holidays are: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.
13. The State will provide long-distance phone access, e-mail, voice mail, and Internet access to the Project Team members as required for the project.
14. On-site Project Team members will be provided standard office items (e.g., work area, supplies, furniture, and telephone) equivalent to those of employees. Workstations are to be configured to meet the requirements to successfully support the project work effort.
15. Security access to required areas and to computer resources is provided within 24 hours of notification of such a need.
16. If any state development environment is used, the project team members will observe The State's development and environment standards. The State will make standards and policies available to the Contractor team prior to the beginning of the project.
17. Approval and Sign-Off will take place in 15 or less business days after submittal.
18. All currency values will be in US dollars.
19. The project management approach will be based on the states current PMM as of the date the eProcurement ITB was released (5/25/06).
20. The State and the Contractor Project Manager will jointly agree upon and define the specific deliverables that are required for this project during the initial project startup and project management activities.
21. Access to Various Subject Matter Experts from the State as agreed to by the State's Project Manager.
22. Availability of and access to state technology resources as required.
23. The State has the necessary facilities to host the system including a geographically diverse disaster recovery site, if the State selects this hosting option.
24. If the State chooses to procure the hardware and software, the time to execute these agreements is not unduly long
25. Obtaining the information necessary to configure the system in a timely manner.
26. Availability of resources necessary to perform the activities.
27. Current data models are available for the MDOT systems.



28. The interface team will work directly with the appropriate State resources to review and resolve all issues regarding data and define an interface that is consistent with the pricing supplied in this proposal within 30 days of execution of the contract.
29. Contractor assumes that the SVES views are simple table views on the CATS tables. If otherwise, an in-depth study of the view definitions in the SVES system is necessary before implementing them in our solution.
30. The state will provide the appropriately formatted flat file extracts of data in a timely fashion as specified in the conversion table layout.
31. If the direct database read method is selected, the State will grant Contractor “read” access to the CATS database.
32. The data contained in R*STARS and CATS is as described in the ERD’s submitted with the ITB. If there are differences which cause a substantial change in the process of exporting or importing data, the team reserves the right to request a change of scope.
33. The State personnel required to participate in training are made available for training.
34. The State will provide on site facilities to conduct training sessions and they will be available as needed.
35. The State resources identified to participate in training sessions attend as scheduled.
36. State will provide requirement details around Non functional specifications.
37. Each test type/phase will be executed per build without overlap into other builds.
38. The process, availability and reliability measures defined in the ITB will remain constant for the duration of the project.
39. All Training will be provided by State personnel as specified during the train the trainer sessions
40. Any required data entry will be executed by State Personnel
41. It is expected that all State system administrators and State management personnel that understand the state’s requirements and can make decisions regarding policy and procedures are available during the implementation process to resolve any ambiguities in the configuration parameters.
42. It is expected that all State system administrators and State management personnel that understand the state’s requirements and can make decisions regarding policy and procedures are available during the implementation process to resolve any ambiguities in the configuration parameters
43. Contractor assumes that ACTIVE contract holders have a valid and up-to-date email address.
44. Service estimates are based on the following scope of work:
 - produce up to 7 contract templates with an average of 100 data elements in each
 - produce up to 7 contract documents based on the above templates
 - create up to single master workflow for the State of Michigan with up to 15 process points, with derivative workflows of similar complexity for the divisions in scope (MDOT) and each contract type
 - create up to 20 supporting contract documents with an average of 30 elements in each
 - produce up to 25 custom reports based on the original RFP with an average of 5 data columns in each
 - create up to 15 notification types with up to 5 recipients or groups in each
 - initial security configuration for up to 500 users

1.6 Compensation and Payment

1.601 COMPENSATION AND PAYMENT

Payments will be made based on a firm fixed price per payment milestone. The State reserves the right to procure some or all of the necessary hardware and/or software required for the solution, from existing State contracts as needed to implement the C-TRAK Solution.

See [Article 1, Appendix A](#) for detailed price table. **Please note that payment will be made in accordance with the following milestone payment table.**

The following table outlines payment milestones for MDOT C-TRAK implementation and maintenance included in the base years of this contract.

<u>Milestones</u>	<u>Payment Amount</u>	<u>Payment Milestone</u>	<u>Tentative Dates</u>
S/W License Agreement Signed/Approved	\$465,000	SOM signature on Contraxx Software License/Maintenance Agreement	Oct 07
Requirements	\$79,980	Interface and MDOT Departmental Requirements Approved	Jan 08
Level 3 Hosting Initiation	\$89,745	SOM receives copy of Level 3 Lease Agreement	Jan 08
Year 1 T1 Line Charges	\$36,000	SOM receives copy of Level 3 Lease Agreement	Jan 08
Configuration	\$103,976	Configuration Complete	Mar 08
Conversion	\$131,320	List of Contracts Converted	Feb 08
Interfaces			
RSTARS	\$164,000	Interface Code Completed	April 08
MDOT *	\$208,500	Interface Code Completed	July 08
Testing			
	\$65,852	Test Strategy and Plans Approved	Jan 08
	\$65,852	Test Cases Approved	Feb 08
	\$95,704	Data Migration Testing	June 08
	\$41,157	SIT Testing	July 08
	\$49,387	UAT Testing	Sept 08
	\$41,157	PARE	Oct 08
Training	\$37,500	Training Materials and Train-the-Trainer Class completed	Sept 08
Deployment	\$52,700	Final Acceptance	Nov 08
Total First Year Implementation	\$1,727,830		
*MDOT: PAB, SVES, MPINS, MFOS, MIDB, Remis/Resale			
Year 1 Maintenance	Included in Total First Year Implementation Cost		
Year 2 Maintenance	\$103,816		
Year 3 Maintenance	\$103,816		
Note: If the State determines and notifies Contractor that a dedicated T1 line is not required for C-TRAK between the Level 3 hosting facility and the State of Michigan: Optional T1 line charges of \$72,000 for years 2-3 can be used by the SOM to request additional hourly services for Contractor resources, as defined in the Labor Rates table in Article 1, Appendix C of the contract.			
Optional T1 Line Charges:			
Year 1	\$0	Included above as optional T1 Line charges	
Year 2	\$36,000		
Year 3	\$36,000		
Grand Total	\$2,007,462		

A Milestone shall be considered complete when all deliverable(s) for that milestone, as described in Article 1, Section 1.104 have been approved by the State.

1.602 QUICK PAYMENT TERMS - RESERVED

1.603 PRICE TERM

Part Firm Fixed Price Lump Sum, Part Fixed Unit Price.

Prices quoted are firm for the entire length of the Contract.

Requests for price changes shall be RECEIVED IN WRITING AT LEAST THIRTY (30) DAYS PRIOR TO THEIR EFFECTIVE DATE, and are subject to written acceptance via an amendment processed by DMB PO, before becoming effective. In the event new prices are not acceptable, the CONTRACT may be cancelled. The continued payment of any charges due after September 30th of any fiscal year will be subject to the availability of an appropriation for the continuation of this project.

1.7 Additional Terms and Conditions Specific to this SOW

1.701 RESERVED

Article 1, Appendix A
Pricing

The milestone payments for MDOT C-TRAK implementation are provided in Article 1, Section 1.601
COMPENSATION AND PAYMENT

Mandatory MDOT Contract Management Module

C-TRAK Module Contract Management: Included in the following tables.



Mandatory MDOT Contract Management Module Cost Table
Table 1: Summary of the Project

No.	Cost Categories	Cost \$	Comments
A.	COTS Package * Initial application software purchase (all software components and products necessary for implementation) of COTS package (including one-year warranty).	\$ 465,000.00	Contract Management License for other state agencies- The Contractor team will provide the State of Michigan with the ability to upgrade to an unlimited license for the Contract Management module (Module 2) for an additional investment of \$285,000. The additional State agencies will be eligible for configuration and implementation services similar to those provided to MDOT, at labor rates listed in the attached pricing tables. This would allow the State to manage all contracts in each state agency. This additional control will save time, reduce legal exposures as well and allow for additional cost savings.
B.	Customization/Configuration of COTS Package Modification of the COTS package to meet business requirements. Give breakdown in Table 4.	\$ 514,830.00	
C.	Interfaces Give breakdown in Table 5.	\$ 281,000.00	
D.	Training and Documentation Give breakdown in Table 6.	\$ 37,500.00	
E.	Servers Hardware Give Breakdown in Table 7.		applicable to state hosted solution only
F.	Servers Software Licenses Give Breakdown in Table 8.		applicable to state hosted solution only
G.	Data Conversion and Migration Give Breakdown in Table 9.	\$ 114,620.00	
H.	Project Implementation Give Breakdown in Table 10.	\$ 278,880.00	
I.	One year hosting cost, hosting only, not including any non-recurring costs (if ASP-hosted alternative provided Table 7a)	\$ -	Hosting Services are being provided for 5 years at no charge to the State.
J.	Total 1st Year System Cost (all inclusive) ASP-hosted Solution	\$ 1,691,830.00	
M.	Total 5-Year system Cost ASP-Hosted Solution (Table 7a)	\$ 2,107,094.00	ASP hosted cost (row J), plus 5 year maintenance costs

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

No.	Cost Categories	Cost \$	Comments
N.	COTS/Application software update cost (Includes licensing and updates each year)		
	1. First Year (after one year warranty)	\$ -	Included in Maintenance and Support costs
	2. Second Year	\$ -	Included in Maintenance and Support costs
	3. Third Year	\$ -	Included in Maintenance and Support costs
	4. Fourth Year	\$ -	Included in Maintenance and Support costs
	5. Fifth Year	\$ -	Included in Maintenance and Support costs
O.	Maintenance and support cost (includes all programming and DB administration functions for implementing future business requirements)		
	1. First Year	\$ -	Included in implementation costs
	2. Second Year	\$ 103,816.00	
	3. Third Year	\$ 103,816.00	
	4. Fourth Year	\$ 103,816.00	
	5. Fifth Year	\$ 103,816.00	
	Total Recurring Cost	\$ 415,264.00	

Cost Breakdown Tables

Table 4: Breakdown of Configuration Cost

No.	Configuration of Application Table 4	Total # of resources	Total # of hours	Unit Cost (\$)	Total cost (\$)
	Project Management	1	300	\$ 298.00	\$ 89,400.00
	Business Analysts	2	1,060	\$ 261.00	\$ 276,660.00
	Systems Analysts	1	290	\$ 261.00	\$ 75,690.00
	Database administrators	1	30	\$ 226.00	\$ 6,780.00
	Q/A Manager	1	240	\$ 220.00	\$ 52,800.00
	Software Architects	1	20	\$ 225.00	\$ 4,500.00
	Web developers	1	40	\$ 225.00	\$ 9,000.00
	Total Cost of Configuration		1,980		\$ 514,830.00

Table 5: Breakdown of Interfaces

No.	Interfaces	Cost (\$)	Comments
D.	1. Inbound Accounting Transactions	\$ 25,000.00	
	2. Accounting Event Download	\$ 25,000.00	
	3. Payment Status	\$ 25,000.00	
	4. Vendor & Vendor Payee Extract File	\$ 20,000.00	
	5. Valid Account Coding Block Entries	\$ 20,000.00	
	6. Project Accounting and Billing	\$ 46,000.00	
	7. Service Vendor Evaluation System	\$ 25,000.00	
	8. MAP Project Information System	\$ 25,000.00	
	9. MAP Financial Obligation System	\$ 25,000.00	
	10. MIDB	\$ 20,000.00	
	11. Remis/Resale	\$ 25,000.00	
	Total Cost of Interfaces	\$ 281,000.00	

Table 6: Breakdown of Training and Documentation Cost

No.	Training cost and Documentation	Cost (\$)	Comments
F.	1) User Training	\$ 1,800.00	
	2) User training documentation		
	3) Operational management training	\$ 7,200.00	
	4) Operational management training documentation		
	5) DBA training		
	6) DBA training documentation		
	7a. System Administration Training	\$ 7,000.00	
	7b. Technical Training	\$ 3,500.00	
	7c. Customer User Training	\$ 18,000.00	
	Total Cost of Training & Documentation	\$ 37,500.00	

Table 7: Breakdown of Servers Hardware Cost (ASP Hosted)

No.	Server hardware cost	Cost (\$)	Comments
G.	1) Servers Hardware - Operating System	ASP Hosted No Cost to State	HP ProLiant DL360 G4P 2CPU
	2) Servers Hardware - DBMS	ASP Hosted No Cost to State	Sun e2900 4 CPU 32GB, ProLiant DL 380 G4 SAN, MSA500G2 controller, an MSA500 G2 4-port I/O module, two SA-642 adapters, 300GB ULTRA320 SCSI 10K RPM Hot Pluggable
	3) Servers Hardware - Print	\$ -	
	4) Servers Hardware - Security	\$ -	
	5) Servers Hardware - Others	ASP Hosted No Cost to State	Cisco Switch
	6) Servers Hardware - Backup	\$ -	
	7) Servers Hardware - Firewalls	ASP Hosted No Cost to State	Cisco PIX Firewall 535
	8) Servers Hardware - installation, configuration, and testing		
	Other Hardware (List separately)		
	9) Load Balancer	ASP Hosted No Cost to State	BIG-IP 6400
	Total Cost of Server Hardware	ASP Hosted No Cost to State	

Table 7a: Total Cost of ASP Hosting (If Offering a ASP-Hosted Alternative)

No.	Cost Categories	Cost (\$)	Comments
Table 1.J	Total Project (One Time) Cost	\$ 1,691,830.00	1st year ASP hosted cost
Table 2	Total Reoccurring Cost	\$ 415,264.00	5 year annual maintenance cost
	1) ASP Hosted Monthly Reoccurring Cost	\$ -	Hosting Services are being provided for 5 years at no charge to the State.
	Year 1	\$ -	
	Year 2	\$ -	
	Year 3	\$ -	
	Year 4	\$ -	
	Year 5	\$ -	
	Five Year Total	\$ -	
		
	Total 5-Year Hosting Cost	\$ 2,107,094.00	

Table 8: Breakdown of Servers Software Licenses Cost

No.	Server software cost	Cost (\$)	Comments
H.	1) Servers Software - Operating System	ASP Hosted No Cost to State	MS 2003
	2) Servers Software - DBMS	ASP Hosted No Cost to State	Oracle 10g Server db (4 CPU)
	3) Servers Software - Print		
	4) Servers Hardware - Security		
	5) Servers Software - Others		
	6) Servers Software - Backup		
	7) Servers Software - Firewalls		
	8) Servers Software - installation, configuration, and testing.		

9) Load balancing software		
Other Software (List separately):		
10).....		
11).....		
Total Cost of Server Software Licenses	ASP Hosted No Cost to State	

Table 9: Breakdown of Data Conversion and Migration Cost

No.	Resources Required	Total # of resources	Total # of hours	Unit Cost (\$)	Total cost (\$)
	Data Conversion and Migration: List the data source:				\$ -
	Contract Conversion Manager	1	440	\$ 260.50	\$ 114,620.00
	2.				\$ -
	3.				\$ -
	4.				\$ -
	5.				\$ -
	Total cost of data conversion and migration				\$ 114,620.00

Table 10 Project Implementation Cost: only for items not previously identified in other separate cost tables (Table 2-Table 9)

No .	Resources Required		Total # of resources	Total # of hours	Unit Cost (\$)	Total cost (\$)
	1.	Project Management	1	2,000	\$100.00	\$ 200,000.00
	2.	Requirements Analysis and Confirmation				\$ -
	3.	Integration: (Integration of your COTS/Application software product with customized code and external interfaces)	1	1	\$ 14,880.00	\$ 14,880.00
	4.	Testing: (a) Unit, (b) System, (c) Integration, (d) Performance (load and stress), (e) Parallel Testing, (f) UAT, (g) Other (List):.....	1	800	\$80.00	\$ 64,000.00
	5.	Deployment/Cutover				\$ -
	Other (List):					\$ -
	6.				\$ -
	7.				\$ -
		Total cost Project Implementation				\$ 278,880.00

Optional Statewide eProcurement Modules

- Vendor Management
- Acquisition
- Identification of Needs and Approvals
- Receiving
- Invoice Processing
- Inventory

The State and Contractor may negotiate the requirements and associated pricing for the optional eProcurement modules identified above at a time agreed upon by the State and Contractor.

Article 1, Appendix B
Contractor Staff Roles and Responsibilities

Contractor Role	Description of Role	Qualifications / Skills / Expertise	Key Role	Key Resource	Project Team
Project Manager	<ul style="list-style-type: none"> • Overall responsibility for the successful completion of the project. • Plan, organize, and control the activities and resources of the project team. • Monitor, evaluate, and report on the progress of the project. • Interfaces with the State’s PM and Steering Committee. • Provides Executive Updates. • Responsible for the management of the project billing. • Monitor, evaluate, and report on project performance (budget, cost, schedule, scope, quality, risk, and issue) and project financial status. • Responsible for Project Plan, Project Scope, Project Schedule and Work Breakdown Structure. • Obtains written approval and sign-off on project deliverables. • Carry out project progress and status reviews, and approved corrective actions. • Recommend corrective actions to the steering committee. • Establishes the Communication Plan. • Establishes Issue Resolution and Escalation Process. • Responsible for the identification, 	<p>Project Management Expertise</p> <p>System Implementation Expertise</p>	Y	Don Tondreau	

	<p>management, escalation, mitigation and resolution of all issues and risks related to the Contract Management solution.</p> <ul style="list-style-type: none"> • Establishes Change Control Process and Templates. • Responsible for overall Change Control Management. • Establishes Contract Management Process • Participates in JAD sessions as a Subject Matter Expert in Project Management and Systems Implementation. • Works with the various project resources as required to establish the JAD session schedule. 				
System Architect	<ul style="list-style-type: none"> • Participates in JAD sessions as a Subject Matter Expert for system architecture, integration and implementation. • Performs functional requirement analysis and confirmation. • Identifies, documents, and manages system architecture requirements. • Designs and provides direction regarding the solution architecture and the delivery approach. • Identifies, documents, manages, escalates, mitigates and resolves issues and risks related to the system architecture • Ensures that the business and system solutions are compliant with the stated system architecture requirements. • Documents and analyzes Change Control Requests. • Participates in development workshops. • Participates in quality assurance and quality 	Systems architecture, integration and implementation expertise	Y	Robin Mattern	

	<ul style="list-style-type: none"> control activities. • Recommends alternative solutions and corrective actions. • Validates and approves deliverables. • Establishes Performance Monitoring Process • Assists with project planning, scoping and scheduling, change control and risk management. 				
<p>Requirements Management Lead</p>	<ul style="list-style-type: none"> • Plans and coordinates JAD sessions • Develops JAD Session Agendas • Facilitates the JAD Sessions • Compiles and distributes JAD Session results • Identifies, documents, manages, escalates, mitigates, and resolves issues and risks related to business and system quality. • Participates in JAD sessions as a scribe. • Performs functional requirement analysis and confirmation. • Maintains requirements in the RM tool. • Maintains Business Process Workflows, Narratives and Rules. • Documents and analyzes Change Control Requests. • Defines monitors and supports the development of business process solutions.. • Ensures that the business and system solutions are compliant with the stated requirements. • Assists the Contractor Project Manager with project planning, scope and scheduling, change control and risk management. 	<p>JAD Session facilitation Designing structured activities and processes Listening, paraphrasing, observing, clarifying, elaborating Interpretation of verbal/non-verbal behavior Managing differences Collaboration with others Meeting Management Logistics Management Requirements Elicitation, Analysis, Negotiation and Validation, Management and Specification knowledge and experience Business analysis, business process specification and modeling knowledge and experience Business Process Improvement and Re-engineering knowledge and experience. Experience with selected Requirements</p>	<p>N</p>		

		Management (RM) tool (optional).			
QA Manager	<ul style="list-style-type: none"> Ensures that the business and system solutions are compliant with the stated requirements. Ensures accuracy of converted open contracts Responsible for Change Control Management related to Quality. Assists the Contractor Project Manager with project planning, scoping and scheduling, change control and risk management. 	Quality Assurance/Control and Verification and Validation (V&V) expertise	N		
Test Lead	<ul style="list-style-type: none"> Responsible for test planning and oversight of the execution of testing. Conducts verification activities and provides direction and oversight for test asset management. Provides input and determines test process and standards. Approves testing-related project deliverables. Responsible for test process management, metrics, and reporting. Escalates based on reporting criteria established. Coordinates test reviews, quality gates, and training sessions. Provides configuration management Test Artifacts and facilitates reviews with the State. Manages Defect tracking and reporting. 	Experience with the following tools: Track Record QA Director ChangePoint MS-Project	N		
System Integration Specialist	<ul style="list-style-type: none"> Participates in JAD Sessions as a Subject Matter Expert in System Integration. Identifies, documents, and manages system integration and configuration requirements. 	Contract Management System expertise System integration knowledge and expertise	N		

	<ul style="list-style-type: none"> Identifies, documents, manages, escalates, mitigates and resolves issues and risks related to system integration and configuration. Ensures that the business and system solutions are compliant with the stated system integration and configuration requirements. Assists the Contractor Project Manager with project planning, scoping and scheduling, change control and risk management. 				
<p>Programmers (1 & 2)</p>	<ul style="list-style-type: none"> Participates in JAD sessions as a Subject Matter Expert in the solution requirements. Responsible for the completion of the Interfaces between the existing State of Michigan systems and the new MDOT Contract Management module. 		<p>N</p>		
<p>Training Manager</p>	<ul style="list-style-type: none"> Defines and supports the development of training requirements. Responsible for all training development, coordination and implementation. Responsible for the identification, management and resolution of issues and risks related to the training requirements. Responsible for Change Control Management related to Training. Assists the Contractor Project Manager with project planning, scoping and scheduling, change control and risk management. Participates in JAD sessions as a Subject Matter Expert in the 	<p>Project Management Expertise Training development and management expertise</p>	<p>N</p>		

	<p>Contract Management training requirements.</p> <ul style="list-style-type: none"> • Works with the Contractor Project Manager and project resources as required to establish the JAD session schedule. • Defines and supports the development of training requirements. 				
Contract Conversion Manager	<ul style="list-style-type: none"> • Provides direction and support to the development, configuration, and integration resources. • Responsible for the identification, management, and resolution of issues and risks related to the Contract Management solution. • Responsible for Change Control Management related to Contract Management. • Assists the Contractor Project Manager with project planning, scoping and scheduling, change control and risk management. • Participates in JAD sessions as a Subject Matter Expert in the Contract Management System requirements. • Works with the Contractor Project Manager and project resources as required to establish the JAD session schedule. 	Contract Management expertise	Y	Rui Dacosta	
Contract Conversion Data Specialist	<ul style="list-style-type: none"> • Participates in JAD Sessions as a Subject Matter Expert for data conversion and data management. • Performs functional requirement analysis and confirmation. • Identifies, documents, and manages data requirements. • Maintains data models 	Data conversion and data extract and import knowledge and expertise	N		

	<p>and the data dictionary.</p> <ul style="list-style-type: none"> • Responsible for data conversion and data extract/import activities. • Documents and analyzes Change Control Requests. • Identifies, documents, manages, escalates, mitigates and resolves issues and risks related to data conversion and data management. • Ensures that the business and system solutions are compliant with the stated data requirements. • Assists the Contractor Project Manager with project planning, scoping and scheduling, change control and risk management. 				
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State Role	Description of Role	Qualifications / Skills / Expertise	Key Role	Key Resource	Project Team
Project Steering Committee	<ul style="list-style-type: none"> • Monitor overall project progress • Provide guidance to the Contractor Project Manager. • Provide assistance to the project team as required. • Assist in resolving project conflicts. 	Project Management Expertise Business System expertise			
Project Sponsor	<ul style="list-style-type: none"> • Maintains the communication link between the State and the project management team • Resolves project issues, confirming that the project meets the objectives and expectations of the State's executive management. • Committed to the project and provides support as required. • Member of the Project Steering Committee and takes part in any major changes in the direction of the project. • Approves all contractual deliverables. 	Project Management Expertise Business System expertise Complete knowledge of Contract Management Solution Requirements			
Project Manager	<ul style="list-style-type: none"> • Overall responsibility for the successful completion of the project. • Works with the Contractor PM to establish the Communication Plan. • Works with the Contractor PM to establish the Change Control Process and Templates. • Responsible for overall Change Control Management. • Works with the Contractor PM to establish the Issue Resolution and Escalation Process and Templates. • Responsible for the identification, management, escalation, mitigation and resolution of all issues and risks related to the Contract Management solution. • Works with the Contractor PM to establish the Contract Management Process. • Responsible for the management of the project budget • Responsible for the management of the project billing. • Responsible for Project Plan, Project Scope, Project Schedule and Work Breakdown Structure. • Interfaces with the State's Steering Committee. • Participates in requirements sessions as a Subject Matter 				

	<p>Expert in the Contract Management Functional requirements, Project Management and Systems Implementation.</p> <ul style="list-style-type: none"> • Works with the Contractor Project Manager and project resources as required to establishing the JAD session schedule. 				
Training Manager	<ul style="list-style-type: none"> • Supports the development of training requirements. • Trains management, agency users and potential users • Responsible for the identification, management and resolution of issues and risks related to the training requirements. • Responsible for Change Control Management related to Training. • Participates in JAD sessions as a Subject Matter Expert in the Contract Management training requirements and project management. • Works with the Contractor Project Manager and project resources as required to establishing the JAD session schedule. • Defines and supports the development of training requirements. 	<p>Project Management Expertise Training development and management expertise</p>			
MDOT Business Specialist	<ul style="list-style-type: none"> • Participates in JAD sessions as a Subject Matter Expert for the MDOT Contract Management functional requirements and Business Process Workflows. • Performs functional requirement analysis and confirmation. • Documents and analyzes Change Control Requests • Defines, monitors, and supports the development of business process solutions. • Identifies, documents, manages, escalates, mitigates and resolves issues and risks related to MDOT business systems. • Ensures that the business and system solutions are compliant with the stated MDOT requirements. • Assists the Contractor Project Manager with project planning, scoping and scheduling, change control and risk management. 	<p>MDOT Business Subject Matter Expert. Contract management System functional requirements knowledge MDOT procurement business process workflow and narrative knowledge and expertise Inter and Intra Departmental business system integration knowledge and expertise.</p>			
DIT Systems Specialist	<p>Participates in JAD sessions as a Subject Matter Expert for the DIT Contract Management functional requirements and systems integration and infrastructure. Performs functional requirement analysis</p>	<p>DIT Information Systems Subject Matter Expert. DIT Contract Management</p>			

	<p>and confirmation. Provides system configuration and integration knowledge and expertise. Documents and analyzes Change Control Requests. Defines and supports the development of information system solutions. Validates and approves deliverables. Identifies, documents, manages, escalates, mitigates and resolves issues and risks related to DIT information systems. Ensures that the business and system solutions are compliant with the stated DIT requirements. Assists the Contractor Project Manager with project planning, scoping and scheduling, change control and risk management.</p>	<p>System Subject Matter Expert. (optional) Inter and Intra Departmental information system integration Subject Matter Expert.</p>			
<p>Department Level System Administrator</p>	<p>Participates in system administration and configuration training Department Level System Administration and Configuration</p>	<p>System Administration and Configuration expertise Department specific knowledge and expertise</p>			

Article 1, Appendix C
Labor Rates

<u>Role</u>	<u>Hourly Bill Rate</u>
Project Manager	\$100.00
System Architect	\$185.00
QA Manager/Test Lead/Testers	\$80.00
* System Integration Specialists/Programmers	\$85.00
Contract Conversion Manager	\$230.00
Testing Manager	\$210.00
Configuration Services	
Project Manager	\$265.00
Business Analyst	\$230.00
Systems Analyst	\$230.00
Database Administrator	\$210.00
QA Manager	\$199.00
Software Architect	\$210.00
Web Developer	\$210.00

Note:

* For interface development only

Article 1, Appendix D
Service Level Agreement SLA

Duration of Agreement	
From: September 15, 2007	To: September 30, 2008

Help Desk/Service Desk

Help desk personnel are available during normal business hours either via email or a toll-free number to address system functionality issues. An acknowledgement that we have received the reported issue and are investigating is sent back immediately.

- Agency Buyer Support is available through the agency System Administrator, by email to the Agency Support Team, or via our 800 number during normal business hours (7:00 am to 7:00 pm ET M-F).
- Vendor Support is available online via the help screens in the interface, as well as through email service and a toll-free number during normal business hours (7:00 am to 7:00 pm ET M-F).

An online user manual is also available within the system, and provides users with detailed help and step-by-step instructions on the use of the software.

Disaster Recovery and System Availability

Security and disaster recovery are foremost in the minds of governmental officials. Increased dependence on technology combined with heightened awareness and concerns about potential disasters have increased demands on the public sector to ensure that operations remain secure, and available under a variety of potential circumstances.

Level 3, the hosting vendor for our Contract Management system, has a complete and comprehensive disaster recovery plan. Due to the size of Level 3's plan, we have noted its most important functions in our RFP response and below. However, if the SOM prefers, a full copy of Level 3's DR plan can be provided upon request. Below is a high-level disaster recovery overview for the system:

The primary site, SAN services, and network appliances are located in Southfield, Michigan. A redundant Disaster Recovery (DR) site is located in New York, New York or San Diego, California. All hosting locations support Unix and Microsoft platforms and Oracle and MS-SQL server databases.

All components have failover components. The databases are replicated, and the application servers are load balanced. This has allowed us to achieve system availability which meets the agency's requirement. In addition, the database content is replicated to our geographically diverse DR site, allowing us to move all traffic to the DR location very quickly and with minimal service disruption.

This geographic diversity ensures that if a large scale disaster hits the region where we are hosting the application, the services will continue to be available throughout the duration of the disaster. All changes to the application servers, content and databases are securely sent to the secondary datacenter. In the event of a catastrophic failure, the URL of the system will be pointed to the secondary datacenter. This redundancy allows for a "worst case" scenario while being virtually transparent to the end user. The same URLs, logins, etc are used, and the end user would not experience any disruption in service. As a hosted system, we will manage all aspects of operation and DR to meet the agency's availability requirements.

System Up-Time and Response Time

Compuware Corporation commits to uptime of 99.5% per month, 24 hours per day, seven days a week. Compuware Corporation also commits to internal system response time of 3 seconds or less per page of data. Compuware Corporation is not responsible for Internet speed or customer equipment and connection. A monthly report of downtime affecting MDOT's application or internal response times will be made available within seven days of request.

On-Line Response Time

Compuware Corporation shall perform the Processing Services in accordance with the On-line Response Time Performance Standard for each Environment set forth in table below.

On-Line Response Time

Environments	Performance Standard	Minimum Performance Standard
C-TRAK	<0.5 sec-85% <1.0 sec-90% <2.0 sec-94% <3.0 sec-96%	<0.5 sec-75% <1.0 sec-85% <2.0 sec-90% <3.0 sec-94%

System Monitoring

- The system is monitored 24x7 with performance alerts send to internal technical support.
- Hosting services support is available 24x7 via the Internet and via the toll-free number during normal business hours. Calls during the night will be answered first thing in the morning.

Future Changes

In the event that any component of the Contract Management System is changed, augmented or replaced during the Term of the Contract such that (1) any of the existing Standards or Service Level Objectives become inapplicable or inappropriately stringent or lenient, or (2) new Standards or Service Level Objectives would be applicable or more appropriate, the Parties shall mutually assess the need to make changes to the Standards or Service Level Objectives and shall work together in good faith to agree upon adjustments to, replacement of, or augmentation of, the Standards or Service Level Objectives as appropriate. The State may, upon the request of Compuware Corporation, deem the first full calendar month in which a new Standard or Service Level Objectives takes effect to be a validation period with respect to such new Standard or Service Level Objectives. Without limiting the generality of the foregoing, during the Term of the Contract, and in each September thereafter, the Parties shall perform an assessment of the Standards or Service Level Objectives as described herein.

Reporting and Meetings

Compuware Corporation shall submit to the State a report, in a form approved by the State, assessing Compuware Corporation’ performance during the previous month against the Standards and Service Level Objectives (the “Performance Attainment Report”). Compuware Corporation shall also be responsible for reporting problems that reasonably could be expected to have a material adverse effect on State operations within two (2) Business Days of Compuware Corporation becoming aware of any such problem. In addition, Compuware Corporation shall provide other reports daily, weekly, monthly and/or annually as agreed to by the Parties. Designated State representatives shall have access to the State’s Service Level Graphics (“SLG”).

A formal management group will be set up between the Parties to monitor and manage the performance of the Processing Services with respect to the Standards and Service Level Objectives. This group will meet on a regular basis to review the Performance Attainment Report.

Responsibilities

Compuware Corporation shall promptly investigate and correct failures to meet Performance Standards and Service Level Objectives by: (1) providing the State with daily performance reporting for the deficient Services; (2) initiating investigations of problems to identify root causes of failures; (3) making written recommendations to the State, including the actions proposed by Compuware Corporation and the State, for improvement in procedures; and (4) executing and reporting on such corrective actions. Furthermore, Compuware Corporation shall minimize recurrences of such failures for which it is responsible. The State shall use reasonable efforts to correct and minimize the recurrence of problems for which the State is responsible and which prevent Compuware Corporation from meeting the Performance Standards.

References to Time Periods

Unless otherwise specified in a particular instance, all references to time shall be local time in Lansing, and to months shall be to calendar months during the Term (including any portions thereof).

Hardware and Software maintenance

Compuware Corporation shall not be excused for an excusable failure to the extent that it is due to Compuware Corporation' failure to exercise due care in performing the Services, including without limitation Compuware Corporation' obligation to provide proper preventive and remedial maintenance for the Hardware and Software.

The Contract Management system shall be available for the Scheduled Hours listed in the Table below for the purpose of measuring the Performance Standards.

Scheduled Hours of On-Line Availability

Environment	Scheduled Hours of On-Line Availability
Contract Management System	24x7x365*

*Times listed are exclusive of Maintenance Windows.

Compuware Corporation shall perform the Processing Services in accordance with the Availability Performance Standard set forth in Table below. Downtime is measured from the time a problem record is opened and the outage has been coded.

Environment Availability

Environments	Performance Standard	Minimum Performance Standard
Contract Management System	99.5%	99.0%

Daily BRS Backup Tapes

Compuware Corporation shall ensure that daily backup files are prepared and moved to the off-site storage facility on a daily basis per the mutually agreed schedule.



Article 1, Appendix E
Project Plan

MDOT Contract Management						
ID	Task Name	Duration	Start	Finish	Predecessors	Resource Names
1	Proposal for eProcurement for State of Michigan	279d	Mon 10/1/07	Thu 10/23/08		
2	MS: Project Begins	0d	Mon 10/1/07	Mon 10/1/07		
3	Project Management	265d	Mon 10/1/07	Fri 10/3/08		
4	Establish Project Management Office/Practices	15d	Mon 10/1/07	Fri 10/19/07		
5	Conduct Ongoing Project Management Activities	250d	Mon 10/22/07	Fri 10/3/08	4	
6	Project Coordination	250d	Mon 10/22/07	Fri 10/3/08		Project Coordinator[72%]
7	Facilitate Project Status Meetings	250d	Mon 10/22/07	Fri 10/3/08		Project Manager[10%]
8	Create Project Status Reports	250d	Mon 10/22/07	Fri 10/3/08		Project Manager[10%]
9	Facilitate Management Review Meetings	250d	Mon 10/22/07	Fri 10/3/08		Project Manager[10%]
10	Facilitate Issue Resolution Process	250d	Mon 10/22/07	Fri 10/3/08		Project Manager[10%],Michigan Cc
11	Facilitate Project Management Processes	250d	Mon 10/22/07	Fri 10/3/08		Project Coordinator[16%],Project M
12	Facilitate Project Change Requests	250d	Mon 10/22/07	Fri 10/3/08		Project Manager[10%]
13	Requirements Analysis and Confirmation	55d	Mon 10/22/07	Fri 1/4/08	4	
14	Refine Requirements from the RFP	55d	Mon 10/22/07	Fri 1/4/08		
15	Interface Requirements	55d	Mon 10/22/07	Fri 1/4/08		
16	Refine Requirements for Inbound Accounting Transaction Interfa	5d	Mon 10/22/07	Fri 10/26/07	2	Requirements Management Lead[E
17	Refine Requirements for Accounting Event Download Interface	5d	Mon 10/29/07	Fri 11/2/07	16	Requirements Management Lead[E
18	Refine Requirements for Payment Status Interface	5d	Mon 11/5/07	Fri 11/9/07	17	Requirements Management Lead[E
19	Refine Requirements for Vendor & Vendor Payee File Extract Int	5d	Mon 11/12/07	Fri 11/16/07	18	Requirements Management Lead[E
20	Refine Requirements for Valid Account Coding Block Entries Inte	5d	Mon 11/19/07	Fri 11/23/07	19	Requirements Management Lead[E
21	Refine Requirements for Project Accounting and Billing (PAB) In	5d	Mon 11/26/07	Fri 11/30/07	20	Requirements Management Lead[E
22	Refine Requirements for Service Vendor Evaluation System (SV	5d	Mon 12/3/07	Fri 12/7/07	21	Requirements Management Lead[E
23	Refine Requirements for Michigan Architecture Project (MAP) Pr	5d	Mon 12/10/07	Fri 12/14/07	22	Requirements Management Lead[E
24	Refine Requirements for MIDB Interface	5d	Mon 12/17/07	Fri 12/21/07	23	Requirements Management Lead[E
25	Refine Requirements for Michigan Architecture Project (MAP) Fi	5d	Mon 12/24/07	Fri 12/28/07	24	Requirements Management Lead[E
26	Refine Requirements for Remis/Resale Interface	5d	Mon 12/31/07	Fri 1/4/08	25	Requirements Management Lead[E
27	MS: Interface Requirements Complete	0d	Fri 1/4/08	Fri 1/4/08	16,17,18,19,	
28	MDOT Departmental Requirements Confirmation	54d	Mon 10/22/07	Thu 1/3/08		
29	Review MDOT Requirements Information	2d	Mon 10/22/07	Tue 10/23/07		Requirements Management Lead[E
30	Evaluate Benchmark MDOT Departmental Requirements from of	2d	Wed 10/24/07	Thu 10/25/07	29	Requirements Management Lead[E
31	Develop MDOT Departmental Requirements Assessment	3d	Fri 10/26/07	Tue 10/30/07	30	Requirements Management Lead[E
32	Submit MDOT Departmental Requirements for Review	1d	Wed 10/31/07	Wed 10/31/07	31	Requirements Management Lead[E
33	Determine Additional Vendor Requirements (i.e. Licensing, certif	5d	Wed 10/31/07	Tue 11/6/07	32SS	Requirements Management Lead[E
34	Facilitate Departmental Requirements Finalization Sign-off	1d	Thu 11/8/07	Thu 11/8/07	32FS+5d	Requirements Management Lead[E
35	MS: MDOT Deparmental Requirements Complete	0d	Thu 11/8/07	Thu 11/8/07	34	
36	Generate MDOT Department Configuration Specifications for Co	40d	Fri 11/9/07	Thu 1/3/08	35	Requirements Management Lead[E
37	Generate MDOT Department Configuration Specifications for Ao	5d	Fri 11/9/07	Thu 11/15/07	36SS	Requirements Management Lead[E
38	Generate MDOT Training Requirements	5d	Fri 11/9/07	Thu 11/15/07	37SS	Requirements Management Lead[E
39	Submit Final MDOT Configuration Specifications to Change Man	1d	Fri 11/16/07	Fri 11/16/07	37	Requirements Management Lead[E
40	MS: MDOT Configuration Specifications Complete	0d	Fri 11/16/07	Fri 11/16/07	39	
41	Infrastructure Implementation	147d	Fri 1/4/08	Tue 7/29/08	13	
42	MS: Begin Infrastructure Implementation	0d	Fri 1/4/08	Fri 1/4/08		
43	Conduct Physical Architecture Review	13d	Mon 1/7/08	Wed 1/23/08		
44	Update Architecture Documents	4d	Mon 1/7/08	Thu 1/10/08		Technical Lead[50%],Infrastructure
45	Submit Architecture Documents for Review	1d	Mon 1/7/08	Mon 1/7/08		Technical Lead[25%],Infrastructure
46	Consolidate Review Feedback for Architecture Documents into Sumn	5d	Tue 1/8/08	Mon 1/14/08	45	Technical Lead,Infrastructure Imple



MDOT Contract Management						
ID	Task Name	Duration	Start	Finish	Predecessors	Resource Names
47	Conduct Architecture Documents Peer Review Meeting	1d	Tue 1/15/08	Tue 1/15/08	46	Technical Lead,Infrastructure Imple
48	Update Architecture Documents from Peer Review	6d	Wed 1/16/08	Wed 1/23/08	47	Technical Lead,Infrastructure Imple
49	MS: Architecture Documents Approved	0d	Wed 1/23/08	Wed 1/23/08	48	
50	Procurement of Hardware	30d	Thu 1/24/08	Wed 3/5/08		
51	Network Hardware Procurement	30d	Thu 1/24/08	Wed 3/5/08		
52	Submit Network Hardware Procurement for Approval	2d	Thu 1/24/08	Fri 1/25/08	49	Technical Lead[25%],Infrastructure
53	Network Hardware Procurement Approved	3d	Mon 1/29/08	Wed 1/30/08	52	Technical Lead[25%],Infrastructure
54	Enter order for Network Hardware Procurement	1d	Thu 1/31/08	Thu 1/31/08	53	Technical Lead[25%],Infrastructure
55	Route procurement order for Network Hardware	4d	Fri 2/1/08	Wed 2/6/08	54	Technical Lead[25%],Infrastructure
56	MS: PO for Network Hardware Issued	0d	Wed 2/6/08	Wed 2/6/08	55	
57	MS: Hardware for Network Hardware Received	0d	Wed 3/5/08	Wed 3/5/08	56FS+20d	
58	Managed Storage Procurement	30d	Thu 1/24/08	Wed 3/5/08		
59	Submit Managed Storage Procurement for Approval	2d	Thu 1/24/08	Fri 1/25/08	49	Technical Lead[25%],Infrastructure
60	Managed Storage Procurement Approved	3d	Mon 1/29/08	Wed 1/30/08	59	Technical Lead[25%],Infrastructure
61	Enter order for Managed Storage Procurement	1d	Thu 1/31/08	Thu 1/31/08	60	Technical Lead[25%],Infrastructure
62	Route procurement order for Managed Storage	4d	Fri 2/1/08	Wed 2/6/08	61	Technical Lead[25%],Infrastructure
63	MS: PO for Managed Storage Issued	0d	Wed 2/6/08	Wed 2/6/08	62	
64	MS: Hardware for Managed Storage Received	0d	Wed 3/5/08	Wed 3/5/08	63FS+20d	
65	Application Server Procurement	30d	Thu 1/24/08	Wed 3/5/08		
66	Submit Application Server Procurement for Approval	2d	Thu 1/24/08	Fri 1/25/08	49	Technical Lead[25%],Infrastructure
67	Application Server Procurement Approved	3d	Mon 1/29/08	Wed 1/30/08	66	Technical Lead[25%],Infrastructure
68	Enter order for Application Server Procurement	1d	Thu 1/31/08	Thu 1/31/08	67	Technical Lead[25%],Infrastructure
69	Route procurement order for Application Server	4d	Fri 2/1/08	Wed 2/6/08	68	Technical Lead[25%],Infrastructure
70	MS: PO for Application Server Issued	0d	Wed 2/6/08	Wed 2/6/08	69	
71	MS: Hardware for Application Server Received	0d	Wed 3/5/08	Wed 3/5/08	70FS+20d	
72	Database Server Procurement	30d	Thu 1/24/08	Wed 3/5/08		
73	Submit Database Server Procurement for Approval	2d	Thu 1/24/08	Fri 1/25/08	49	Technical Lead[25%],Infrastructure
74	Database Server Procurement Approved	3d	Mon 1/29/08	Wed 1/30/08	73	Technical Lead[25%],Infrastructure
75	Enter order for Database Server Procurement	1d	Thu 1/31/08	Thu 1/31/08	74	Technical Lead[25%],Infrastructure
76	Route procurement order for Database Server	4d	Fri 2/1/08	Wed 2/6/08	75	Technical Lead[25%],Infrastructure
77	MS: PO for Database Server Issued	0d	Wed 2/6/08	Wed 2/6/08	76	
78	MS: Hardware for Database Server Received	0d	Wed 3/5/08	Wed 3/5/08	77FS+20d	
79	Infrastructure Build out	47d	Thu 3/6/08	Fri 5/9/08	50	
80	Implement Cisco Network	16d	Thu 3/6/08	Thu 3/27/08		
81	Rack and Configure Switches	5d	Thu 3/6/08	Wed 3/12/08		Technical Lead
82	Network VLAN definition and setup	7d	Thu 3/13/08	Fri 3/21/08		
83	determine topology	1d	Thu 3/13/08	Thu 3/13/08	81	Technical Lead,Infrastructure Imple
84	document all required ports and protocols within VLAN	1d	Fri 3/14/08	Fri 3/14/08	83	Technical Lead,Infrastructure Imple
85	determine firewall rules	1d	Mon 3/17/08	Mon 3/17/08	84	Technical Lead,Infrastructure Imple
86	determine server IP info (front, back, names, mask, subnet	1d	Tue 3/18/08	Tue 3/18/08	85	Technical Lead,Infrastructure Imple
87	Implement	1d	Wed 3/19/08	Wed 3/19/08	86	Technical Lead,Infrastructure Imple
88	Test routes	2d	Thu 3/20/08	Fri 3/21/08	87	Technical Lead,Infrastructure Imple
89	Burn In Test	4d	Mon 3/24/08	Thu 3/27/08	82,88	Technical Lead,Infrastructure Imple
90	NetApp Storage Area network	14d	Fri 3/28/08	Wed 4/16/08		
91	Rack FAS980c	2d	Fri 3/28/08	Mon 3/31/08	89	Technical Lead,Infrastructure Imple
92	Rack Brocade Fiber Switch	1d	Tue 4/1/08	Tue 4/1/08	91	Technical Lead,Infrastructure Imple



MDOT Contract Management						
ID	Task Name	Duration	Start	Finish	Predecessors	Resource Names
93	Configure Netapp & Brocade	6d	Wed 4/2/08	Wed 4/9/08	92	Technical Lead, Infrastructure Imple
94	Test	5d	Thu 4/10/08	Wed 4/16/08	93	Technical Lead, Infrastructure Imple
95	BigIP Load Balancer	10d	Thu 4/17/08	Wed 4/30/08		
96	Rack	1d	Thu 4/17/08	Thu 4/17/08	94	Technical Lead, Infrastructure Imple
97	Determine VLAN	1d	Fri 4/18/08	Fri 4/18/08	96	Technical Lead, Infrastructure Imple
98	Configure Pools	2d	Mon 4/21/08	Tue 4/22/08	97	Technical Lead, Infrastructure Imple
99	Configure SSL	1d	Wed 4/23/08	Wed 4/23/08	98	Technical Lead, Infrastructure Imple
100	Test	4d	Thu 4/24/08	Tue 4/29/08	99	Technical Lead, Infrastructure Imple
101	Firewall changes	1d	Wed 4/30/08	Wed 4/30/08	100	Technical Lead, Infrastructure Imple
102	Backup Hardware	7d	Wed 4/30/08	Fri 5/9/08		
103	Rack	1d	Wed 4/30/08	Thu 5/1/08	101	Technical Lead, Infrastructure Imple
104	Configure	2d	Thu 5/1/08	Mon 5/5/08	103	Technical Lead, Infrastructure Imple
105	Test	4d	Mon 5/5/08	Fri 5/9/08	104	Technical Lead, Infrastructure Imple
106	Server Installation	57d	Mon 5/12/08	Tue 7/29/08	50	
107	Facilitate Server Procurement and Installation	57d	Mon 5/12/08	Tue 7/29/08	105	Technical Lead(30%), Infrastructure
108	Databases	38d	Mon 5/12/08	Wed 7/2/08		
109	Sun e4900s	38d	Mon 5/12/08	Wed 7/2/08		
110	Rack	2d	Mon 5/12/08	Tue 5/13/08	105	Technical Lead, Infrastructure Imple
111	Install Operating System / Layout File systems	4d	Wed 5/14/08	Mon 5/19/08		
112	Os Install	2d	Wed 5/14/08	Thu 5/15/08	110	Technical Lead, Infrastructure Imple
113	Install Patch Clusters	2d	Fri 5/16/08	Mon 5/19/08	112	Technical Lead, Infrastructure Imple
114	Mount NetApp	2d	Tue 5/20/08	Wed 5/21/08	111,113	Technical Lead, Infrastructure Imple
115	Burn In test	4d	Thu 5/22/08	Tue 5/27/08	114	Technical Lead, Infrastructure Imple
116	Install Oracle	14d	Wed 5/28/08	Mon 6/16/08		
117	Configure Replication	3d	Wed 5/28/08	Fri 5/30/08	115	Technical Lead, Infrastructure Imple
118	Burn In tests	5d	Mon 6/2/08	Fri 6/6/08	117	Technical Lead, Infrastructure Imple
119	Load Schema	4d	Mon 6/9/08	Thu 6/12/08	118	Technical Lead, Infrastructure Imple
120	Import Test Tables	2d	Fri 6/13/08	Mon 6/16/08	119	Technical Lead, Infrastructure Imple
121	Test Oracle Failover	5d	Tue 6/17/08	Mon 6/23/08		
122	Hot Failover	2d	Tue 6/17/08	Wed 6/18/08	120	Technical Lead
123	Cold Remote Standby - SD	3d	Thu 6/19/08	Mon 6/23/08	122	Technical Lead
124	Install backup software	3d	Tue 6/24/08	Thu 6/26/08	121	Technical Lead
125	Full Backup	1d	Fri 6/27/08	Fri 6/27/08	124	Technical Lead
126	Load Test	3d	Mon 6/30/08	Wed 7/2/08	125	Technical Lead
127	Application Servers	57d	Mon 5/12/08	Tue 7/29/08		
128	HP DL 360's	55d	Mon 5/12/08	Fri 7/25/08		
129	Rack	5d	Mon 5/12/08	Fri 5/16/08	105	Technical Lead
130	Install Operation System / Layout File systems	10d	Mon 5/19/08	Fri 5/30/08	129	Technical Lead
131	Install Patches - Linux	7d	Mon 6/2/08	Tue 6/10/08	130	Technical Lead
132	Mount NAS	3d	Wed 6/11/08	Fri 6/13/08	131	Technical Lead
133	Install application sever - BEA	5d	Mon 6/16/08	Fri 6/20/08	132	
134	Configure cluster replication	5d	Mon 6/16/08	Fri 6/20/08		Technical Lead
135	Burn In Test	5d	Mon 6/23/08	Fri 6/27/08	133,134	Technical Lead
136	Install Backup Software	1d	Mon 6/30/08	Mon 6/30/08	135	Technical Lead
137	Install BASEC Applications	3d	Tue 7/1/08	Thu 7/3/08	136	Technical Lead
138	Test Software Replication	2d	Fri 7/4/08	Mon 7/7/08	137	Technical Lead



MDOT Contract Management						
ID	Task Name	Duration	Start	Finish	Predecessors	Resource Names
139	Load Test	14d	Tue 7/8/08	Fri 7/25/08	138	Technical Lead
140	Modify Load balancer	2d	Mon 7/28/08	Tue 7/29/08	128	Technical Lead
141	MS: Infrastructure Implementation Complete	0d	Tue 7/29/08	Tue 7/29/08	106	
142	Configuration	50d	Fri 1/11/08	Thu 3/20/08		
143	MS: Configuration Begins	0d	Fri 1/11/08	Fri 1/11/08	145SS	
144	Contract Configuration	50d	Fri 1/11/08	Thu 3/20/08		
145	Contract Templates	10d	Fri 1/11/08	Thu 1/24/08	210SS	Contract Conversion Data Speciali
146	Contract Documents	7d	Fri 1/25/08	Mon 2/4/08	145	Contract Conversion Data Speciali
147	Other Documents	10d	Tue 2/5/08	Mon 2/18/08	146	Contract Conversion Data Speciali
148	Reports	7d	Tue 2/19/08	Wed 2/27/08	147	Contract Conversion Data Speciali
149	Dashboards	7d	Thu 2/28/08	Fri 3/7/08	148	Contract Conversion Data Speciali
150	Notifications	3d	Mon 3/10/08	Wed 3/12/08	149	Contract Conversion Data Speciali
151	Security Profiles	3d	Thu 3/13/08	Mon 3/17/08	150	Contract Conversion Data Speciali
152	Customized Contract Screens	3d	Tue 3/18/08	Thu 3/20/08	151	Contract Conversion Data Speciali
153	MS: Configuration Complete	0d	Thu 3/20/08	Thu 3/20/08	144	
154	Interfaces	128d	Mon 1/7/08	Wed 7/2/08	15	
155	MAIN-R*STARS Interfaces	80d	Mon 1/7/08	Fri 4/25/08		
156	Inbound Accounting Transactions Interface	16d	Mon 1/7/08	Mon 1/28/08		
157	Perform integration-point mapping and develop product interface	5d	Mon 1/7/08	Fri 1/11/08	13	Contract Programmer 2,Contract P
158	Determine field layout and format for each interface point for Inb	2d	Mon 1/14/08	Tue 1/15/08	157	Contract Programmer 2,Contract P
159	Develop flat files for Inbound Accounting Transactions	5d	Wed 1/16/08	Tue 1/22/08	158	Contract Programmer 2,Contract P
160	Test flat files for Inbound Accounting Transactions	3d	Wed 1/23/08	Fri 1/25/08	159	Contract Programmer 2,Contract P
161	Test Inbound Accounting Transactions	1d	Mon 1/28/08	Mon 1/28/08	160	Contract Programmer 2,Contract P
162	Accounting Event Download Interface	16d	Tue 1/29/08	Tue 2/19/08		
163	Perform integration-point mapping and develop product interface	5d	Tue 1/29/08	Mon 2/4/08	161	Contract Programmer 2,Infrastuct
164	Determine field layout and format for each interface point for Acc	2d	Tue 2/5/08	Wed 2/6/08	163	Contract Programmer 2,Infrastuct
165	Develop flat files for Accounting Event Download	5d	Thu 2/7/08	Wed 2/13/08	164	Contract Programmer 2,Infrastuct
166	Test flat files for Accounting Event Download	3d	Thu 2/14/08	Mon 2/18/08	165	Contract Programmer 2,Infrastuct
167	Test Accounting Event Download	1d	Tue 2/19/08	Tue 2/19/08	166	Contract Programmer 2,Infrastuct
168	Payment Status Interface	16d	Wed 2/20/08	Wed 3/12/08		
169	Perform integration-point mapping and develop product interface	5d	Wed 2/20/08	Tue 2/26/08	167	Contract Programmer 2,Infrastuct
170	Determine field layout and format for each interface point for Pay	2d	Wed 2/27/08	Thu 2/28/08	169	Contract Programmer 2,Infrastuct
171	Develop flat files for Payment Status	5d	Fri 2/29/08	Thu 3/6/08	170	Contract Programmer 2,Infrastuct
172	Test flat files for Payment Status	3d	Fri 3/7/08	Tue 3/11/08	171	Contract Programmer 2,Infrastuct
173	Test Payment Status	1d	Wed 3/12/08	Wed 3/12/08	172	Contract Programmer 2,Infrastuct
174	Vendor & Vendor Payee File Extract Interface	16d	Thu 3/13/08	Thu 4/3/08		
175	Perform integration-point mapping and develop product interface	5d	Thu 3/13/08	Wed 3/19/08	173	Contract Programmer 2,Infrastuct
176	Determine field layout and format for each interface point for Ver	2d	Thu 3/20/08	Fri 3/21/08	175	Contract Programmer 2,Infrastuct
177	Develop flat files for Vendor & Vendor Payee File Extract	5d	Mon 3/24/08	Fri 3/28/08	176	Contract Programmer 2,Infrastuct
178	Test flat files for Vendor & Vendor Payee File Extract	3d	Mon 3/31/08	Wed 4/2/08	177	Contract Programmer 2,Infrastuct
179	Test Vendor & Vendor Payee File Extract	1d	Thu 4/3/08	Thu 4/3/08	178	Contract Programmer 2,Infrastuct
180	Valid Accounting Coding Block Entries Interface	16d	Fri 4/4/08	Fri 4/25/08		
181	Perform integration-point mapping and develop product interface	5d	Fri 4/4/08	Thu 4/10/08	179	Contract Programmer 2,Contract P
182	Determine field layout and format for each interface point for Vali	2d	Fri 4/11/08	Mon 4/14/08	181	Contract Programmer 2,Contract P
183	Develop flat files for Valid Accounting Coding Block Entries	5d	Tue 4/15/08	Mon 4/21/08	182	Contract Programmer 2,Contract P
184	Test flat files for Valid Accounting Coding Block Entries	3d	Tue 4/22/08	Thu 4/24/08	183	Contract Programmer 2,Contract P



MDOT Contract Management						
ID	Task Name	Duration	Start	Finish	Predecessors	Resource Names
185	Test Valid Accounting Coding Block Entries	1d	Fri 4/25/08	Fri 4/25/08	184	Contract Programmer 2,Contract P
186	Department of Transportation Interfaces	128d	Mon 1/7/08	Wed 7/2/08		
187	Design interface for Project Accounting and Billing (PAB)	14d	Mon 4/28/08	Thu 5/15/08		
188	Perform integration-point mapping and develop product interface	10d	Mon 4/28/08	Fri 5/9/08	185	Contract Programmer 2,Acquisitio
189	Determine field layout and format for each interface point for PAI	4d	Mon 5/12/08	Thu 5/15/08	188	Contract Programmer 2,Contract P
190	Design interface for Service Vendor Evaluation System (SVES)	14d	Fri 5/16/08	Wed 6/4/08		
191	Perform integration-point mapping and develop product interface	10d	Fri 5/16/08	Thu 5/29/08	189	Contract Programmer 2,Acquisitio
192	Determine field layout and format for each interface point for SVI	4d	Fri 5/30/08	Wed 6/4/08	191	Contract Programmer 2,Contract P
193	Design interface for Michigan Architecture Project (MAP) Project	10d	Thu 6/5/08	Wed 6/18/08		
194	Perform integration-point mapping and develop product interface	6d	Thu 6/5/08	Thu 6/12/08	192	Contract Programmer 2,Contract P
195	Determine field layout and format for each interface point for MA	4d	Fri 6/13/08	Wed 6/18/08	194	Contract Programmer 2,Contract P
196	Design interface for Michigan Architecture Project (MAP) Financi	10d	Thu 6/19/08	Wed 7/2/08		
197	Perform integration-point mapping and develop product interface	6d	Thu 6/19/08	Thu 6/26/08	195	Contract Programmer 2,Contract P
198	Determine field layout and format for each interface point for MA	4d	Fri 6/27/08	Wed 7/2/08	197	Contract Programmer 2,Contract P
199	Design interface for MIDB	10d	Mon 1/7/08	Fri 1/18/08		
200	Perform integration-point mapping and develop product interface	6d	Mon 1/7/08	Mon 1/14/08		Contract Programmer 2,Contract P
201	Determine field layout and format for each interface point for MIC	4d	Tue 1/15/08	Fri 1/18/08	200	Contract Programmer 2,Contract P
202	Design interface for Remis/Resale	10d	Mon 1/21/08	Fri 2/1/08		
203	Perform integration-point mapping and develop product interface	6d	Mon 1/21/08	Mon 1/28/08	201	Contract Programmer 2,Contract P
204	Determine field layout and format for each interface point for Rer	4d	Tue 1/29/08	Fri 2/1/08	203	Contract Programmer 2,Contract P
205	Conversions	28d	Thu 1/3/08	Tue 2/12/08		
206	MS: Conversions Begin	0d	Thu 1/3/08	Thu 1/3/08	28	
207	Convert Contracts	28d	Fri 1/4/08	Tue 2/12/08		
208	Discovery/Validation	13d	Fri 1/4/08	Tue 1/22/08		
209	Requirements Confirmation/Validation	5d	Fri 1/4/08	Thu 1/10/08	28	Contract Conversion Manager, Con
210	Configuration Workbooks	8d	Fri 1/11/08	Tue 1/22/08	209	Contract Conversion Manager, Con
211	Data Conversions	15d	Wed 1/23/08	Tue 2/12/08		
212	CATS	15d	Wed 1/23/08	Tue 2/12/08		
213	Analysis, mapping and planning	5d	Wed 1/23/08	Tue 1/29/08	208	Contract Conversion Data Speciali
214	Development, testing and verification	7d	Wed 1/30/08	Thu 2/7/08	213	Contract Conversion Data Speciali
215	Execution and validation	3d	Fri 2/8/08	Tue 2/12/08	214	Contract Conversion Data Speciali
216	MS: Conversions Complete	0d	Tue 2/12/08	Tue 2/12/08	207	
217	Training	96d	Thu 5/1/08	Fri 9/12/08		
218	MS: Training Begins	0d	Thu 5/1/08	Thu 5/1/08	143FS+80d	
219	Training Development	60d	Fri 5/2/08	Thu 7/24/08		
220	Update Training Materials (Dept. 1)	40d	Fri 5/2/08	Thu 6/26/08	218	Technical Writer[43%],Training Ma
221	Prepare Trainer(s)	20d	Fri 6/27/08	Thu 7/24/08	153FS-5d,22	Training Manager,Training Manage
222	Deliver Training: Department of Transportation	36d	Fri 7/25/08	Fri 9/12/08		
223	Adjust Materials	5d	Fri 7/25/08	Thu 7/31/08	219	Training Manager[25%],Training M
224	Develop Training Plan	5d	Fri 8/1/08	Thu 8/7/08	223	Training Manager[20%],Training M
225	Prepare Classroom	2d	Fri 8/1/08	Mon 8/4/08	223	Training Manager[50%],Training M
226	Prepare Department	3d	Tue 8/5/08	Thu 8/7/08	225	Training Manager[33%],Training M
227	Train Administrators	5d	Fri 8/8/08	Thu 8/14/08	226	Training Manager[60%],Training M
228	Train Users	21d	Fri 8/15/08	Fri 9/12/08	227	Training Manager,Training Manage
229	Evaluate Instruction	2d	Fri 8/15/08	Mon 8/18/08	228SS	Training Manager,Training Manage
230	Review Each Session with State's Trainers	3d	Fri 8/15/08	Tue 8/19/08	229SS	Training Manager,Training Manage



MDOT Contract Management						
ID	Task Name	Duration	Start	Finish	Predecessors	Resource Names
231	MS: Training Complete	0d	Fri 9/12/08	Fri 9/12/08	222	
232	User Acceptance Testing	241d	Mon 10/1/07	Mon 9/1/08		
233	MS: User Acceptance Testing Begins	0d	Fri 11/16/07	Fri 11/16/07	40	
234	Initial Test Planning Activities	1d	Mon 11/19/07	Mon 11/19/07		
235	Document Test Case standards and guidelines	1d	Mon 11/19/07	Mon 11/19/07	233	Test Lead[5%],Contract Programm
236	Document Test Plan Standards and guidelines and document	1d	Mon 11/19/07	Mon 11/19/07	235SS	Test Lead[5%],Contract Programm
237	Document Defect Tracking Strategy	1d	Mon 11/19/07	Mon 11/19/07	235SS	Test Lead[5%],Contract Programm
238	Document test deliverable review & approval process and durations	1d	Mon 11/19/07	Mon 11/19/07	235SS	Contract Programmer 1[5%],Test L
239	Document Test Status Meetings, Agenda, Frequency, Participants	1d	Mon 11/19/07	Mon 11/19/07	235SS	Contract Programmer 1[5%],Test L
240	Implement Test Tools	5d	Tue 11/20/07	Mon 11/26/07		
241	Determine Test Tool Architecture	1d	Tue 11/20/07	Tue 11/20/07	239	Test Lead[10%]
242	Set up Infrastructure	1d	Tue 11/20/07	Tue 11/20/07	241SS	Test Lead
243	Develop WorkFlows	5d	Tue 11/20/07	Mon 11/26/07	241SS	Test Lead
244	Develop Test Strategy and Test Plans	45d	Tue 11/20/07	Mon 1/21/08		
245	Develop Test Strategy	10d	Tue 11/20/07	Mon 12/3/07		
246	Create Test Strategy	5d	Tue 11/20/07	Mon 11/26/07	239	Test Lead
247	Peer Review for Test Strategy	1d	Tue 11/27/07	Tue 11/27/07	246	Contract Programmer 1[25%],Proje
248	Update Test Strategy based on peer review	1d	Wed 11/28/07	Wed 11/28/07	247	Test Lead
249	Submit Test Strategy to State for review	1d	Thu 11/29/07	Thu 11/29/07	248	Test Lead[8%]
250	Update Test Strategy based on State feedback	1d	Fri 11/30/07	Fri 11/30/07	249	Test Lead
251	State Approves Test Strategy	1d	Mon 12/3/07	Mon 12/3/07	250	Test Lead[8%]
252	MS: Test Strategy Approved by SOM	0d	Mon 12/3/07	Mon 12/3/07	251	
253	Develop Data Migration Test Plan	19d	Tue 12/4/07	Fri 12/28/07		
254	Create Data Migration Test Plan	10d	Tue 12/4/07	Mon 12/17/07	252	Data Migration Test Specialist,QA I
255	Submit Data Migration Test Plan to State for review	3d	Tue 12/18/07	Thu 12/20/07	254	Data Migration Test Specialist[8%],
256	Update Data Migration Test Plan based on State feedback	3d	Fri 12/21/07	Tue 12/25/07	255	Data Migration Test Specialist
257	State Approves Data Migration Test Plan	3d	Wed 12/26/07	Fri 12/28/07	256	Data Migration Test Specialist
258	MS: Data Migration Test Plan Approved	0d	Fri 12/28/07	Fri 12/28/07	257	
259	Develop System Integration Test Plan	11d	Mon 1/7/08	Mon 1/21/08		
260	Create System Integration Test Plan	5d	Mon 1/7/08	Fri 1/11/08	27	Acquisition Hardware SME,Test Le
261	Submit System Integration Test Plan to State for review	2d	Mon 1/14/08	Tue 1/15/08	260	Contract Programmer 1[33%],MDC
262	Update System Integration Test Plan based on State feedback	2d	Wed 1/16/08	Thu 1/17/08	261	Contract Programmer 1[67%]
263	State Approves System Integration Test Plan	2d	Fri 1/18/08	Mon 1/21/08	262	Contract Programmer 1[8%]
264	MS: System Integration Test Plan Approved	0d	Mon 1/21/08	Mon 1/21/08	263	
265	Develop User Acceptance Test Plan	12d	Tue 12/4/07	Wed 12/19/07		
266	Identify State Resources who will Participate and Sign Off on UA	1d	Tue 12/4/07	Tue 12/4/07	252	Project Manager[10%]
267	MS: UAT Test Resources Identified	0d	Tue 12/4/07	Tue 12/4/07	266	
268	UAT Test BOM Identified	1d	Wed 12/5/07	Wed 12/5/07	267	Test Lead[13%]
269	Create UAT Test Plan	5d	Tue 12/4/07	Mon 12/10/07	266SS	Test Lead
270	Peer Review for UAT Test Plan	1d	Tue 12/11/07	Tue 12/11/07	269	QA Manager[50%],Contract Progra
271	Update UAT Test Plan based on peer review	1d	Wed 12/12/07	Wed 12/12/07	270	Test Lead
272	Submit UAT Test Plan to State for review	1d	Thu 12/13/07	Thu 12/13/07	271	Test Lead[33%],MDOT Business S
273	Update UAT Test Plan based on State feedback	1d	Fri 12/14/07	Fri 12/14/07	272	Test Lead[67%]
274	State Approves UAT Test Plan	3d	Mon 12/17/07	Wed 12/19/07	273	Test Lead[8%]
275	MS: UAT Plan Approved by SOM	0d	Wed 12/19/07	Wed 12/19/07	274	
276	Develop Test Cases	58d	Tue 12/11/07	Thu 2/28/08		



MDOT Contract Management						
ID	Task Name	Duration	Start	Finish	Predecessors	Resource Names
277	Create Data Migration Test Cases	44d	Mon 12/31/07	Thu 2/28/08		
278	Develop Test Case listings	4d	Mon 12/31/07	Thu 1/3/08	258	Data Migration Test Specialist
279	Submit Test Case listings to State	3d	Fri 1/4/08	Tue 1/8/08	278	Data Migration Test Specialist
280	Update test case listings based on State feedback	3d	Wed 1/9/08	Fri 1/11/08	279	Data Migration Test Specialist
281	State Approves Test Case listings	3d	Mon 1/14/08	Wed 1/16/08	280	Data Migration Test Specialist
282	Develop Test Case details	20d	Thu 1/17/08	Wed 2/13/08	281	Data Migration Test Specialist[50%
283	Submit Test Case details to State	3d	Thu 2/14/08	Mon 2/18/08	282	Data Migration Test Specialist[33%
284	Update test case details based on State feedback	3d	Tue 2/19/08	Thu 2/21/08	283	Data Migration Test Specialist
285	State Approves Test Case details	3d	Fri 2/22/08	Tue 2/26/08	284	Data Migration Test Specialist
286	Upload Test Cases into QA Center	2d	Wed 2/27/08	Thu 2/28/08	285	Data Migration Test Specialist
287	Create SIT Test Cases	25d	Tue 1/22/08	Mon 2/25/08		
288	Develop Test Case listings	2d	Tue 1/22/08	Wed 1/23/08	264	Test Lead
289	Submit Test Case listings to State	2d	Thu 1/24/08	Fri 1/25/08	288	Test Lead
290	Update test case listings based on State feedback	2d	Mon 1/28/08	Tue 1/29/08	289	Test Lead
291	State Approves Test Case listings	2d	Wed 1/30/08	Thu 1/31/08	290	Test Lead
292	Develop Test Case details	10d	Fri 2/1/08	Thu 2/14/08	291	Test Lead
293	Submit Test Case details to State	2d	Fri 2/15/08	Mon 2/18/08	292	Test Lead
294	Update test case details based on State feedback	2d	Tue 2/19/08	Wed 2/20/08	293	Test Lead
295	State Approves Test Case details	2d	Thu 2/21/08	Fri 2/22/08	294	Test Lead
296	Upload Test Cases into QA Center	1d	Mon 2/25/08	Mon 2/25/08	295	Test Lead
297	Create User Acceptance Test Cases	31d	Tue 12/11/07	Tue 1/22/08		
298	Identify State resources that will participate in test case identific	2d	Tue 12/11/07	Wed 12/12/07	269	Project Manager[5%], Test Lead[5%
299	Develop Test Case listings	2d	Thu 12/13/07	Fri 12/14/07	298	Test Lead, QA Analyst - Tester[200
300	Submit Test Case listings to State	1d	Mon 12/17/07	Mon 12/17/07	299	Test Lead[8%]
301	Update test case listings based on State feedback	1d	Tue 12/18/07	Tue 12/18/07	300	QA Analyst - Tester[67%]
302	State Approves Test Case listings	3d	Wed 12/19/07	Fri 12/21/07	301	MDOT Business Specialist (SOM)[i
303	Develop Test Case details	15d	Mon 12/24/07	Fri 1/11/08	302	Test Lead[50%], MDOT Business S
304	Submit Test Case details to State	1d	Mon 1/14/08	Mon 1/14/08	303	Test Lead[5%], MDOT Business Sp
305	Update test case details based on State feedback	1d	Tue 1/15/08	Tue 1/15/08	304	Test Lead[67%]
306	State Approves Test Case details	3d	Wed 1/16/08	Fri 1/18/08	305	Test Lead[8%], MDOT Business Sp
307	Upload Test Cases into QA Director	2d	Mon 1/21/08	Tue 1/22/08	306	Test Lead
308	Test Environment	21d	Mon 10/1/07	Mon 10/29/07		
309	Verify and Audit Test Environment	3d	Mon 10/1/07	Wed 10/3/07		QA Manager[33%]
310	Fix Gaps Related to Test Environment	3d	Thu 10/4/07	Mon 10/8/07	309	Contract Programmer 1[50%]
311	Certify Test Environment	3d	Tue 10/9/07	Thu 10/11/07	310	QA Analyst - Tester[50%]
312	Setup To-Be Production Environment	3d	Fri 10/12/07	Tue 10/16/07	311	QA Analyst - Tester[50%]
313	Verify and Audit To-Be Production Environment	3d	Wed 10/17/07	Fri 10/19/07	312	QA Manager[33%]
314	Fix Gaps Related to To-Be Production Environment	3d	Mon 10/22/07	Wed 10/24/07	313	Contract Programmer 1[50%]
315	Certify To-Be Production Environment	3d	Thu 10/25/07	Mon 10/29/07	314	QA Analyst - Tester[50%]
316	Test Execution	132d	Fri 2/29/08	Mon 9/1/08		
317	Data Migration Testing	80d	Fri 2/29/08	Thu 6/19/08		
318	Validate Data Migration to the Test Environment	20d	Fri 2/29/08	Thu 3/27/08	296	Data Migration Test Specialist[50%
319	Fix Defects found in Data Migration Routines	10d	Fri 3/28/08	Thu 4/10/08	318	Contract Programmer 1[50%], Cont
320	Certify Data Migration to the Test Environment	10d	Fri 4/11/08	Thu 4/24/08	319	Data Migration Test Specialist, Test
321	Validate Data Migration to the To-Be Production Environment	20d	Fri 4/25/08	Thu 5/22/08	320	Data Migration Test Specialist[50%
322	Fix Defects found in Data Migration Routines	10d	Fri 5/23/08	Thu 6/5/08	321	Contract Programmer 1[50%], Cont



MDOT Contract Management						
ID	Task Name	Duration	Start	Finish	Predecessors	Resource Names
323	Certify Data Migration to the To-Be Production Environment	10d	Fri 6/6/08	Thu 6/19/08	322	Data Migration Test Specialist, Test
324	SIT Testing	16d	Thu 7/3/08	Thu 7/24/08		
325	Execute test cases	10d	Thu 7/3/08	Wed 7/16/08	296,154	QA Analyst - Tester, Test Lead[50%
326	Update test results	10d	Thu 7/3/08	Wed 7/16/08	325SS	QA Analyst - Tester[50%], Test Lea
327	Log defects	10d	Thu 7/3/08	Wed 7/16/08	325SS	QA Analyst - Tester[13%], Test Lea
328	Conduct daily defect review meetings	10d	Thu 7/3/08	Wed 7/16/08	325SS	QA Analyst - Tester[25%], Test Lea
329	Send out daily test status reports	10d	Thu 7/3/08	Wed 7/16/08	325SS	QA Analyst - Tester[13%], Test Lea
330	Fix Defects	4d	Thu 7/17/08	Tue 7/22/08	325	Contract Programmer 1, Contract P
331	Validate Test Results	1d	Wed 7/23/08	Wed 7/23/08	330	QA Analyst - Tester[200%], Test Le
332	Test Results are approved by State	1d	Thu 7/24/08	Thu 7/24/08	331	QA Analyst - Tester[200%], Test Le
333	User Acceptance Testing (To-Be Production Environment)	27d	Fri 7/25/08	Mon 9/1/08		
334	Identify Users that will Participate and Sign Off on Acceptance T	1d	Fri 7/25/08	Fri 7/25/08	142,332	Test Lead[50%], QA Analyst - Teste
335	Install Build based on Release Notes	1d	Mon 7/28/08	Mon 7/28/08	334	Test Lead[50%], QA Analyst - Teste
336	Execute test cases identified for 1st cycle of UAT	10d	Tue 7/29/08	Mon 8/11/08	335	Test Lead[50%], QA Analyst - Teste
337	Update test results from 1st cycle of UAT testing	3d	Tue 7/29/08	Thu 7/31/08	336SS	Test Lead[13%], QA Analyst - Teste
338	Log defects found during 1st cycle of UAT testing	3d	Tue 7/29/08	Thu 7/31/08	336SS	Test Lead[13%], QA Analyst - Teste
339	Conduct daily defect review meetings	10d	Tue 7/29/08	Mon 8/11/08	336SS	Test Lead[13%], QA Analyst - Teste
340	Send out daily Status Reports	10d	Tue 7/29/08	Mon 8/11/08	336SS	Test Lead[13%], QA Analyst - Teste
341	Fix Defects found in the 1st Cycle of UAT	2d	Tue 8/12/08	Wed 8/13/08	336	Test Lead[50%], QA Analyst - Teste
342	Execute test cases identified for 2nd cycle of UAT	10d	Thu 8/14/08	Wed 8/27/08	341	Test Lead[50%], QA Analyst - Teste
343	Update test results from 2nd cycle of UAT testing	3d	Thu 8/14/08	Mon 8/18/08	342SS	Test Lead[13%], QA Analyst - Teste
344	Log defects found during 2nd cycle of UAT testing	3d	Thu 8/14/08	Mon 8/18/08	342SS	Test Lead[13%], QA Analyst - Teste
345	Conduct daily defect review meetings	10d	Thu 8/14/08	Wed 8/27/08	342SS	Test Lead[13%], QA Analyst - Teste
346	Send out daily Status Reports	10d	Thu 8/14/08	Wed 8/27/08	342SS	Test Lead[13%], QA Analyst - Teste
347	Validate Test Results	1d	Thu 8/28/08	Thu 8/28/08	346	Test Lead, QA Analyst - Tester, DMI
348	Test Results are approved by State	2d	Fri 8/29/08	Mon 9/1/08	347	MDOT Business Specialist (SOM)[
349	MS: User, System, and Acceptance Testing Complete	0d	Mon 9/1/08	Mon 9/1/08	348	
350	P.A.R.E.	20d	Mon 9/1/08	Mon 9/29/08		
351	MS: PARE Begins	0d	Mon 9/1/08	Mon 9/1/08	333	
352	MS: PARE Complete	0d	Mon 9/29/08	Mon 9/29/08	351FS+20d	
353	Initial Site Installation	18d	Tue 9/30/08	Thu 10/23/08		
354	Deploy product at Department of Transportation	18d	Tue 9/30/08	Thu 10/23/08		
355	Confirm Department of Transportation process/product mapping	10d	Tue 9/30/08	Mon 10/13/08	350	
356	Confirm Department of Transportation mapping of Interfaces, Pr	6d	Tue 9/30/08	Tue 10/7/08	142	
357	Adjust Department of Transportation product configuration plans	2d	Wed 10/8/08	Thu 10/9/08	356	
358	Acquire sign-off by Department of Transportation head [to confir	2d	Fri 10/10/08	Mon 10/13/08	357	
359	Test Department of Transportation work flow configuration	5d	Tue 10/14/08	Mon 10/20/08	358	QA Analyst - Tester, Automation Er
360	ID Department of Transportation users, develop profiles, and load use	3d	Tue 10/21/08	Thu 10/23/08	359	
361	MS: Department of Transportation Go Live Event	0d	Thu 10/23/08	Thu 10/23/08	360	
362	MS: Initial Site Installation Complete	0d	Thu 10/23/08	Thu 10/23/08	354	
363	MS: Project Complete	0d	Thu 10/23/08	Thu 10/23/08	353	



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

[Steve Motz](#)
DMB Purchasing Operations
Department of Management and Budget
Mason Bldg, 2nd Floor
PO Box 30026
Lansing, MI 48909
[Email motzs@michigan.gov](mailto:motzs@michigan.gov)
[Phone \(517\) 241-3215](tel:5172413215)

2.015 Contract Compliance Inspector

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

[Mike Breen](#)
Department of Information Technology
Constitution Hall, 1st floor
Lansing, MI 48909
[Email BreenM@michigan.gov](mailto:BreenM@michigan.gov)
[Phone \(517\) 241-7720](tel:5172417720)

2.016 Project Manager

The following individual will oversee the project:
To be named before the project start date
Email:
Phone:
Fax:

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 before its expiration. The Contract may be renewed for up to **two (2) additional one (1) year** periods. Successful completion of negotiations surrounding the terms of the extension, will be a pre-requisite for the exercise of any option year.

2.040 Contractor Personnel

2.041 Contractor Personnel

(a) **Personnel Qualifications.** All persons assigned by Contractor to the performance of Services under this Contract shall be employees of Contractor or its majority-owned (directly or indirectly, at any tier) subsidiaries (or a State-approved Subcontractor) and shall be fully qualified to perform the work assigned to them. Contractor shall include a similar provision in any subcontract entered into with a Subcontractor. For the purposes of this Contract, independent contractors engaged by Contractor solely in a staff augmentation

role shall be treated by the State as if they were employees of Contractor for this Contract only; however, the State understands that the relationship between Contractor and Subcontractor is an independent contractor relationship.

(b) Key Personnel

(i) In discharging its obligations under this Contract, Contractor shall provide the named Key Personnel on the terms indicated. **Article 1, Appendix B** provides an organization chart showing the roles of certain Key Personnel, if any.

(ii) Key Personnel shall be dedicated as defined in **Article 1, Appendix B** to the Project for its duration in the applicable Statement of Work with respect to other individuals designated as Key Personnel for that Statement of Work.

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

(iv) Contractor shall not remove any Key Personnel from their assigned roles or the Contract without the prior written consent of the State. If the Contractor does remove Key Personnel without the prior written consent of the State, it shall be considered an unauthorized removal ("Unauthorized Removal"). It shall not be considered an Unauthorized Removal if Key Personnel must be replaced for reasons beyond the reasonable control of Contractor, including illness, disability, leave of absence, personal emergency circumstances, resignation or for cause termination of the Key Personnel's employment. It shall not be considered an Unauthorized Removal if Key Personnel must be replaced because of promotions or other job movements allowed by Contractor personnel policies or Collective Bargaining Agreement(s) as long as the State receives prior written notice before shadowing occurs and Contractor provides thirty (30) days of shadowing unless parties agree to a different time period. The Contractor with the State shall review any Key Personnel replacements, and appropriate transition planning will be established. Any Unauthorized Removal may be considered by the State to be a material breach of the Contract, in respect of which the State may elect to exercise its rights under **Section 2.210**.

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

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

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



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

(d) Re-assignment of Personnel at the State's Request. The State reserves the right to require the removal from the Project of Contractor personnel found, in the judgment of the State, to be unacceptable. The State's request shall be written with reasonable detail outlining the reasons for the removal request. Additionally, the State's request shall be based on legitimate, good-faith reasons. Replacement personnel for the removed person shall be fully qualified for the position. If the State exercises this right, and the Contractor cannot immediately replace the removed personnel, the State agrees to an equitable adjustment in schedule or other terms that may be affected by the State's required removal. If any such incident with removed personnel results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Service will not be counted in **Section 2.076** for a time as agreed to by the parties.

(e) Staffing Levels.

(i) All staff requirements not specified in the applicable Statement of Work or State-approved final 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 final 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, 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. Attached as **Exhibit A** is a list of the Subcontractors, if any, approved by the State as of the execution of this Contract, together with a copy of the applicable subcontract.

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

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

2.045 Contractor Responsibility for Personnel

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

2.050 State Standards

2.051 Existing Technology Standards

The Contractor will adhere to all existing standards as described within the comprehensive listing of the State's existing technology standards at http://www.michigan.gov/dit/0,1607,7-139-30639_30655---,00.html and as specified in Article 1 of the Contract.

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.

The Contractor shall contact with e-Michigan Web Development (EWD) be made as soon as possible, preferably at the Initiation Phase of a Web based on-line service solution. Subsequent phases such as Design Requirements will also benefit from this section and review meetings. Review meetings cover a variety of issues ranging from enterprise deliverables, look and feel, policies, security, load testing, usability and pre-launch checklists.

State IT Development Teams, as well as third party development groups contracted or bidding on State IT initiatives, should use these standards as a reference in preparing overall project plans and constructing specific web based applications.

Contractor shall adhere to the standards provided at the following URL;

http://www.michigan.gov/documents/Look_and_Feel_Standards_2003v2_72379_7.0.pdf

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 work cooperatively with DMB PO and MDOT, to oversee the use of this Contract by End Users. DMB PO/DIT may, in writing, delegate to agencies the authority to submit requests for certain services directly to the Contractor. DMB PO/DIT may also designate, in writing, some services as non-delegated and require DMB PO/DIT review and approval before agency acquisition. DMB PO/DIT will use Contractor provided management reports and periodic random agency audits to monitor and administer contract usage for delegated services.

2.062 Software

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

2.063 Hardware

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

2.064 Equipment to be New and Prohibited Products

(a) Equipment to be New

If applicable, all equipment provided under this Contract by Contractor shall be new where Contractor has knowledge regarding whether the equipment is new or assembled from new or serviceable used parts that are like new in performance or has the option of selecting one or the other. Equipment that is assembled from new or serviceable used parts that are like new in performance is acceptable where Contractor does not have knowledge or the ability to select one or other, unless specifically agreed otherwise in writing by the State.

(b) Prohibited Products

The State will not accept salvage, distressed, outdated or discontinued merchandise. Shipping of such merchandise to any State agency, as a result of an order placed against the Contract, shall be considered default by the Contractor of the terms and conditions of the Contract and may result in cancellation of the Contract by the State. The brand and product number offered for all items shall remain consistent for the term of the Contract, unless 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

The parties acknowledge that Unscheduled System Downtime will interfere with the timely and proper completion of the Contract, to the loss and damage of the State, and that it would be impracticable and extremely difficult to fix the actual damage sustained by the State as a result of any such delay. Therefore, Contractor and the State agree that in the case of any events such as those detailed below, in respect of which the State does not elect to exercise its rights under **Section 2.191**, the State may assess liquidated damages against Contractor as specified in this Section.

If any event as detailed below occurs, then the State shall be entitled to collect liquidated damages in the amounts, and according to the schedule, as listed below.

Liquidated Damages Amounts

1) The Contractor shall pay the State, as liquidated damages, the sum of \$500 per day per task, deliverable, milestone, or standard of performance for each and every day thereafter until such task, deliverable, milestone, or standard is completed and accepted by the State.

2) If any software or service provided by the Contractor contains or introduces a software virus that results in contamination or damage to the State's equipment or its mainframes, network, personal computing or other operating environments, the Contractor will pay the State, as liquidated damages, the following amounts:

- (a) \$1,000 for each hour or fraction of an hour in excess of one (1) hour that any mainframes, network, personal computing or other operating environments computer function or operation, available prior to the introduction of the Contaminated Software is unavailable to one or more persons in the State's user community; and
- (b) \$50 for each hour or fraction of an hour in excess of one (1) hour for each piece of equipment in the State's network or personal computing environment unable to perform any function or operation which it was able to perform prior to the introduction of the Contaminated Software.

The liquidated damages set forth in this subparagraph shall be in addition to the Contractor's obligation to remove the software virus from all of the State's operating environments, to restore all operations and functionality in all such operating environments, and to recover or recreate all damaged files, all at no additional charge to the State. The State may, however, at its option, elect to restore or recreate damaged or lost data files at Contractor's expense, in which event Contractor shall pay the State \$40 for each hour or fraction of an hour multiplied by the total number of staff hours that State's personnel expend to recover or recreate damaged State data files.

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.

Failure to meet time windows critical to business processing (such as failure to send payments to the financial accounting system within the required window as defined by MAIN RSTARS and accepted by the State & Contractor) or failure to send out notifications within the required window or failure to close bidding within the required window shall constitute an incident and a loss of service for the period required to successfully complete the processing.

(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.

3. Time period(s) will not apply to development and/or test environments, rather uptime will be measured against 7am – 6pm, Monday through Friday, including State Holidays, for these environments

(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

Unless otherwise specified by the State within an individual order, the following shall be applicable to all orders issued under this Contract.

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

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

2.082 Delivery of Deliverables

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

2.083 Testing

- (a) Prior to delivering any of the above-mentioned Statement of Work Physical Deliverables or Services to the State, Contractor will first perform all required quality assurance activities to verify that the Physical Deliverable or Service is complete and in conformance with its specifications listed in the applicable Statement of Work or Purchase Order. Before delivering a Physical Deliverable or Service to the State, Contractor shall certify to the State that (1) it has performed such quality assurance activities, (2) it has performed any applicable testing, (3) it has corrected all material deficiencies discovered during such quality assurance activities and testing, (4) the Deliverable or Service is in a suitable state of readiness for the State's review and approval, and (5) the Deliverable/Service has all Critical Security patches/updates applied and meets full PCI compliance, or in the event of a ASP-hosted solution, provide evidence of SAS70 compliance.
- (b) If a Deliverable includes installation at a State Location, then Contractor shall (1) perform any applicable testing, (2) correct all material deficiencies discovered during such quality assurance activities and testing, and (3) inform the State that the Deliverable is in a suitable state of readiness for the State's review and approval. To the extent that testing occurs at State Locations, the State shall be entitled to observe or otherwise participate in testing.

2.084 Approval of Deliverables, In General

- (a) All Deliverables (Physical Deliverables and Written Deliverables) and Services require formal written approval by the State, in accordance with the following procedures. Formal approval by the State requires that the Deliverable be confirmed in writing by the State to meet its specifications, which will include the successful completion of Testing as applicable in **Section 2.083**, to be led by the State with the support and assistance of Contractor. The parties acknowledge that the approval process set forth herein will be facilitated by ongoing consultation between the parties, visibility of interim and intermediate Deliverables and collaboration on key decisions.
- (b) The State’s obligation to comply with any State Review Period is conditioned on the timely delivery of Deliverables/Services being reviewed.
- (c) Prior to commencement of its review or testing of a Deliverable/Service, the State may inspect the Deliverable/Service to confirm that all components of the Deliverable/Service have been delivered without material deficiencies. If the State determines that the Deliverable/Service has material deficiencies, the State may refuse delivery of the Deliverable/Service without performing any further inspection or testing of the Deliverable/Service. Otherwise, the review period will be deemed to have started on the day the State receives the Deliverable or the Service begins, and the State and Contractor agree that the Deliverable/Service is ready for use and, where applicable, certification by Contractor in accordance with **Section 2.083(a)**.
- (d) The State will approve in writing a Deliverable/Service upon confirming that it conforms to and, performs in accordance with, its specifications without material deficiency. The State may, but shall not be required to, conditionally approve in writing a Deliverable/Service that contains material deficiencies if the State elects to permit Contractor to rectify them post-approval. In any case, Contractor will be responsible for working diligently to correct within a reasonable time at Contractor’s expense all deficiencies in the Deliverable/Service that remain outstanding at the time of State approval.
- (e) If, after three (3) opportunities (the original and two repeat efforts), Contractor is unable to correct all deficiencies preventing Final Acceptance of a Deliverable/Service, the State may: (i) demand that Contractor cure the failure and give Contractor additional time to cure the failure at the sole expense of Contractor; or (ii) keep the Contract in force and do, either itself or through other parties, whatever Contractor has failed to do, in which event Contractor shall bear any excess expenditure incurred by the State in so doing beyond the Contract price for such Deliverable/Service and will pay the State an additional sum equal to ten percent (10%) of such excess expenditure to cover the State’s general expenses provided the State can furnish proof of such general expenses; or (iii) terminate the particular Statement of Work for default, either in whole or in part by notice to Contractor provided Contractor is unable to cure such breach. Notwithstanding the foregoing, the State shall not use, as a basis for exercising its termination rights under this Section, deficiencies discovered in a repeat State Review Period that could reasonably have been discovered during a prior State Review Period.
- (f) The State, at any time and in its reasonable discretion, may halt the testing or approval process if such process reveals deficiencies in or problems with a Deliverable/Service in a sufficient quantity or of a sufficient severity as to make the continuation of such process unproductive or unworkable. In such case, the State may stop using the Service or return the applicable Deliverable to Contractor for correction and re-delivery prior to resuming the testing or approval process.

2.085 Process For Approval of Written Deliverables

The State Review Period for Written Deliverables will be the number of days set forth in the applicable Statement of Work following delivery of the final version of the Deliverable (failing which the State Review Period, by default, shall be five (5) Business Days for Written Deliverables of one hundred (100) pages or less and ten (10) Business Days for Written Deliverables of more than one hundred (100) pages). The duration of the State Review Periods will be doubled if the State has not had an opportunity to review an interim draft of the Written Deliverable prior to its submission to the State. The State agrees to notify Contractor in writing by the end of the State Review Period either stating that the Deliverable is approved in the form delivered by Contractor or describing any deficiencies that must be corrected prior to approval of the Deliverable (or at the State’s election, subsequent to approval of the Deliverable). If the State delivers to Contractor a notice of



deficiencies, Contractor will correct the described deficiencies and within thirty (30) Business Days resubmit the Deliverable in a form that shows all revisions made to the original version delivered to the State. Contractor's correction efforts will be made at no additional charge. Upon receipt of a corrected Deliverable from Contractor, the State will have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Deliverable to confirm that the identified deficiencies have been corrected.

2.086 Process for Approval of Services

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

2.087 Process for Approval of Physical Deliverables

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

2.088 Final Acceptance

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

2.090 Financial

2.091 Pricing

(a) Fixed Prices for Services/Deliverables

Each Statement of Work/PO issued under this Contract shall specify (or indicate by reference to the appropriate Contract Exhibit) the firm, fixed prices for all Services/Deliverables, and the associated payment milestones and payment amounts. To the extent the parties agree that certain specific Services will be provided on a time and materials basis, such Services shall be provided at the Amendment Labor Rates (**Article 1, Appendix 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, Appendix C**, unless specifically identified in an applicable Statement of Work.

(c) Services/Deliverables Covered

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

(d) Labor Rates

All time and material charges will be at the rates specified in **Article 1, Appendix 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, Appendix C**. Invoices for Services performed on a time and materials basis will show, for each individual, the number of hours of Services performed during the billing period, the billable skill/labor category for such person and the applicable hourly billing rate. Prompt payment by the State is contingent on the Contractor's invoices showing the amount owed by the State minus any holdback amount to be retained by the State in accordance with **Section 2.094**.

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

(b) Taxes (See Section 2.305 and Article 3, Section 3.022-3.024 for additional)

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

(c) Out-of-Pocket Expenses

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

(d) Pro-ration

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

(e) Antitrust Assignment

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

(f) Final Payment

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

2.093 State Funding Obligation

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

2.094 RESERVED - Holdback

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, Appendix 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 Performance and Reliability Evaluation (PARE)

The State requires that a performance and reliability evaluation (PARE) will be performed for this project. The standard of performance for the PARE will be closely monitored during the acceptance period.

The Performance and Reliability Evaluation will consist of two phases.

PHASE I

In the event that the State determines that any component or feature of the delivered software solution does not comply with the mandatory performance specifications of the Contract, the State shall so notify the Contractor, allowing 14 calendar days for rectification by the Contractor. Should the Contractor be unable to rectify the deficiency, the State reserves the right to require the Contractor to correct or replace the underperforming software, or bring in another Contractor to assist them in resolving the issue, at no cost to the State. Should the software solution pass the specification conformance review, the software solution shall enter Phase II of the PARE.

PHASE II

a. Determination of System Readiness

- 1) Prior to the PARE, a committee of three persons will be formed to evaluate the system's performance on a daily basis. The committee will consist of one Contractor representative and two State personnel.



- b. The PARE will begin on the installation dates when the Contractor certifies that that the system is fully deployed. During the PARE:

All rerun times resulting from equipment failure and preventive maintenance shall be excluded from the performance hours.

- 1) All reconfiguration and reload time shall be excluded from the performance hours.
- 2) If files are destroyed as a result of a problem with Contractor equipment and must be rebuilt, the time required to rebuild the files will be considered "down-time" for the system.
- 3) A functional benchmark demonstration will be run for the PARE Committee to confirm that the fully deployed system is capable of performing the same functions that were demonstrated. This run must be completed to the satisfaction of the PARE Committee.

STANDARD OF PERFORMANCE

- a. The performance period (a period of thirty consecutive calendar days) shall commence on the date the system has been fully deployed. It is not required that one thirty day period expire in order for another performance period to begin.
- b. If each component operates at an average level of effectiveness of 95 percent or more for a period of 30 consecutive days from the commencement date of the performance period, it shall be deemed to have met the State's standard of performance period. The State shall notify the Contractor in writing of the successful completion of the performance period. The average effectiveness level is a percentage figure determined by dividing the total operational use time by the total operational use time plus associated down-time. In addition, the system shall operate in substantial conformance with the Contractor's published specifications applicable to such system on the date of this Agreement. Equipment & Components added by amendment to this contract shall operate in conformance with the Contractor's published specifications applicable to such equipment & components at the time of such amendment.
- c. During the successful performance period, all rerun time resulting from equipment failure and preventive maintenance time shall be excluded from the performance period hours. All reconfigurations and reload time shall be excluded from the performance hours. Equipment & component failure down-time shall be measured by those intervals during the performance period between the time that the Contractor is notified of equipment or component failure and the time that the equipment/component is returned to the State in operating condition.
- d. During the successful performance period, a minimum of 80 hours of operational use time on each component will be required as a basis for computation of the average effectiveness level. However, in computing the effectiveness level, the actual number of operational use hours shall be used when in excess of the minimum stated above.
- e. No more than one hour will accrue to the performance hours during any one wall-clock hour.
- f. Equipment & components shall not be accepted by the State and no charges will be paid by the State until the standard of performance is met. (The exceptions for this project, are the transaction and cancellation fees for transactions completed through



the contact center prior to full system deployment. For these transactions, the fees will be paid, but if the standards of performance are not met, liquidated damages shall be assessed according to the terms identified in Article 2, Section 2.073.)

- g. When a system involves on-line machines, which are remote to the basic installation, the required effectiveness level shall apply separately to each component in the system.
- h. Promptly upon successful completion of the performance period, the State shall notify the Contractor in writing of acceptance of the equipment and components, and authorize the monthly payments to begin on the first day of the successful performance period.
- i. If successful completion of the performance period is not attained within 90 days of the date of full system deployment, the State shall have the option of terminating the Contract, or continuing the performance tests. The State's option to terminate the contract shall remain in effect until such time as a successful completion of the performance period is attained. The Contractor shall be liable for all outbound preparation and shipping costs for contracted items returned under this clause.
- j. The PARE will be complete when the system has met the required effectiveness level for the prescribed time period.

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 (Article 1, Appendix C) 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) final project plans showing tasks, subtasks, Deliverables and the resources required and allocated to each (including detailed plans for all Services to be performed within the next sixty (60) days, updated semi-monthly) and (iii) graphs showing critical events, dependencies and decision points during the course of the Contract. Any tool(s) used by Contractor for such purposes must produce information of a type and in a manner and format that will support reporting in compliance with the State's standard to the extent such information is described with reasonable detail in the Statements of Work and to the extent the related work is of sufficient project complexity and duration to warrant such reporting.



2.110 Records and Inspections

2.111 Records and Inspections

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

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

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

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

2.112 Errors

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

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

2.120 State Responsibilities

2.121 State Performance Obligations

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



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

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

(d) Except as otherwise provided in **Section 2.220**, the State's failure to perform its responsibilities as set forth in this Contract shall not be deemed to be grounds for termination by Contractor. However, Contractor will not be liable for any default or delay in the performance of its obligations under this Contract to the extent such default or delay is caused by nonperformance of the State's obligations under this Contract, provided Contractor provides the State with reasonable written notice of such nonperformance and Contractor uses commercially reasonable efforts to perform notwithstanding the State's failure to perform. In addition, if the State's nonperformance of its responsibilities under this Contract materially increases the time required for Contractor's performance or Contractor's cost of performance, Contractor shall be entitled to seek an equitable extension via the Change Request process described in **Section 2.106**.

2.130 Security

2.131 Background Checks/Lien Checks

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

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

2.140 Reserved

2.150 Confidentiality

2.151 Freedom of Information

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

2.152 Confidentiality

Contractor and the State each acknowledge that the other possesses and will continue to possess confidential information that has been developed or received by it. As used in this Section, "Confidential Information" of Contractor shall mean all non-public proprietary information of Contractor (other than Confidential Information



of the State as defined below) which is marked confidential, restricted, proprietary or with a similar designation. "Confidential Information" of the State shall mean any information which is retained in confidence by the State (or otherwise required to be held in confidence by the State pursuant to applicable federal, state and local laws and regulations) or which, in the case of tangible materials provided to Contractor by the State pursuant to its performance under this Contract, is marked as confidential, proprietary or with a similar designation by the State. In the case of information of either Contractor or the State "Confidential Information" shall exclude any information (including this Contract) that is publicly available pursuant to the Michigan FOIA.

2.153 Protection of Confidential Information

The State and Contractor will each use at least the same degree of care to prevent disclosing to third parties the Confidential Information of the other as it employs to avoid unauthorized disclosure, publication or dissemination of its own confidential information of like character, but in no event less than reasonable care. Neither Contractor nor the State will (i) make any use of the Confidential Information of the other except as contemplated by this Contract, (ii) acquire any right in or assert any lien against the Confidential Information of the other, or (iii) if requested to do so, refuse for any reason to promptly return the other party's Confidential Information to the other party. Each party will limit disclosure of the other party's Confidential Information to employees and Subcontractors who must have access in order to fulfill the purposes of this Contract. Disclosure to, and use by, a Subcontractor is permissible where (A) use of a Subcontractor is authorized under this Contract, (B) such disclosure is necessary or otherwise naturally occurs in connection with work that is within such Subcontractor's scope of responsibility, and (C) Contractor obligates the Subcontractor in a written Contract to maintain the State's Confidential Information in confidence. At the State's request, any employee of Contractor and of any Subcontractor having access or continued access to the State's Confidential Information may be required to execute an acknowledgment that the employee has been advised of Contractor's and the Subcontractor's obligations under this Section and of the employee's obligation to Contractor or Subcontractor, as the case may be, to protect such Confidential Information from unauthorized use or disclosure.

2.154 Exclusions

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

2.155 No Implied Rights

Nothing contained in this Section shall be construed as obligating a party to disclose any particular Confidential Information to the other party, or as granting to or conferring on a party, expressly or impliedly, any right or license to the Confidential Information of the other party.

2.156 Remedies

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

2.157 Security Breach Notification

In the event of a breach of this Section, Contractor shall take (i) prompt corrective action to cure any such deficiencies and (ii) any action pertaining to such unauthorized disclosure required by applicable federal and



state laws and regulations. Contractor and the State will cooperate to mitigate, to the extent practicable, the effects of any breach, intrusion, or unauthorized use or disclosure. Contractor shall report to the State in writing any use or disclosure of Confidential Information, whether suspected or actual, other than as provided for by the Contract within ten (10) days of becoming aware of such use or disclosure or such shorter time period as is reasonable under the circumstances.

2.158 Survival

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

2.159 Destruction of Confidential Information

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

2.160 Proprietary Rights

2.161 License

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

The State may modify the Software and may combine such with other programs or materials to form a derivative work. The State will own and hold all copyright, trademark, patent and other intellectual property rights in any derivative work, excluding any rights or interest in Software other than those granted in this Contract.

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

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

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

2.162 Source Code Escrow

(The State Reserves the right to exercise this option, in the event it is believed necessary to secure critical business functions)

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



- (b) Delivery of Source Code into Escrow. Contractor shall deliver a Source Code Escrow Package to the Escrow Agent, pursuant to the Escrow Contract, which shall be entered into on commercially reasonable terms subject to the provisions of this Contract within thirty (30) days of the execution of this Contract.
- (c) Delivery of New Source Code into Escrow. If at anytime during the term of this Contract, the Contractor provides a maintenance release or upgrade version of the Licensed Software, Contractor shall within ten (10) days deposit with the Escrow Agent, in accordance with the Escrow Contract, a Source Code Escrow Package for the maintenance release or upgrade version, and provide the State with notice of the delivery.
- (d) Verification. The State reserves the right at any time, but not more than once a year, either itself or through a third party contractor, upon thirty (30) days written notice, to seek verification of the Source Code Escrow Package.
- (e) Escrow Fees. All fees and expenses charged by the Escrow Agent will be paid by the Contractor.
- (f) Release Events. The Source Code Escrow Package may be released from escrow to the State, temporarily or permanently, upon the occurrence of one or more of the following:
- (i) The Contractor becomes insolvent, makes a general assignment for the benefit of creditors, files a voluntary petition of bankruptcy, suffers or permits the appointment of a receiver for its business or assets, becomes subject to any proceeding under bankruptcy or insolvency law, whether domestic or foreign;
 - (ii) The Contractor has wound up or liquidated its business voluntarily or otherwise and the State has reason to believe that such events will cause the Contractor to fail to meet its warranties and maintenance obligations in the foreseeable future;
 - (iii) The Contractor voluntarily or otherwise discontinues support of the provided products or fails to support the products in accordance with its maintenance obligations and warranties.
- (g) Release Event Procedures. If the State desires to obtain the Source Code Escrow Package from the Escrow Agent upon the occurrence of an Event in **Section 2.162(f)**, then:
- (i) The State shall comply with all procedures in the Escrow Contract;
 - (ii) The State shall maintain all materials and information comprising the Source Code Escrow Package in confidence in accordance with this Contract;
 - (iii) If the release is a temporary one, then the State shall promptly return all released materials to Contractor when the circumstances leading to the release are no longer in effect.
- (h) License. Upon release from the Escrow Agent pursuant to an event described in **Section 2.162(f)**, the Contractor automatically grants the State a non-exclusive, irrevocable license to use, reproduce, modify, maintain, support, update, have made, and create Derivative Works. Further, the State shall have the right to use the Source Code Escrow Package in order to maintain and support the Licensed Software so that it can be used by the State as set forth in this Contract.
- (i) Derivative Works. Any Derivative Works to the source code released from escrow which are made by or on behalf of the State shall be the sole property of the State. The State acknowledges that its ownership rights are limited solely to the Derivative Works and do not include any ownership rights in the underlying source code.

2.163 Rights in Data

- (a) The State will be and remain the owner of all data made available by the State to Contractor or its agents, Subcontractors or representatives pursuant to the Contract. Contractor will not use the State's data for any purpose other than providing the Services, nor will any part of the State's data be disclosed, sold, assigned, leased or otherwise disposed of to the general public or to specific third parties or commercially exploited by or on behalf of Contractor, nor will any employee of Contractor other than those on a strictly need



to know basis have access to the State's data. Contractor will not possess or assert any lien or other right against the State's data. Without limiting the generality of this Section, Contractor shall only use personally identifiable information as strictly necessary to provide the Services and shall disclose such information only to its employees who have a strict need to know such information. Contractor shall comply at all times with all laws and regulations applicable to such personally identifiable information.

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

2.164 Ownership of Materials

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

2.165 Standard Software

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

2.166 Pre-existing Materials for Custom Software Deliverables

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

2.167 General Skills

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

2.170 Warranties And Representations

2.171 Warranties and Representations

The Contractor represents and warrants:

(a) It is capable in all respects of fulfilling and shall fulfill all of its obligations under this Contract. The performance of all obligations under this Contract shall be provided in a timely, professional, and workman-like manner and shall meet the performance and operational standards required under this Contract.



- (b) The Contract Appendices, Attachments and Exhibits identify the equipment and software and services necessary for the Deliverable(s) to perform and Services to operate in compliance with the Contract's requirements and other standards of performance.
- (c) It is the lawful owner or licensee of any Deliverable licensed or sold to the State by Contractor or developed by Contractor under this Contract, and Contractor has all of the rights necessary to convey to the State the ownership rights or licensed use, as applicable, of any and all Deliverables. None of the Deliverables provided by Contractor to the State under this Contract, nor their use by the State, will infringe the patent, copyright, trade secret, or other proprietary rights of any third party.
- (d) If, under this Contract, Contractor procures any equipment, software or other Deliverable for the State (including equipment, software and other Deliverables manufactured, re-marketed or otherwise sold by Contractor under Contractor's name), then in addition to Contractor's other responsibilities with respect to such items in this Contract, Contractor shall assign or otherwise transfer to the State or its designees, or afford the State the benefits of, any manufacturer's warranty for the Deliverable.
- (e) The contract signatory has the power and authority, including any necessary corporate authorizations, necessary to enter into this Contract, on behalf of Contractor.
- (f) It is qualified and registered to transact business in all locations where required.
- (g) Neither the Contractor nor any Affiliates, nor any employee of either, has, shall have, or shall acquire, any contractual, financial, business, or other interest, direct or indirect, that would conflict in any manner or degree with Contractor's performance of its duties and responsibilities to the State under this Contract or otherwise create an appearance of impropriety with respect to the award or performance of this Agreement. Contractor shall notify the State within two (2) days of any such interest that may be incompatible with the interests of the State.
- (h) Neither Contractor nor any Affiliates, nor any employee of either has accepted or shall accept anything of value based on an understanding that the actions of the Contractor or Affiliates or employee on behalf of the State would be influenced. Contractor shall not attempt to influence any State employee by the direct or indirect offer of anything of value.
- (i) Neither Contractor nor any Affiliates, nor any employee of either has paid or agreed to pay any person, other than bona fide employees and consultants working solely for Contractor or such Affiliate, any fee, commission, percentage, brokerage fee, gift, or any other consideration, contingent upon or resulting from the award or making of this Contract.
- (j) The prices proposed by Contractor were arrived at independently, without consultation, communication, or agreement with any other bidder for the purpose of restricting competition; the prices quoted were not knowingly disclosed by Contractor to any other bidder; and no attempt was made by Contractor to induce any other person to submit or not submit a proposal for the purpose of restricting competition.
- (k) All financial statements, reports, and other information furnished by Contractor to the State as part of its response to the RFP or otherwise in connection with the award of this Contract fairly and accurately represent the business, properties, financial condition, and results of operations of Contractor as of the respective dates, or for the respective periods, covered by such financial statements, reports, other information. Since the respective dates or periods covered by such financial statements, reports, or other information, there have been no material adverse change in the business, properties, financial condition, or results of operations of Contractor.
- (m) All written information furnished to the State by or behalf of Contractor in connection with this Contract, including its bid, is true, accurate, and complete, and contains no untrue statement of material fact or omits any material fact necessary to make such information not misleading.



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

2.172 Software Warranties

(a) Performance Warranty

The Contractor represents and warrants that Deliverables, after Final Acceptance, will perform and operate in compliance with the requirements and other standards of performance contained in this Contract (including all descriptions, specifications and drawings made a part of the Contract) for a period of **365** days. In the event of a breach of this warranty, Contractor will promptly correct the affected Deliverable(s) at no charge to the State.

(b) No Surreptitious Code Warranty

The Contractor represents and warrants that no copy of licensed Software provided to the State contains or will contain any Self-Help Code or any Unauthorized Code as defined below. This warranty is referred to in this Contract as the "No Surreptitious Code Warranty."

As used in this Contract, "Self-Help Code" means any back door, time bomb, drop dead device, or other software routine designed to disable a computer program automatically with the passage of time or under the positive control of a person other than the licensee of the software. Self-Help Code does not include Software routines in a computer program, if any, designed to permit an owner of the computer program (or other person acting by authority of the owner) to obtain access to a licensee's computer system(s) (e.g. remote access via modem) for purposes of maintenance or technical support.

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

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

(c) Calendar Warranty

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

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

(d) Third-party Software Warranty

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

2.173 Equipment Warranty

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 one (1) business day of notification from the State, the Contractor shall adjust, repair or replace all equipment that is defective or not performing in compliance with the Contract. The Contractor shall assume all costs for replacing parts or units and their installation including transportation and delivery fees, if any.

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

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

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

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

2.174 Physical Media Warranty

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

2.175 DISCLAIMER

RESERVED

2.175 Standard Warranties

(a) 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.

(b) Warranty of title

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

2.176 Consequences For Breach

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

2.180 Insurance

2.181 Liability Insurance

(a) Liability Insurance

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

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

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

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

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

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

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

Before the Contract is signed by both parties or before the purchase order is issued by the State, the Contractor must furnish to the Director of 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

\$500,000 Fire Damage Limit (any one fire)

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

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

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

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

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

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

4. Employers liability insurance with the following minimum limits:

\$100,000 each accident

\$100,000 each employee by disease

\$500,000 aggregate disease

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

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

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

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

(b) Subcontractors

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

(c) Certificates of Insurance and Other Requirements

Contractor shall furnish to 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 Reserved

2.202 Excusable Failure

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

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

If any of the above-enumerated circumstances substantially prevent, hinder, or delay Contractor's performance of the Services/provision of Deliverables for more than ten (10) Business Days, and the State determines that performance is not likely to be resumed within a period of time that is satisfactory to the State in its reasonable discretion, then at the State's option: (a) the State may procure the affected Services/Deliverables from an alternate source, and the State shall not be liable for payment for the unperformed Services/ Deliverables not provided under the Contract for so long as the delay in performance shall continue; (b) the State may terminate any portion of the Contract so affected and the charges payable there under shall be equitably adjusted to reflect those Services/Deliverables terminated; or (c) the State may terminate the affected Statement of Work

without liability to Contractor as of a date specified by the State in a written notice of termination to Contractor, except to the extent that the State shall pay for Services/Deliverables provided through the date of termination.

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

2.203 Disaster Recovery

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

2.210 Termination/Cancellation by the State

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

2.211 Termination for Cause

(a) In the event that Contractor breaches any of its material duties or obligations under this Contract (including a Chronic Failure to meet any particular SLA as defined in **Section 2.076**), which are either not capable of or subject to being cured, or are not cured within the time period specified in the written notice of breach provided by the State (such time period not to be less than thirty (30) days), or pose a serious and imminent threat to the health and safety of any person, or the imminent loss, damage or destruction of any real or tangible personal property, the State may, having provided written notice of termination to Contractor, terminate this Contract in whole or in part, for cause, as of the date specified in the notice of termination.

(b) In the event that this Contract is terminated for cause, in addition to any legal remedies otherwise available to the State by law or equity, Contractor shall be responsible for all costs incurred by the State in terminating this Contract, including but not limited to, State administrative costs, reasonable attorneys' fees and court costs, and any reasonable additional costs the State may incur to procure the Services/Deliverables required by this Contract from other sources. Re-procurement costs shall not be considered by the parties to be consequential, indirect or incidental damages, and shall not be excluded by any other terms otherwise included in this Contract, provided such costs are not in excess of fifty percent (50%) more than the prices for such Service/Deliverables provided under this Contract.

(c) In the event the State chooses to partially terminate this Contract for cause, charges payable under this Contract will be equitably adjusted to reflect those Services/Deliverables that are terminated and the State shall pay for all Services/Deliverables for which Final Acceptance has been granted provided up to the termination date. Services and related provisions of this Contract that are terminated for cause shall cease on the effective date of the termination.

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

2.212 Termination for Convenience

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



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

2.213 Non-Appropriation

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

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

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

2.214 Criminal Conviction

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

2.215 Approvals Rescinded

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

2.216 Rights and Obligations Upon Termination

(a) If this Contract is terminated by the State for any reason, Contractor shall (a) stop all work as specified in the notice of termination, (b) take any action that may be necessary, or that the State may direct, for preservation and protection of Deliverables or other property derived or resulting from this Contract that may be in Contractor's possession, (c) return all materials and property provided directly or indirectly to



Contractor by any entity, agent or employee of the State, (d) in the event that the Contractor maintains title in Deliverables that is intended to be transferred to the State at the termination of the Contract, Contractor will transfer title in, and deliver to, the State, unless otherwise directed, all Deliverables intended to be transferred to the State at the termination of the Contract and which are resulting from the Contract (which shall be provided to the State on an "As-Is" basis except to the extent the amounts paid by the State in respect of such items included compensation to Contractor for the provision of warranty services in respect of such materials), and (e) take any action to mitigate and limit any potential damages, or requests for Contractor adjustment or termination settlement costs, to the maximum practical extent, including terminating or limiting as otherwise applicable those subcontracts and outstanding orders for material and supplies resulting from the terminated Contract.

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

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

2.217 Reservation of Rights

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

2.218 Contractor Transition Responsibilities

In the event this contract is terminated, for convenience or cause, dissolved, voided, rescinded, nullified, expires or is otherwise rendered unenforceable, the Contractor agrees to comply with direction provided by the State to assist in the orderly transition of equipment, services, software, leases, etc. to the State or a third party designated by the State. In the event of termination or the expiration of this Contract, the Contractor agrees to make all reasonable efforts to effect an orderly transition of services within a reasonable period of time that in no event will exceed 180 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.

(c) 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.

(d) Payment - If the transition results from a termination for any reason, reimbursement shall be governed by the termination provisions of this Contract. If the transition results from expiration, the Contractor will be reimbursed for all reasonable transition costs (i.e. costs incurred within the agreed period after contract expiration that result from transition operations) at the rates specified by **Article 1, Appendix 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 Purchasing Operations.

(2) Contractor shall also notify 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

RESERVED

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.

Steve Motz
Purchasing Operations
Department of Management and Budget
PO Box 30026
530 West Allegan
Lansing, Michigan 48909
motzs@michigan.gov

with a copy to:

Wayne Roe Jr.
 Michigan Department of Transportation
 Division Administrator of Contract Services
 Van Wagoner Bldg
 425 West Ottawa
 Lansing, Michigan 48909
 roew@michigan.gov

Contractor(s):
 Compuware Corporation
 E-Mail Address: Cindy.Auge@compuware.com

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

(b) Binding Commitments

Representatives of Contractor identified in **Article 1, Appendix B** shall have the authority to make binding commitments on Contractor's behalf within the bounds set forth in such table. Contractor may change such representatives from time to time upon written notice.

2.297 Media Releases and Contract Distribution

(a) Media Releases

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

(b) Contract Distribution

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

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

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

Exhibit A
Approved Subcontractors

Secure Internet Commerce Network (SicommNet)

2918 Fifth Avenue
San Diego, CA 92103-5910
Contact Name: Paul McEneaney
Contact Number: 877-742-6661

Ecteon, Inc.

1697 Broadway, Suite 906
New York, New York 10019
Contact Name: Al Wild
Contact Number: 615-373-8551 , ext 222



Exhibit B

Approved Hardware

ASP-Hosted Requirements

This solution is being hosted by Contractor, and the purchase of hardware for the State is out of scope.

Exhibit C
Approved Software

See Article 1 of Contract for Approved Software

Attachment 1
C-TRAK Overview and Functional Requirements

Contract Management – Overview

This document describes the functional requirements for the C-TRAK solution and provides an overview of the Contract Management Module. The optional Statewide eProcurement functional requirements identified in **Attachment 2**, will be reviewed by both MDOT and the Contractor to determine which of these requirements are within the scope of the C-TRAK implementation.

The Compuware Contract Management (Contraxx) module will incorporate the following functionalities:

- **Contract Modeling Technology:** Any type of contract can be captured, managed, and analyzed in Contraxx. The XML-based modeling technology captures the unique structure, data requirements, and workflow processes for each contract type, while maintaining a standardized method of entering, analyzing, and reporting on that data.
- **Key Date Manager:** Contraxx provides an unparalleled level of functionality to manage the key dates associated with a contract. Any number of dates can be modeled for a particular contract type (for example, effective dates, service dates, delivery dates, payment dates, renewal/option dates, termination dates, action item due dates). In addition to passively managing key dates in the form of "tickler" reports, any contract date can be linked to a notification email.
- **Document Manager:** Document Manager provides the ability to create any number of customized documents based on contract information, including contracts, deal letters, transmittal letters, summaries, event letters, and much more. Documents can be exported to standard file formats such as Word, HTML, rich text, plain text, or Excel.
- **MS Word Integration:** Contraxx is designed to work with existing methods of authoring and negotiation contracts, not against them. Legal teams can continue to use the capabilities of MS Word, while Contraxx maintains a transparent but robust two-way integration with the information contained in the document.
- **Query Manager:** Contraxx offers a user friendly ad-hoc query tool that is designed for use by contract management personnel. All information is presented using contract terminology that a business user easily identifies with, not the table/column/primary key terminology of the technical world.
- **Report Manager:** Using the Report Manager, any number of custom reports can be created, such as status reports, financial commitments, deliverable commitments, date ticklers, or provision surveys. Export options include Word, HTML, rich text, plain text, or Excel.
- **Personal Dashboard:** The Contraxx dashboard provides a launch point for a users favorite activities within the system, and automatically displays the information that needs to be in the center of their radar each day.
- **Viewer:** Real-time access to key contract information: all contractual information available on-line via a web interface and searchable (no need to go to the file cabinet or archive facility).
- **Secure:** Contraxx provides a robust, enterprise-ready security model that can restrict/grant access by contract type, contract attribute (e.g. status), provision/T&C type, by organization, and more.



- **Integrated:** Contraxx provides a variety of methods designed to establish relationships between contracts, documents, and individuals, both internal and external to the Contraxx system.
- **Open:** Contraxx provides a standards-based environment that facilitates interfaces with other systems, using tools such as XML, SQL, and ODMA. The java-based System Interface Wizard provides a turnkey approach to most data conversions and system interfaces, with no programming required.
- **Scalable:** Contraxx is designed for smooth scalability from department-level use up to multi-site full enterprise use.
- **Easy to Use:** Any business user familiar with traditional Windows office application elements will be able to learn the Contraxx interface very quickly. One key benefit of Contraxx is that, despite its ability to simultaneously capture many different contract types with many different structures, processes, and data requirements, the presentation of these types in the user interface is exactly the same.
- **Easy to Install:** The Contraxx installation is a turnkey process. The software can be installed on a low-cost, standard Windows/Intel server platform. The Contraxx database can leverage your existing investment in Oracle, MS SQL Server, DB2, or Sybase. The web-enabled application installs and updates automatically, meaning no "touch" is required by the support team on each Contraxx workstation.



C-TRAK Functional Requirements

For a full description with Screenshots see Compuware BAFO (07116200249) dated July 31, 2007

Process Models (business processes configured within the system):

- Create or modify contract with ability to set up multiple sub-contractors
- Contract approval process
- Closeout contract
- Cancellation or termination of contract or order
- Reopen PO or Contract
- Progress Reports alerts, creation and review (Dashboard Functionality)
- Contract Amendment and Change Requests
- Milestone tracking for each contract
- "Right or Notice to Cure" letter creation, approval and transmission
- Closeout shall include audit capability
- Ability to manage sub of subs (There is no limit to the number of subcontractors of subcontractors that can be created for a single contract)
- Previous contract and contract history
- Automated establishment of contract numbers
- Archival/history ability for all contracts

Global Business Rules

- Multiple rules based on contract type

Personalized Web Pages

- Personalized Dashboard based upon role
- Contract Summary (including CLIN, contract data, status, all document attachments, references to externally stored paper documentation, etc)
- PM dashboard
- Contract Administrator dashboard

General Capabilities for End-Users

- Ability to track all on-going activities of a contract in real time
- Create, modify, negotiate, closeout and renew contracts
- Milestone tracking for each contract
- Searching contracts based on data elements stored within the system
- Document Management with ability to create folders, maintain versions, check-in and check-out documents
- Discussion threads and on-line collaboration
- Electronic Clause Library with ability to define required, optional and applicable clauses for specific contract types
- Ad-hoc reporting for all contract data stored within the system
- Ability to schedule and create agenda for standing meetings by type and date

General Capabilities for Business Analysts and Administrators

- Model, simulate and execute business processes related to contract management to identify and remove bottlenecks and streamline work processes
- Monitor and change business processes to reflect changing business needs
- Configure alerts (notifications) for various users for different type of events
- Personalize portal pages, dashboards and other channels for users
- Set up document folder structure and access control
- User and Group administration
- Define rules and constraints
- Create new report templates
- Ability to purge both contract and Vendor from the system.

Additional Capabilities Not required in C-TRAK, but supported by Contraxx.

- Allow vendors to request FEIN change through vendor module
- Update FEIN for a vendor in registration files and all open contracts, POs, etc

Contract Management Deployment Clarifications for C-TRAK

1. Electronic access should be provided to 1000 vendors, read only own contracts, own amendments, change their vendor profile with notification to MDOT that change was made.
2. Vendor performance management capabilities can be included at a later point at a later phase.