

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

June 3, 2008

CHANGE NOTICE NO. 17  
 TO  
 CONTRACT NO. 071B8000605  
 between  
 THE STATE OF MICHIGAN  
 and

NAME & ADDRESS OF VENDOR <b>Lawson Software</b> <b>380 St. Peter Street</b> <b>St. Paul, MN 55102</b>  <a href="mailto:Ruth.Smith@Lawson.com">Ruth.Smith@Lawson.com</a>	TELEPHONE Paul Miele <b>(800) 477-1357</b>
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-0239 <b>Jacque Kuch</b>
Contract Administrator: Cindy Turben <b>Software Consultant/Maintenance for Civil Service</b>	
CONTRACT PERIOD: From: <b>March 12, 1998</b> To: <b>September 30, 2010</b>	
TERMS <b>N/A</b>	SHIPMENT <b>N/A</b>
F.O.B. <b>N/A</b>	SHIPPED FROM <b>N/A</b>
MINIMUM DELIVERY REQUIREMENTS <b>N/A</b>	

**NATURE OF CHANGE (S):**

Effective immediately, this contract is hereby **EXTENDED** to **September 30, 2010** and is **INCREASED** by **\$2,984,291.80**. All other terms and conditions remain the same.

**AUTHORITY/REASON:**

Per Purchasing Operations and the agency agreement.

**INCREASE: \$2,984,291.80**

**TOTAL REVISED ESTIMATED CONTRACT VALUE: \$20,763,720.80**



**Lawson Software, Inc.**

**Proposal  
for**

**Contract Extension  
for**

**The State of Michigan  
HRMN Project**

**Product Support Fees and On-going Professional Services Support**

**October 1, 2008 through September 30, 2010**

**March 26, 2008**

A stylized, high-contrast map of the state of Michigan, rendered in black and white. It is positioned behind the text of the HRMN logo.

**Human Resources  
Management Network  
(HRMN)**

**Lawson Software Confidential** - All information provided herein, and attached hereto, shall be considered as proprietary and confidential information of Lawson Software, Inc. The receiver of such information shall exercise reasonable precautions to prevent access to other than authorized representatives of the receiver.



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## Overview

Lawson Software is pleased to present this extension for the Lawson Product License Product support fee and on-going Lawson Professional Services support of Lawson Software products and applications in the current production environment to the State of Michigan. Lawson values our relationship with the State, and is committed to assisting the State in maximizing its' current investment in Lawson Software. In light of the State of Michigan's budgetary requirements, Lawson Software has developed a proposal that will provide the State with significant rate stability. Our proposal presents product support fee discounts and Professional Consulting Services rates and staffing that will allow the State to maintain Lawson's support and professional consulting services at their current levels with minimal budgetary impact.

Highlights of this proposal include:

### **Product Support Fees**

- Up to 30% annual Lawson-owned Product Support fee discount over the term of this agreement
- Product Support fee increases will be capped at 3% per year and will be based upon the net amount of Support fees after application of the discount, provided the State of Michigan maintains their current products and user counts as listed within this document.

### **Professional Consulting Services**

- Professional consulting services rates for a two year period.
- Flexibility in the staffing mix of Lawson Professional consulting services to meet the State's budgetary requirements.
- Flexibility in the number of Lawson Professional consulting services hours utilized while still maintaining product support fee and consulting services discounts.

### **Contract Terms**

- This proposal provides for one 2-year extension to the current 2005 agreement for Product Support Fees and On-going Professional Services Support through 2008 dated May 18, 2005. This contract extension expires in its entirety on September 30, 2010.

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This proposal takes the approach that:

- The State of Michigan will provide resources to a core support product support fee team that will take ownership of the on-going product support tasks and be supplemented by Lawson Professional Services consultants and Lawson Account/Project Management.
- The Lawson Professional Consulting and Account/Project Management services are specific to the Lawson proprietary products and tools currently owned by the State of Michigan. These products and tools require support by Consultants and Account/Project Managers with a defined and specific skill set that is available only through Lawson Software.
- Lawson Professional consulting services will be priced at the hourly rates noted in this proposal on a time and materials hourly basis.
- Lawson Professional consulting services hourly rates are not inclusive of travel. Travel expenses will be billed separately and are estimated at 15% of the estimated consulting services.
- Projected Professional consulting services included in this estimate are based on prior support services rendered at the State of Michigan. These services include activities to support the current products, such as cyclical and patch testing, report development and testing, and departmental support. It is assumed that any other Lawson-related initiatives the State may undertake are outside of this agreement and will be bid separately by Lawson Professional Services.
- This proposal does not include any estimates for additional Lawson-related projects that the State of Michigan may wish to pursue using either currently licensed products or future purchases of additional or new product licenses.

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**Product Support Fees and Professional Services Definition and Scope****Lawson Products**

The following are the Lawson Software proprietary products that require payment of ongoing Product Support Fees and Professional Services and Account Management support by the State of Michigan:

- **The Lawson Human Resources Process Suite, including:**
  - Human Resources
  - Payroll
  - Personnel Administration
  - Training Administration
  - Benefits
  - Time Accrual
  - Time & Attendance
  - ERecruiting
- **Lawson Financial Suite, including:**
  - Accounts Receivable
  - Billing
- **Lawson Web-based Self-Evident Applications, including:**
  - Employee Self-Service
  - Manager Self-Service
- **Lawson Advanced Technology Products, including:**
  - Lawson System Foundation
  - Portal
  - Design Studio
  - Lawson Add-ins for Microsoft Office
  - ProcessFlow Integrator
- **Lawson Business Intelligence Suite (LBI), including:**
  - Framework Services
  - Reporting Services (including Crystal)
  - Process Flow Professional
  - Smart Notification
  - Scorecard
- **Lawson Services Automation Premium**

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**Lawson Product Support Fees****Product Support Fee Discount**

Lawson Software considers the State of Michigan to be one of our most valued clients. In recognition of the State's continued public support of our products and services, Lawson Software is offering the State of Michigan an extension of their discount for product support fees and professional consulting services.

The State of Michigan has been a vocal supporter of the Lawson Professional Services organization and recognizes the value Lawson consultants bring to the ongoing support and of our proprietary products.

The intent of this proposal is to provide the State of Michigan with the optimum level of product and professional services support at rates that are extremely competitive. In doing so, Lawson is offering annual discounts for product support fees and consulting services that will be determined by the quantity of Lawson Professional consulting services hours used by the State of Michigan on an annual basis.

Beginning with FY2009, the product support fee discount for a pending fiscal year will be determined by Lawson based upon billed professional consulting hours as of September 30 of the current fiscal year.

Beginning with FY2009, Lawson assumes the State of Michigan will use a minimum of 3360 of the estimated annual service hours included in this proposal during Fiscal Year 2008. This level of service utilization will provide the State with the full 30% product support fee discount for the next fiscal year (FY2009).

**Product Support Fee Discount Recommendation**

Lawson proposes the following product support fee discount schedule beginning with FY2009 which is based upon annual Lawson Professional Consulting hours used by the State of Michigan and billed by Lawson:

<b>Professional Consulting Hours</b>	<b>Product support fee Discount</b>
3,360 + Estimated Annual Hours	30%
2,521 – 3,360 Estimated Annual Hours	25%
1,681 – 2,520 Estimated Annual Hours	20%
841 – 1,680 Estimated Annual Hours	15%
0 – 840 Estimated Annual Hours	10%

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**Annual Product Support Fee Increases**

Provided the State of Michigan continues to renew available Support for all Products under the license agreement between Lawson and the State of Michigan, and the user, server and CPU counts do not decrease for such Products during the term of this agreement, annual Lawson-owned Product Support fee increases will be capped at 3% per year during such term and will be based upon the net amount of Support fees after application of the discount.

**Third Party Products Support Fees**

The product support fee discounts and price increases noted above do not apply to product support fees for third party products. Lawson Software will continue to pass third party product support fees directly on to the State of Michigan for payment. Although the third party product support fees provided in this proposal do not show a projected cost increase over the life of the agreement, the State of Michigan will be responsible for payment of all third party product support fees during the term of this agreement, including any product support fee increases from third parties.

**Terms and Conditions**

All other terms and conditions not included in this document fall under those agreed to in the Lawson Software Product License Agreement ("Agreement") entered into between Lawson Associates, Inc. dba Lawson Software ("Lawson") and the State of Michigan - signed and dated by the State of Michigan on April 20, 1999.

The following section replaces Item 4 in Section III: Lawson Software Support Services of Contract No. 071B8000605 between the State of Michigan and Lawson Software which supplements the Lawson Software Product License Agreement and was signed March 23, 1998.

**Lawson Software Support Services**

Item 4: The license fee paid for any Product, exclusive of Products licensed under Support Category E, includes support for the Initial Support Period. Client may extend Support beyond the Initial Support Period by paying Lawson's then current Support fee within sixty (60) days before the end of the Initial Support Period and thereafter by paying Lawson's then current Support fee within sixty (60) days before the end of any Support extension period. Support is extended for twelve (12) month periods and provided only as specified by Lawson's then currently available Support offerings. Support shall automatically terminate at the end of the applicable Support period if payment is not timely. Lawson may cease providing Support or change the terms of Support at any time upon completion of the initial or any extension period of Support. The Support fee base for the Products (excluding Third Party Products), for any extension period of Support, is calculated at sixteen percent (16%) of the net license fee of the Products at the Effective Date plus an increase amount not to exceed the lesser of the actual annual percentage increase or eight (8) percent of the previous Support period's Support fee. Further, this fee is not to exceed the then current cost of product support at the time any support fee is paid. Such increase restriction on Support fees shall be in effect through the effective date of this contract being September 30th, 2010. The increase restriction on Support fees in this Item 4 shall not apply to (ii) Third Party-owned Products sublicensed through Lawson. The Support fee base for Third Party-owned Products under the Agreement shall be calculated either at a flat fee or sixteen (16) percent of the then current list price, depending on the respective Third Party-

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owned Product. Client shall reimburse Lawson for all reasonable out-of-pocket and travel expenses incurred by Lawson at the Client's request.

**Lawson Professional Services Support**

Lawson Professional Services has provided the State of Michigan with on-going account management and support of the current production system as it relates to Lawson's proprietary products. Lawson Professional Services has over 350 certified consultants who add significant value to our clients' investment in Lawson Software. The State of Michigan has been a public supporter of Lawson Professional Consulting Services and has taken full advantage of our consulting services. Lawson Professional Services is committed to providing the same consistent resources to the State of Michigan who are knowledgeable about their complex operation and can add significant value at competitive rates.

**Proposed Lawson Professional Services Resource Staffing**

Based upon the State of Michigan's current requirements, Lawson recommends the following annual support hours for the contract extension period of October 1, 2008 through September 30, 2010:

**Year 1**

<b>Lawson Recommended Proprietary Support by Task</b>	<b>Role</b>	<b>Annual Support Hours</b>
Lawson Proprietary Support – Account/Project Management	Project Manager	500
Lawson HR/Payroll Suite Agency Support	HCM Business Consultant-Senior	400
Lawson HR/Payroll Suite and E-Recruiting Agency Support	HCM Business Consultant	900
Lawson Reporting Suite Support	Technical Consultant – Senior (LBI)	400
Lawson Proprietary Technical Tools Support (Process Flow, Smart Notification)	Technical Consultant (LBI)	800
Lawson Technical proprietary infrastructure support	Systems Consultant- Senior	400
Lawson Technical proprietary infrastructure support	Systems Consultant	800
<b>Annual Totals:</b>		<b>4200</b>

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**Year 2**

<b>Lawson Recommended Proprietary Support by Task</b>	<b>Role</b>	<b>Annual Support Hours</b>
Lawson Proprietary Support – Account/Project Management	Project Manager	500
Lawson HR/Payroll Suite Agency Support	HCM Business Consultant-Senior	500
Lawson HR/Payroll Suite and E-Recruiting Agency Support	HCM Business Consultant	700
Lawson Reporting Suite Support	Technical Consultant – Senior (LBI)	300
Lawson Proprietary Technical Tools Support (Process Flow, Smart Notification)	Technical Consultant (LBI)	1000
Lawson Technical proprietary infrastructure support	Systems Consultant- Senior	400
Lawson Technical proprietary infrastructure support	Systems Consultant	800
<b>Annual Totals:</b>		<b>4200</b>

**Lawson Professional Consulting Services Fees- Year 1**

Subject to the terms and conditions of this Agreement, Lawson shall provide the following Professional consulting services to the State of Michigan at the following discounted hourly rates, which are based upon a 2.9% increase in the CPI (W) from 2006 -2007, these discounted rates for consulting services shall remain in effect from October 1, 2008 through September 30, 2009 (FY 2009).

<b>Professional Consulting Services</b>	<b>Contract (2002-2005) Hourly Rate</b>	<b>Current Contract (2006-2008) Hourly Rate</b>	<b>Proposed Contract Rate (10/1/08 – 9/30/09) Hourly Rate</b>
Project Manager	\$194.75	\$160	\$164.64
HCM Business Consultant-Senior	\$161.63	\$160	\$164.64
HCM Business Consultant	\$161.63	\$150	\$154.35
Technical Consultant (LBI)-Senior	\$194.75	\$150	\$164.64
Technical Consultant-LBI	\$161.63	\$150	\$154.35
Systems Consultant-Senior	\$194.75	\$160	\$164.64
Systems Consultant	\$161.63	\$150	\$154.35

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**Lawson Professional Services Staffing – Year 1**

Lawson Recommended Proprietary Support by Resource*	Hours	Rate/Hour Year 1	Est. Cost/year- Year 1
Project Manager	500	\$164.64	\$ 82,320
HCM Business Consultant- Senior	400	\$164.64	\$ 65,856
HCM Business Consultant	900	\$154.35	\$138,915
Technical Consultant (LBI)- Senior	400	\$164.64	\$ 65,856
Technical Consultant-LBI	800	\$154.35	\$123,480
Systems Consultant- Senior	400	\$164.64	\$ 65,856
Systems Consultant	800	\$154.35	\$123,480
<b>Estimated Annual Totals- Year 1:</b>	<b>4200</b>		<b>\$665,763.00</b>
Estimated Travel (15%)- Year 1			\$99,864.45
<b>Estimated Total Services</b>			<b>\$765,627.45</b>

**Lawson Professional Consulting Services Fees- Year 2**

The annual increase for Year 2 of the contract extension for the period of October 1, 2009 through September 2010 (FY2010) shall be 3.2% (the three year CPI (W) average from 2005-2007 ) , pursuant to the terms of Contract No. 071B8000605 (dated March 12, 1998) between the State of Michigan and Lawson Software.

Professional Consulting Services	Contract (2002-2005) Hourly Rate	Current Contract (2006-2008) Hourly Rate	Proposed Contract Rate (10/1/08 – 9/30/09) Hourly Rate- Year 1	Proposed Contract Rate (10/1/09 – 9/30/10) Hourly Rate- Year 2
Project Manager	\$194.75	\$160	\$164.64	\$169.91
HCM Business Consultant- Senior	\$161.63	\$160	\$164.64	\$169.91
HCM Business Consultant	\$161.63	\$150	\$154.35	\$159.29
Technical Consultant (LBI)- Senior	\$194.75	\$150	\$164.64	\$169.91
Technical Consultant-LBI	\$161.63	\$150	\$154.35	\$159.29
Systems Consultant- Senior	\$194.75	\$160	\$164.64	\$169.91
Systems Consultant	\$161.63	\$150	\$154.35	\$159.29

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**Lawson Professional Services Staffing – Year 2**

<b>Lawson Recommended Proprietary Support by Resource*</b>	<b>Hours</b>	<b>Rate/Hour Year 2</b>	<b>Est. Cost/year Year 2</b>
Project Manager	500	\$169.91	\$ 84,955.00
HCM Business Consultant- Senior	500	\$169.91	\$ 84,954.24
HCM Business Consultant	700	\$159.29	\$111,502.44
Technical Consultant (LBI)- Senior	300	\$169.91	\$ 50,973.00
Technical Consultant-LBI	1000	\$159.29	\$159,290.00
Systems Consultant- Senior	400	\$169.91	\$ 67,963.39
Systems Consultant	800	\$159.29	\$127,432.00
<b>Estimated Annual Totals:</b>	<b>4200</b>		<b>\$687,070.07</b>
Estimated Travel (15%)			\$103,060.51
<b>Estimated Total Services- Year 2</b>			<b>\$790,130.58</b>

\*For illustrative purposes:

The Project Manager role is currently filled by Bill Sulkanen. The HCM Senior Consultant role is currently filled by Mary Thorrington. The Senior Technical Consultant role is currently filled by Arvella Garcia. The HCM Consultant role is currently not filled. The Senior System Consultant role is currently not filled. Rates quoted above are specific to the role, not the individual.

The State of Michigan will be provided with reasonable written notice by Lawson prior to any reassignment of Lawson personnel. The State of Michigan reserves the right to request a resource be removed from the project for cause or to refuse an individual resource prior to assignment for cause.

Projected consulting services included in this estimate are based on prior consulting support services rendered at the State of Michigan. These services include activities to support the current products, such as cyclical and patch testing, report development and testing, and departmental support. It is assumed that any other Lawson-related initiatives the State may undertake are outside of this agreement and will be bid separately by Lawson Professional Services.

Service Fees do not include travel and accommodation expenses incurred in rendering services. The State of Michigan shall reimburse Lawson for all travel, living, out-of-pocket and overtime expenses incurred by Lawson in providing the services. It is understood that the State of Michigan shall reimburse Lawson for meals in accordance to the then current State of Michigan's Department of Management and Budget Schedule of Travel Rates. Travel expenses can traditionally be estimated as 15% of consulting fees.

**Payment of Services Fees**

Lawson shall invoice the State of Michigan semi-monthly for services rendered. The State of Michigan shall pay Lawson the full amount shown due on the invoice upon receipt thereof. In the event that the State of Michigan fails to pay the full amount due within forty-five (45) days from the date such invoices and all supporting documentation are received at State Offices, Lawson may elect to cease rendering of services and the State of Michigan shall pay to Lawson an additional fee, based on any unpaid balances at a rate that is equal to 0.75 percent.

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**Product support fee and Lawson Professional Services Summary**

The following are proposed fees and pricing for professional consulting and product support for the 2 year contract extension period of October 1, 2008-September 30, 2010. This contract extends and is in addition to the current contract that is in place with Lawson Software and the State of Michigan. Professional services fees reflect rates that will be effective October 1, 2008 through September 30, 2010.

**Estimated Lawson Professional Consulting Services \*\***

**Year 1: 10/1/08 – 9/30/09**

Estimated Professional Services for	
On-Going Proprietary Support Services	\$ 765,627.45
(includes 15% travel)	

**Year 2: 10/1/09 – 9/30/10**

Estimated Professional Services for	
On-Going Proprietary Support Services	\$ 790,130.58
(includes 15% travel)	

**Total Estimated Lawson Professional Consulting Services \$ 1,555,758.03**

\*\*Professional Consulting Services staffing details are described under the topic *Lawson Professional Services Staffing* of this proposal.

**Estimated Product Support Fee**

The following are estimated fees for on-going product support for the State of Michigan fiscal year beginning October 1, 2008 through the State of Michigan fiscal year ending September 30, 2010.

For FY2010, the actual product support fee discount for the pending fiscal year will be determined by Lawson based upon billed professional consulting hours as of September 30 of the current fiscal year.

For FY2009, Lawson assumes the State of Michigan will use at least 81% of the estimated annual service hours included in this proposal during Fiscal Year 2008. This level of service utilization will provide the State with the full 30% product support fee discount for the next fiscal year (FY2009).

**Product Support Fees**

**Product Support Fee- Year 1- October 1, 2008 through September 30, 2009 (FY2009)**

Lawson Product support fee	\$ 834,105.72
Product support fee with 3% increase	\$ 859,128.89
Lawson Product support fee Discount (30%) **	( 253,939.35)

**FY2009 Estimated Product support fee w/Discount \$ 605,189.05**

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**Product Support Fee- Year 2- October 1, 2009 through September 30, 2010 (FY2010)**

Lawson Product support fee	\$ 859,128.89
Product support fee with 3% increase	\$ 884,902.76
Lawson Product support fee Discount (30%) **	( <u>261,558.04</u> )

**FY2010 Estimated Product support fee w/Discount \$ 623,344.72**

*\*\* Product support fee discount does not apply to third party products and is dependent upon the level of service utilization as clarified above.*

**Summary of Estimated Professional Services and Product Support Fees (October 1, 2008 through September 30, 2010):**

**FY2009 (October 1, 2008- September 30, 2009)**

Estimated FY2009 Professional Services (includes travel)	\$ 765,627.45
Estimated FY2009 Product support fee	\$ <u>605,189.05</u>
<b>Total FY2009 Professional Services and Product support fee</b>	<b>\$ 1,370,816.50</b>

**FY2010 (October 1, 2009- September 30, 2010)**

Estimated FY2010 Professional Services (includes travel)	\$ 790,130.58
Estimated FY2010 Product support fee	\$ <u>623,344.72</u>
<b>Total FY2010 Professional Services and Product support fee</b>	<b>\$ 1,413,475.30</b>

**Total Estimated Professional Services and Product support fees \$2,784,291.80**  
(October 1, 2008-September 30, 2010)

Lawson Software is pleased to provide this proposal estimate to the State of Michigan. We look forward to the continuation of our successful long-term partnership with the State and the opportunity to assist the State in optimizing its' investment in Lawson Software solutions.

This proposal/estimate is valid through June 30, 2008.

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**Acceptance**

The Parties Agree to the Terms Set Forth In this Document

**For LAWSON SOFTWARE, INC.**

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

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

**For THE STATE OF MICHIGAN**

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

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

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

August 17, 2005

CHANGE NOTICE NO. 16  
 TO  
 CONTRACT NO. 071B8000605  
 between  
 THE STATE OF MICHIGAN  
 and

NAME & ADDRESS OF VENDOR <b>Lawson Software</b> <b>380 St. Peter Street</b> <b>St. Paul, MN 55102</b>	TELEPHONE Paul Miele <b>(800) 477-1357</b>
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-0239 <b>Jacque Kuch</b>
Contract Administrator: Cindy Turben <b>Software Consultant/Maintenance for Civil Service</b>	
CONTRACT PERIOD: From: <b>March 12, 1998</b> To: <b>January 12, 2009</b>	
TERMS <b>N/A</b>	SHIPMENT <b>N/A</b>
F.O.B. <b>N/A</b>	SHIPPED FROM <b>N/A</b>
MINIMUM DELIVERY REQUIREMENTS <b>N/A</b>	

**NATURE OF CHANGE (S):**

Effective immediately, this contract is hereby EXTENDED for three (3) years. The new contract end date is January 12, 2009. Also, this contract is INCREASED by \$3,600,000.00. All other terms and conditions remain the same.

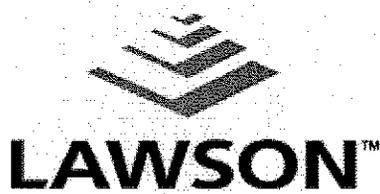
PLEASE NOTE: The buyer has been CHANGED to Jacque Kuch.

**AUTHORITY/REASON:**

Per DMB/Acquisition Services

**INCREASE: \$3,600,000.00**

**TOTAL REVISED ESTIMATED CONTRACT VALUE: \$17,779,429.00**



**Lawson Software**

**Proposal**

**for**

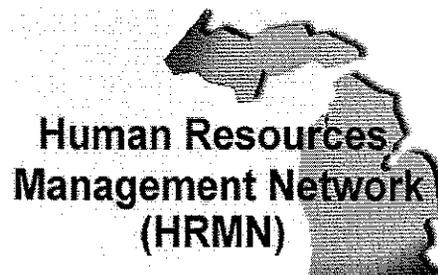
**The State of Michigan**

**HRMN Project**

**Product Support Fees and On-going Professional Services Support**

**Through 2008**

**May 18, 2005**



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## Overview

Lawson Software is pleased to present this proposal for Product License Product support fee and on-going Lawson Professional Services support of Lawson Software products and applications in the current production environment to the State of Michigan. Lawson values our relationship with the State, and is committed to assisting the State in maximizing its' current investment in Lawson Software. In light of the State of Michigan's budgetary requirements, Lawson Software has developed a proposal that will provide the State with significant rate stability. Our proposal presents product support fee discounts and Professional Consulting Services rates and staffing models that will allow the State to maintain Lawson's support and professional consulting services at their current levels with minimal budgetary impact.

Highlights of this proposal include:

### Product Support Fees

- 30% Lawson-owned Product Support fee discount for FY2006
- Up to 30% annual Lawson-owned Product Support fee discount over the 3 year term of this agreement
- Product Support fee increases will be capped at 3% per year and will be based upon the net amount of Support fees after application of the discount, provided the State of Michigan maintains their current products and user counts.

### Professional Consulting Services

- Professional consulting services rate decreases of up to 23% as compared to the 2002 agreement
- Professional consulting services rates will remain fixed over the 3 year life of this agreement
- Flexibility in the staffing mix of Lawson Professional consulting services to meet the State's budgetary requirements
- Flexibility in the number of Lawson Professional consulting services hours utilized while still maintaining product support fee and consulting services discounts

### Contract Terms

- Opportunity for the State of Michigan to add two (2)-- one (1) year extensions to the term of this agreement

**Lawson Software Confidential** - All information provided herein, and attached hereto, shall be considered as proprietary and confidential information of Lawson Software, Inc. The receiver of such information shall exercise reasonable precautions to prevent access to other than authorized representatives of the receiver.

This proposal takes the approach that:

- The State of Michigan will provide resources to a core support product support fee team that will take ownership of the on-going product support tasks and be supplemented by Lawson Professional Services consultants and Lawson Account Management.
- The Lawson Professional Consulting and Account Management services are specific to the Lawson proprietary products and tools currently owned by the State of Michigan. These products and tools require support by Consultants and Account Managers with a defined and specific skill set that is available only through Lawson Software.
- Lawson Professional consulting services will be priced at the hourly rates noted in this proposal on a time and materials hourly basis.
- Lawson Professional consulting services hourly rates are not inclusive of travel. Travel expenses will be billed separately and are estimated at 10% of the estimated consulting services.
- Projected Professional consulting services included in this estimate are based on prior support services rendered at the State of Michigan. These services include activities to support the current products, such as cyclical and patch testing, report development and testing, and departmental support. It is assumed that any other Lawson-related initiatives the State may undertake are outside of this agreement and will be bid separately by Lawson Professional Services.
- This proposal does not include any estimates for additional Lawson-related projects that the State of Michigan may wish to pursue using either currently licensed products or future purchases of additional or new product licenses.

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## **Product Support Fees and Professional Services Definition and Scope**

### **Lawson Products**

The following are the Lawson Software proprietary products that require payment of ongoing Product Support Fees and Professional Services and Account Management support by the State of Michigan:

- **The Lawson Human Resources Process Suite, including:**
  - Human Resources
  - Payroll
  - Personnel Administration
  - Training Administration
  - Benefits
  - Time Accrual
  - Time & Attendance
  - ERecruiting
  
- **Lawson Financial Suite, including:**
  - Accounts Receivable
  - Billing
  
- **Lawson Web-based Self-Evident Applications, including:**
  - Employee Self-Service
  - Manager Self-Service
  - OCS for JavaScript/HTML
  
- **Lawson Advanced Technology Products, including:**
  - Business Component Integrator (BCI)
  - Trade Communication Services (TCS)
  - Broadcasting
  - Portal
  - Design Studio
  - Lawson Add-ins for Microsoft Office
  
- **Lawson Reporting Suite Products, including:**
  - Crystal Enterprise
  - Smart Notification
  - Process Flow Professional
  
- **Lawson Services Automation Premium**

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## Lawson Product Support Fees

### Product Support Fee Discount

Lawson Software considers the State of Michigan to be one of our most valued clients. In recognition of the State's continued public support of our products and services, Lawson Software is offering the State of Michigan a further extension of their discount for product support fees and professional consulting services.

The State of Michigan has been a vocal supporter of the Lawson Professional Services organization and recognizes the value Lawson consultants bring to the ongoing support and of our proprietary products.

The intent of this proposal is to provide the State of Michigan with the optimum level of product and professional services support at rates that are extremely competitive. In doing so, Lawson is offering annual discounts for product support fees and consulting services that will be determined by the quantity of Lawson Professional consulting services hours used by the State of Michigan on an annual basis.

For the fiscal year beginning October 1, 2005 (FY2006), Lawson will extend a 30% product support fee discount to the State of Michigan in recognition of their public support of our products and services for the past year.

Beginning with FY2007, the product support fee discount for a pending fiscal year will be determined by Lawson based upon billed professional consulting hours as of September 30 of the current fiscal year.

Beginning with FY2007, Lawson assumes the State of Michigan will use at least 81% of the estimated annual service hours included in this proposal during Fiscal Year 2006. This level of service utilization will provide the State with the full 30% product support fee discount for the next fiscal year (FY2007).

### Product Support Fee Discount Recommendation

Lawson proposes the following product support fee discount schedule beginning with FY2007 which is based upon annual Lawson Professional Consulting hours used by the State of Michigan and billed by Lawson:

<b>Professional Consulting Hours</b>	<b>Product support fee Discount</b>
81%- + Estimated Annual Hours	30%
61% - 80% Estimated Annual Hours	25%
41% - 60% Estimated Annual Hours	20%
21% - 40% Estimated Annual Hours	15%
0% - 20% Estimated Annual Hours	10%

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### Annual Product Support Fee Increases

Provided the State of Michigan continues to renew available Support for all Products under the license agreement between Lawson and the State of Michigan, and the user, server and CPU counts do not decrease for such Products during the 3 year term of this agreement, annual Lawson-owned Product Support fee increases will be capped at 3% per year during such term and will be based upon the net amount of Support fees after application of the discount.

### Third Party Products Support Fees

The product support fee discounts and price increases noted above do not apply to product support fees for third party products. Lawson Software will continue to pass third party product support fees directly on to the State of Michigan for payment. Although the third party product support fees provided in this proposal do not show a projected cost increase over the life of the agreement, the State of Michigan will be responsible for payment of all third party product support fees during the term of this agreement, including any product support fee increases from third parties.

### Terms and Conditions

All other terms and conditions not included in this document fall under those agreed to in the Lawson Software Product License Agreement ("Agreement") entered into between Lawson Associates, Inc. dba Lawson Software ("Lawson") and the State of Michigan - signed and dated by the State of Michigan on April 20, 1999.

The following section replaces Item 4 in Section III: Lawson Software Support Services of Contract No. 071B8000605 between the State of Michigan and Lawson Software which supplements the Lawson Software Product License Agreement and was signed March 23, 1998.

### Lawson Software Support Services

Item 4: The license fee paid for any Product, exclusive of Products licensed under Support Category E, includes support for the Initial Support Period. Client may extend Support beyond the Initial Support Period by paying Lawson's then current Support fee within sixty (60) days before the end of the Initial Support Period and thereafter by paying Lawson's then current Support fee within sixty (60) days before the end of any Support extension period. Support is extended for twelve (12) month periods and provided only as specified by Lawson's then currently available Support offerings. Support shall automatically terminate at the end of the applicable Support period if payment is not timely. Lawson may cease providing Support or change the terms of Support at any time upon completion of the initial or any extension period of Support. The Support fee base for the Products (excluding Third Party Products), for any extension period of Support, is calculated at sixteen percent (16%) of the net license fee of the Products at the Effective Date plus an increase amount not to exceed the lesser of the actual annual percentage increase or eight (8) percent of the previous Support period's Support fee. Further, this fee is not to exceed the then current cost of product support at the time any support fee is paid.

Such increase restriction on Support fees shall be in effect through the effective date of this contract being September 30th, 2008. The increase restriction on Support fees in this Item 4 shall not apply to (ii) Third Party-owned Products sublicensed through Lawson. The Support fee base for Third Party-owned Products under the Agreement shall be calculated either at a flat fee or sixteen (16) percent of the then current list price, depending on the respective Third Party-owned Product. Client shall reimburse Lawson for all reasonable out-of-pocket and travel expenses incurred by Lawson at the Client's request.

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## **Lawson Professional Services Support**

Lawson Professional Services has provided the State of Michigan with on-going account management and support of the current production system as it relates to Lawson's proprietary products.

### **Proposed Lawson Professional Services Resource Staffing**

Based upon the State of Michigan's current requirements, Lawson recommends the following annual support hours for the FY2006 - FY2008 contract period:

<b>Lawson Recommended Proprietary Support by Task</b>	<b>Annual Support Hours</b>
Lawson HR/Payroll Suite Agency Support	2000
Lawson Reporting Suite Support	200
Lawson E-Recruiting Support	400
Lawson Proprietary Technical Tools Support (Process Flow, Smart Notification)	400
Lawson Technical proprietary infrastructure support	200
Lawson Proprietary Support Account Management	1000
<b>Annual Totals:</b>	<b>4200</b>

### **Lawson Professional Services Staffing Options**

Lawson Professional Services has over 350 certified consultants who add significant value to our clients' investment in Lawson Software. The State of Michigan has been a public supporter of Lawson Professional Consulting Services and has taken full advantage of our consulting services. Lawson Professional Services is committed to providing the same consistent resources to the State of Michigan who are knowledgeable about their complex operation and can add significant value at competitive rates.

Lawson Professional Services is offering several staffing options for the State's consideration. The staffing the State chooses will depend upon their resource and budgetary requirements.

#### **The staffing options are:**

- Staffing Option 1      Current staffing types—same hourly mix
- Staffing Option 2      Current staffing types—change hourly mix
- Staffing Option 3      Revised staffing types— change hourly mix
- Staffing Option 4      Revised staffing types- Change hourly mix

**Lawson Software Confidential** - All information provided herein, and attached hereto, shall be considered as proprietary and confidential information of Lawson Software, Inc. The receiver of such information shall exercise reasonable precautions to prevent access to other than authorized representatives of the receiver.

**Staffing Option 1**
**FTE's:**
**1.5 Senior HR Consultants**
**0.5 HR Application Consultant**
**0.1 Senior Technical Consultant**

<b>Lawson Recommended Proprietary Support by Resource</b>	<b>Hours</b>	<b>Rate/Hour</b>	<b>Est. Cost/year</b>	<b>Est. 3 year cost</b>
Senior HR Consultant	2000	\$160	\$ 320,000	\$960,000
Senior HR Consultant	1000	\$160	160,000	480,000
HR Application Consultant	1000	\$150	150,000	450,000
Senior Technical Consultant	200	\$160	32,000	96,000
<b>Estimated Annual Totals:</b>	<b>4200</b>	<b>\$157.62</b>	<b>\$ 662,000</b>	<b>\$1,986,000</b>
Estimated Travel (10%)			66,200	198,600
<b>Estimated Total Services</b>			<b>\$ 728,200</b>	<b>\$2,184,600</b>

**Staffing Option 2**
**FTE's:**
**1.0 Senior HR Consultant (2- 0.5 FTE's)**
**1.0 HR Application Consultant**
**0.1 Senior Technical Consultant**

<b>Lawson Recommended Proprietary Support by Resource</b>	<b>Hours</b>	<b>Rate/Hour</b>	<b>Est. Cost/year</b>	<b>Est. 3 year cost</b>
Senior HR Consultant	1000	\$160	\$ 160,000	\$ 480,000
Senior HR Consultant	1000	\$160	160,000	480,000
HR Application Consultant	2000	\$150	300,000	900,000
Senior Technical Consultant	200	\$160	32,000	96,000
<b>Estimated Annual Totals:</b>	<b>4200</b>	<b>\$155.24</b>	<b>\$ 652,000</b>	<b>\$1,956,000</b>
Estimated Travel (10%)			65,200	195,600
<b>Estimated Total Services</b>			<b>\$ 717,200</b>	<b>\$2,151,600</b>

**Lawson Software Confidential** - All information provided herein, and attached hereto, shall be considered as proprietary and confidential information of Lawson Software, Inc. The receiver of such information shall exercise reasonable precautions to prevent access to other than authorized representatives of the receiver.

**Staffing Option 3**

**FTE's:**

**0.5 Senior HR Consultant  
 1.5 HR Application Consultants  
 0.1 Senior Technical Consultant**

<b>Lawson Recommended Proprietary Support by Resource</b>	<b>Hours</b>	<b>Rate/Hour</b>	<b>Est. Cost/year</b>	<b>Est. 3 year cost</b>
Senior HR Consultant	1000	\$160	\$ 160,000	\$ 480,000
HR Consultant	1000	\$150	150,000	450,000
HR Application Consultant	2000	\$150	300,000	900,000
Senior Technical Consultant	200	\$160	32,000	96,000
<b>Estimated Annual Totals:</b>	<b>4200</b>	<b>\$152.86</b>	<b>\$ 642,000</b>	<b>\$1,926,000</b>
Estimated Travel (10%)			64,200	192,600
<b>Estimated Total Services</b>			<b>\$ 706,200</b>	<b>\$2,118,600</b>

**Staffing Option 4**

**FTE's:**

**2.0 HR Application Consultants  
 0.1 Senior Technical Consultant**

<b>Lawson Recommended Proprietary Support by Resource</b>	<b>Hours</b>	<b>Rate/Hour</b>	<b>Est. Cost/year</b>	<b>Est. 3 year cost</b>
HR Consultant	2000	\$150	300,000	900,000
HR Application Consultant	2000	\$150	300,000	900,000
Senior Technical Consultant	200	\$160	32,000	96,000
<b>Estimated Annual Totals:</b>	<b>4200</b>	<b>\$150.48</b>	<b>\$ 632,000</b>	<b>\$1,896,000</b>
Estimated Travel (10%)			63,200	189,600
<b>Estimated Total Services</b>			<b>\$ 695,200</b>	<b>\$2,085,600</b>

**Lawson Software Confidential** - All information provided herein, and attached hereto, shall be considered as proprietary and confidential information of Lawson Software, Inc. The receiver of such information shall exercise reasonable precautions to prevent access to other than authorized representatives of the receiver.

**Lawson Professional Consulting Services Fees**

Subject to the terms and conditions of this Agreement, Lawson shall provide the following Professional consulting services to the State of Michigan at the following discounted hourly rates:

Professional Consulting Services	List Hourly Rate	Current Contract (2002-2005) Hourly Rate	Proposed Contract (2006-2008) Hourly Rate	% Proposed Reduction of Hourly Rates
Account Management	\$275	\$194.75	\$160	18%
Senior HR Consultant	\$237.50	\$161.63	\$160	1%
HR Application Consultant	\$187.50	\$161.63	\$150	7%
Senior Technical Consultant	\$237.50	\$194.75	\$160	18%
Technical Consultant	\$275	\$194.75	\$150	23%

Projected consulting services included in this estimate are based on prior consulting support services rendered at the State of Michigan. These services include activities to support the current products, such as cyclical and patch testing, report development and testing, and departmental support. It is assumed that any other Lawson-related initiatives the State may undertake are outside of this agreement and will be bid separately by Lawson Professional Services.

These discounted rates shall remain in effect from October 1, 2005 through September 30, 2008. The State of Michigan may request two one year contract extensions. The annual increase for each one year extension shall be the lesser of the actual percentage increase or the increase in the CPI (W) for a period of one (1) year, pursuant to the terms of Contract No. 071B8000605 (dated March 12, 1998) between the State of Michigan and Lawson Software.

Service Fees do not include travel and accommodation expenses incurred in rendering services. The State of Michigan shall reimburse Lawson for all travel, living, out-of-pocket and overtime expenses incurred by Lawson in providing the services. It is understood that the State of Michigan shall reimburse Lawson for meals in accordance to the then current State of Michigan's Department of Management and Budget Schedule of Travel Rates. Travel expenses can traditionally be estimated as 10%-15% of consulting fees.

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**Payment of Services Fees**

Lawson shall invoice the State of Michigan semi-monthly for services rendered. The State of Michigan shall pay Lawson the full amount shown due on the invoice upon receipt thereof. In the event that the State of Michigan fails to pay the full amount due within forty-five (45) days from the date such invoices and all supporting documentation are received at State Offices, Lawson may elect to cease rendering of services and the State of Michigan shall pay to Lawson an additional fee, based on any unpaid balances at a rate that is equal to 0.75 percent.

**Product support fee and Lawson Professional Services Summary**

The following are estimated fees and pricing for professional consulting and product support fees for the period of October 1, 2005 through September 30, 2008. This contract extends and is in addition to the current contract that is in place with Lawson Software and the State of Michigan. Professional services fees reflect rates that will be effective October 1, 2005 through September 30, 2008.

**Estimated Lawson Professional Consulting Services (Option 1)\*\*****FY2006**

Estimated FY2006 Professional Services	
On-Going Proprietary Support Services	\$ 728,200
(includes 10% travel)	

**FY2007**

Estimated FY2007 Professional Services	
On-Going Proprietary Support Services	\$ 728,200
(includes 10% travel)	

**FY2008**

Estimated FY2008 Professional Services	
On-Going Proprietary Support Services	\$ 728,200
(includes 10% travel)	

**Total Estimated Lawson Professional Consulting Services     \$ 2,184,600**

\*\*Option 1 Professional Consulting Services staffing details are described under the topic *Lawson Professional Services Staffing Options* on Page 6 of this proposal.

**Lawson Software Confidential** - All information provided herein, and attached hereto, shall be considered as proprietary and confidential information of Lawson Software, Inc. The receiver of such information shall exercise reasonable precautions to prevent access to other than authorized representatives of the receiver.

## Estimated Product Support Fee

The following are estimated fees for on-going product support for the State of Michigan fiscal year beginning October 1, 2005 through the State of Michigan fiscal year ending September 30, 2008.

For the fiscal year beginning October 1, 2005 (FY2006), Lawson will extend a 30% product support fee discount to the State of Michigan in recognition of their public support of our products and services for the past year.

Beginning with FY2007, the product support fee discount for a pending fiscal year will be determined by Lawson based upon billed professional consulting hours as of September 30 of the current fiscal year.

Beginning with FY2007, Lawson assumes the State of Michigan will use at least 81% of the estimated annual service hours included in this proposal during Fiscal Year 2006. This level of service utilization will provide the State with the full 30% product support fee discount for the next fiscal year (FY2007).

### Product Support Fees

#### Product Support Fee through September 30, 2006 (FY2006)

Total Lawson Product support fee	\$ 726,298
Lawson Product support fee Discount (30%)**	( 217,889)
Subtotal	\$ 508,409
Product support fee with 3% increase	\$ 523,661
Third Party Products	31,174
<b>FY2006 Estimated Product support fee w/Discount</b>	<b>\$ 554,835</b>

#### Product Support Fee through September 30, 2007 (FY2007)

Total Lawson Product support fee	\$ 748,087
Lawson Product support fee Discount (30%)**	( 224,426)
Subtotal	\$ 523,661
Product support fee with 3% increase	\$ 539,371
Third Party Products	31,174
<b>FY2007 Estimated Product support fee w/Discount</b>	<b>\$ 570,545</b>

#### Product Support Fee through September 30, 2008 (FY2008)

Total Lawson Product support fee	\$ 770,530
Lawson Product support fee Discount (30%)**	( 231,159)
Subtotal	\$ 539,371
Product support fee with 3% increase	\$ 555,552
Third Party Products	31,174
<b>FY2008 Estimated Product support fee w/Discount</b>	<b>\$ 586,726</b>

*\*\*Product support fee discount does not apply to third party products*

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**Summary of Estimated Professional Services and Product Support Fees  
(FY2006-FY2008)  
(October 1, 2005 through September 30, 2008):**

**FY2006**

Estimated FY2006 Professional Services (includes travel)	\$ 728,200
Estimated FY2006 Product support fee	<u>554,835</u>
<b>Total FY2006 Professional Services and Product support fee</b>	<b>\$ 1,283,035</b>

**FY2007**

Estimated FY2007 Professional Services (includes travel)	\$ 728,200
Estimated FY2007 Product support fee	<u>570,545</u>
<b>Total FY2007 Professional Services and Product support fee</b>	<b>\$ 1,298,745</b>

**FY2008**

Estimated FY2008 Professional Services (includes travel)	\$ 728,200
Estimated FY2008 Product support fee	<u>586,726</u>
<b>Total FY2008 Professional Services and Product support fee</b>	<b>\$ 1,314,926</b>

**Total FY2006 – FY 2008**

**Estimated Professional Services and Product support fee** **\$ 3,896,706**

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Lawson Software is pleased to provide this proposal estimate to the State of Michigan. We look forward to the continuation of our successful long-term partnership with the State and the opportunity to assist the State in optimizing its' investment in Lawson Software solutions.

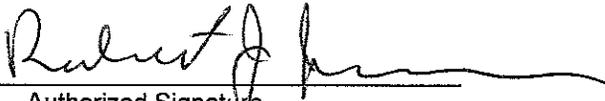
This proposal/estimate is valid through May 25, 2005.

**Lawson Software Confidential** - All information provided herein, and attached hereto, shall be considered as proprietary and confidential information of Lawson Software, Inc. The receiver of such information shall exercise reasonable precautions to prevent access to other than authorized representatives of the receiver.

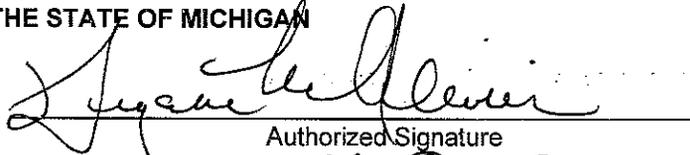
**Acceptance**

The Parties Agree to the Terms Set Forth In this Document

For **LAWSON SOFTWARE, INC.**

  
\_\_\_\_\_  
Authorized Signature  
Rob Jorgenson  
\_\_\_\_\_  
Printed Name  
SUP-SUCS  
\_\_\_\_\_  
Title  
8-22-05  
\_\_\_\_\_  
Date

For **THE STATE OF MICHIGAN**

  
\_\_\_\_\_  
Authorized Signature  
Suzanne M. Olivier  
\_\_\_\_\_  
Printed Name  
Director, HR Operations & Data  
\_\_\_\_\_  
Title  
8/19/2005  
\_\_\_\_\_  
Date

**Lawson Software Confidential** - All information provided herein, and attached hereto, shall be considered as proprietary and confidential information of Lawson Software, Inc. The receiver of such information shall exercise reasonable precautions to prevent access to other than authorized representatives of the receiver.

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

September 16, 2003

**CHANGE NOTICE NO. 15  
 TO  
 CONTRACT NO. 071B8000605  
 between  
 THE STATE OF MICHIGAN  
 and**

NAME & ADDRESS OF VENDOR <b>Lawson Software</b> <b>380 St. Peter Street</b> <b>St. Paul, MN 55102</b>	TELEPHONE Paul Miele <b>(800) 477-1357</b>
	VENDOR NUMBER/MAIL CODE
	BUYER (517) 335-0462 <b>Christine Mitchell</b>
Contract Administrator: Janine M. Winters <b>Software Consultant/Maintenance for Civil Service</b>	
CONTRACT PERIOD: From: <b>March 12, 1998</b> To: <b>January 11, 2006</b>	
TERMS <p style="text-align: center;"><b>N/A</b></p>	SHIPMENT <p style="text-align: center;"><b>N/A</b></p>
F.O.B. <p style="text-align: center;"><b>N/A</b></p>	SHIPPED FROM <p style="text-align: center;"><b>N/A</b></p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;"><b>N/A</b></p>	

**NATURE OF CHANGE (S):**

**Effective immediately, the dollar value for this contract is hereby INCREASED by \$100,500.00 to make correction for a typographical error made on Change Notice (CCN) #7.**

**AUTHORITY/REASON:**

**Per agency contact Mike Winters on September 4, 2003.**

**INCREASE: \$100,500.00**

**TOTAL REVISED ESTIMATED CONTRACT VALUE: \$14,179,429.00**

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

June 9, 2003

CHANGE NOTICE NO. 14  
 TO  
 CONTRACT NO. 071B8000605  
 between  
 THE STATE OF MICHIGAN  
 and

NAME & ADDRESS OF VENDOR <b>Lawson Software</b> <b>380 St. Peter Street</b> <b>St. Paul, MN 55102</b>	TELEPHONE Paul Miele <b>(800) 477-1357</b>
	VENDOR NUMBER/MAIL CODE
	BUYER (517) 335-0462 <b>Christine Michel</b>
Contract Administrator: Janine M. Winters <b>Software Consultant/Maintenance for Civil Service</b>	
CONTRACT PERIOD: From: <b>March 12, 1998</b> To: <b>January 11, 2006</b>	
TERMS <b>N/A</b>	SHIPMENT <b>N/A</b>
F.O.B. <b>N/A</b>	SHIPPED FROM <b>N/A</b>
MINIMUM DELIVERY REQUIREMENTS <b>N/A</b>	

**NATURE OF CHANGE (S):**

Effective immediately, the Contract Administrator for this contract is hereby changed to:

**Janine M. Winters, Deputy Director**  
**Civil Service**  
**P.O. Box 30002**  
**Lansing, MI 48909**

**AUTHORITY/REASON:**

Per agency contact John Lopez on May 14, 2003.

**TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$14,078,929.00**

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

May 30, 2003

**CHANGE NOTICE NO. 13**  
**TO**  
**CONTRACT NO. 071B8000605**  
**between**  
**THE STATE OF MICHIGAN**  
**and**

NAME & ADDRESS OF VENDOR <b>Lawson Software</b> <b>380 St. Peter Street</b> <b>St. Paul, MN 55102</b>	TELEPHONE Paul Miele <b>(800) 477-1357</b>
	VENDOR NUMBER/MAIL CODE
	BUYER (517) 335-0462 <b>Christine Michel</b>
Contract Administrator: John F. Lopez <b>Software Consultant/Maintenance for Civil Service</b>	
CONTRACT PERIOD: From: <b>March 12, 1998</b> To: <b>January 11, 2006</b>	
TERMS <b>N/A</b>	SHIPMENT <b>N/A</b>
F.O.B. <b>N/A</b>	SHIPPED FROM <b>N/A</b>
MINIMUM DELIVERY REQUIREMENTS <b>N/A</b>	

**NATURE OF CHANGE (S):**

Effective immediately, the following rate reductions are hereby incorporated into this contract:

- Maintenance charges are hereby reduced by 30% over the next twelve months
- Daily rates are reduced by 7% to:
  - \$1,449.00 for Implementation Mgmt/Planning
  - \$1,205.00 for Application Consulting
  - \$1,449.00 for Technical Consulting
  - \$2,500.00 for Private Training

All other terms, conditions, and pricing remain unchanged.

**AUTHORITY/REASON:**

Per vendor's request (Robert North) on 4/30/03 and agency's approval (Jan Winters) on 5/13/03.

**TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$14,078,929.00**

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

September 18, 2002

**CHANGE NOTICE NO. 12**  
**TO**  
**CONTRACT NO. 071B8000605**  
**between**  
**THE STATE OF MICHIGAN**  
**and**

NAME & ADDRESS OF VENDOR <b>Lawson Software</b> <b>380 St. Peter Street</b> <b>St. Paul, MN 55102</b>	TELEPHONE Paul Miele <b>(800) 477-1357</b>
	VENDOR NUMBER/MAIL CODE
	BUYER (517) 335-0462 <b>Christine Michel</b>
Contract Administrator: John F. Lopez <p style="text-align: center;"><b>Software Consultant/Maintenance for Civil Service</b></p>	
CONTRACT PERIOD: From: <b>March 12, 1998</b> To: <b>January 11, 2006</b>	
TERMS <p style="text-align: center;">N/A</p>	SHIPMENT <p style="text-align: center;">N/A</p>
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	

**NATURE OF CHANGE (S):**

**Please note the contract administrator has been changed from Richard H. Hueneke to John F. Lopez. However, Richard H. Huneke will remain Project Director and a copy of all correspondence should be forwarded to him.**

**AUTHORITY/REASON:**

**Per agency's request.**

**TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$14,078,929.00**

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

April 23, 2002

**CHANGE NOTICE NO. 11**  
**TO**  
**CONTRACT NO. 071B8000605**  
**between**  
**THE STATE OF MICHIGAN**  
**and**

NAME & ADDRESS OF VENDOR <b>Lawson Software</b> <b>380 St. Peter Street</b> <b>St. Paul, MN 55102</b>	TELEPHONE Paul Miele <b>(800) 477-1357</b>
	VENDOR NUMBER/MAIL CODE
	BUYER (517) 335-0462 <b>Christine Michel</b>
Contract Administrator: Rich Hueneke <b>Software Consultant/Maintenance for Civil Service</b>	
CONTRACT PERIOD: From: <b>March 12, 1998</b> To: <b>January 11, 2006</b>	
TERMS <b>N/A</b>	SHIPMENT <b>N/A</b>
F.O.B. <b>N/A</b>	SHIPPED FROM <b>N/A</b>
MINIMUM DELIVERY REQUIREMENTS <b>N/A</b>	

**NATURE OF CHANGE (S):**

**Effective immediately this contract is hereby EXTENDED 33 months with an INCREASE in value of \$4,626,091.00 to allow for continuation of training, consulting services and application support for the HRMN project per the attached specifications.**

**AUTHORITY/REASON:**

**Per agency's request from Sue Burnett and vendor's approval.**

**INCREASE: \$4,626,091.00**

**TOTAL REVISED ESTIMATED CONTRACT VALUE: \$14,078,929.00**



**Lawson Professional Services**

**Proposal of Work**

**for**

**The State of Michigan**

**HRMN Project**

**On-going Support, Special Projects, and Selected Pilots**

**Through 2005**

March 6, 2002



## **Project Overview**

This proposal and the attached documentation from Lawson Software (“Lawson”) are to provide a recommendation from Lawson to assist the State of Michigan with on-going support of Lawson Software products and applications. This proposal will take the approach that:

- The State of Michigan will provide resources to a core project team that will take ownership of the project(s) and be supplemented by a Lawson Client Service Manager and Lawson service consultants for appropriate activities at the appropriate times during the implementation of our products.
- The activities and efforts of the State of Michigan’s core project team will be supplemented by services provided an Implementation Contractor, Quality Assurance Consultant, Lawson GAIN Partner, Lawson Client Service Manager, and Lawson service consultants for appropriate activities at the appropriate times during the implementation of Lawson products.
- Lawson services will be priced on a time and materials basis.
- The training and consulting services that will be proposed are based upon Lawson’s best estimate using our knowledge of the State of Michigan to date and our previous experiences with implementing similar products that the State of Michigan is seeking to purchase.
- Purchase price, for additional products listed below, is based on estimates at the time this document was prepared. Actual costs will be based on negotiations between Lawson and the State of Michigan at the time of delivery of the product.

Information listed below regarding consulting and training reflect our proposal for providing those services that Lawson Software considers to be part of our core competency. These services assume that Lawson’s Implementation Methodology with its specific steps will be followed. The activities identified in this document coincide with those activities where the Lawson Service team will assist the State of Michigan during the project.

Lawson’s Methodology assumes that our consultants will provide Lawson application-specific implementation planning, training and consulting to the client project team at appropriate points during the implementation. Lawson will provide training on the complete features and functions of each application to a core client project team so that the team will be knowledgeable in all aspects of the products and be able to make informed decisions on the best use of Lawson’s various configurations to meet the business needs at the State of Michigan.

## **Project Definition & Scope**

### **Lawson Products**

The following products will either require additional setup and/or consulting to enhance the use of functionality already installed in previous stages, or be newly installed and implemented in subsequent stages.

- **The Lawson INSIGHT II Human Resources Process Suite, including:**
  - Human Resources
  - Payroll
  - Personnel Administration
  - Training Administration
  - Benefits
  - Time Accrual
  - Time & Attendance
  
- **Lawson INSIGHT II Web-based Self-Evident Applications, including:**
  - Employee Self-Service
  - Manager Self-Service
  - OCS for JavaScript/HTML
  
- **Lawson Advanced Technology Products, including:**
  - ProcessFlow
  - Business Component Integrator (BCI)
  - Trade Communication Services (TCS)
  - Broadcasting
  - Portal
  - Design Studio
  
- **Lawson Enterprise Performance Management Products, including:**
  - Human Resources Analytics
  - Enterprise Reporting
  
- **Lawson Services Automation Premium**

### **Additional Statewide and Agency Products and Services Assistance**

The State may request additional services and purchase related products from Lawson Software to implement advanced functionality and additional features or work in support of the HRMN project or in support of specific agency initiatives related to the HRMN project through December 31<sup>st</sup>, 2005 which are not included in the above scope of products.

These items may include: Human Resources, Analytics, Services Automation, Enterprise Reporting, Procurement and Financials.

## **Services Fees**

Subject to the terms and conditions of this Agreement, Lawson shall provide the following services to the State of Michigan at the following discounted instructor/consultant daily rates:

<b>Services</b>	<b>Daily Rate</b>
Implementation Management/Planning	\$1558
Strategic Account Manager	\$1558
Performance Audit and Installations	\$1942
Technical Consulting	\$1558
Crystal Report Consulting	\$1600
Application Consulting	\$1296
Private Training	\$3400
Services Automation	\$1600
Analytic Consulting	\$1600

Projected services included in this estimate are based on prior services rendered at the State of Michigan during previous stages and estimates developed for specific projects and pilots. These services include activities such as performance tuning, creation of functional design documents, application consulting for functionality to be implemented, technical consulting and installation on products to be purchased, business process reengineering, and private human resources application and related technical training. For those months when Lawson consultants are on-site, monthly status reports of activities will be provided to the State of Michigan.

These discounted rates shall remain in effect from April 1, 2002 through April 1, 2003, after which the annual increase shall be the lesser of the actual percentage increase or the increase in the CPI (W) for a period of one (1) year, pursuant to the terms of Contract No. 071B8000605 (dated March 12, 1998) between the State of Michigan and Lawson Software.

Training fees for Lawson public classes will be at the standard rate that Lawson charges for such classes at the time the class is held.

Service Fees do not include travel and accommodation expenses incurred in rendering services. The State of Michigan shall reimburse Lawson for all travel, living, out-of-pocket and overtime expenses incurred by Lawson in providing the services. It is understood that the State of Michigan shall reimburse Lawson for meals in accordance to the then current State of Michigan's Department of Management and Budget Schedule of Travel Rates. Travel expenses can traditionally be estimated as 17% of consulting fees.

### **Class Size and Scheduled Services Cancellation Fees**

Training will be scheduled at various statewide locations by the HRMN Project Team. A standard of twelve (12) participants per session will be used for planning and printing. HRMN may schedule up to fourteen (14) participants per session, as dictated by the number of nominations. Sessions may be canceled at least ten (10) calendar days prior to the date of a scheduled class if less than ten (10) nominations are received for the class. If the State of Michigan cancels a previously scheduled class less than ten (10) days before the scheduled date, the State of Michigan will pay Lawson Software \$3400 per day for each day an instructor and/or consultant is scheduled. The State of Michigan will make every effort to provide a participant list at least ten (10) business days prior to each scheduled class.

### **Payment of Services Fees**

Lawson shall invoice the State of Michigan semi-monthly for services rendered. The State of Michigan shall pay Lawson the full amount shown due on the invoice upon receipt thereof. In the event that the State of Michigan fails to pay the full amount due within forty-five (45) days from the date such invoices and all supporting documentation are received at State Offices, Lawson may elect to cease rendering of services and the State of Michigan shall pay to Lawson an additional fee, based on any unpaid balances at a rate that is equal to 0.75 percent.

## **Terms and Conditions**

All other terms and conditions not included in this document fall under those agreed to in the Lawson Software Product License Agreement ("Agreement") entered into between Lawson Associates, Inc. dba Lawson Software ("Lawson") and the State of Michigan - signed and dated by the State of Michigan on April 20, 1999.

The following section replaces Item 4 in Section III: Lawson Software Support Services of Contract No. 071B8000605 between the State of Michigan and Lawson Software which supplements the Lawson Software Product License Agreement and was signed March 23, 1998.

### Lawson Software Support Services

Item 4: The license fee paid for any Product, exclusive of Products licensed under Support Category E, includes support for the Initial Support Period. Client may extend Support beyond the Initial Support Period by paying Lawson's then current Support fee within sixty (60) days before the end of the Initial Support Period and thereafter by paying Lawson's then current Support fee within sixty (60) days before the end of any Support extension period. Support is extended for twelve (12) month periods and provided only as specified by Lawson's then currently available Support offerings. Support shall automatically terminate at the end of the applicable Support period if payment is not timely. Lawson may cease providing Support or change the terms of Support at any time upon completion of the initial or any extension period of Support. The Support fee base for the Products (excluding Third Party Products), for any extension period of Support, is calculated at sixteen percent (16%) of the net license fee of the Products at the Effective Date plus an increase amount not to exceed the lesser of the actual annual percentage increase or eight (8) percent of the previous Support period's Support fee. Further, this fee is not to exceed the then current cost of product support at the time any support fee is paid.

Such increase restriction on Support fees shall be in effect through the effective date of this contract being December 31<sup>st</sup>, 2005. The increase restriction on Support fees in this Item 4 shall not apply to (ii) Third Party-owned Products sublicensed through Lawson. The Support fee base for Third Party-owned Products under the Agreement shall be calculated either at a flat fee or sixteen (16) percent of the then current list price, depending on the respective Third Party-owned Product. Client shall reimburse Lawson for all reasonable out-of-pocket and travel expenses incurred by Lawson at Client's request.

## **Estimated Services Fees**

The following are estimated fees and pricing for consulting and training services for the period of January 2002 through December 2005. This contract extends and is in addition to the current contract that is in place with Lawson Software and the State of Michigan. Professional services fees reflect rates that will become effective April 1, 2002 through April 1, 2003.

### **Special Project Support and Training Services**

#### **Professional Services**

##### Upgrades

Upgrade Services	337 Days	\$525,000
Assumptions:		
o Includes 3 Upgrades		
o Data Conversion Only		
o Estimate does not include modifications or interfaces		
Upgrade Training (For 3 Upgrades)	6 Days	\$ 20,400
Differences Training (3 Sessions per Upgrade)	30 Days	<u>\$102,000</u>
Total Upgrade Services		\$ 647,400

##### Integration

BCI Scoping	5 Days	\$ 7,790
BCI Consulting (For Two Average Interfaces)	20 Days	\$ 31,160
TCS	25 Days	<u>\$ 38,950</u>
Total Integration Services		\$ 77,900

##### Web and Self Service Expansion

Vacancy Posting System	20 Days	\$ 31,160
Lawson Products Utilized:		
o Microsoft Add-Ins		
Total Estimated Services to Support Web and Self Service Expansion		\$ 31,160

**Career Management Project**

Performance Appraisal 30 Days \$ 46,740

Lawson Products Utilized:

- o JavaScript/HTML Toolkit
- o XML Toolkit
- o ProcessFlow Professional

Integration – Pay for Performance 100 Days \$155,800

Lawson Products Utilized:

- o JavaScript/HTML Toolkit
- o XML Toolkit
- o ProcessFlow Professional
- o Core Lawson HR/PR

Training 200 Days \$311,600

Workflow – Training Approval 15 Days \$ 23,370

Lawson Products Utilized:

- o JavaScript/HTML Toolkit
- o ProcessFlow Professional

Workflow –Hiring Activities 30 Days \$ 46,740

Lawson Products Utilized:

- o JavaScript/HTML Toolkit
- o ProcessFlow Professional

Total Estimated Services for  
Career Management Project 400 Days \$ 584,250

**Time and Attendance**

Separation of Time and Attendance

And RSTARS Interface 40 Days \$ 62,320

Lawson Products Utilized:

- o BCI

Exception Time Reporting *SA Pilot*

Lawson Integrated Time & Attendance *SA Pilot*

Web Front End to Tm & Attendance 20 Days \$ 31,160

Lawson Products Utilized:

- o JavaScript/HTML Toolkit
- o XML Toolkit

Labor Distribution 360 Days \$ 46,740

Lawson Products Utilized:

- o GL "lite"
- o AP "lite"
- o Core Lawson HR/PR

Total Estimated Services Fees for  
Time and Attendance Project 420 Days \$ 140,220

**Total Estimated Special Project Services \$1,480,930**

## **Pilot Consulting and Training Services - 2002**

*Estimate is based on surveys and conversations with the State of Michigan the week of January 7, 2002. All services estimated are based on the active participations of the State of Michigan on all pilot projects.*

### **Professional Services**

#### **Enterprise Reporting**

Installation	3 Days	\$5,826
Accelerated Design Training (Private)	3 Days	\$10,200
Report Web Distribution Training (Private)	2 Days	\$6,800
Tech Support	5 Days	\$7,790
E.Reporting Consulting	<u>10 Days</u>	<u>\$16,000</u>
Total Enterprise Reporting Services	23 Days	\$46,616

#### **Analytics**

Essbase and Analytics Consulting	25 Days	\$40,000
Lawson Analytics Training (Private)	2Days	\$6,800
Hyperion Training (Private)	<u>5 Days</u>	<u>\$17,000</u>
Total Analytics Services	32 Days	\$63,800

#### **Services Automation** \* See Assumptions below

Project Initiation Phase	1 Day	\$1,600
Project Initiation Phase Documents	3 Days	\$4,800
Project Planning Phase	10 Days	\$16,000
Project Planning Phase Documents	8 Days	\$12,800
Project Execution Phase	10 Days	\$16,000
Project Execution Phase Documents	5 Days	\$8,000
Project Closeout Phase	<u>3 Days</u>	<u>\$4,800</u>
Total SA Services	40 Days	\$64,000

#### Total Estimated Cost of

Professional Services Fees for Pilot \$ 174,416

Estimated Travel Expenses \$ 29,651

(calculated as 17% of consulting and training fees)

**Total Estimated Pilot Services \$ 204,067**

#### *Services Automation Pilot Services Assumptions:*

- 1. Lawson will perform the training during the execution phase within the project.*
- 2. The State of Michigan will provide a full time project manager as well as a dedicated System Administrator.*
- 3. All Software and Hardware will be in place and installed prior to the first visit by the Lawson Consultants.*
- 4. The State of Michigan will provide subject matter experts in the business areas that will be discussed and implemented.*
- 5. There will be no major modifications made to the application. We have budgeted for 2 days for Crystal Reports and 2 days for HTML changes within the application. Anything outside of this scope will increase the estimate.*

Proposal of Work for The State of Michigan HRMN Project – Ongoing Support

**On-Going Consulting and Training Services**

*Estimate of days is based on past utilization experienced in Stage I. Activities to be performed are documented in the original Services Agreement between Lawson Software and the State of Michigan.*

**Professional Services**

Implementation Management (Approx. 4 days per month)	200 Days	\$ 311,600
Strategic Account Management (Approx. 4 days per month)	200 Days	\$ 311,600
Application Consulting	400 Days	\$518,400
Estimated Travel Expenses (calculated as 17% of consulting and training fees)		\$194,072

**Total Estimated On-Going Services** **\$1,335,672**

**Services Summary****Professional Services**

Estimated 2002 Professional Services		
Pilot Services		\$ 204,067
Special Project Services		\$ 370,232
On-Going Services		<u>\$ 333,918</u>
		\$ 908,217
Estimated 2003 Professional Services		
Special Project Services		\$ 370,232
On-Going Services		<u>\$ 333,918</u>
		\$ 704,150
Estimated 2004 Professional Services		
Special Project Services		\$ 370,232
On-Going Services		<u>\$ 333,918</u>
		\$ 704,150
Estimated 2005 Professional Services		
Special Project Services		\$ 370,234
On-Going Services		<u>\$ 333,918</u>
		\$ 704,152
<b>Total Estimated Professional Services</b>		<b><u>\$ 3,020,669</u></b>

## **Estimated Maintenance Fees and Product Purchases**

The following are estimated fees for on-going product maintenance, and pricing for estimated additional product purchases for the period of January 2000 through December 2005. This contract does not license the State of Michigan for the products included herein. A Lawson Software Product Addendum must be fully executed when the State of Michigan is prepared to move forward with licensing of the listed products.

### **Maintenance Fees**

Estimated Maintenance through December 31, 2003	\$1,197,300 *
* As estimated in prior contract.	
Estimated Maintenance through December 31, 2005 **	<b><u>\$1,404,539</u></b>
2003 Maintenance (pilot products)	\$ 41,068
2004 Maintenance	\$656,506
2005 Maintenance	\$706,965
** Refer to Attachment A for maintenance calculation details.	
Total Estimated Maintenance	\$2,601,839
Total Estimated Showcase Discount (20%)	\$ 520,367
Total Estimated Maintenance w/Discount	<b><u>\$2,081,472</u></b>

### **New Product Purchases**

#### **Additional Licenses**

Additional Analytics Users	
Essbase Users - 70 Add'l @ 4500	\$ 315,000
Scorecard Users - 70 Add'l @ 2000	\$ 140,000
Additional Enterprise Reporting Users:	
Crystal Professional - 10 Add'l @ \$395	\$ 3,950
Crystal Enterprise - 20 Add'l @ \$4500	\$ 90,000
Additional Services Automation Users	
5,000 IT Projects	
10,000 Grant Reporting	
500 Work Requesters	
Total 15,500 Users @ \$100 ***	<u>\$ 1,550,000</u>
*** Based on User Tier purchased	
Total Additional Licenses	\$ 2,098,950

#### **Additional Product**

Development Environment for Palm OS	<u>\$ 25,000</u>
Total New Product Options	<u>\$ 25,000</u>
<b>Total Estimate for New Product Purchases</b>	<b><u>\$ 2,123,950</u></b>

**Summary of Estimated Services, Maintenance Fees, and Product Purchases**

**Professional Services**

Estimated 2002 Professional Services	\$ 908,217
Estimated 2003 Professional Services	\$ 704,150
Estimated 2004 Professional Services	\$ 704,150
Estimated 2005 Professional Services	<u>\$ 704,152</u>
Total Estimated Professional Services	<b>\$3,020,669</b>

**Maintenance Fees**

Estimated Maintenance through December 31, 2003	\$1,197,300 *
Estimated 2003 Maintenance on Pilot Products	\$ 41,068
Estimated 2004 Maintenance	\$ 656,506
Estimated 2005 Maintenance	<u>\$ 706,965</u>
Total Estimated Maintenance	\$2,601,839
Total Estimated Showcase Discount (20%)	<u>\$ 520,367</u>
Total Estimated Maintenance w/Discount	<b>\$2,081,472</b>

\* As estimated in prior contract.

**Total Estimate for New Product Purchases** **\$ 2,123,950**

**Total Estimated Services, Maintenance, and Product** **\$7,226,091**

**Summary through 2005**

Total Estimated Professional Services	<b>\$ 3,020,669</b>
Total Estimated Maintenance w/Estimated Discount	<b>\$ 2,081,472</b>
Total Estimated New Product Purchases	<u><b>\$ 2,123,950</b></u>

**Total Estimated Services, Maintenance, and Product** **\$7,226,091**

Total Remaining in Current Contract - \$ 2,600,000

**Total Additional Services, Maintenance, and Product** **\$4,626,091**

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The Parties Agree to the Terms Set Forth In this Document

**For LAWSON SOFTWARE, INC.**

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

*Robert North*  
\_\_\_\_\_  
Printed Name

*Vice President*  
\_\_\_\_\_  
Title

*3/8/02*  
\_\_\_\_\_  
Date

**For THE STATE OF MICHIGAN** (pending Office of Purchasing approval)

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

Richard H. Huneke  
\_\_\_\_\_  
Printed Name

Project Director  
\_\_\_\_\_  
Title

March 18, 2002  
\_\_\_\_\_  
Date

**Attachment A:**

**State of Michigan  
Extended Maintenance Worksheet**

<u>Application</u>		2002	2003	2004	2005
		<u>5%</u>	<u>8%</u>	<u>8%</u>	<u>8%</u>
HPS - HR Process Suite	4/17/xx	\$ 212,865	\$ 229,894	\$ 248,286	\$ 268,149
SHR - Employee & Manager Svcs Cnter	4/17/xx	\$ 208,128	\$ 224,778	\$ 242,760	\$ 262,181
ECA - Case	4/17/xx	\$ 5,665	\$ 6,118	\$ 6,608	\$ 7,136
LGD - Logan Developer	4/17/xx	\$ 9,442	\$ 10,197	\$ 11,013	\$ 11,894
LGR - Logan Data Mining	4/17/xx	\$ 7,553	\$ 8,157	\$ 8,810	\$ 9,515
MC - MicroFocus Compiler	4/17/xx	\$ 300	\$ 300	\$ 300	\$ 300
MX - MicroFocus OSX	4/17/xx	\$ 2,320	\$ 2,320	\$ 2,320	\$ 2,320
Total thru 4/17/2005		\$ 446,273	\$ 481,765	\$ 520,097	\$ 561,495

AXT - Active X Tools	11/22/xx	\$ 8,379	\$ 8,798	\$ 9,238	\$ 9,977
OCJS - Open Component JavaScript	11/22/xx	\$ 8,379	\$ 8,798	\$ 9,238	\$ 9,977
BCI - Business Comp. Integrator	11/22/xx	\$ 16,088	\$ 16,892	\$ 17,737	\$ 19,156
TCS - TCS EDI	11/22/xx	\$ 25,807	\$ 27,097	\$ 28,452	\$ 30,728
Total thru 11/22/2005		\$ 58,653	\$ 61,586	\$ 64,665	\$ 69,838

BCS - e-Broadcasting	1/17/xx	\$ 16,884	\$ 17,728	\$ 18,615	\$ 20,104
PFP - ProcessFlow	2/19/xx	\$ 9,600	\$ 10,080	\$ 10,584	\$ 11,431
Total BCS and PFP		\$ 26,484	\$ 27,808	\$ 29,199	\$ 31,534

AAEB - Analytic Architect for Essbase		\$ 3,817	\$ 4,008	\$ 4,208
ESC - e-Scorecard		\$ 954	\$ 1,002	\$ 1,052
EAS - e-Analytic Server		\$ 1,431	\$ 1,503	\$ 1,578
SRVP - Services Automation Premium		\$ 14,285	\$ 14,999	\$ 15,749
OLEDBC - Query Builder		\$ 2,386	\$ 2,505	\$ 2,631
XMLT - Design Studio		\$ 6,679	\$ 7,013	\$ 7,364
EBS - Full User Server		\$ 4,000	\$ 4,000	\$ 4,000
EBP - OLAP Server		\$ 3,600	\$ 3,600	\$ 3,600
CRR - Crystal Reports Prof.		\$ 316	\$ 316	\$ 316
CRA - Crystal Reports Enprt.		\$ 3,600	\$ 3,600	\$ 3,600
Total of in-process addendum		\$ 41,068	\$ 42,546	\$ 44,097

**Totals: \$ 612,227 \$ 656,506 \$ 706,965**

**Notes:**

The numbers above are based on current user levels and the agreement reached by the CM and Carla Ramberg and Bob North. Any increase in user count would be added to maintenance amount per terms and conditions of contract. The shaded items are estimated numbers based on the addendum currently being processed through the procurement process at the State of Michigan.

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

January 30, 2002

**CHANGE NOTICE NO. 10**  
**TO**  
**CONTRACT NO. 071B8000605**  
**between**  
**THE STATE OF MICHIGAN**  
**and**

NAME & ADDRESS OF VENDOR <b>Lawson Software</b> <b>380 St. Peter Street</b> <b>St. Paul, MN 55102</b>	TELEPHONE Paul Miele <b>(800) 477-1357</b>
	VENDOR NUMBER/MAIL CODE
	BUYER (517) 335-0462 <b>Christine Michel</b>
Contract Administrator: Rich Hueneke <b>Software Consultant/Maintenance for Civil Service</b>	
CONTRACT PERIOD: From: <b>March 12, 1998</b> To: <b>March 11, 2003</b>	
TERMS <b>N/A</b>	SHIPMENT <b>N/A</b>
F.O.B. <b>N/A</b>	SHIPPED FROM <b>N/A</b>
MINIMUM DELIVERY REQUIREMENTS <b>N/A</b>	

**NATURE OF CHANGE (S):**

**Effective immediately, the attached modifications are hereby incorporated into this contract with no revisions in contract terms and conditions.**

**AUTHORITY/REASON:**

**Per agency's request from Rich Hueneke and vendor's approval by Allen Kelley on 1/10/02**

**TOTAL ESTIMATED CONTRACT VALUE: \$9,452,838.00**



Lawson Software  
8425 Pulsar Place, Suite 300  
Columbus, OH 43240  
Phone: 614-885-8948  
Sales Fax: 614-885-8961  
Services Fax: 614-885-3916  
www.lawson.com

071B8000605  
CN No. 10

January 10, 2002

Richard Huneke  
Project Director, Human Resources Management Network  
State of Michigan  
400 South Pine Street  
Lansing, MI 48909

Dear Rich,

This letter serves as formal notice that Lawson Software intends to increase consulting rates, pursuant to provisions of Contract No. 071B8000605, between the State of Michigan and Lawson Software. Subject to the terms and conditions of this agreement, Lawson shall provide the following services to the State of Michigan at the following discounted daily rates after April 1, 2002:

Position	Daily Rate
Client Services Manager	\$1558
Strategic Account Manager	\$1558
Performance Auditor	\$1942
Technical Consultant	\$1558
Crystal Reports Consultant	\$1600
Services Automation Consultant	\$1600
Analytics Consultant	\$1800
Application Consultant	\$1296
Private Education	\$3400

We feel that both the State and Michigan and Lawson have benefited from our partnership, and we appreciate the opportunity to continue this relationship.

Feel free to contact me if you have further questions.

Thanks.

Respectfully,

Allen Kelley  
Client Services Manager  
Lawson Software  
8425 Pulsar Place, Suite 300  
Columbus, OH 43240  
(614)885-8948, ext. 2820

## ADDENDUM TO LAWSON SOFTWARE PRODUCT LICENSE AGREEMENT

This Addendum and the separate Product License Agreement signed by the Parties (together, the "Agreement"), is entered into by Lawson Software, Inc. ("Lawson"), a Delaware corporation with principal offices located at 300 St Peter Street, St Paul, Minnesota, USA 55102 and the "Client" identified below (collectively, the Parties), and is effective as of the date signed by Lawson ("Effective Date").

<b>Client Name:</b>	State of Michigan # 4636
<b>Address:</b>	PO BOX 30002
<b>City:</b>	Lansing
<b>State/Zip or Province/Postal Code:</b>	MI, 48909
<b>Country:</b>	USA

This Addendum ("Addendum") modifies the Lawson Software Product License Agreement ("Agreement") entered into between Lawson Software, Inc. ("Lawson") and the undersigned Client (Client # 4636), and is effective as of the date signed by Lawson. All of the capitalized terms not otherwise defined in this Addendum have the same respective meanings as contained in the Agreement. The following sections or paragraphs replace or are in addition to the respective sections or paragraphs contained in the Agreement. The sections or paragraphs of the Agreement that are not expressly replaced by this Addendum shall remain in effect pursuant to their terms.

For any Products added to the Agreement on a no charge basis, the first renewal fee for Support of those Products (excluding Third Party-owned Products) will equal 16% of the then current list price for those Products. The first renewal fee for Support of Third Party-owned Products supported by Lawson will be a then current specified fee.

The following Products shall be added under the Agreement.

### THE PRODUCTS IN THIS ADDENDUM ARE RESTRICTED TO INSTALLATION AND USE ON ONLY THE PLATFORM TECHNOLOGY INDICATED IN SECTION 2 OF THIS ADDENDUM UNIX/NT - ONLY

#### SECTION 1.0 - PRODUCTS UNDER THE AGREEMENT

Product Description	Sys Code	Maximum Users			Maximum Servers	Maximum Kits	Support Category	Term	License Fee
		Concurrent	Seats	Named					
<b>Business Management System</b>									
Lawson Enterprise Performance Management Suite	XML		330		UNL		B	12 mo.	N/C
<b>User Interface</b>									
Analytic Architect	AAEB				UNL	1	A	12 mo.	\$40,000.00
Information Architecture							B	12 mo.	\$10,000.00
Essbase API - Runtime (Third Party Owned)	ESC	5					A	12 mo.	\$10,000.00
Scorecard - Requires e-Analytic Server	EAS						B	12 mo.	\$15,000.00
e-Analytic Server (Third Party-Owned Chart FX)									
<b>Lawson Services Automation Suite</b>									
Services Automation Premium - Includes:				100			B	12 mo.	\$149,700.00
PS/ASA Interface	SRNP						B	12 mo.	\$149,700.00
Project & Activity Accounting	AC	10			UNL		A	12 mo.	
Accounts Payable	AP	10			UNL		A	12 mo.	
General Ledger	GL	10			UNL		A	12 mo.	
Crystal Reports - 2 per 100 users of Services Automation (Third Party-Owned)	CHR			2			F	12 mo.	
Crystal Enterprise - includes - Smart Reporting (Third Party-Owned)	CEP					1	UNL	12 mo.	
Design Studio	XMLT						A	12 mo.	\$70,000.00
Portal Center	XALDR				UNL		B	12 mo.	
<b>Hyperion Essbase (Third Party-Owned)</b>									
Essbase Full User Server	ESS						B	12 mo.	\$25,000.00
Essbase OLAP Server User - Concurrent Users	ESP	5					B	12 mo.	\$22,500.00
<b>Enterprise Performance Management Suite</b>									
Enterprise Reporting - Concurrent User License (Third Party Owned)							F	12 mo.	\$1,975.00
Crystal Reports Professional - Named Users	CHR			5	UNL				

Query Builder	OLEDB		UNL		F	12 mo.	\$10,000.00
Crystal Enterprise with Smart Reporting - Concurrent Users	CRA	5		1	F	12 mo.	\$22,500.00

**SECTION 2.0 - SITE & PLATFORM TECHNOLOGY**

Site At Which Server Portion Of Lawson-Owned Software Products Are Installed: \_\_\_\_\_  
 NOTE: SPECIFIC OPERATING SYSTEM RELEASE & CYCICAL LEVEL REQUIRED FOR DELIVERY OF PRODUCTS

Site	Hardware Manufacturer	Hardware Model	Hardware Operating System	Hardware Release Level	Media	Database
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**SECTION 3.0 - DESKTOP ENVIRONMENT:**

Desktop Client Environment PC Operating System:	Yes <input type="checkbox"/> or No <input type="checkbox"/>	Microsoft Windows 95	Yes <input type="checkbox"/> or No <input type="checkbox"/>	Microsoft Windows 2000	Yes <input type="checkbox"/> or No <input type="checkbox"/>
Microsoft Windows for Workgroups 3.1	Yes <input type="checkbox"/> or No <input type="checkbox"/>	Microsoft Windows NT	Yes <input type="checkbox"/> or No <input type="checkbox"/>		

**SECTION 4.0 - PAYMENT TERMS FOR PRODUCTS IN THIS EXHIBIT:**

<b>100% DUE 30 DAYS FROM EFFECTIVE DATE =&gt;</b>		<b>Third Party Product License Fee Total: *</b>		\$71,975.00
1. License Fee Total: *		\$110,000.00	\$294,700.00	
2. Less Discount:			\$194,700.00	
3. Net Lawson License Fee Total: *		[Line 1 - Line 2]	\$46,175.00	
4. License Fee Down Payment			\$138,525.00	
5. License Fee Upon Delivery *			\$256,675.00	
<b>TOTAL FEES PAYABLE *</b>			\$118,150.00	
<b>TOTAL DOWN PAYMENT DUE 30 DAYS FROM EFF. DATE *</b>			\$138,525.00	
<b>TOTAL PAYABLE UPON DELIVERY *</b>			\$138,525.00	

\* These Totals do not include any applicable sales tax, VAT tax, or withholding tax that may be due under the laws and regulations of any taxing jurisdiction. Taxes determined to be due will be billed to Client separately at the time of delivery. Any taxes that Lawson fails to collect are the responsibility of the Client under the terms of the Agreement.

**THE PARTIES AGREE TO THE TERMS SET FORTH IN THIS ADDENDUM.**  
**For LAWSON SOFTWARE, INC.**

For State of Michigan

Client # 4538

(Authorized Signature)

(Authorized Signature)

(Printed Name)

(Printed Name)

(Title)

(Date)

(Title)

(Date)

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

August 24, 2001

CHANGE NOTICE NO. 9  
 TO  
 CONTRACT NO. 071B8000605  
 between  
 THE STATE OF MICHIGAN  
 and

NAME & ADDRESS OF VENDOR <b>Lawson Software</b> <b>380 St. Peter Street</b> <b>St. Paul, MN 55102</b>	TELEPHONE Paul Miele <b>(800) 477-1357</b>
	VENDOR NUMBER/MAIL CODE
	BUYER (517)335-0462 <b>Christine Michel</b>
Contract Administrator: Beth Rigby <b>Software Consultant/Maintenance for Civil Service</b>	
CONTRACT PERIOD: From: <b>March 12, 1998</b> To: <b>March 11, 2003</b>	
TERMS N/A	SHIPMENT N/A
F.O.B. N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	

**NATURE OF CHANGE (S):**

**Effective immediately the following company is being added as a subcontractor to assist in the development of survey, assessment, and competency evaluation instruments related to Lawson Software modules:**

**Bigby, Havis and Associates**  
**12750 Merit Dr.**  
**Ste 660**  
**Dallas, TX 75251**

**AUTHORITY/REASON:**

**Per request from agency contact Richard Huneke.**

**TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$9,452,838.00**

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

November 15, 2000

**CHANGE NOTICE NO. 8  
 TO  
 CONTRACT NO. 071B8000605  
 between  
 THE STATE OF MICHIGAN  
 and**

NAME & ADDRESS OF VENDOR <b>Lawson Software          380 St. Peter Street          St. Paul, MN 55102</b>	TELEPHONE Paul Miele <b>(800) 477-1357</b>
	VENDOR NUMBER/MAIL CODE
	BUYER (517)335-0462 <b>Christine Michel</b>
Contract Administrator: Beth Rigby <b>Software Consultant/Maintenance for Civil Service</b>	
CONTRACT PERIOD: From: <b>March 12, 1998</b> To: <b>March 11, 2003</b>	
TERMS <p style="text-align: center;"><b>N/A</b></p>	SHIPMENT <p style="text-align: center;"><b>N/A</b></p>
F.O.B. <p style="text-align: center;"><b>N/A</b></p>	SHIPPED FROM <p style="text-align: center;"><b>N/A</b></p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;"><b>N/A</b></p>	

**NATURE OF CHANGE (S):**

**Effective immediately, the following modification is hereby incorporated into this contract: classification "Performance Toning" at a daily rate of \$3,500 per day. No changes in terms and conditions or contract value are necessary with this modification.**

**AUTHORITY/REASON:**

**Agency request, vendor attachment.**

**TOTAL CONTRACT VALUE REMAINS: \$9,452,838.00**

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

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

October 10, 2000

**CHANGE NOTICE NO. 7  
 TO  
 CONTRACT NO. 071B8000605  
 between  
 THE STATE OF MICHIGAN  
 and**

NAME & ADDRESS OF VENDOR <b>Lawson Software</b> <b>380 St. Peter Street</b> <b>St. Paul, MN 55102</b>	TELEPHONE Paul Miele <b>(800) 477-1357</b>
	VENDOR NUMBER/MAIL CODE
	BUYER (517)335-0462 <b>Christine Michel</b>
Contract Administrator: Beth Rigby <b>Software Consultant/Maintenance for Civil Service</b>	
CONTRACT PERIOD: From: <b>March 12, 1998</b> To: <b>March 11, 2003</b>	
TERMS <p style="text-align: center;"><b>N/A</b></p>	SHIPMENT <p style="text-align: center;"><b>N/A</b></p>
F.O.B. <p style="text-align: center;"><b>N/A</b></p>	SHIPPED FROM <p style="text-align: center;"><b>N/A</b></p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;"><b>N/A</b></p>	

**NATURE OF CHANGE (S):**

**Effective immediately, the attached modifications are hereby incorporated into this contract and the end date is EXTENDED to March 12, 2003.**

**AUTHORITY/REASON:**

**Agency request, vendor agreement.**

**INCREASE: \$14,020,000.00**

**TOTAL REVISED CONTRACT VALUE: \$9,452,838.00**

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

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

July 17, 2000

**CHANGE NOTICE NO. 6  
 TO  
 CONTRACT NO. 071B8000605  
 between  
 THE STATE OF MICHIGAN  
 and**

NAME & ADDRESS OF VENDOR <b>Lawson Software</b> <b>380 St. Peter Street</b> <b>St. Paul, MN 55102</b>	TELEPHONE Paul Miele <b>(800) 477-1357</b>
	VENDOR NUMBER/MAIL CODE
	BUYER (517)335-0462 <b>Christine Michel</b>
NIGP #918-29 & 920-45      Contract Administrator: Beth Rigby      CS138#: 191S8000223 <b>Software Consultant/Maintenance for Civil Service</b>	
CONTRACT PERIOD:      From: <b>March 12, 1998</b> To: <b>March 11, 2001</b>	
TERMS <b>N/A</b>	SHIPMENT <b>N/A</b>
F.O.B. <b>N/A</b>	SHIPPED FROM <b>N/A</b>
MINIMUM DELIVERY REQUIREMENTS <b>N/A</b>	

**NATURE OF CHANGE:**

Effective immediately, the E-Broadcast Software by Lawson is hereby incorporated into this contract including the application itself and 1,000 named users.

**AUTHORITY/REASON:**

Agency request, vendor pricing.

**INCREASE: \$100,500.00**

**TOTAL CONTRACT VALUE REMAINS: \$5,533,338.00**

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

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

May 16, 2000

**CHANGE NOTICE NO. 5  
 TO  
 CONTRACT NO. 071B8000605  
 between  
 THE STATE OF MICHIGAN  
 and**

NAME & ADDRESS OF VENDOR <b>Lawson Software</b> <b>380 St. Peter Street</b> <b>St. Paul, MN 55102</b>	TELEPHONE Paul Miele <b>(800) 477-1357</b>
	VENDOR NUMBER/MAIL CODE
	BUYER (517)335-0462 <b>Christine Michel</b>
NIGP #918-29 & 920-45      Contract Administrator: Richard Huneke      CS138#: 191S8000223 <b>Software Consultant/Maintenance for Civil Service</b>	
CONTRACT PERIOD:      From: <b>March 12, 1998</b> To: <b>March 11, 2001</b>	
TERMS <p style="text-align: center;"><b>N/A</b></p>	SHIPMENT <p style="text-align: center;"><b>N/A</b></p>
F.O.B. <p style="text-align: center;"><b>N/A</b></p>	SHIPPED FROM <p style="text-align: center;"><b>N/A</b></p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;"><b>N/A</b></p>	

**NATURE OF CHANGE:**

Effective immediately, the attached modifications are hereby incorporated into this contract.

**AUTHORITY/REASON:**

Agency request, vendor letter.

**TOTAL CONTRACT VALUE REMAINS: \$5,432,838.00**

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

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

November 29, 1999

**CHANGE NOTICE NO. 4  
 TO  
 CONTRACT NO. 071B8000605  
 between  
 THE STATE OF MICHIGAN  
 and**

NAME & ADDRESS OF VENDOR <b>Lawson Software          380 St. Peter Street          St. Paul, MN 55102</b>	TELEPHONE Paul Miele <b>(800) 477-1357</b>
	VENDOR NUMBER/MAIL CODE
	BUYER (517)335-0462 <b>Christine Michel</b>
NIGP #918-29 & 920-45      Contract Administrator: Richard Huneke      CS138#: 191S8000223 <b>Software Consultant/Maintenance for Civil Service</b>	
CONTRACT PERIOD:      From: <b>March 12, 1998</b> To: <b>March 11, 2001</b>	
TERMS <p style="text-align: center;"><b>N/A</b></p>	SHIPMENT <p style="text-align: center;"><b>N/A</b></p>
F.O.B. <p style="text-align: center;"><b>N/A</b></p>	SHIPPED FROM <p style="text-align: center;"><b>N/A</b></p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;"><b>N/A</b></p>	

**NATURE OF CHANGE:**

Effective immediately, the address for the company holding this contract is hereby changed to:

**Lawson Software  
 380 St. Peter Street  
 St. Paul, MN 55102  
 Phone: (800) 477-1357**

**AUTHORITY/REASON:**

Agency request, vendor post card.

**TOTAL CONTRACT VALUE REMAINS: \$5,432,838.00**

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

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

July 28, 1999

**CHANGE NOTICE NO. 3  
 TO  
 CONTRACT NO. 071B8000605  
 between  
 THE STATE OF MICHIGAN  
 and**

NAME & ADDRESS OF VENDOR <b>Lawson Software</b> <b>8425 Pulsar Place, Ste. 300</b> <b>Columbus, OH 43240</b>	TELEPHONE Paul Miele <b>(614) 885-8948 Ext. 2813</b>
	VENDOR NUMBER/MAIL CODE
	BUYER (517)335-0462 <b>Christine Michel</b>
NIGP #918-29 & 920-45      Contract Administrator: Richard Huneke      CS138#: 191S8000223 <b>Software Consultant/Maintenance for Civil Service</b>	
CONTRACT PERIOD:      From: <b>March 12, 1998</b> To: <b>March 11, 2001</b>	
TERMS <p style="text-align: center;"><b>N/A</b></p>	SHIPMENT <p style="text-align: center;"><b>N/A</b></p>
F.O.B. <p style="text-align: center;"><b>N/A</b></p>	SHIPPED FROM <p style="text-align: center;"><b>N/A</b></p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;"><b>N/A</b></p>	

**NATURE OF CHANGE:**

Effective immediately, the attached modifications are hereby incorporated into this contract with no change in total contract value.

**AUTHORITY/REASON:**

Agency request, vendor letter.

**TOTAL CONTRACT VALUE REMAINS: \$5,432,838.00**

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

June 7, 1999

**CHANGE NOTICE NO. 2  
 TO  
 CONTRACT NO. 071B8000605  
 between  
 THE STATE OF MICHIGAN  
 and**

NAME & ADDRESS OF VENDOR <b>Lawson Software</b> <b>8425 Pulsar Place, Ste. 300</b> <b>Columbus, OH 43240</b>	TELEPHONE Paul Miele <b>(614) 885-8948 Ext. 2813</b>
	VENDOR NUMBER/MAIL CODE
	BUYER (517)335-0462 <b>Christine Michel</b>
NIGP #918-29 & 920-45      Contract Administrator: Richard Huneke      CS138#: 191S8000223 <b>Software Consultant/Maintenance for Civil Service</b>	
CONTRACT PERIOD:      From: <b>March 12, 1998</b> To: <b>March 11, 2001</b>	
TERMS <p style="text-align: center;"><b>N/A</b></p>	SHIPMENT <p style="text-align: center;"><b>N/A</b></p>
F.O.B. <p style="text-align: center;"><b>N/A</b></p>	SHIPPED FROM <p style="text-align: center;"><b>N/A</b></p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;"><b>N/A</b></p>	

**NATURE OF CHANGE:**

Effective immediately, this contract value has hereby been increased by \$2,432,838.00 according to the attached detail to allow for continued implementation of the HRMN project which has experienced several unforeseen delays.

**AUTHORITY/REASON:**

Agency request, vendor letter, CS-138 modification.

**INCREASE: \$2,432,838.00**

**TOTAL REVISED CONTRACT VALUE: \$5,432,838.00**

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

December 22, 1998

CHANGE NOTICE NO. 1  
 TO  
 CONTRACT NO. 071B8000605  
 between  
 THE STATE OF MICHIGAN  
 and

NAME & ADDRESS OF VENDOR <b>Lawson Software</b> 8425 Pulsar Place, Ste. 300 Columbus, OH 43240		TELEPHONE Paul Miele <b>(614) 885-8948 Ext. 2813</b>
		VENDOR NUMBER/MAIL CODE
		BUYER (517)335-0462 <b>Christine Michel</b> <i>Michel</i>
NIGP #918-29 & 920-45 Contract Administrator: Richard Huneke <b>Software Consultant/Maintenance for Civil Service</b>		
CONTRACT PERIOD: From: <b>March 12, 1998</b> To: <b>March 11, 2001</b>		
TERMS <b>N/A</b>	SHIPMENT <b>N/A</b>	
F.O.B. <b>N/A</b>	SHIPPED FROM <b>N/A</b>	
MINIMUM DELIVERY REQUIREMENTS <b>N/A</b>		

**NATURE OF CHANGE:**

Effective immediately, the attached modifications are hereby incorporated into this contract incorporating the following hourly rates:

Assessment Project Manager	\$280.00 per hour
Application/Technical Assessment Consultant	\$250.00 per hour
Project Office Coordinator	\$182.00 per hour

**AUTHORITY/REASON:**

Per Joe Chin's direction, agency request, and vendor proposal.

**TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$3,000,000.00**

December 18, 1998



8425 Pulsar Place  
Suite 300  
Columbus, OH 43240  
614-885-8948 Fax: 614-885-8961  
<http://www.lawson.com>

Mr Michael J. Moody  
State of Michigan  
HRMN Project  
300 South Washington  
Lansing, Michigan 48933

Dear Mike:

As the State of Michigan HRMN team reaches the completion of the design phase of this project, and begins the transition to the implementation phase; it is logical to incorporate an assessment of the content and structure of the implementation services plan.

Lawson is in agreement with the State's proposal to bring additional resources to the project to complete an implementation services assessment of the project to date, and assist in the development of recommended strategies to move forward. To that end, we propose the addition of an assessment team from IBM Global Services, as a subcontractor through Lawson Software, for a period of approximately seven weeks.

The attached proposal outlines the scope of work for this assessment, proposed resources and resumes for those individuals, an explanation of roles and responsibilities, completion criteria for the assessment, and deliverables to be completed

As this assessment represents a change to the resource skills required from the services outlined in the original contract between the State of Michigan and Lawson Software, additional service descriptions and associated rates are required.

The second part of this letter is a signature document requesting the State of Michigan's authorized signature indicating your acceptance of: the statement of work proposal, IBM Global Services as a subcontractor through Lawson Software, and the additional service descriptions and associated rates. I have enclosed two originals for your signature, please return to my attention in Columbus

I believe that this letter summarizes our discussions and look forward to working with you on this assessment component of the HRMN project. Please contact me with any questions or additional information that may be needed

Sincerely,

A handwritten signature in black ink that reads "Paul K. Cross".

Paul K. Cross  
Regional Services Manager

cc: Richard Huneke  
Joseph Chin  
Thomas Fogle  
Mike Carlo  
Jennifer Peck

RECEIVED  
OFFICE OF PURCHASING  
99 DEC 21 PM 3:08

# Signature Document

Authorized signatures below indicate your acceptance of the Proposal, IBM Global Services as a subcontractor, and the additional service rates and descriptions

*Scope of Services, Completion Criteria, Charges, and other applicable terms*

Refer to the proposal "**Lawson Software Implementation Services Assessment**", dated **December 17, 1998**.

## SERVICE FEES

Assessment Project Manager	\$280 per hour
Application/Technical Assessment Consulting	\$250 per hour
Project Office Coordinator	\$182 per hour

IBM Global Services will provide consultants, as a subcontractor through Lawson Software, during this engagement for an estimated 1440 hours of services for a an estimated total of \$360,000 plus actual travel and living expenses incurred in providing these services in accordance with State regulations. The State of Michigan will be charged only for the actual hours and expenses provided by IBM Global Services in performing these services

The hours estimated and specified in this Statement of Work do not imply or commit to a fixed price contract or not to exceed price. If it is necessary to exceed the hours of this estimated project, we will inform the State of Michigan as soon as practical. The State of Michigan has the choice of approving a Project Change Request (PCR) for additional hours of work or terminating the contract

The State of Michigan will be invoiced semi-monthly for the hours and expenses used during the previous period. These invoices will be payable upon receipt. This proposal offer will expire on 1/4/99

Both parties agree that the complete agreement between us about these Services will consist of 1) the IBM Statement of Work for the Lawson Software Implementation Services Assessment and 2) the State of Michigan/Lawson Software Contract No. 071B000605.

Agreed to:  
Lawson Software  
Columbus, OH

By: Paul K. Cross/gpc  
Authorized Signature

Name: Paul Cross, Regional Services Mgr.

Date: 12-21-98

(Continued)

Agreed to:  
Customer name: State of Michigan  
Lansing, MI

By: Thomas Fogle  
Authorized Signature

Name: Thomas Fogle, Director of the Office of Technology Solutions

Date: 12-21-98

By: Richard H. Huneke  
Authorized Signature

Name: Richard Huneke, Contract Administrator

Date: 12-21-98

Agreed to:  
Customer name: State of Michigan  
Lansing, MI

By: Michael J. Moody  
Authorized Signature

Name: Michael Moody, Project Manager

Date: 12-21-98

By: Joseph D. Chin Jr.  
Authorized Signature

Name: Joseph Chin, Office of Purchasing

Date: 12-22-98



## Signature Document

Authorized signatures below indicate your acceptance of the Proposal, IBM Global Services as a subcontractor, and the additional service rates and descriptions

*Scope of Services, Completion Criteria, Charges, and other applicable terms*

Refer to the proposal "**Lawson Software Implementation Services Assessment**", dated **December 17, 1998**.

### SERVICE FEES

Assessment Project Manager	\$280 per hour
Application/Technical Assessment Consulting	\$250 per hour
Project Office Coordinator	\$182 per hour

IBM Global Services will provide consultants, as a subcontractor through Lawson Software, during this engagement for an estimated 1440 hours of services for a an estimated total of \$360,000 plus actual travel and living expenses incurred in providing these services in accordance with State regulations. The State of Michigan will be charged only for the actual hours and expenses provided by IBM Global Services in performing these services.

The hours estimated and specified in this Statement of Work do not imply or commit to a fixed price contract or not to exceed price. If it is necessary to exceed the hours of this estimated project, we will inform the State of Michigan as soon as practical. The State of Michigan has the choice of approving a Project Change Request (PCR) for additional hours of work or terminating the contract.

The State of Michigan will be invoiced semi-monthly for the hours and expenses used during the previous period. These invoices will be payable upon receipt. This proposal offer will expire on 1/4/99.

Both parties agree that the complete agreement between us about these Services will consist of 1) the IBM Statement of Work for the Lawson Software Implementation Services Assessment and 2) the State of Michigan/Lawson Software Contract No. 071B000605.

Agreed to:  
Lawson Software  
Columbus, OH

By: Paul K Cross/ggp  
Authorized Signature

Name: Paul Cross, Regional Services Mgr.

Date: 12-21-98

(Continued)

Agreed to:  
Customer name: State of Michigan  
Lansing, MI

By: Thomas Fogle  
Authorized Signature

Name: Thomas Fogle, Director of the Office of Technology Solutions

Date: 12-21-98

By: Richard Huneke  
Authorized Signature

Name: Richard Huneke, Contract Administrator

Date: 12-21-98

Agreed to:  
Customer name: State of Michigan  
Lansing, MI

By: Michael J. Moody  
Authorized Signature

Name: Michael Moody, Project Manager

Date: 12-21-98



By: Joseph D. Chin  
Authorized Signature

Name: Joseph Chin, Office of Purchasing

Date: 12-22-98



**Statement of Work  
for  
Lawson Software  
Implementation Services Assessment**

**prepared for  
Lawson Software**

**December 17, 1998**

The information in this proposal shall not be disclosed outside the State of Michigan or Lawson Software organization and shall not be duplicated, used or disclosed in whole or in part for any purpose other than to evaluate the proposal. Provided the contract is awarded to IBM as a result of or in connection with the submission of this proposal, Lawson Software or the State of Michigan shall have the right to duplicate, use or disclose the information to the extent by the contract. This restriction does not limit the right of Lawson Software or the State of Michigan to use the information contained in the proposal if it is obtained from another source without restriction.

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# 1. Introduction

This Statement of Work (SOW) defines the estimated scope of work to be accomplished by IBM, as a sub-contractor to Lawson Software, and the State of Michigan to assess the implementation of the Lawson Software Human Resources and Payroll Suite version 7.1.

The tasks that IBM agrees to are defined and an estimated schedule is provided in Section "5.

Estimated Schedule". In addition, State of Michigan responsibilities are listed. This Statement of Work and the IBM/Lawson subcontracting agreement represents the entire agreement between IBM and Lawson Software regarding this subject matter and replaces any prior oral or written communications.

State of Michigan may approve or request the removal of key personnel. IBM will provide its staffing schedule for the project for the State of Michigan to review within 10 days of the signing of this agreement.

The tasks agreed to by IBM under this Statement of Work are estimated to take approximately seven (7) weeks, with six (6) IBM full time equivalents (FTE). Work is estimated to begin December 16, 1998 and continue through the first week of February, 1999.

Changes to this Statement of Work will be processed in accordance with the procedure described in **Appendix B**, "Project Change Control Procedure". The investigation and the implementation of changes may result in modifications to the Project Schedule, Project Resources, Charges or other terms of this Statement of Work.

The following sections will be described and become part of this **Statement of Work**:

1. Introduction
2. Project Scope
3. IBM Responsibilities
4. State of Michigan Responsibilities
5. Estimated Schedule
6. Charges

The following are also incorporated in and made part of this Statement of Work:

- **Appendix A**, "Deliverable Guidelines"
- **Appendix B**, "Project Change Control Procedure"
- **Appendix C**, "Sample Questions"
- **Appendix D**, "Resumes"
- **Appendix E**, "Meeting Schedule"
- **Appendix F**, "Signature Document"

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## 2. Project Scope and Approach

The purpose of this assessment is to provide the State of Michigan with a review of the HRMN stage 1 implementation of Lawson software and a strategy for completing the implementation. Specifically, IBM will conduct the assessment around Project Management, Configuration and Business Needs, and Technology. This review will assist the State of Michigan in understanding the actions needed to continue and complete the stage 1 implementation of Lawson Software, and position itself for stage 2.

It is IBM's understanding that the following Lawson Software version 7.1 modules are planned to be implemented by the State of Michigan:

<i>Stage I</i>	<i>Stage II</i>
Human Resources	Employee Self Service - Extended
Benefits	Workflow
Payroll	
Employee Self Service- Basic	

Any additional modules implemented by the State of Michigan will require that IBM invoke Appendix B Project Change Control Procedure to determine the change in IBM's project participation.

### **Approach**

A series of interviews are planned over the course of five (5) weeks to obtain information in order to assess the current state. During week six (6) and seven (7) all data that has been gathered throughout the first five (5) weeks will be compiled and the assessment document will be produced. A formal review with the State of Michigan Project Sponsor, Project Manager and other key individuals (to be determined by the State of Michigan and IBM) will be held on Friday, February 5, 1999. Please see Appendix E "Meeting Schedule" for a list of tentative meeting dates.

Focused interviews will cover three (3) general areas: HR/Payroll, Lawson System and Technical Infrastructure. Within each of these general areas the following topics will be scheduled and discussed:

### **General HR/Payroll Project Questions**

- Project Goals and Objectives
- Project Background
- Project Constraints
- Project Organization
- Project Schedule & Administration
- Project Methodology and Approach
- Requirements/Analysis/Design
- Conference Room Pilot/Configuration Validation
- System Test
- Quality Assurance
- Project Change Management
- Project Approval Strategy
- Project Documentation
- Project Budgeting

## **General Lawson System Questions**

### LAWSON OPERATING ENVIRONMENT

Hardware/Software Requirements

Testing Environment

### LAWSON CONFIGURATION

Human Resources

Personnel Administration

Payroll

Benefits

### LAWSON ADAPTATIONS

Human Resources

Personnel Administration

Payroll

Benefits

### LAWSON CONVERSIONS

Human Resources

Personnel Administration

Payroll

Benefits

### LAWSON INTERFACES

Inbound Interfaces

Outbound Interfaces

## **General Technical Infrastructure Questions**

Infrastructure

Database

Application Performance

Promotion Model

Configuration Management

Application Security

Network

UNIX Aspects

Backup and Recovery

Due to the large number of meetings that occur during the assessment process, appropriate and accurate documentation of the meeting content and activities generated must be kept. Therefore, the following three items will be documented for each meeting and interview held:

1. **Agenda** – a brief high level outline of what is to be covered in the meeting. This document will be distributed well enough in advance of the meeting to allow participants to prepare. The agenda will be adhered to as much as possible, but allowance should be made by the State of Michigan for discussion and review. The agenda will contain the following information:
  - Location, date, time and expected duration of the meeting
  - Identify person conducting the meeting and all participants
  - Subject of meeting
  - Outline of topics to be covered
  - Questions from the interviewee
2. **Minutes** – An accurate transcription of the subject and key discussion points covered in the meeting. This will not be a verbatim record of all discussion, but a summarized text of important discussion, decisions made, action items assigned, issues raised, etc. The meeting minutes will be published as soon as possible after the meeting and distributed for all participants to review. Participants should review the minutes for accuracy and report any discrepancies to the interview chair.

3. **Action Items** – This is a succinct action that is to be accomplished by the person assigned. There will be a due date assigned and directives for reporting the findings or results. A listing of all action items will be maintained separate from those found in the meeting minutes.

A list of sample questions for the interviews can be found in Appendix C, "Sample Questions". The six (6) week schedule for the assessment can be found in Section 5, "Estimated Schedule". Below is a table outlining the types of IBM resources required for the assessment period. Resumes of these individuals can be found in Appendix D, "Resumes"

### **IBM Resources**

Title	Level of Participation	Responsibilities
Engagement Manager	Part-time	Overall quality of IBM effort and contact with senior management
Project Manager	Full-time	Day-to-day management of IBM resources and project activities
Functional Consultant 1	Full-time	Lawson Functional expertise, industry expertise, gather and assess information
Functional Consultant 2	Part-time	Lawson Functional expertise, industry expertise, gather and assess information
Technical Consultant 1	Full-time	Lawson technical expertise, gather and assess information
Technical Consultant 2	Part-time	Lawson technical expertise, gather and assess information
Quality Assurance Consultants	Part-time	Quality review of IBM deliverable, checkpoint reviews
Change Management Consultant	Part-time	Change management and industry expertise, gather and assess information
Project Office Coordinator	Part-time	Set up Lotus Project office for use during the assessment period

## **2.1 Key Assumptions**

This Statement of Work is based on the following key assumptions. Deviations that arise during the proposed project will be managed through Appendix B Project Change Procedure.

1. Work may be performed at the State of Michigan headquarters in Lansing, MI or at IBM sites. IBM Consultants are scheduled to work at the State of Michigan locations Monday through Friday. All "Deliverables" (as defined herein) will be delivered at the State of Michigan site in Lansing, MI.
2. During the seven (7) week assessment period, two (2) check points will be established for status review on January 8 and 22, 1999 with the State of Michigan Project Manager, Co-Chairs and advisors prior to final review of the deliverable on February 5, 1999.
3. The State of Michigan will make available those individuals that IBM identifies as required during the interview process.
4. The IBM Project Team will have the same access to the facilities including parking as State of Michigan employees.

5. IBM will work up to 40 hours per person per week. An IBM consultant may exceed or not meet 8 hours in any one-day due to travel arrangements or work schedules. Work may be performed at an offsite location per prearranged agreement between the IBM and the State of Michigan Project Manager. Hours in excess of 40 per person per week will be approved in advance by IBM and the State of Michigan Project Manager.
6. IBM assistance will be provided on a time and materials basis. All hours and total charges included in this SOW are estimates.

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## **3. IBM Responsibilities**

### **3.1 Project Management**

**Description:** The objective of this activity is to provide project management to the IBM assessment team overseeing the process and technical direction and to manage the Lawson assessment project personnel. The tasks for this activity include the following:

1. Maintain IBM communications through the State of Michigan Project Manager.
2. Produce two (2) project status reports for each of the checkpoint meetings. These meetings are scheduled for January 8, 1999 and January 22, 1999.
3. Participate in checkpoint project status meetings and the final deliverable review with the State of Michigan.
4. Review and administer Project Change Control Procedures with the State of Michigan Project Manager for tasks that affect the IBM project team.
5. Coordinate and manage the process and technical activities of the IBM Project Personnel and the project deliverable.
6. Facilitate the efforts of the Lawson assessment project team to make efficient and effective use of resources.
7. Track open issues and facilitate their resolution with appropriate parties.
8. Maintain project timeline and tracks budget to plan.

**Deliverable:**  
Status Reports

### **3.2 Conduct Interviews**

**Description:** The objective of this activity is to conduct focused interviews around functional and technical areas to complete the assessment. The tasks for this activity include the following:

1. Distribute a high level agenda to all meeting participants prior to the interview.
2. Document and distribute meeting minutes to participants.
3. Document and distribute action items to meeting participants.
4. Gather information, documentation, etc from meeting participants in order to assess the project.

**Deliverable:**  
Implementation Services Assessment

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## **4. State of Michigan Responsibilities**

Prior to the start of this Statement of Work the State of Michigan will designate one (1) full-time resource, called the State of Michigan Project Manager, to whom all IBM communications will be addressed. IBM performance is predicated upon the following responsibilities fulfilled by the State of Michigan.

### **4.1 Project Management**

**Description:** The objective of this activity is to provide project management to the State of Michigan HRMN team overseeing their participation in the assessment. The tasks for this activity include the following:

The State of Michigan's Project Manager's responsibilities include:

1. Communication to senior management and assessment participants as needed
2. Serve as the interface between the IBM project team and all State of Michigan departments participating in the assessment
3. Attend checkpoint project status meetings and the final deliverable presentation.
4. Administer Project Change Control with the IBM Project Manager
5. Approve acceptance of edited versions of the deliverables to IBM within five (5) working days from receipt of such edited Deliverable.
6. Resolve deviations from project plans that may be caused by the State of Michigan
7. Resolve State of Michigan resource issues should they arise

### **4.2 Participate in Interviews**

**Description:** The objective of this activity is to participate in focused interviews around functional and technical areas to provide the input needed to complete the assessment. The tasks for this activity include the following:

1. Attend and participate in the interviews as scheduled. Communicate to the IBM chair for the meeting 24 hours in advance if the meeting cannot be attended and needs to be rescheduled
2. Provide documentation as requested by IBM.
3. Follow up on any action items assigned in the timeframe provided.

### **4.3 Office Space and Other Facilities**

The State of Michigan will provide suitable office space, office supplies, furniture, telephones, laser printers and other facilities equivalent to those provided to State of Michigan employees for the IBM project team while working on State of Michigan premises. This will include two (2) workrooms for interviews that can accommodate five to seven people each equipped with flip chart and markers.

### **4.4 Security and Laws**

The State of Michigan will be responsible for the identification and correct interpretation of any applicable federal, state and local laws, regulations and statutes that affect State of Michigan application systems or programs.

## **4.5 Year 2000**

IBM is not providing any Year 2000 services (for example, Year 2000 assessment, conversion, or testing) under this Statement of Work. IBM shall not be responsible for its failure to perform any of its obligations under this Statement of Work, if such failure is the result, directly or indirectly, of the inability of 1) the State of Michigan, 2) a third party's or 3) IBM's (previously installed or out of scope) products (for example software, hardware, or firmware) ("Other Products") to correctly process, provide, and/or receive date data and properly exchange accurate date data with products or deliverables provided by IBM under this Statement of Work. IBM assumes no responsibilities or obligations to cause products or deliverables provided by IBM to accurately exchange date data with such Other Products or to cause such Other Products to accurately exchange date data with products or deliverables provided by IBM, unless such Other Products can properly exchange accurate date data with products or deliverables provided by IBM under this Statement of Work.



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## 6. Completion Criteria

IBM shall have fulfilled its obligations under this Statement of Work when any one of the following first occurs:

1. IBM has completed its responsibilities as defined in the IBM responsibilities section and has delivered to the State of Michigan the materials listed in **Appendix A. Deliverable Guidelines** section, or
2. IBM or the State of Michigan terminates the project in accordance with the provisions of the Lawson Contract Agreement with the State of Michigan, or
3. IBM provides the number of hours of Services specified in "Section 7 - Charges" or in any subsequent Change Authorization.

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## 7. Charges

We estimate approximately 1440 hours on a time and materials basis will be required to perform the IBM responsibilities described in this Statement of Work.

The hourly rate for these services will be as follows:

Assessment Project Manager	\$280 per hour
Application/Technical Assessment Consultant	\$250 per hour
Project Office Coordinator	\$182 per hour

The total estimated funding for the professional fees is \$360,000 plus actual travel and living expenses and applicable taxes and State of Michigan regulations. Travel and living expenses are estimated to be \$72,000. IBM will try to limit to one trip per person per week. Professional fees do not include travel and accommodation expenses incurred in rendering services.

The State of Michigan shall reimburse Lawson for all Travel, living, out of pocket and over time expenses incurred by IBM in providing the services. It is understood that the State of Michigan shall reimburse Lawson for all travel related expenses including meals in accordance to the then current State of Michigan's Department of Management and Budget Schedule of Travel Rates. It is further understood that IBM shall make its best efforts to secure lodging at the then current rates charged to the State of Michigan at the Radisson Hotel at 111 North Grand, Lansing, Michigan or the Sheraton Hotel at 925 Creyts, Lansing, Michigan.

The State of Michigan will only be charged for actual hours of Services provided and actual travel and living expenses incurred as supported by receipts. The State of Michigan will be invoiced semi-monthly with actual services costs incurred.

This proposal offer will expire on January 4, 1999

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## 8. Appendix A. Deliverable Guidelines

### 8.1.1 Deliverable Materials - Type II

The deliverables for the assessment review are:

#### A. Two (2) Interim Status Reports (January 8 & 22)

**Purpose:** The purpose of these reports is to advise the State of Michigan Project Manager of the progress and status of the IBM activities. The reports will outline the IBM activities and describe the status of tasks worked on during that period. Significant accomplishments, milestones, and problems will be identified.

**Content:** The report will consist of the following:

- Activities performed during the reporting period
- Activities planned for the next reporting period
- Project change control summary
- Problems, concerns, and recommendations
- Hours expended against tasks
- Financial status summary

**Delivery:** One hard copy will be delivered to the State of Michigan Project Manager.

#### B. Implementation Services Assessment

**Purpose:** The purpose of this document is to provide the State of Michigan an assessment of their HRMN project. This document will outline the current state of the project and recommendations for completing the project. This assessment will include, but not be limited to, the following areas for the State of Michigan based on IBM's experience with other large client projects and Lawson implementations:

What is the State of Michigan's current position regarding the following areas:

- HR/Payroll functional design decisions
- Change Management
- Implementation Strategy and Approach
- Technical Infrastructure
- Adaptations, Interfaces, and Conversions

In addition, the following questions with responses will be included within the assessment:

- What remaining work needs to be done to complete the Project Design and Implementation Plan?
- What are the strategies to move forward and meet the State's Objectives with the implementation of Lawson software in Stage I and position the State for Stage II? (See State Vision and Scope Document for objectives and definition of scope.)

- Can the project be completed within the remaining Budget Dollars? If not, what are the alternatives?

***Content:***

The assessment document will consist of the following:

- Status of the HRMN Project
- Functional/Process Assessment
- Technical Assessment
- Cultural Change Assessment
- Concerns
- Answers to the State's three (3) questions and cover the areas outlined in 8.1.1.B with recommendations
- Impact on the State's Vision, Scope, and Objectives
- High level Project Plan including Design Completion and Implementation Approach and Methodology
- Estimate of Project Hours, Schedule, and Budget
- Organization Chart and Roles for The State, The Implementor and Sub-contractors, Lawson, and The State's Quality Assurance Contractor.

***Delivery:***

One hard copy of the Implementation Services Assessment and one electronic copy of the report and supporting documentation will be provided to the State of Michigan Project Manager prior to the presentation of the assessment on February 5, 1999.

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## 9. Appendix B. Project Change Control Procedure

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

- A Project Change Request (PCR) will be the vehicle for communicating change. The PCR must describe the change, the rationale for the change, and the effect the change will have on the project
- The designated Project Manager of the requesting party will review the proposed change and determine whether to submit the request to the other party.
- Both Project Managers will review the proposed change and approve it for further investigation or reject it. IBM will specify any charges for such investigation. If the investigation is authorized, the Project Manager will sign the PCR, which will constitute approval for the investigating charges. IBM will invoice you for any such charges. The investigation will determine the effect that the implementation of the PCR charge will have on price, schedule and other terms and conditions of the Agreement.
- A written Change Authorization must be signed by both parties to authorize the implementation of the investigated changes
- A printed example of the Project Change Request will be provided and reviewed with the State of Michigan.

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## 10. Appendix C. Sample Questions

Below is a sample of questions that could be asked during the assessment period. The questions listed below are just a sample and are not a complete list of all the questions that will be asked during the assessment period.

### **Project Schedule & Administration**

1. Who built the project schedule for the HR/Payroll project? How were the tasks and estimates for the project derived?
2. What are the high-level milestones for the project?
3. Which are the critical milestones? Have they been met?
4. When did the project start?
5. How far along in the project plan is the current project?
6. Did the project plan allow for unplanned events with contingency resources?
7. What mechanism is used to track issues?
8. What mechanism is used to track change requests?
9. Has the project manager been generating weekly status reports?
10. How often does the project manager meet with the executive sponsors/workgroup committee for status updates?

### **Project Methodology and Approach**

11. Was a methodology used and followed for the HR/Payroll implementation? If so, which one?
12. What are the major phases in the methodology?
13. What are the key project deliverables?

### **Requirements/Analysis/Design**

14. What is the scope of the project?
15. Have all of the user requirements been gathered? How are/were the requirements documented? Have they been verified and signed-off by the business owners?
16. Have all of the business rules been documented? Have they been signed-off on by the business areas?
17. What methods are in place to control scope on the project?
18. What analysis and design documents have been created?

### **Conference Room Pilot/Configuration Validation**

19. Has the configuration for HR been validated and approved?
20. Has the configuration for Benefits been validated and approved?
21. Has the configuration for Payroll been validated and approved?

### **System Test**

22. Has a system test plan been generated?
23. What methods are being used to communicate the system test results?
24. Who is responsible for coordinating system testing between the various teams?

### **Quality Assurance**

25. Was quality assurance part of the project methodology?
26. What is the quality assurance procedure and how is it implemented?

### **Project Change Management**

27. Has a roll out plan been generated?
28. What verbal communications have been planned/sent out regarding the new HR/Payroll system?
29. What written communications have been planned/sent out regarding the new HR/Payroll system?
30. Has a help desk been set up? Have help desk procedures been defined?

### **Lawson Operating Environment**

### ***Hardware/Software Requirements***

31. Is your current or anticipated hardware configuration been verified by Lawson for proper sizing (I.E. CPU and disk space)?
32. How many different product lines will you be able to handle with the final configuration?
33. Have the printing requirements been defined for the new system?
34. Will the check printing method change from the current method to a new method (I.E. from impact to laser)?
35. Are the BSI tax updates current?

### ***Testing Environment***

36. Do you have a separate test machine to run CRP and System test on?
37. If you are using the production machine for testing, how are you ensuring test environment will not impact the production environment?
38. During CRP and System testing you will need room on the system to have at least five product lines has the space been allocated as LADB or Oracle databases?

## **Lawson Configuration**

### ***Human Resources***

The LAWSON INSIGHT Human Resources system includes the company setup and common employee information used in the LAWSON INSIGHT Personnel Administration, Payroll, Benefits, Time Accrual, and Time and Attendance systems

39. Is the definition of the *Human Resources Company Structure* complete?, If not, what are the remaining activities required?  
(Review Report HR200 – Company Listing)
40. Has the Human Resources Company Structure been approved by key user(s)?, Who?, When?
41. Are all *processing levels* defined within the company structure?, If not, what are the remaining activities required? ?  
(Review Report HR201 – Process Level Listing)
42. Are all *department levels* defined within the company structure?, If not, what are the remaining activities required? ?  
(Review Report HR202 – Department Listing)
43. Are all *processing groups* defined?, If not, what are the remaining activities required? (Review Report HR208 – Process Group Listing)
44. Are all *job classes* defined?, If not, what are the remaining activities required?  
(Review Report HR205 – Job Class Listing)
45. Are all *job codes* defined?, If not, what are the remaining activities required?  
(Review Report HR206 – Job Code Listing)
46. Are all *Human Resources codes* defined?, If not, what are the remaining activities required? ?  
(Review Report HR204 – HR Code Listing)
47. Are all *user fields* defined?, If not, what are the remaining activities required?  
(Review Report HR204 – HR Code Listing)
48. Are all *data item attributes* defined?, If not, what are the remaining activities required? (Review Report HR210 – Data Item Attribute Listing)
49. Are all *employee status codes* defined?, If not, what are the remaining activities required? (Review Report HR203 – Employee Status Code Listing)

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## 11. Appendix D. Resumes

This is a representative listing of assessment participants, however is not a complete list of all consultants participating on the assessment team

### *Lisa Baldwin*

### *Principal/Engagement Manager*

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Ms. Baldwin is an Engagement Manager in IBM's JDA/Lawson Consulting Practice. Responsibilities include managing and developing consultants, working with clients on overall management of their implementation, building the consulting practice and generating revenue. Ms. Baldwin has over 9 years of retail and systems experience in the implementation of merchandising systems, sales and management reporting systems, mergers and acquisitions, business process transformation and project management. Her consulting experience has provided her with an extensive background in store operations, buying processes, sales audit and analysis and people management. She has functioned as the project manager on several large-scale complex system implementation projects.

#### Summary Highlights:

**JDA Expertise:** Certified on ODBMS (Open database merchandising system) modules include: Cost and Price Management, Inventory Control, Purchase Order, and database administration

**Industry Expertise:** Department, specialty store and office supply retailers in the areas of purchase order, inventory control, sales audit and store operations.

**Other Expertise:**

**Positions Held:** Trainer, Consultant, Senior Consultant and Project Manager

**Education:** B.S.E. Marketing Education, Georgia State University

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#### Relevant Experience:

**Client:** Williams-Sonoma

**Industry:** Specialty Retail

**Project Scope:** Conducted an assessment of the current JDA ODBMS implementation and provided recommendations for implementation.

**Specific Role:** Provided direction and leadership to the assessment team. Worked with the vendor throughout the assessment to gain agreement on their level of commitment from both a product and resource stand point. Conducted interviews with the client and worked with the assessment team to finalize milestone dates and resource needed for implementation.

**Results:** Assessment was well received by the client and resulted in a global services contract of \$1.9 million for implementation services.

**Other Relevant Experience:**

Ms Baldwin was involved in assisting a major office supply company with selecting a client server merchandising system. She developed business requirements and a request for proposal. Coordinated all vendor demonstrations and assisted the client in selecting two finalists. Led merchandising business process interviews and identified issues and process opportunities in the areas of purchase order, open to buy and planning. She researched, documented and flow charted the client's current interface structure (100 interface files).

Ms. Baldwin managed a large scale systems merger for two divisions of a major department store retailer. The merger encompassed 8 project teams and 60 people. She provided leadership, direction and problem resolution across all teams: merchandising, logistics, finance, stores, human resources, PC network, telecommunications and operations. Worked with senior management to establish capital and manpower requirements. She held overall responsibility for day-to-day project operations, coordination, adherence to project plans and deadlines, communication and problem solving with senior management. Also, managed the design and implementation of an automated on-line SKU cross-reference for use by all 30 systems during data conversion. The merger resulted in two separate companies operating as one entity with all systems data converted as well as history merged.

Ms. Baldwin directed a merchandise systems development team in defining business processes for purchase order processing and item management. Defining the processes led to a rewrite of the purchase order system for a major department store retailer. This project focused on evaluating the business processes environment and developing recommendations for improving the order process.

Ms. Baldwin played a large role in developing a systems proposal for a two billion dollar department store retailer encompassing the installation of financial, operational, merchandising and logistics systems. She also coordinated all system demonstrations and led meetings with the client's senior management team.

Ms. Baldwin managed a group of 4 project managers for 18 months with responsibilities for all project implementation activities. She coordinated overall project implementation schedules to meet revenue objectives and allocate resources effectively. Ms. Baldwin participated in screening and interviewing qualified staff. She was responsible for identifying growth opportunities for staff and matching their skill set to projects.

Ms. Baldwin managed a data conversion for a major department store retailer which resulted in common departments and classes across 40 systems in 7 divisions. This effort involved extensive client communication, identification and resolution of interface and data conversion issues, system testing and production migration. Conversion results allowed the corporation to view data across 7 different divisions in the same format.

Ms Baldwin led a merchandise systems development team in stabilizing an order entry system for a major department store retailer. This project involved development of detailed functional requirements, extensive testing and implementation in a production environment. She coordinated and participated in a usability lab. This lab provided the client an opportunity to navigate through the system and the development team a chance to see and resolve potential issues prior to implementation.

Ms. Baldwin directed the installation of a sales audit system for a one billion dollar department store retailer. This engagement involved migration of data and custom systems to a different mainframe environment. She held overall responsibility for project operations including communication with senior management, problem resolution, interface testing (POS, merchant, credit), customer training and implementation.

Ms Baldwin managed the point of sale interface for a sales audit project. This effort included requirements definition, testing, issue resolution, customer training and installation across multiple divisions.

Major retailers Ms. Baldwin has been involved with include Macy's, Rich's, Lazarus, Stern's, Bloomingdales, Burdines, Bon Marche, Parisian, Proffitts, Williams-Sonoma and OfficeMax.

**GENERAL BACKGROUND**

Mr. Hoover is an Engagement Manager in IBM's Lawson National Practice. Responsibilities include managing and developing consultants, building the consulting practice and generating revenue. Mr. Hoover has over 15 years of information technology experience working with companies in the Healthcare, Manufacturing, Financial, Insurance, Services and Aerospace Industries.

His project management background includes extensive experience in systems development and package implementation projects in addition to operations management. Systems implemented included Patient Accounting, Managed Care, Hospital Materials Management, Hospital Cost Accounting, General Ledger, Fixed Assets, Accounts Payable, Human Resources, Payroll, Accounts Receivable, and Call Management. Systems developed included large-scale complex property management and logistics systems within the aerospace industry.

**WORK HISTORY**

Lawson Project Director

Mr. Hoover's has managed up to three simultaneous Lawson implementation projects within different industries; Healthcare, Insurance and Employment Services. Each project represented different set of implementation challenges relating to technology, package modification requirements, staffing resources, time and budget constraints and systems integration issues. His involvement with Lawson implementations started in 1994. Since that time he has be involved in six Lawson projects in roles ranging from Project Manager to Quality Assurance Manager to Project Director.

Assistant Director, Information Systems

Mr. Hoover was responsible for the operational management of Financial Systems, Network Services and Computer Operations departments of a large regional hospital with over 2000 employees and gross revenues exceeding 1/2 billion dollars

Co-founder and Startup Manager

Mr. Hoover managed the financial/accounting activities of a small light manufacturing company. Responsibilities included developing funding proposal, generating strategic financial forecasts, and preparing company for an initial public stock offering. He also managed the Human Resources, Production Control, and Facilities Management areas of the company

Financial Systems Manager

Mr. Hoover was responsible for the operations management of financial systems of a large regional University Medical Center. Systems he was responsible for supporting included General Ledger, Accounts Payable, Fixed Assets, Accounts Receivable, Human Resources, Payroll, Materials Management, Managed Care, Patient Receivable, and Financial Medical Records

Systems Development Project Manager

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Mr Hoover managed the development of a Reliability and Maintainability Assessment System for a classified weapons project for a large aerospace company. Extensive working knowledge of logistics and component management systems was acquired in order to successfully design, build, test and implement this complex on-line system.

#### Systems Development Project Supervisor

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Mr. Hoover was responsible for maintaining and enhancing a Corporate-wide Property Management System designed to track over 4 billion dollars in company assets including asset maintenance schedules and company components of a GFM (Government Furnished Material) system for a large aerospace company.

#### EDUCATION

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Mr. Hoover has a Bachelor of Science in Computer Information Systems and a Master of Business Administration.

Mr. Pye is a Project Manager in IBM's Lawson ERP Consulting Practice. Responsibilities include management of projects involving package software solutions within the Lawson Practice, translating business requirements into system changes for integration into new business practices, maintaining schedules, highlighting overdue tasks, and coordinating overlapping schedules between user applications. He has worked with a cross-section of clients and industries. Mr. Pye has performed business process re-engineering utilizing industry and ERP best practices. Some of the projects Mr. Pye has managed and participated in are Lawson 7.0 Financial implementation and Lawson 6.1 Financial, Supply Chain, Procurement, Human Resources, and Payroll implementation.

**Summary Highlights:**

**ERP Expertise:** Financial, Supply Chain, and Procurement Modules  
Version 7.0 and Version 6.1

**Industry Expertise:** Process and Repetitive Manufacturing  
Retail  
Natural Gas Utility

**Other Expertise:** Business process re-engineering, Project Office, Project Workbench, and IBM WSDDM Implementation Methodology

**Positions Held:** Consultant and Senior Consultant

**Education:** B. S. Education, Shippensburg University  
Masters Education, Shippensburg University

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**Relevant Experience:**

**Client:** Fast Food Retailer

**Industry:** Retail Sales

**Project Scope:** Lawson Financial, Version 7.06 on an IBM RS/6000, Oracle Data Base

**Specific Role:** Managed Lawson engagement for Financial Implementation. Developed project approach, facilitated executive steering committee meetings and project team meetings. Developed a task level detail project plan and estimates, escalating issues and gaining resolution in a timely manner in order to maintain the project timeline. Performed project kickoff, and conducted as-is development training for core team. Managed the overall services budget. Established project organization and facilities. Managed both functional and technical analysts, assisting in the application of their skills in the various areas of the company; i.e., operations, finance, network administration while minimizing costs where possible.

**Results:** Successful project completion on time and under budget. Achieved the highest overall customer satisfaction rating of '5'. Significant value add was a 75%

reduction in time for month end close, clean-up/reduction of over 125% of the vendor master, on-line/real time financial applications with reduced overall system performance, and better and tighter controls of the financial processes.

**Client:** Consumer Goods Manufacturer

**Industry:** Repetitive Manufacturing, Distribution

**Project Scope:** Lawson Financial, Supply Chain, Procurement, Human Resources and Payroll Version 6 1

**Specific Role:** Managed the Lawson engagement up to the Conference Room Pilot. Developed task level detail project plan and estimates and developed the approach to interface with warehouse software being implemented at the same time

**Results:** Successful project initialization and development of project plan.

**Other Relevant Experience:**

**Manager, Corporate Information Services**

Responsible for an Information Services Department of a Natural Gas Utility Company with a revenue of over \$125 million. Managing 6 professionals; 3 Analyst/Programmers, 1 Network Supervisor, 1 Application Specialist, and a Help Desk Operator. The department has a total budget of over \$1 million. Selected Accomplishments: Instrumental in the implementation of the LAWSON financial, inventory control, purchasing and requisition application systems. This implementation resulted in the conversion from a totally manual inventory system to a state-of-the-art inventory control system including on-line requisitioning and centralized controls of standardized purchased items directly reducing the inventory by over \$2 million. Also facilitated the implementation of the Customer Service software package from Request for Proposal to live production in less than one year resulting in a 3 year pay back of over \$4 million. Right sized the Information Services Department from 14 people to 6. Installed a wide area network that supports 16 individual locations throughout Pennsylvania allowing over 120 individuals on line access to an AS/400 Model 310 using a T1, routers, IPX protocol, and SAA for Netware.

**Director, Information Services**

Total responsibility for the Information Services Department which included budget functions, administrative management of a multi-location facility and interfacing with top management to maintain the proper priorities to support the company and maintain costs. Selected Accomplishments: Evaluated 11 vendor software packages. Recommended 3 finalists to be decided by a committee of senior managers and served as the Technical Consultant to that committee. Right sizing from an IBM 4361 to an IBM AS/400 realizing a pay back of \$150,000 per year. Facilitating the implementation of IBM software with expected productivity improvement of 20% in most business areas

**Application Development Manager**

Responsible for the development and implementation of a complete distribution system on an AS/400 which included Distribution Resource Planning, distribution Links (on line), Order Entry, Finance and Warehousing. Managed and directed four Analyst/Programmers along with three contract programmers. Selected Accomplishments: Implemented EDI and Bar Coding for 20,000 single pack items reducing

**EDUCATION**

Vanderbilt University, **Masters in Human Resources Development**, 1994  
Rutgers University, **Bachelor of Arts in Economics**, 1985

**PROFESSIONAL ASSOCIATIONS**

Society of Human Resources Management (National)

Marla is a Senior Consultant in IBM's Lawson Consulting Practice, where her functional expertise is in human resource analysis and human resource application implementations and training. With over 4 years consulting experience and 8 years of management experience, Marla has a varied skill set acquired from her years of management, auditing, and implementation of systems. Her most recent responsibilities have been consulting and training on the Lawson Human Resource suite. She is a cross industry consultant with experience through a variety of clients.

**Summary Highlights:**

**Lawson Expertise:** Human Resource Process Suite - Payroll, HR, Personnel, Benefits and Time Accrual Versions 6.1, 7.0 and 7.1

**Industry Expertise::** Cross Industry

**Other Expertise:** End user training, development of end user procedure guides, process re-engineering

**Positions Held:** Senior Consultant

**Certifications:** Lawson Human Resource Process Suite Versions 6.1, 7.0, 7.1

**Education:** BS Finance University of Tennessee

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**Relevant Experience:**

**Client:** CMSI

**Industry:** Services

**Project Scope:** Implemented Human Resource Process Suite for multi-state company using Lawson 7.0 HR, Payroll, Benefits, Personnel and Time Accrual

**Specific Role:**

- Analyzing business processes and identifying improvement opportunities.
- Recommending changes to current policies and procedures to enhance efficiency
- Preparing for conference room pilots
- Designing and developing client required management reports.
- Preparing for and conducting parallel tests.

**Results:** Successful implementation of the suite

**Client:** Don Olson Tire

**Industry:** Retail

**Project Scope:** Training of entire project team on Lawson Human Resource Process Suite.

**Specific Role:**

- Developing customized curriculum based on client needs.
- Conducting lectures and workshops for project team
- Analyzing business processes and identifying improvement opportunities
- Recommending changes to current policies and procedures to enhance efficiency.

**Results:** Successful training sessions and process and policy changes to enhance efficiency of system.

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**Client:** The Liberty Corporation

**Industry:** Sales

**Project Scope:** Implemented Lawson Human Resource Process Suite version 7.0 including all modules.

**Specific Role:**

- Analyzing business processes and identifying improvement opportunities.
- Recommending changes to current processes to enhance efficiency.
- Reviewing system set up by client.
- Conducting additional training sessions for casual users of the system.
- Assisting in preparing for system and parallel tests.

**Results:** Successful project implementation linking companies that were not linked on the legacy system.

**Other Relevant Experience:**

Marla managed the Payroll department of GranCare, Inc. processing payroll for 20,000 employees biweekly in 32 states. This position included the supervision of all state and federal tax filings as well as training employees on Cyborg.

At United Parcel Service (UPS), Marla had a special assignment converting district office payroll departments to a customized version of Integral. She was responsible for training end users, insuring the conversion of data from the legacy system was accurate, and helping management understand reporting capabilities of the new system.

In addition, Marla has managed various Accounting departments including General Ledger, Accounts Payable and Receivable, and Billing. Therefore, she understands how Human Resources and Payroll interact with other departments that make up the entire Accounting function.

**SUMMARY OF QUALIFICATIONS**

- Expertise in Personnel Management
- Human Resources Qualifications
- Creative Motivator
- Skilled Facilitator and Communicator
- Results-oriented, Problem Solver
- Technically oriented team Player

**PROFESSIONAL EXPERIENCE**

IBM Global Services, Tampa, Florida

**Functional Consultant, Lawson Practice**

- **Lawson Insight HR Suite 7.0 certified**
- Assist with the management of implementation project administration
- Perform Gap/FIT and Business Analysis for implementations
- Prepare/Facilitate client focused Needs Analysis for implementations
- Facilitate Conference Room Pilot

RINGLING BROS. AND BARNUM & BAILEY, Palmetto, Florida

**Human Resources Director**

- Implemented a Human Resources Department serving 1,000 employees
- Provided tactical and strategic support to Senior Vice President of Operations in order to affect a re-engineering of the organization
- Established cost effective recruitment strategies to attract all levels of employees from skilled laborers to management, and set in motion a substance abuse and background screening policy which decreased turnover and lowered employment costs
- Researched and implemented a 401(k) program
- Sponsored and launched a **Lawson 6.1 HRIS implementation** which increased information access, improved reporting, and reduced costs.
- Investigated and litigated EEO, Unemployment and Worker's Compensation claims significantly reducing amounts of money paid inappropriately.
- Initiated training programs, including safety programs, which increased the quality and quantity of work produced and reduced insurance and litigation costs

WILLIS CORROON CORPORATION, Nashville, Tennessee

**Quality Advisor/Senior Consultant in Human Resources**

- Facilitated and redesigned training programs aimed at positively reinforcing the company's systems.
- Implemented basic statistical process control and team building techniques.
- Conducted field interviews and focus groups on all organizational levels.
- Directly responsible for all aspects of a \$1,000,000 recruitment program to develop entry level risk management professionals Improved retention rate by 25%.
- Provided support to, and acted in the absence of, the Vice President of Human Resources
- Advised, designed, facilitated, implemented and evaluated training programs in the areas of communications, management, TQM and sales

DEAN WITTER REYNOLDS, INC , New York, New York

**Retail Stockbroker/Training Specialist/Manager in Retirement Plans Operations**

inventory handling cost by 20% and resulting in a means to interchange with the customer's part number information base. Designed and implemented a distributor link system being used in 45 countries world wide. Participating member of an International User Reference Group requiring travel to Europe. Designed and implemented a centralized distribution system which has four remote warehouse locations in the United States resulting in a 95% warehouse fill rate.

#### **Corporate Project Leader/Systems Analyst**

Designed, maintained and implemented manufacturing systems in each of the various plant locations throughout the United States. Supervision of Analyst/programmers as assigned to each project. Selected Accomplishments: combined the manufacturing information and financial numbers into one system so that all daily reports would show financial data therefore improving accuracy and eliminating inventory errors.

#### **Division Data Processing Manager**

Implemented a complete manufacturing resource planning system that achieved a Class A status from the Oliver Wight Associated. Managed and directed a department of eight people. Selected Accomplishments: Designed and implemented a manufacturing system which reduced inventories by 25% increasing inventory turns from two to six per year. In addition, these systems allowed for quick analysis of vendor performance which was increased to 95% on-time vendor deliveries and customer service was improved to 95% on time delivery performance.

Mr. Fredrickson is a Consultant in IBM's Lawson Consulting Practice. Responsibilities include evaluation of client needs and environment, analysis of current client processes; design, construction, and testing of data conversion and legacy interfacing processes. Mr. Fredrickson has 10 years of Information Technology experience, he has developed skills in supervising programmer/analysts, leading technical analyses, resolving technical issues, and coordinating client/consultant interaction. His background includes work on both IBM mainframe platforms and tool sets, and RS6000 platforms under UNIX/AIX operating systems. He has participated in business process reengineering by performing interviews and producing analyses of technical needs and work plans. Mr. Fredrickson has worked in a diversity of industries including Retail, Healthcare, Leasing, and Internal Corporate environments. Currently Mr. Fredrickson specializes in the packaged system implementations, most recently installing the Lawson Software suite.

**Summary Highlights:**

**Lawson Expertise:** Implementations of Lawson Human Resources V7.0, Payroll 7.0, Personnel 7.0, Benefits 7.0, General Ledger 6.x and 7.0, Accounts Payable 6.x and 7.0, Asset Management 6.x and 7.0, Lawson Environment 6.x and 7.0, Legacy Data Conversion, Legacy Interfacing to and from Lawson 6.x and 7.0

**Industry Expertise:** Retail Sales, Corporate Leasing, Healthcare Administration

**Other Expertise:** Internal Corporate Development of Applications

**Positions Held:** Programmer, Programmer/Analyst, Senior Consultant, Team Lead

**Education:** Bachelor of Science, Mathematics, Wichita State University, Wichita KS

**Languages:** English

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**Relevant Experience:**

**Client:** Long John Silver's, Restaurants Inc, Lexington KY

**Industry:** Retail Foods

**Project Scope:** Replacement of Corporate financial systems with Lawson Financial suite V 7.0, conversion of legacy data and interfacing

**Specific Role:** Senior Consultant, responsible for the Asset Management system

**Results:** Contract currently on time, under budget.

**Other Relevant Experience:**

Mr. Fredrickson also participated in the following Lawson implementations prior to joining IBM

**Client:** The Regence Group, Inc , Portland OR

**Industry:** Healthcare

**Project Scope:** Replacement of individual Blue Cross/Blue Shield affiliates Human Resources, Payroll, Benefits and Personnel systems with an integrated solution using Lawson HR, Payroll.

**Specific Role:** Project Technical Lead

**Results:** Successful implementation of Lawson HR/Payroll across all affiliates, on time.

**Client:** Colonial Pacific Leasing Corp. (Pitney Bowes), Tualatin, OR

**Industry:** Corporate and Business Leasing of Equipment

**Project Scope:** Replacement of corporate financial system with Lawson Financial suite V6 x, including General Ledger, Accounts Payable, and Asset Management; conversion of legacy data and interfacing

**Specific Role:** Project Technical Lead

**Results:** Successful implementation of Lawson Financial suite, on time, under budget  
Mr Fredrickson served as a Systems Engineer at Electronic Data Systems Corp. for over six years. During this time he participated in the development of a company wide computer resources cost allocation system using DB2 and PL/1. He also led a team of System Engineers in the development of a DASD Billing subsystem saving the company over five million dollars per year

## 12. Appendix E. Meeting Schedule

### STATE OF MICHIGAN – HRMN PROJECT IBM FUNCTIONAL ASSESSMENT MEETING TIMETABLE

	Monday 12/14/98	Tuesday 12/15/98	Wednesday 12/16/98	Thursday 12/17/98	Friday 12/18/98	
8:00 – 9:00 am				Review Existing “As-is” and Lawson Project Document	Review Existing “As-is” and Lawson Project Document	
9:00 – 10:00 am				Introductions		
10:00 – 11:00 am				Methodology		
11:00 – 12:00 pm				Mtg Timetable		
1:00 – 2:00 pm				Review Existing “As-is” and Lawson Project Document		
2:00 – 3:00 pm						
3:00 – 4:00 pm						
4:00 – 5:00 pm						

	Monday 12/21/98	Tuesday 12/22/98	Wednesday 12/23/98	Thursday 12/24/98	Friday 12/25/98
8:00 – 9:00 am	Review As-Is HR/Personnel Documents	Review As-Is Benefits Documents	Review As-Is Payroll Documents	Holiday Break	
9:00 – 10:00 am					
10:00 – 11:00 am					
11:00 – 12:00 pm					
1:00 – 2:00 pm	HR/Personnel As-Is Workshop <i>Meeting</i> with SOM Analysts	Benefits As-Is Workshop <i>Meeting</i> with SOM Analysts	Payroll As-Is Workshop <i>Meeting</i> with SOM Analysts		
2:00 – 3:00 pm					
3:00 – 4:00 pm					
4:00 – 5:00 pm					

	Monday 12/28/98	Tuesday 12/29/98	Wednesday 12/30/98	Thursday 12/31/98	Friday 1/1/99

8:00 – 9:00 am	Review To-be HR/Personnel Documents	Review To-be Benefits Documents	Review To-be Payroll Documents	Holiday Break
9:00 – 10:00 am				
10:00 – 11:00 am				
11:00 – 12:00 pm				
1:00 – 2:00 pm	HR/Personnel To-be Workshop <i>Meeting</i> with SOM Analysts	Benefits To-be Workshop <i>Meeting</i> with SOM Analysts	Payroll To-be Workshop <i>Meeting</i> with SOM Analysts	
2:00 – 3:00 pm				
3:00 – 4:00 pm				
4:00 – 5:00 pm				

	Monday 1/4/99	Tuesday 1/5/99	Wednesday 1/6/99	Thursday 1/7/99	Friday 1/8/99
8:00 – 9:00 am	Review & Assess HR Lawson Configuration & CRP Readiness	Review & Assess HR Lawson Configuration & CRP Read	Review & Assess Personnel Lawson Configuration & CRP Readiness	Review & Assess Personnel Lawson Configuration & CRP Read	Review & Assess Benefits Lawson Configuration & CRP Readiness
9:00 – 10:00 am					
10:00 – 11:00 am					
11:00 – 12:00 pm					
1:00 – 2:00 pm		HR Configuration & CRP Read <i>Meeting</i> with SOM Analysts		Personnel Configuration & CRP Read <i>Meeting</i> with SOM Analysts	
2:00 – 3:00 pm					
3:00 – 4:00 pm					
4:00 – 5:00 pm					

	Monday 1/11/99	Tuesday 1/12/99	Wednesday 1/13/99	Thursday 1/14/99	Friday 1/15/99

8:00 – 9:00 am	Review & Assess Benefits Lawson Configuration & CRP Readiness	Benefits Configuration & CRP Read. <b>Meeting</b> with SOM Analysts	Review & Assess Benefit Lawson Configuration & CRP Read.	Review & Assess Payroll Lawson Configuration & CRP Readiness	Review & Assess Payroll Lawson Configuration & CRP Readiness
9:00 – 10:00 am					
10:00 – 11:00 am					
11:00 – 12:00 pm					
1:00 – 2:00 pm		Review & Assess Benefit Lawson Configuration & CRP Read.	Benefits Configuration & CRP Read. <b>Meeting</b> with SOM Analysts		
2:00 – 3:00 pm					
3:00 – 4:00 pm					
4:00 – 5:00 pm					

	Monday 1/18/99	Tuesday 1/19/99	Wednesday 1/20/99	Thursday 1/21/99	Friday 1/22/99
8:00 – 9:00 am	Review & Assess Payroll Lawson Configuration & CRP Readiness	Payroll Configuration & CRP Read <b>Meeting</b> with SOM Analysts	Review & Assess Payroll Lawson Configuration & CRP Read	Assess HR Modifications	Assess Ben. Modifications
9:00 – 10:00 am					
10:00 – 11:00 am				HR Mod <b>Mtg</b> with SOM	Ben. Mod <b>Mtg</b> with SOM
11:00 – 12:00 pm					
1:00 – 2:00 pm		Review & Assess Payroll Lawson Configuration & CRP Read.	Payroll Configuration & CRP Read <b>Meeting</b> with SOM Analysts	Assess Per Modifications	Assess Pay. Modifications
2:00 – 3:00 pm					
3:00 – 4:00 pm				Per Mod <b>Mtg</b> with SOM	Pay. Mod <b>Mtg</b> with SOM
4:00 – 5:00 pm					

	Monday 1/25/99	Tuesday 1/26/99	Wednesday 1/27/99	Thursday 1/28/99	Friday 1/29/99
8:00 – 9:00 am	Finalize Assessment Document				Lawson Implementation Assessment Presentation
9:00 – 10:00 am					
10:00 – 11:00 am					
11:00 – 12:00 pm					
1:00 – 2:00 pm					
2:00 – 3:00 pm					
3:00 – 4:00 pm					
4:00 – 5:00 pm					

**STATE OF MICHIGAN –HRMN PROJECT  
IBM TECHNICAL ASSESSMENT MEETING TIMETABLE**

	Monday 12/14/98	Tuesday 12/15/98	Wednesday 12/16/98	Thursday 12/17/98	Friday 12/18/98	
8:00 – 9:00 am				Review Legacy Application(s)	Review Legacy Environment(s)	
9:00 – 10:00 am				Introductions		
10:00 – 11:00 am				Methodology		
11:00 – 12:00 pm				Mtg Timetable		
1:00 – 2:00 pm				Review Legacy Application(s)	Legacy Application Overview <i>Meeting</i> with SOM	Legacy Environment(s) Overview <i>Meeting</i> with SOM
2:00 – 3:00 pm						
3:00 – 4:00 pm						
4:00 – 5:00 pm						

	Monday 12/21/98	Tuesday 12/22/98	Wednesday 12/23/98	Thursday 12/24/98	Friday 12/25/98
8:00 – 9:00 am	Review Hardware Environment	Review Lawson Environment	Review UNIX & Mainframe Environment		
9:00 – 10:00 am					
10:00 – 11:00 am	Hardware Environment <i>Meeting</i>				
11:00 – 12:00 pm					
1:00 – 2:00 pm	Review Database Environment	Lawson Environment <i>Meeting</i> with SOM	UNIX & Mainframe Environment <i>Meeting</i> with SOM		
2:00 – 3:00 pm					
3:00 – 4:00 pm	Database Environment <i>Meeting</i>				
4:00 – 5:00 pm					

	Monday 12/28/98	Tuesday 12/29/98	Wednesday 12/30/98	Thursday 12/31/98	Friday 1/1/99
8:00 – 9:00 am	Review Network Environment	Review Configuration Management Environment	Review Application Performance		
9:00 – 10:00 am					

10:00 – 11:00 am	Network Environment <i>Meeting</i>		Application Performance <i>Meeting</i>	
11:00 – 12:00 pm				
1:00 – 2:00 pm	Review Bkup&Recovery Environment	Configuration Management Environment <i>Meeting</i> with SOM	Review Application Security	
2:00 – 3:00 pm				
3:00 – 4:00 pm	Bkup&Recovery Environment <i>Meeting</i>		Application Security <i>Meeting</i>	
4:00 – 5:00 pm				

	Monday 1/4/99	Tuesday 1/5/99	Wednesday 1/6/99	Thursday 1/7/99	Friday 1/8/99
8:00 – 9:00 am	Review Inbound In-house Interfaces	Review Inbound In-house Interfaces	Review Outbound In-house Interfaces	Review Outbound In-house Interfaces	Review 3 <sup>rd</sup> Party Interfaces
9:00 – 10:00 am					
10:00 – 11:00 am					
11:00 – 12:00 pm					
1:00 – 2:00 pm		<b>1.</b>		Inbound In-house Interfaces Meeting	
2:00 – 3:00 pm					
3:00 – 4:00 pm					
4:00 – 5:00 pm					

	Monday 1/11/99	Tuesday 1/12/99	Wednesday 1/13/99	Thursday 1/14/99	Friday 1/15/99

8:00 – 9:00 am	<b>1.1</b>	Review 3 <sup>rd</sup> Party Interfaces	Review Human Resources Conversion Requirements	Review Human Resources Conversion Requirements
9:00 – 10:00 am				
10:00 – 11:00 am				
11:00 – 12:00 pm				
1:00 – 2:00 pm		3 <sup>rd</sup> Party Interface Meeting		Human Resources Conversion Requirements <i>Meeting</i>
2:00 – 3:00 pm				
3:00 – 4:00 pm				
4:00 – 5:00 pm				

	Monday 1/18/99	Tuesday 1/19/99	Wednesday 1/20/99	Thursday 1/21/99	Friday 1/22/99
8:00 – 9:00 am	Review Personnel Conversion Requirements	Review Benefits Conversion Requirements	Review Benefits Conversion Requirements	Review Payroll Conversion Requirements	Review Payroll Conversion Requirements
9:00 – 10:00 am					
10:00 – 11:00 am					
11:00 – 12:00 pm					
1:00 – 2:00 pm	Personnel Conversion Requirements <i>Meeting</i>		Benefits Conversion Requirements <i>Meeting</i>		Payroll Conversion Requirements <i>Meeting</i>
2:00 – 3:00 pm					
3:00 – 4:00 pm					
4:00 – 5:00 pm					

	Monday 1/25/99	Tuesday 1/26/99	Wednesday 1/27/99	Thursday 1/28/99	Friday 1/29/99
8:00 – 9:00 am	Finalize Assessment Document				Lawson Implementation Assessment Presentation
9:00 – 10:00 am					
10:00 – 11:00 am					
11:00 – 12:00 pm					
1:00 – 2:00 pm					
2:00 – 3:00 pm					
3:00 – 4:00 pm					
4:00 – 5:00 pm					