

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**

March 23, 1998

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

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

The terms and conditions of this Contract are those of Req. #191R8000158, this Contract Agreement and the vendor's quote dated 2/27/98. In the event of any conflicts between the specifications, terms and conditions indicated by the State and those indicated by the vendor, those of the State take precedence.

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

SECTION I: CONTRACTUAL SERVICES TERMS AND CONDITIONS

PURPOSE

The purpose of this contract is to provide the Department of Civil Services with implementation planning services, training and consulting services to allow for the transition to the Lawson Human Resources package Statewide.

The contract awarded from this solicitation will be unit priced.

ISSUING OFFICE

This Contract /Blanket Purchase Order (BPO) is issued by the State of Michigan, Department of Management and Budget (DMB), Office of Purchasing, hereafter known as the Office of Purchasing, for the State of Michigan, Department of Civil Service. Where actions are a combination of those of the Office of Purchasing and the Department of Civil Service, the authority will be known as the State.

The Office of Purchasing is the sole point of contact in the State with regard to all procurement and contractual matters relating to the services described herein. The Office of Purchasing is the only office authorized to change, modify, amend, alter, clarify, etc., the prices, specifications, terms, and conditions of this contract. The OFFICE OF PURCHASING will remain the SOLE POINT OF CONTACT throughout the procurement process, until such time as the Director of Purchasing shall direct otherwise in writing. See Paragraph I-C below. All communications concerning this procurement must be addressed to:

Christine Paul, Buyer Specialist
DMB, Office of Purchasing
2nd Floor, Mason Building
P.O. Box 30026
Lansing, MI 48909

CONTRACT ADMINISTRATOR

Upon receipt at the Office of Purchasing of the properly executed Contract Agreement, it is anticipated that the Director of Purchasing will direct that the person named below be authorized to administer the Contract on a day-to-day basis during the term of the Contract. However, administration of any contract resulting from this Invitation

implies no authority to change, modify, clarify, amend, or otherwise alter the terms, conditions, and specifications of such contract. That authority is retained by the Office of Purchasing. The Contract Administrator for this project is:

Richard Huneke
Michigan Department of Civil Service
400 South Pine Street
Lansing, MI 48909
(517) 373-3083

TERM OF CONTRACT

- A. This contract is effective from the date hereof through 36 months, and incorporates the following specific phases:

All software licenses and related ancillary services shall be provided during the full contract term. The licensing and use of the Lawson INSIGHT Human Resources Business Management System is contingent upon the existence of a fully executed Lawson Software Product License Agreement. The State has the understanding that this Lawson contingency will not interfere with the provision of the services during the time frames required by this contract agreement.

- B. Rate changes for services and products provided under this contract agreement shall be governed by those specified in the Lawson Software Statement of Work and Lawson Software Support Services sections of this contract agreement.
- C. After 36 months, upon review of the services and pricing available, the State may opt to extend this contract for an additional 12 months.

The exercise of this option will be accomplished through the issuance of a contract change notice and shall be made at the sole discretion of the State.

INDEMNIFICATION:

1. General Indemnification

The Contractor shall indemnify, defend and hold harmless the State, its departments, divisions, agencies, sections, commissions, officers, employees and agents from and against all losses, liabilities, penalties, fines, damages and claims (including taxes), and all related costs and expenses (including reasonable attorneys' fees and disbursements and costs of investigation, litigation, settlement, judgments, interest and penalties), arising from or in connection with any of the following:

- (a) any claim, demand, action, citation or legal proceeding against the State, its employees and agents arising out of or resulting from (1) the product provided or (2) performance of the work, duties, responsibilities, actions or omissions of the Contractor or any of its subcontractors under this Contract;
- (b) any claim, demand, action, citation or legal proceeding against the State, its employees and agents arising out of or resulting from a breach by the Contractor of any representation or warranty made by the Contractor in the Contract;
- (c) any claim, demand, action, citation or legal proceeding against the State, its employees and agents arising out of or related to occurrences that the Contractor is required to insure against as provided for in this Contract;
- (d) any claim, demand, action, citation or legal proceeding against the State, its employees and agents arising out of or resulting from the death or bodily injury of any person, or the damage, loss or destruction of any real or tangible personal property, in connection with the performance of services by the Contractor, by any of its subcontractors, by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable; provided, however, that this indemnification obligation shall not apply to the extent, if any, that such death, bodily injury or property damage is caused solely by the negligence or reckless or intentional wrongful conduct of the State;
- (e) any claim, demand, action, citation or legal proceeding against the State, its employees and agents which results from an act or omission of the Contractor or any of its subcontractors in its or their capacity as an employer of a person.

2. Patent/Copyright Infringement Indemnification

The contractor shall indemnify, defend and hold harmless the State, its employees and agents from and against all losses, liabilities, damages (including taxes), and all related costs and expenses (including reasonable attorneys' fees and disbursements and costs of investigation, litigation, settlement, judgments, interest and penalties) incurred in connection with any action or proceeding threatened or brought against the State to the extent that such action or proceeding is based on a claim that any piece of equipment, software, commodity or service supplied by the Contractor or its subcontractors, or the operation of such equipment, software, commodity or service, or the use or

reproduction of any documentation provided with such equipment, software, commodity or service infringes any United States or foreign patent, copyright, trade secret or other proprietary right of any person or entity, which right is enforceable under the laws of the United States. In addition, should the equipment, software, commodity, or service, or the operation thereof, become or in the Contractor's opinion be likely to become the subject of a claim of infringement, the Contractor shall at the Contractor's sole expense (I) procure for the State the right to continue using the equipment, software, commodity or service or, if such option is not reasonably available to the Contractor, (ii) replace or modify the same with equipment, software, commodity or service of equivalent function and performance so that it becomes non-infringing, or, if such option is not reasonably available to Contractor, (iii) accept its return by the State with appropriate credits to the State against the Contractor's charges and reimburse the State for any losses or costs incurred as a consequence of the State ceasing its use and returning it.

In any and all claims against the State of Michigan, or any of its agents or employees, by any employee of the Contractor or any of its subcontractors, the indemnification obligation under the Contract shall not be limited in any way by the amount or type of damages, compensation or benefits payable by or for the Contractor or any of its subcontractors under worker's disability compensation acts, disability benefit acts or other employee benefit acts. This indemnification clause is intended to be comprehensive. Any overlap in subclauses, or the fact that greater specificity is provided as to some categories of risk, is not intended to limit the scope of indemnification under any other subclauses.

CONTRACTOR'S LIABILITY INSURANCE

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

- (1) Claims under workers' disability compensation, disability benefit and other similar employee benefit act. A non-resident Contractor shall have insurance for benefits payable under Michigan's Workers' Disability Compensation Law for any employee resident of and hired in Michigan; and as respects any other employee protected by workers' disability compensation laws of any other state the Contractor shall have insurance or participate in a mandatory state fund to cover the benefits payable to any such employee.

- (2) Claims for damages because of bodily injury, occupational sickness or disease, or death of his employees.
- (3) Claims for damages because of bodily injury, sickness or disease, or death of any person other than his employees, subject to limits of liability of not less than \$500,000 each occurrence and, when applicable \$1,000,000 annual aggregate, for non-automobile hazards and as required by law for automobile hazards.
- (4) Claims for damages because of injury to or destruction of tangible property, including loss of use resulting therefrom, subject to a limit of liability of not less than \$300,000 each occurrence for non-automobile hazards and as required by law for automobile hazards.
- (5) Insurance for Subparagraphs (3) and (4) non-automobile hazards on a combined single limit of liability basis shall not be less than \$500,000 each occurrence and when applicable, \$1,000,000 annual aggregate.

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

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

CANCELLATION

- (a) The State may cancel the Contract for default of the Contractor. Default is defined as the failure of the Contractor to fulfill the obligations of the quotation or Contract. In case of default by the Contractor, the State may immediately and/or upon 30 days prior written notice to the Contractor cancel the Contract without further liability to the State, its departments, divisions, agencies, sections, commissions, officers, agents and employees, and procure the services from other sources, and hold the Contractor responsible for any excess costs occasioned thereby.

(b) The State may cancel the Contract in the event the State no longer needs the services or products specified in the Contract, or in the event program changes, changes in laws, rules or regulations, relocation of offices occur, or the State determines that statewide implementation of the Contract is not feasible, or if prices for additional services requested by the State are not acceptable to the State. The State may cancel the Contract without further liability to the State, its departments, divisions, agencies, sections, commissions, officers, agents and employees by giving the Contractor written notice of such cancellation 30 days prior to the date of cancellation.

(c) The State may cancel the Contract for lack of funding. The Contractor acknowledges that, if this Contract extends for several fiscal years, continuation of this Contract is subject to appropriation of funds for this project. If funds to enable the State to effect continued payment under this Contract are not appropriated or otherwise made available, the State shall have the right to terminate this Contract without penalty at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of termination to the Contractor. The State shall give the Contractor written notice of such non-appropriation within 30 days after it receives notice of such non-appropriation.

(d) The State may immediately cancel the Contract without further liability to the State its departments, divisions, agencies, sections, commissions, officers, agents and employees if the Contractor, an officer of the Contractor, or an owner of a 25% or greater share of the Contractor, is convicted of a criminal offense incident to the application for or performance of a State, public or private Contract or subcontract; or convicted of a criminal offense including but not limited to any of the following: embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, attempting to influence a public employee to breach the ethical conduct standards for State of Michigan employees; convicted under state or federal antitrust statutes; or convicted of any other criminal offense which in the sole discretion of the State, reflects on the Contractor's business integrity.

(e) The State may immediately cancel the Contract in whole or in part by giving notice of termination to the Contractor if any final administrative or judicial decision or adjudication disapproves a previously approved request for purchase of personal services pursuant to Constitution 1963, Article 11, Section 5, and Civil Service Rule 4-6.

(f) The State may, with 30 days written notice to the Contractor, cancel the Contract in the event prices proposed for Contract modification/extension are unacceptable to the State. See Sections **Price Proposal** and **Modification of Service**.

Please Note: In the event the State exercises cancellation clause paragraph a, the formal complaint to vendor process as outlined in the vendor guide entitled "doing business with the State of Michigan," will be utilized. This process allows for the end using department to make first an informal complaint against a company, seeking amicable resolution, then a formal complaint, with the Office of Purchasing making disposition and finally a 2nd formal complaint which could ultimately result in contract cancellation.

DELEGATION AND/OR ASSIGNMENT

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

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

NON-DISCRIMINATION CLAUSE

In the performance of any Contract or purchase order resulting herefrom, the bidder agrees not to discriminate against any employee or applicant for employment, with respect to their hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, national origin, ancestry, age, sex, height, weight, marital status, physical or mental handicap or disability. The bidder further agrees that every subcontract entered into for the performance of any Contract or purchase order resulting herefrom will contain a provision requiring non-discrimination in employment, as herein specified, binding upon each subcontractor. This covenant is required pursuant to the Elliot Larsen Civil Rights Act, 1976 Public Act 453, as amended, MCL 37.2201, *et seq*, and the Michigan Handicapper's Civil Rights Act, 1976 Public Act 220, as amended, MCL 37.1101, *et seq*, and any breach thereof may be regarded as a material breach of the Contract or purchase order.

UNFAIR LABOR PRACTICES

Pursuant to 1980 Public Act 278, as amended, MCL 423.231, *et seq*, the State shall not award a Contract or subcontract to an employer

whose name appears in the current register of employers failing to correct an unfair labor practice compiled pursuant to Section 2 of the Act. A Contractor of the State, in relation to the Contract, shall not enter into a Contract with a subcontractor, manufacturer, or supplier whose name appears in this register.

SOFTWARE PERFORMANCE (YEAR 2000)

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

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

Please Note: This section applies specifically to those products and services directly supplied by Lawson.

TAXES - FEDERAL, STATE AND LOCAL

The State of Michigan is exempt from Federal Excise Tax, State and Local Sales Taxes. Such taxes shall not be included in contract prices as long as the State maintains such exemptions. Federal Excise Tax exemption certificates will be furnished with purchase order if requested.

Property acquired for state or state agency through an installment lease agreement as public property shall be considered exempt for purposes of the General Property Tax Act, Act No. 206 of the Public Acts of 1893, being Sections 211.1 to 211.157 of the Michigan Compiled Laws.

ASSIGNMENT OF PAYMENT

Contractor may, with the prior approval of the State, assign its right to receive payments hereunder, provided, that such assignment shall not relieve Contractor of its responsibility to perform any duty imposed upon it herein, and that all payments shall be made to one entity.

STATE'S OBLIGATION

State's obligation is payable only and solely from funds appropriated for the purchase of this agreement. All funds for payments after the end of the current fiscal year are subject to the availability of a legislative appropriation for the purpose of this agreement. Payments during subsequent fiscal periods are dependent upon the same action. The State agrees to give the Contractor written notice of such non-appropriation within thirty (30) days after it receives notice of such non-appropriation.

CONTRACTOR'S OBLIGATION

In the event the Contractor has provided equipment or software other than of their own manufacture as specified in all Riders, the State will allow the Contractor, as prime Contractor, to sub-contract to provide the necessary bid item; however, the prime Contractor will retain sole contract responsibilities to the State for all contract obligations contained herein and such substitution shall be upon the approval of the Office of Purchasing.

MODIFICATION OF SERVICE

The Director of Purchasing reserves the right to modify this service during the course of the contract. Any changes in pricing proposed by the contractor resulting from possible modifications are subject to acceptance by the state.

GENERAL

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

- A. Section 1, State of Michigan Contractual Services Terms & Conditions
- B. Section 2, Lawson Software Statement of Work
- C. Section 3, Lawson Software Support Services

The failure of a party to insist upon strict adherence to any term of this contract shall not be considered a waiver or deprive the party of the

right thereafter to insist upon strict adherence to that term, or any other term, of the contract.

Any contract resulting from this ITB may not be modified, amended, extended, or augmented, except by a writing executed by the parties hereto, and any breach or default by a party shall not be waived or released other than in writing signed by the other party.

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

This contract shall in all respects be governed by, and construed in accordance with, the laws of the State of Michigan.

OPERATIONAL CONSIDERATIONS:

Associated with the implementation of the Lawson INSIGHT Human Resources Business Management System and providing the services covered under this Agreement, are a number of related, yet separately contracted events, including, but not limited to: 1) the selection of the Implementation Contractor, 2) licensing the use of the Lawson INSIGHT Human Resources Business Management System and the associated payment thereof, and 3) the availability of the appropriate hardware and technical environment to support the Lawson INSIGHT Human Resources Business Management System. If there should be a delay in meeting the requirements of any of these associated events, Lawson and the State mutually reserves the right to re-evaluate and adjust the level of consulting and training services provided in accordance with the effect a delay in any of these events might have on providing the services covered in this Agreement.

SECTION II: LAWSON SOFTWARE STATEMENT OF WORK

PROJECT OVERVIEW

This proposal and the attached documentation from Lawson Software ("Lawson") is to provide a recommendation from Lawson to assist the State of Michigan in the successful implementation of the Lawson INSIGHT Human Resources Business Management System and to clarify the roles and responsibilities of each party in the implementation process.

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 implementation project.
- The activities and efforts of the State of Michigan's core project team will be supplemented by services provided by an Implementation Contractor/Quality Assurance Consultant, Lawson GAIN Partners, a Lawson Client Service Manager, and Lawson service consultants for appropriate activities at the appropriate times during the implementation of our products.
- The services provided by Lawson shall be specific to only those services that Lawson Software considers to be part of its core competency.
- Lawson's services will be priced on a time and materials basis except where noted when Lawson provides a specific service at a specific rate (for example, the initial installation of the Lawson INSIGHT Human Resources Business Management System).
- The training and consulting services proposed by Lawson are based upon Lawson's best estimate using our knowledge of the State of Michigan to date and our previous experiences with implementing the products outlined in this proposal.
- Lawson's estimate for both consulting and training services provided by Lawson for Phase 1 training and professional services is as follows:

<u>Classroom Training</u>	<u>From</u>	<u>To</u>
Human Resources Applications	\$166,400	\$166,400
Technical	\$105,100	\$105,100
<u>Professional Services</u>		
Implementation Management	\$116,640 (81 days)	\$172,800 (120 days)

Human Resources Consulting	\$297,600 (248 days)	\$480,000 (400 days)
Technical Consulting	\$ 99,000 (55 days)	\$126,000 (70 days)
<u>Three Lawson Environmental Audits</u>	\$ 7,800	\$ 7,800

<u>Service Pack, Including:</u>	NOTE	\$ 22,075
Application Software Installation		
Lawson INSIGHT Computer Based Training (100 to 350 users)		
Lawson INSIGHT Human Resources Conversion Workbooks (1 to 5 copies)		
Lawson INSIGHT Payroll Conversion Workbooks (1 to 5 copies)		
Lawson INSIGHT Training Administration Self-Study Workbooks (1 to 5 copies)		

NOTE: Fees for items listed in Service Pack shall be assessed in accordance to the actual number of applicable items purchased.

This is only an estimate. The actual training and consulting services fees paid will be based upon the actual number of service days provided by service type in accordance with the service fees schedule located in the **Services Fees** section below.

This estimate is based upon the assumption that Lawson's Implementation Methodology with its specific steps, or an implementation methodology mutually agreed upon by Lawson, the State, and the Implementation Contractor, will be followed. The activities identified on the Services Estimate coincide with those activities where the Lawson Service team will assist the State of Michigan during the project.

Lawson's Methodology assumes that Lawson consultants will provide Lawson application-specific implementation planning, training and consulting to the client project team at appropriate points during the implementation. The initial step in the implementation process will be the identification of the State of Michigan resources that will compose the core project team.

Lawson will provide training to the State of Michigan's core project team on the complete features and functions of each application supplied by Lawson outlined in this proposal. This approach shall facilitate the transfer of knowledge to the State of Michigan's core project team on all aspects of the Lawson INSIGHT Human Resources Business Management System, resulting in informed decisions on the best use of the Lawson INSIGHT Human Resources Business Management System by State of Michigan.

The ultimate goal of this approach is to provide the tools and knowledge necessary to allow the State of Michigan to become self-sufficient “owners” of this mission critical system.

This approach to the implementation - representing a strong partnership between the State of Michigan and Lawson - is a distinct differentiator between Lawson and other software vendors. We are confident that based upon a focused and concerted effort by the State of Michigan, Lawson Software, the Implementation Contractor, and the Lawson GAIN Partners, the Lawson INSIGHT Human Resources Management System will be successfully implemented by the State of Michigan within the required timeline.

LAWSON PRODUCTS

The products supplied by Lawson that will be implemented by the State of Michigan include:

- **The Lawson INSIGHT Human Resources Process Suite, including:**
 - Human Resources
 - Payroll
 - Personnel Administration
 - Training Administration
 - Benefits
 - Employee Information Center (Kiosk Software Only)
 - Time Accrual
 - Time & Attendance
 - Resumix Interface

- **Lawson INSIGHT Web-based Self-Evident Applications, including:**
 - Employee Self-Service
 - Manager Self-Service
 - LOGAN Data Miner

- **Lawson INSIGHT Environment for UNIX**
 - Lawson Database & System Administration for the Server
 - Lawson 4GL/CASE Tool
 - Lawson Developer’s Workbench
 - Lawson Workflow Open Message Architecture

- **Lawson INSIGHT Desktop, including:**
 - Desktop Tabs
 - Excel Add-In Drill Around
 - Excel Add-In Export/Import

State government agencies. The degree to which Lawson shall provide ongoing consulting and training services following the initial implementation phase will be dependent upon the desired timeframes associated with the services to be performed and the availability of consulting and training services resources.

As outlined above, the implementation and use of the Lawson INSIGHT Human Resources Business Management System shall be specific to the human resources/payroll activities and functions as related to 60,000 State employees. The State of Michigan estimates that the Lawson INSIGHT Human Resources Process Suite will be operated by up to 400 concurrent users once fully implemented, and that the Lawson INSIGHT Employee Self-Service System will be made available to 60,000 State employees.

IMPLEMENTATION APPROACH

The State of Michigan will employ a phased implementation approach. The phases that have been identified to date are presented below.

Phase 1

The initial phase of the implementation of the Lawson INSIGHT Human Resources Business Management System shall begin April, 1998. The State of Michigan has established a target "live" date of the end of October, 1999.

The specific functions to be fully operational by the target "live" date of October, 1999, include:

- The ability to process payroll on the Lawson system
- The ability to track benefits on the Lawson system
- The ability to calculate vacation/sick accrual on the Lawson system
- The ability to track applicant data on Lawson
- Training Administration (internal classes, instructors, enrollment, etc.)

In addition to the functions listed above, the initial phase shall also include the following functional capabilities in order to make them available to those agencies that choose to implement them on the October, 1999, live date:

- Lawson INSIGHT Desktop functionality
- Employee Self-Service
- Manager Self-Service

Phase 1 Pilot

The State of Michigan has expressed a desire to implement a "pilot" roll-out by April, 1999. This will allow the State of Michigan to show an "early win" in the overall implementation. The pilot population is yet to be determined, but may

File Transfer
Mail Object Generator
Process Agents
Forms Painter
Process Menus

- **Desktop Developer**

PROJECT SCOPE

The State of Michigan will employ a phased implementation approach. The initial stage shall begin April, 1998. The State of Michigan has established a target "live" date of the end of October, 1999. The requirement of the initial phase is to be able to perform specific functions as related to the human resources/payroll activities for 60,000 state-wide employees. The specific functions to be fully operational by the target "live" date of October, 1999 include:

- The ability to process payroll on the Lawson system
- The ability to track benefits on the Lawson system
- The ability to calculate vacation/sick accrual on the Lawson system
- The ability to track applicant data on Lawson

In addition to the functions listed above, the initial phase shall also include the following functional capabilities in order to make them available to those agencies that choose to implement them on the October, 1999 live date:

- Lawson INSIGHT Desktop functionality
- Employee Self-Service
- Manager Self-Service

The State of Michigan is in the process of forming the core project team. Initial estimates indicate that the core project team will consist of thirty-five (35) to forty-five (45) members representing various functional areas and State government organizations. The core project team will be augmented by advisory representation from interested State government organizations.

As noted in the Project Overview section above, Lawson consultants will provide Lawson application-specific implementation planning, training and consulting to the State of Michigan's core project team during the initial implementation phase scheduled for completion at the end of October, 1999. Following the initial implementation phase, the State of Michigan foresees an ongoing working relationship between the State of Michigan and Lawson in which the State shall employ Lawson consulting and training services for the implementation of functions not addressed in the initial implementation phase. There may also be a desire for Lawson to provide consulting and training services directly to various

consist of an individual agency or a subset of agencies, and/or limited application functionality.

Phase 2

Application functionality which is beyond the scope of Phase I may be implemented in Phase 2 of the project. These features and/or functionality to be addressed in Phase 2 may include:

- COBRA maintenance
- Detailed attendance tracking (tardy, left early, etc.)

Phase 2 may also include consulting and training services provided by Lawson directly to various State government agencies. The degree to which Lawson shall provide ongoing consulting and training services following the initial implementation phase will be dependent upon the desired timeframes associated with the services to be performed and the availability of consulting and training services resources.

Optional applications supplied by Lawson to be considered for a future phase include:

- Enterprise Workflow
- Lawson INSIGHT OLAP
- Lawson Web Forms Painter

PROJECT TEAM ROLES

Client Project Team

This proposal is aimed at setting the expectation as to specific roles to be assumed by members of the State of Michigan's core project team. Below are the key project team roles recommended by Lawson:

Executive Sponsors: These individuals understand and represent upper management's reasons for the implementation of the Lawson INSIGHT Human Resources Business Management System. This group will provide a clear vision and direction to the project team as to how Lawson will be utilized to meet the State of Michigan's strategic plans. Their role will be to participate in setting the goals and scope for the project and participating in periodic status meetings with the project team. Their direct project involvement will include understanding the current progress of the project and any issues that need upper management's attention and resolution in order for the project to be completed. Their decisions will be focused on securing funding, resource commitment, policy or procedure changes and scope. This group is assumed to be dedicated to the project five (5) to ten (10) percent of the time. The State of Michigan has expressed the

intention of an Executive Sponsor committee made up of three individuals representing DMB, DCS, and OSE.

Project Manager: Lawson assumes that the State of Michigan will provide a project manager that will be dedicated to the Lawson implementation between ninety (90) to one hundred (100) percent of their time. This person will oversee all project activities from the client's side and will work directly with Lawson's Client Service Manager to coordinate the activities involving Lawson training and consulting services, including:

- Oversee the creation, maintenance and execution of the implementation plan including schedule of Lawson and non-Lawson activities.
- Contract for and manage (if needed) the integration/services of all third parties associated with the integration of Lawson to hardware and software projects running concurrently with the Lawson implementation.
- Contract for and manage all consulting firms that will provide programming services for modification (if needed) to Lawson products to meet business functionality needs.
- Project management to oversee the Vendor and client project team for installation, completeness, timeliness and quality control.
- Staffing the project with the proper resources.
- Attending Lawson project team training for selected functional classes.
- Setting project priorities and assigning tasks.
- Identifying and documenting project issues and providing status reports on the project to State of Michigan's executive management sponsors.

Due to the scope of the project for the State of Michigan, a team approach is planned for this function. The State has identified a Project Administrator role to be sixty (60) percent dedicated to the project, and a Project Management, Communications, Coordination team comprised of or requiring four (4) full-time equivalents. The project management role will be supplemented by an implementation contractor.

Product Work Teams: Lawson recommends that a successful team include both a *Product Owner* for each of the products being implemented and *Product Work Team Members* consisting of additional client resources representing for each functional areas.

- **Product Owner** - Project Owner is typically a Manager or Supervisor for the functional area being implemented depending on the size of the organization. This person is aware of the strategic needs for his/her functional area and the current policy and procedures for the area. The product owner will attend team training for the products that they will implement during the project and understand the setup parameters, business processes, reports, conversions and interfaces with other systems in order to provide specific assignments to their work team. This individual shall be able to make tactical decisions during the implementation in regards to implementing new procedures or policies and to control the time commitments of staff to work on the project either as *Product Work Team Members* or as *End Users*. This person will understand the issues and decisions needed to be made for their areas during the project and report on them to the Project Manager in status meetings. Lawson assumes that the State of Michigan will provide *Product Owners* for the appropriate application areas to the project. The State has indicated its intention to have a variety of "Team Leaders" to fill these roles based on functional area. The Benefits Team Leader, Personnel Team Leader, and Payroll Team Leader are expected to be one hundred (100) percent dedicated to the project. Additional Team Leaders will be in place for technology, as well as coordination between Legislative & Judicial branches, and the MAIN system.
- **Product Work Team** - Product Work Team members for each product should be assigned (i.e. benefits, payroll, personnel). These individuals will be representatives from the functional area that will use each application. Lawson assumes that the Work Team Members will be eighty (80) percent dedicated to the project. Work Team Members should be either Supervisors, Lead Clerks, or individuals that are employed as liaisons between the User Area and Information Services. Work Team Members will attend team training on products in order to understand the features and functions available in Lawson. These individuals will work directly with the Lawson application consultants during on-site visits.

Their responsibilities will include documenting system setup options and alternatives, entering system setup, testing system setup and transactions, preparing Conference Room Pilot scripts and scenarios, documenting results and issues, writing procedure manuals, designing end user training requirements, gathering reporting requirements, writing reports, data mapping of conversions and interfaces, and verifying data conversions and interfaces for validity.

IS Work Team: The IS Work Team is typically composed of an IS Manager or Supervisor that will work closely with the State of Michigan's Project Manager. This role may be equated to the application "Product Owners" mentioned above. This person should currently have the responsibility of supporting most, if not all, of the applications being implemented, and have the authority to assign IS resources to the project as *IS Work Team Members*. The IS Manager should also be in a position to request other resources in the IS Department that may not report to him/her but may be needed for the project at certain times (for example a Data Base Administrator during the installation). The IS Manager should assign Work Team Members that are currently supporting the applications that are being implemented or will be in the future. IS Work Team Members will attend team training on the applications they will support so that they are familiar with Lawson terminology, setup, programs and processing cycles. These individuals will also attend technical classes on Lawson System Administration and Data Base Administration and tools, Advanced Report Writers, and Desktop Integration Tools.

The IS Work Team will be responsible for creating conversion files from existing applications, creating security within Lawson, managing the test, development and production versions of Lawson, creating job streams, writing interfaces to other systems if needed, writing more complicated reports, and providing on-going administration of the system by applying product upgrades. Lawson assumes that during certain phases of the implementation (the last half of the project) the commitment from this group could reach eighty (80) percent.

Lawson assumes that the IS Work Team will be knowledgeable in UNIX, Oracle RDBMS, networking, programming and all IS areas to support Lawson. Lawson assumes that the IS work team will attend the proper Lawson training classes to gain knowledge of how to administer the Lawson applications.

Policy Control/Decision Making Resolution: A key component to every successful implementation is the ability to make decisions quickly regarding policy change. An empowered committee to facilitate this process will significantly impact the implementation time line.

Lawson Implementation Team

Lawson's Services Division will assign an Implementation Team to work with State of Michigan's Project Team during the project. Lawson will assign Managers and Consultants to the State of Michigan project in order to assure the continuity of resources that will understand the specific business needs that the State of Michigan is addressing with the implementation of the Lawson INSIGHT Human Resources Business Management System. These individuals are adept

at implementing the Lawson applications and providing core competencies and skills. Lawson Implementation Team members include:

Client Service Manager: The Client Service Manager works directly with the State of Michigan's Project Manager and Integration Partner to plan, execute, and monitor the Lawson project. The Client Services Manager will assist in developing a Client-specific Project Plan that encompasses all products, and provide advise and recommendations as to what needs to be accomplished in what sequence and with which resources. This person will schedule Lawson's activities (installation, training and consulting) as well as help the State of Michigan's Project Manager coordinate the activities of any third party involved with the implementation. They may participate in project status meetings, resolve Lawson-related issues, and provide status reports to the State of Michigan project management on concerns affecting the project.

The Client Services Manager will be responsible for the following activities:

- Initial Implementation Plan participation and MS Project Template
- Provide ongoing feedback on the project plan by defining additional tasks and interdependencies within Lawson
 - Attend consultant visits periodically to gain understanding of functional requirements and unique needs of State of Michigan and to enhance planning
 - Assign Lawson resources including staffing complement and skill levels
 - Manage Lawson resources during implementation
- Identify areas where business partners can provide support
- Assist in the development of the State of Michigan education plan
- Escalation contact at Lawson during implementation
- Attend and participate in project status meetings and steering committee meetings to review task completion's and upcoming tasks and adjustments to the schedule
- Maintain and forecast billing information for Lawson resources to facilitate client reconciliation of invoices and budgeting
- Notify State of Michigan of Lawson release schedule of cyclical's so that system administration and release management can be planned for in the project
- Notify State of Michigan of planned product enhancements so that client can make informed decisions on whether potential modifications can be deferred
 - Reporting on issues and concerns affecting the project

Consultants: The Client Services Manager will direct a team of skilled *Application Consultants, Technical Consultants, and Trainers*. These individuals will be assigned to your project based on specific hardware, software and applications knowledge and experience. The *Client Services Manager* can also call upon other special resources within the company and outside of the Lawson as necessary for your project:

- ***Application Consultants*** - Application Consultants are Lawson product "*Specialists*". These consultants have a concentrated knowledge base in one or two related applications and will provide Lawson expertise in our core competencies to assist State of Michigan during their project. These core competencies include:
 - ◇ Training experience on Lawson products
 - ◇ A business background in the applications being implemented and the ability to interview a client to understand their specific business requirements
 - ◇ Gaining an understanding of the Client's organizational structures and processing requirements through on-site meetings and interviews to take best advantage of Lawson's features and functionality
 - ◇ Identifying and recommending system setup alternatives and advantages
 - ◇ Assist client in adding parameters to the system per the recommended system design
 - ◇ Recommend business procedures to increase efficiency of the application and the functional use of the product
 - ◇ Recommend cycle processing for job stream setup
 - ◇ Assist in identifying security requirements
 - ◇ Assist client in identifying Conference Room Pilot scenarios and setup for execution of the pilot
 - ◇ System testing suggestions and support including unit testing, integrated testing, parallel testing and stress testing
 - ◇ Report mapping, design and writing
 - ◇ Recommend conversion methodologies, assist in data mapping and conversion verification
 - ◇ Interface analysis assistance, mapping and recommendations for Lawson application programming interface strategies to employ
 - ◇ Production support upon going live

- **Technical Consultants** - Technical Consultants provide services that address many of the IS needs of a client. These services include the system administration tasks required to create a production environment on the server, desktop, and the Web. We also provide consulting on data access techniques and can recommend and implement report writers to address cross-product reporting and inquiry. Specific areas include:
 - ◇ Software installation
 - ◇ Migration between data bases
 - ◇ System Administration - job streams, file transfers, report distributions
 - ◇ Security Consulting
 - ◇ Lawson Insight Desktop Customization of the end user interface
 - ◇ Report Writing with Lawson cross-product tool - Universe 4 GL
 - ◇ Develop new inquiry screens with Universe 4GL
 - ◇ Perform environmental audit
 - ◇ LOGAN Consulting

- **Trainers** - Lawson's *Trainers* provide both application and technical training on Lawson's products. Project Team Training is geared for the client's core team members and is intended to provide a comprehensive overview of the whole application (Benefits or HR for example). End User Training is geared to teach only specific tasks that non-core team members will need to know to process data within Lawson after the core team has identified how best to set up the Lawson system.

Implementation Contractor

Enterprise Consulting Partners (ECP) are firms which have certified consultants able to manage and lead Lawson implementation projects at the client site. Typically, an Enterprise Consulting Partner will manage a client's implementation with a project leader and certified application consultants. Enterprise Consulting Partners will run the implementation project, taking responsibility for all it's aspects including enterprise-wide process reengineering, process improvement, planning, consulting, installations, conversions and interfaces. Enterprise Consulting Partners will often manage implementation services provided by GAIN Service Providers, Lawson's Consulting Services and any other suppliers for a project. Enterprise Consulting Partners may be industry specific, or they may offer their services to a broad range of clients.

Listed below are Lawson's Enterprise Consulting Partners:

- Andersen Consulting
- Arthur Andersen
- Coopers & Lybrand
- Deloitte & Touche
- Ernst & Young
- The Hunter Group
- IBM Global Services
- KPMG Peat Marwick
- Price Waterhouse
- The Revere Group

GAIN Service Providers

GAIN Service Providers are qualified to provide specific services for an implementation project. Typically these services are technical in nature, such as custom programming and design, custom conversions or interfaces, installations, database tuning, and software upgrades. GAIN Service Providers manage specific tasks within an implementation project, rather than managing the overall project. Lawson GAIN Service Providers that may participate in the implementation of the Lawson INSIGHT Human Resources Business Management System by the State of Michigan include:

- ESP Software
- The Summit Group
- AIC
- S3G

LAWSON SERVICES ESTIMATE

Lawson's Services Estimate for the implementation of the Lawson INSIGHT Human Resources Business Management System by the State of Michigan of services provided directly by Lawson as it relates to the Phase 1 activities is as follows:

<u>Classroom Training</u>	<u>From</u>	<u>To</u>
Human Resources Applications	\$166,400	\$166,400
Technical	\$105,100	\$105,100
<u>Professional Services</u>		
Implementation Management	\$116,640 (81 days)	\$172,800 (120 days)

Human Resources Consulting	\$297,600 (248 days)	\$480,000 (400 days)
Technical Consulting	\$ 99,000 (55 days)	\$126,000 (70 days)
<u>Three Lawson Environmental Audits</u>	\$ 7,800	\$ 7,800
<u>Service Pack, Including:</u>	NOTE	\$ 22,075
Application Software Installation		
Lawson INSIGHT Computer Based Training (100 to 350 users)		
Lawson INSIGHT Human Resources Conversion Workbooks (1 to 5 copies)		
Lawson INSIGHT Payroll Conversion Workbooks (1 to 5 copies)		
Lawson INSIGHT Training Administration Self-Study Workbooks (1 to 5 copies)		

NOTE: Fees for items listed in Service Pack shall be assessed in accordance to the actual number of applicable items purchased.

This is only an estimate. The actual training and consulting services fees paid will be based upon the actual number of service days provided by service type in accordance with the service fees schedule located in the **Services Fees** section below.

This estimate is based upon the assumption that Lawson's Implementation Methodology with its specific steps, or an implementation methodology mutually agreed upon by Lawson, the State, and the Implementation Contractor, will be followed. The activities identified on the Services Estimate coincide with those activities where the Lawson Service team will assist the State of Michigan during the project.

This services estimate is specific to only the Phase 1 activities listed above.

Specific activities and services associated with the consulting and training services provided by Lawson during Phase 1 include:

Training

Lawson's proposal of estimated services includes those classes/training modules identified below. They represent the training that is currently available from Lawson and recommended in order to implement the products that State of Michigan will license the use of with Lawson.

	Education - Public			Education - Private/Custom		
	Class Cost	Attendees	Total Cost	Class Days	# Classes	Total Cost
Human Resources Training						
HR Process Suite Setup	2,250	0	0	5	3	48,000
Benefits Processing	900	0	0	2	3	19,200
Payroll Processing	1,350	0	0	3	3	28,800
Personnel Processing	1,350	0	0	3	3	28,800
Time Accrual	900	0	0	2	2	12,800
HR Report Writer	900	0	0	2	3	19,200
Payroll Year-End Processing	450	0	0	1	3	9,600
Total Estimated HR Training			0			166,400
Technical Training - Unix						
Unix Environment Administration	2,800	0	0	4	1	12,800
CASE	3,500	0	0	5	1	16,000
4GL	2,100	0	0	3	1	9,600
Workbench Tools, Level 1	2,800	0	0	4	1	12,800
Workbench Tools, Level 2	2,100	0	0	3	1	9,600
LOGAN Developer				3	1	5,400
Desktop Tabs	700	0	0	1	3	9,600
Desktop Developer	1,400	0	0	2	3	19,200
Process Agents Workshop	700	0	0	1	3	9,600
Lawson Internet Training Center			500			0
Total Estimated Technical Training			500			104,600

A public training schedule detailing classes offered at Lawson regional offices is published quarterly. Clients may choose to register for these classes, or work with the Client Service Manager to create private classes. Private classes may be held at the client site or at a Lawson regional office if a classroom is available.

Classroom attendance (whether public or private) is limited to a maximum of twelve (12) people per class. Client-site training requires a facility conducive to provide the proper learning environment. Onsite classes at State of Michigan's facilities will require that:

- There is one (1) workstation per two (2) attendees
- The training system is prepared with data
- The system is stable
- That an IS representative responsible for administering the system is onsite for the duration of the class in case of system problems

Lawson assumes that we will provide standard generic training classes. Lawson will provide standard training documentation for these classes. If custom classes are desired (for example; end user training), we can work with the State of Michigan to develop an appropriate agenda and materials.

In the event a Lawson consultant is on-site at the State of Michigan's facility to conduct training and it is determined that the environment does not allow for the class to be held, that day will be charged against the State of Michigan account, and any other classes scheduled to make up for that day will be an additional charge to this proposal.

Professional Services

Specific activities associated with the Professional Services estimate above include:

Human Resources Consulting

- Payroll/Time & Attendance
- Benefits
- Personnel/Training Administration
- Time Accrual
- HR Report Writer
- Payroll Year-End Processing

Technical Consulting

- Information Office/Self-Service
- Desktop Integration
- Security Setup
- Conversion/Interface Planning

Implementation Management

- Project Strategy Meeting/Kick-off
- Implementation Management
- Initial Implementation Workplan
- Business Strategy Session
- Detail Workplan Review
- Readiness Assessment
- Post Implementation Audit/Phase 2 Planning

Steps associated with Lawson's Implementation Methodology include:

Project Strategy Meeting & Initial Implementation Planning

Client Services Manager and Consultants officially start projects by reviewing the Lawson implementation methodology to establish a baseline understanding of all phases. Lawson service personnel will work closely with the State of Michigan and the Implementation Contractor during this period to officially recognize project goals and scope. Team structures will be finalized and communication channels will be established. A rough draft of the implementation plan and education plan will be developed. Integration of products with non-Lawson applications will be discussed to determine timing considerations and involvement of Lawson with third party vendors, if necessary. An implementation plan template in MS Project will be provided to State of Michigan for use in project tracking.

Application Exploration

This phase occurs after the project team has received their product training. It is used to enhance the client's understanding of Lawson's applications to begin the transition of working client business scenarios through Lawson. Lawson provides examples from the Training Workbooks for each product. Our consultants will work on-site with the client to provide hands-on support to test some setup and processing examples on the client's installed system. The activity provides the client project team with confidence that their system is operational and gives them a starting point for adhoc exploration on Lawson and practice what they learned in class.

Operations Analysis/System Setup and Structuring

Lawson consultants will review, with State of Michigan, their business processes and flows in order to gain a better understanding of their needs from the Lawson products. Lawson consulting will assist in defining alternatives on how to best structure each application's tables. Our analysis will include setup considerations between our products and non-Lawson products and the pro's and con's of each. We will provide recommendations on what we believe will be the best use of setup parameters to accommodate the client's specific requirements. The Client's project work team will be responsible for presenting their current processes, work flows, organizational structures, copies of reports, forms, screens, interfaces, planned interfaces and their critical business objectives. The project team will be responsible for the actual data entry into the Lawson setup screens and/or conversion of data into these tables.

Business Requirements Definition and Mapping/Business Procedures Review

This phase incorporates many activities, but primarily focuses on the processing needs and inquiry/analysis that will be needed from the system. Some of this work will coincide with the System Setup & Structuring activities in order to understand how a setup decision will affect how data can be processed and accessed within Lawson. Some of the work will begin after the setup decisions have been made in order to begin the work of identifying what processes will be used, what additional reports beyond standard reports will be required, what will be converted and how and what will be interfaced and how. Lawson consulting will identify screens, reports and programs that best meet processing requirements of the Client and recommend which to use.

The State of Michigan project work team will be responsible for entering data to process, running Lawson batch programs, running reports and performing on-line analysis of client business scenarios.

Conference Room Pilot

Lawson consultants will assist the State of Michigan in identifying and developing appropriate data sets and controls for a prototype system. In addition, Lawson will review and analyze the results with the State of Michigan to access adjustments to system setup, procedures and policies. Lawson will provide a Conference Room Pilot Workbook to illustrate how to document what will be tested and what prerequisite setup of test data will be required for the test. The Client project work team or a third party will be responsible for preparing and documenting system setup, test data, expected results and actual results.

Conversion Activities

Lawson provides conversion programs as well as documentation that explains conversion procedures, alternatives and file layouts. It is the Client's responsibility to write the programs that will extract data from their existing files and populate data into the file layouts that Lawson's conversion programs read. Lawson's proposed conversion consulting includes mapping assistance, design review and validation support. GAIN Service Providers can offer assistance in this area.

Interfaces

Open Application Program Interfaces (API's) are provided to enable clients to more easily interface non-Lawson applications to our products. It is the Client's responsibility to write the programs that provide data in the file layout format that our API's read. GAIN Service Providers can offer assistance in this area.

System Test and Production Support

Lawson consultants will assist the State of Michigan in developing their strategy for an integrated system test which includes conversions, interfaces, security and production job streams. Our consultants will also be onsite to support this effort. Our consultants will also be on site when the Lawson applications go live. Lawson assumes that State of Michigan's IS Work Team will have attended the Lawson INSIGHT Environment class which instructs clients on the administration, security and job stream set up of the system.

Readiness Assessment

Readiness Assessment is a meeting that will be held prior to going "live". Lawson's consultants and/or Client Services Manager with the project team will identify any incomplete tasks and prioritize their importance to the live date. A decision to put the system into production will be made and contingency plans for the live cut-over will be made. Lawson will provide a Readiness Assessment Report for the State of Michigan's management.

Not included in Lawson's Services Estimate are the following:

Interfaces

Lawson Implementation Services do not include programming interfaces to or from external systems. Lawson will provide interface planning, design assistance, data mapping, testing and verification of interface data. Programming of custom interfaces can be provided by Lawson certified **GAIN** Service Providers, a client identified consulting firm or assumed by the client's IS Work Team.

Program Modifications

Lawson Implementation Services do not include programming modifications to Lawson applications. Lawson will first and foremost provide product knowledge to determine if other methods are available in the delivered product to accomplish the same functionality prior to having the client commit to a modification. If required Lawson will provide design assistance, testing and verification that the modification performs in accordance with the functional requirements. Modification programming can be provided by Lawson's **GAIN** Service Providers, a client identified consulting firm or assumed by the client's IS Work Team.

Consulting on Non-Lawson Applications

Lawson Implementation Services do not include training and consulting services on non-Lawson applications. Lawson's methodology assumes that our consultants will provide Lawson application-specific implementation planning, training, and consulting to the client project team, and consider these services to be part of our core competency. A

"best of breed" approach is used in bringing partners to the project to compliment our applications. Training and consulting requirements for these products may be provided by the **third-party vendors**.

Phase 2 Professional Services/Training and Additional Software Solutions

Phase 2 Professional Services and Training are not included in the services estimate presented above. Also not included are any additional software solutions licensed to the State of Michigan by Lawson that are not included in those software applications listed in the **Lawson Support Services** section of this Agreement.

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:

<u>Services</u>	<u>Daily Rate</u>
Implementation Management/Planning	\$1,440
Application Consulting	\$1,200
Technical Consulting	\$1,800
Private Training	\$3,200

These discounted rates shall remain in effect through December 31, 1999, after which the annual increase shall be the lesser of the actual percentage increase or the CPI(W) for a period of two (2) years.

Service Fees do not include travel and accommodation expenses incurred in rendering services. The State of Michigan shall reimburse Lawson for all traveling, 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. It is further understood that Lawson 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 N. Grand, Lansing, Michigan, or the Sheraton Hotel at 925 Creyts, Lansing, Michigan.

Class Size and Scheduled Services Cancellation Fees: Training will be scheduled at various statewide locations by 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) 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) calendar days before the scheduled date, the State of Michigan will pay Lawson Software \$3,200 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 thirty (30) days from the date of such invoices, Lawson may elect to cease rendering the 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.

SECTION III: LAWSON SOFTWARE SUPPORT SERVICES

As part of this Agreement are Software Support Services provided by Lawson Software to the State of Michigan for those software solutions provided by Lawson and licensed for use by the State of Michigan. The effective date specific to the support services covered in this Agreement shall be the effective date of the Lawson Software Product License Agreement specific to the licensed use of the Lawson INSIGHT Business Management System by the State of Michigan. It is therefore a requirement that there be a fully executed Lawson Software Product License Agreement to be eligible for the support services covered in this section.

Lawson Software Support Services Definitions

"Documentation" means all documentation relating to the Software, whether in machine-readable or printed form, supplied by Lawson to the Client, including any updates, revisions, new versions, and supplements to the documentation.

"Initial Support Period" means one (1) year after initial delivery of the Licensed Software Products.

"Modifications or Enhancements" means any modifications, enhancements or derivative works to the Products which contain or use any object code or source code developed by Lawson or its Third Parties.

"Number of Concurrent Users" means the maximum number of Client's employees or consultants that constitute the number of peak simultaneous Users running any on-line program within an application license grouping (if licensed as Standard Products) or within a process application suite (if licensed as a Process Suite) as set forth in the Lawson Software Product Schedule listed below.

"Number of Named Users" means the maximum number of Client's employees or consultants who are designated by Client as the only authorized Users of Products licensed in such manner as set forth in the Lawson Software Product Schedule listed below.

"Number of Seats" means the maximum number of Client's workstations upon which the licensed Products may be installed as set forth in the Lawson Software Product Schedule listed below.

"Number of Servers" means the maximum number of CPUs on which Client is authorized to install the Software as specified for each Product licensed as set forth in the Lawson Software Product Schedule listed below. A CPU shall be considered a server when the server portion of the Product resides on that CPU. Location, server description, operating system release number, server serial number, media required, and database upon which the Software is to be installed,

are as set forth in the Lawson Software Product Schedule listed below or in an addendum to this Agreement.

“Number of Sites” means the maximum number of street addresses, regardless of number of buildings, at which the server portion of the Products is installed. The site addresses must be set forth in the Lawson Software Product Schedule listed below or in an addendum to this Agreement.

“Products” means the products, owned either by Lawson or its Third Parties, designated on the Lawson Software Product Schedule listed below to this Agreement, each of which includes the Software, Documentation, and media.

“Software” means the software portion of the Product in object code or source code format, dependent on the applicable Support Category as set forth in the Lawson Software Product Schedule listed below, any updates, revisions, new versions, supplements, and all permitted copies of the foregoing supplied by Lawson to Client, whether in machine readable or printed form.

“Support” means the assistance provided by Lawson, directly or indirectly, to Client as set forth in the Lawson Software Support Services section listed below.

“Third Party” means a business entity that has authorized Lawson to distribute that entity’s Software and Documentation to Client by sublicense between Lawson and Client.

“Use” means writing the Software into and reading the Software out of memory of any computing device or the execution of the Software, in whole or in part, by any computing device, and use of the Documentation, for the purpose of performing the internal business of Client or its wholly-owned subsidiaries. Use does not include using the Software for the business needs of a person or entity other than Client, such as providing outsourcing, service bureau, on-line services or training to third parties.

“User” means those employees and contractors of the Client who are authorized by the terms of this Agreement to Use the Products.

The singular and plural shall each include the other, and this Agreement shall be read accordingly when required by the facts.

Lawson Software Support Services

Item 1: During the Initial Support Period and any Support extension period under Item 4, Lawson shall use its reasonable efforts to correct any error, malfunction or defect in the operation of the Software to enable the Software to materially or substantially perform in accordance with the Documentation in effect at the time the Support is provided. Client shall be responsible for the installation of product

defect repairs, and enhancements to, or subsequent releases of, the Products. Client shall report to Lawson any errors, malfunctions, or defects that cause the Product to fail to perform any material function set forth in the then current Documentation. Lawson shall only be obligated to provide Support if Client has paid the applicable Support fees and provides Lawson with all information, documentation, technical assistance and access to the computing device on which the Product is installed and any other equipment and personnel necessary to assist Lawson. Lawson shall not be obligated to provide Support if the Product is not used in accordance with the then current Documentation or if any error, malfunction, or defect reported by Client is found by Lawson to be due to a cause other than the Product as delivered by Lawson. Client shall pay Lawson, at Lawson's then current hourly rates, for Lawson's services in responding to a Client report of an error, malfunction, or defect, if (a) such error, malfunction, or defect does not exist, (b) Client does not assist Lawson as required, (c) the Product is not used in accordance with the Documentation, or (d) the error, malfunction, or defect is not caused by the Product. If any such error, malfunction, or defect may reasonably be corrected by Lawson, Lawson may correct it and Client shall reimburse Lawson for such correction at Lawson's then current hourly rates.

Item 2: Support further includes the items set forth in the following Support Categories for each Product as designated in the Lawson Software Product Schedule listed below to this Agreement:

- (i) Support Category A entitles Client to receive the current release of the source code and object code, product defect repairs, enhancements, and new releases, and any Documentation to enable Client to install and use such product defect repairs, enhancements and new releases, as they become generally available to Lawson's other clients and the following Lawson Helpline Services; (a) Lawson's standard telephone support, which includes general technical information and assistance with problem determination, isolation, verification, and resolution during the hours of 7 AM to 7 PM CST, excluding weekends and holidays, and (b) Lawson's limited telephone support which includes, in a production environment, mission critical and systems-down application and technical support during the hours of 7 PM to 7 AM CST Monday through Friday, 24 hours per day on Saturday and Sunday, and 8 AM to 5 PM CST on United States Holidays excluding December 25.
- (ii) Support Category B entitles Client to the same level of Support as Support Category A, except that Client shall not receive source code.
- (iii) Support Category C entitles Client to the same level of Support as Support Category B, except that if Client terminates Support of a Support Category C Product, Support for all other Products, regardless of the Support Category is automatically terminated.

- (iv) Support Category D, entitles Client to the same level of Support as Support Category A, except that if Client terminates Support of a Support Category D Product, Support for all other Products, regardless of the Support Category is automatically terminated.
- (v) Support Category E entitles Client to delivery of the object code for the current release of the Product, but Client shall not receive any Support for that Product during or after the Initial Support Period.
- (vi) Support Category F entitles Client to delivery of the object code for the current release of a Third Party Product, but no Support from Lawson for that Product. Client may contract with the Third Party to receive Support directly from the Third Party.

Item 3: Only persons trained on the installation and operation of the Products (as indicated on the Helpline access list provided from time to time by Client to Lawson) may have access to the Lawson Helpline for problem resolution.

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 made. 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 16% of the net license fee of the Products at the Effective Date plus an increase amount not to exceed the lessor of the actual annual percentage increase of five (5) percent of the previous Support period's Support fee. Such increase restriction on Support fees shall be in effect for a period of five (5) years from the initial delivery of the Products. The increase restriction on Support fees in this Item 4 shall not apply to (i) additions to the Number of Users, Seats, Servers, Sites or Products since the beginning of the most recent Support period; or (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 at 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.

Item 5: If Client does not pay annual Support fees for the Products under Item 4 above, Support and the Product warranty for such Products shall terminate.

Reinstatement of annual Support shall be at Lawson's discretion and shall require one of the following:

- (i) If fewer than twelve (12) months have expired since annual Support has been terminated, Client shall be required to pay a reinstatement fee equal to two (2) percent of the then current list price for the Products for which annual Support has been terminated for each month Client has not been covered under annual Support, plus the annual Support fee for the next twelve (12) months. The annual Support fee shall be based on the then current Support fee rate.
- (ii) If twelve (12) months or more have expired since annual Support has been terminated, then Client shall be required to pay a reinstatement fee for the Products for which annual Support has been terminated equal to the then current list price for the Products.

The Parties agree that the above reinstatement fees are liquidated damages and fair and equitable compensation for the value of reinstated Support, and are not penalties for termination of Support.

Lawson Software Product Schedule

Phase 1 License Fee Investment

Lawson INSIGHT Business Management System Process Suite/Application	Users	License Fee	Percent Discount	Net License Fee	Support Category
Lawson INSIGHT Human Resources Process Suite (Concurrent Users): · Human Resources · Payroll · Personnel Administration · Training Administration · Benefits · Empl. Info. Center Kiosk Software · Time Accrual · Environment	400	\$1,691,000	17.50%	\$1,395,075	A
Employee Service Center and Manager Service Center (Seats)	30,000	\$1,655,000	50.00%	\$827,500	B
LOGAN Data Mining (Seats)	200	\$60,000		\$60,000	B
LOGAN Developer (One Server)	1	\$75,000		\$75,000	B
Resumix Interface (From ESP)	1	\$50,000		\$50,000	F
Lawson INSIGHT Desktop Developer (Copies)	5	\$7,500		\$7,500	B
Lawson INSIGHT CASE Tool	10	\$45,000		\$45,000	B
BSI Tax Service (All States), (1 Server)	1	\$0		\$0	F
License Fee		\$3,583,500		\$2,460,075	

Phase 1 Optional Item

	Users	License Fee	Percent Discount	Net License Fee	Support Category
Oracle 7.x Server Enhanced Run Time (con-current users)	40	\$48,800	0	\$48,800	B

Phase 2 License Fee Investments (Pricing Valid Through December 31, 2000)

Lawson INSIGHT Business Management System Process Suite/Application	Named Users	License Fee	Percent Discount	Net License Fee	Support Category
Empl. Svc. Center & Mgr.Svc.Center					
- Additional Named Users: Additional Block #1	5,000	\$275,000	50.00%	\$137,500	B
- Additional Named Users: Additional Block #2	5,000	\$275,000	52.50%	\$130,625	B
- Additional Named Users: Additional Block #3	5,000	\$275,000	55.00%	\$123,750	B
- Additional Named Users: Additional Block #4	5,000	\$275,000	57.50%	\$116,875	B
- Additional Named Users: Additional Block #5	5,000	\$275,000	60.00%	\$110,000	B
- Additional Named Users: Additional Block #6	5,000	\$275,000	62.50%	\$103,125	B
LOGAN Data Mining: Additional Named Users	300	\$70,000	20.00%	\$56,000	B
Net Application Software Total		\$1,720,000		\$777,875	

* * * * *

SUPPORT AGREEMENT

Support Agreement made by and between Business Software, Inc. ("BSI"), located at 155 Technology Parkway, Suite 100, Norcross, Georgia 30092, and the customer indicated below ("Customer").

Customer: State of Michigan, HRMN Project
 300 S. Washington Ave.
 P.O. Box 30026
 Lansing, MI 48909

1. System License: Customer represents and warrants that it has a non-transferable, non-exclusive license to use the BSI Software System(s) described on the Attachment(s) hereto (hereinafter collectively the "System").

2. Support: BSI shall provide Customer, for _____ months commencing within seven (7) days after BSI's receipt of written notification that the System has been delivered to Customer, with (a) one (1) copy of the program, tax file, documentation and interface specification changes, (b) standard telephone assistance during the hours of 9:00 AM to 5:30 PM EST excluding weekends and holidays and (c) beginning September 15, 1999, limited telephone assistance which includes, in a production environment, mission-critical "system down" application and technical support during the hours of 5:30 PM to 9:00 AM EST Monday through Friday, 24 hours per day on Saturday and Sunday, and 9:00 AM to 5:00 PM EST on United States Holidays excluding Easter Sunday, Thanksgiving Day and December 25th (collectively "Support") required for the most recent release of the System to continue to perform substantially in accordance with the documentation supplied with the System, provided that should BSI determine that the cause of the downtime reported under (c), if any, is not attributable to the System, then BSI shall issue a Service Charge Invoice to the Customer in the amount of \$500.00 which invoice Customer shall pay within thirty (30) days. BSI may change the terms of Support at any time upon completion of the initial or any extension period of Support.

3. Payment for Subsequent Support: If Customer desires to continue to receive Support after the initial period of Support, Customer shall pay for Support on an annual basis in advance ("Support Fee"). BSI will supply Customer with an invoice for the Support Fee sixty (60) days in advance of the Support renewal date. Said annual Support Fee shall consist of (a) a base fee (invoiced by BSI and calculated under BSI's then-standard price list), the payment of which by Customer shall be accompanied by a report, certified as being accurate by Customer, in a format specified by BSI, indicating the Number of Employees (as defined on the Attachment(s) hereto) during the year ending on the last day of the second month preceding the Support renewal date (the "Actual Number of Employees"), along with such additional information reasonably requested by BSI, plus (b) a supplemental fee, if applicable, (invoiced by BSI and calculated under BSI's then-standard price list) based on the Actual Number of Employees so reported. An example of the Support Fee calculation is set forth at Attachment Two. Customer shall only be entitled to Support after the initial period of Support upon BSI's timely receipt of the Support Fee from Customer. BSI shall provide training to Customer at BSI's then-current rates and scheduling.

The State of Michigan is exempt from Federal Excise Tax, State and Local Taxes. Such taxes shall not be included in contract prices as long as the State maintains such exemptions. Federal Excise Tax exemption certificates will be furnished with purchase order if requested.

THE ADDITIONAL TERMS, CONDITIONS AND DESCRIPTIONS SET FORTH ON THE REVERSE SIDE
 HEREOF AND ON THE ATTACHMENTS HERETO ARE AN INTEGRAL PART OF THIS AGREEMENT

NO AGENT OR REPRESENTATIVE HAS ANY AUTHORITY TO DELETE, SUPPLEMENT OR OTHERWISE
 ALTER THE TERMS AND CONDITIONS OF THIS AGREEMENT

BUSINESS SOFTWARE, INC. ("BSI")

State of Michigan ("Customer")

By: _____
 Name: _____
 Title: _____
 Date: _____

By: Christine L. Michiel
 Name: Christine L. Michiel
 Title: Buyer Specialist
 Date: 11/22/99

4. Protection and Security: Customer acknowledges that the System and Support contain trade secrets of BSI and that BSI has proprietary rights and interests in and to the System and Support and that all information with respect thereto is confidential. BSI reserves all rights and benefits afforded under federal copyright law in the System and Support. Customer shall not disseminate or reveal or make available in any manner or form any portion of the System or Support or any information related thereto to any individual other than employees of Customer on a "need to know" and confidential basis. Customer shall take all necessary and proper precautions to ensure that its employees do not reveal any information related to the System or Support. Under no circumstances shall Customer disclose, print, copy, or reproduce any portion of the System or Support other than for use at the Location(s) shown on the Attachment(s) hereto. The parties acknowledge that should Customer violate any provision of this Section 4, BSI will be without any adequate remedy at law, and shall be entitled to obtain an injunction against such breach from any court of competent jurisdiction, in addition to all other remedies available to BSI. This Section 4 shall survive termination of this Agreement for any reason whatsoever.

5. Limitation of Liability: BSI DISCLAIMS ALL WARRANTIES WITH RESPECT TO THE SUPPORT, EXPRESS OR IMPLIED, CONTRACTUAL OR STATUTORY, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. Any other provision of this Agreement to the contrary notwithstanding, the liability of BSI for any losses or damage, whether direct or indirect, arising out of this Agreement from any cause whatsoever, including without limitation any cause of action sounding in contract, tort or strict liability, shall be limited to actual, direct damages incurred but in no event shall exceed the greater of \$10,000.00 or the amount of the most recent Support Fee paid by Customer. BSI shall not be liable for lost profits or other consequential damages, cover damages, or for any claims against Customer by any third party, even if BSI was advised of the possibility of same. Anything in this Agreement to the contrary notwithstanding, Customer shall be solely responsible for the installation, use and operation of the System and the use and accuracy of all output resulting from such use or operation (including without limitation the timeliness and accuracy of all tax payments, calculations, filings and reports), and BSI shall have no liability to Customer, regardless of the cause thereof, for any errors or delays in such output (including without limitation errors or delays in tax payments, calculations, filings or reports, or liability to taxing authorities or Customers' employees for underpayments or nonpayments, interest or penalties). The remedies of Customer are limited to those set forth in this Section 5. This Section 5 shall survive expiration or termination of this Agreement for any reason whatsoever.

6. General Provisions: In the event any portion of this Agreement is or becomes or is declared invalid or void by any court or tribunal of competent jurisdiction, such term(s) shall be null and void and shall be deemed severed from this Agreement, and all remaining terms of this Agreement shall remain in full force and effect. Time is of the essence of this Agreement. This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan and of the United States of America. Any sum due to BSI under this Agreement not paid within forty-five (45) days of the date due shall accrue interest at the rate of three quarters of one percent (75%) (or the highest rate otherwise allowed by law) for each month or portion thereof the sum is delinquent. Any delay or nonperformance by BSI of any provision of this Agreement caused by conditions beyond BSI's reasonable control shall not constitute a breach of this Agreement by BSI, and the time for performance of such provision shall be deemed to be extended for a period of time equal to the duration of the conditions preventing performance. This Agreement constitutes the entire agreement and understanding of the parties with respect to the subject matter hereof, and is intended as the parties' final expression and complete and exclusive statement of the terms thereof, superseding all prior or contemporaneous agreements, representations, promises and understandings, whether written or oral, and may be amended or modified only by an instrument in writing signed by both parties. This Agreement does not supersede any agreement between Customer and Lawson Associates, Inc. d/b/a/ Lawson Software. Any notice required or permitted to be given hereunder shall be (a) in writing, (b) effective on the first business day following the date of receipt, and (c) delivered by one of the following means: (i) by personal delivery; (ii) by prepaid, overnight package delivery or courier service; or (iii) by the United States Postal Service, first class, certified mail, return receipt requested, postage prepaid. All notices given under this Agreement shall be addressed to the addresses of the parties provided herein, or to new or additional addresses as the parties may be advised in writing. This Agreement shall be binding upon and shall inure to the benefit of the parties and their permitted successors and assigns.

Attachment to
SUPPORT AGREEMENT

CUSTOMER INFORMATION

Company Name: State of Michigan, HRMN Project

Address: 300 S. Washington Ave.

Address: PO Box 30026

City / State / Zip: Lansing, MI 48909

Number of Employees* Licensed: 63,000

Contract Administrator: Richard H Huneke

Name/Title: Richard H Huneke, Project Director

Phone Number: 517 241-8802

Address: 300 S. Washington Ave

Address: PO Box 30026

City / State / Zip: Lansing, MI 48909

* The Number of Employees means the total number of employees (including without limitation employees of Customer, or of a subsidiary of Customer or of a third party) for whom payroll taxes are calculated, using the Licensed BSI System, at any time during a one (1) year period

LICENSED SYSTEM/PLATFORM VERSION

System	Server	OS/Version	Database/Version	Client/Version
TaxFactory	HRMND	UNIX	Oracle	Lawson

INSTALLATION(S) (attach additional page if necessary)

Location(s) at which the Server software is installed:

300 S. Washington Ave., Lansing, MI

Any additional Location(s) at which the Client software is installed:

Attachment One to
SUPPORT AGREEMENT

CUSTOMER INFORMATION

Company Name:

Address:

Address:

City / State / Zip:

Number of Employees* Licensed:

Contract Administrator:

Name/Title:

Phone Number:

Address:

Address:

City / State / Zip:

* The Number of Employees means the total number of employees (including without limitation employees of Customer, or of a subsidiary of Customer or of a third party) for whom payroll taxes are calculated, using the Licensed BSI System, at any time during a one (1) year period.

LICENSED SYSTEM/PLATFORM VERSION

System	Server	OS/Version	Database/Version	Client/Version
TaxFactory				

INSTALLATION(S) (attach additional page if necessary)

Location(s) at which the Server software is installed:

Any additional Location(s) at which the Client software is installed:



3 of 3

agremen\dirsupport.dot

Attachment Two

TaxFactory™ PRICE LIST

(Client/Server-based Software)

Number of Employees ¹	License Price*	Support Price ^{2*}
1 to 5,000	\$10,000. + (\$2. for each employee over 1,000)	The Support Price shall be an amount equal to A + (B1 - B2) as set forth in footnote 2 below
5,001 to 40,000	\$18,000. + (\$500 for each 1,000 employees or fraction thereof over 5,000)	
40,001 to 100,000	\$35,500. + (\$1,250 for each 5,000 employees or fraction thereof over 40,000)	
100,001 to 200,000	\$50,500. + (\$1,250 for each 10,000 employees or fraction thereof over 100,000)	
200,001 and up	\$63,000. + (\$1,250 for each 20,000 employees or fraction thereof over 200,000)	

¹ The Number of Employees means the total number of employees (including without limitation employees of Customer, or of a subsidiary of Customer or of a third party) for whom payroll taxes are calculated at any time during the specified one (1) year period.

² The Support Fee shall be an amount equal to the Support Price.

The Support Price shall be an amount equal to $A + (B1 - B2)$, where:

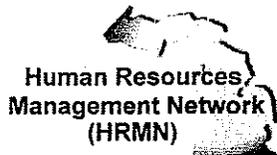
A is an amount equal to thirty-five percent (35%) of the License Price which corresponds to the Actual Number of Employees as defined in Paragraph 3 of the Support Agreement;

B1 is an amount equal to the License Price which corresponds to the Actual Number of Employees as defined in Paragraph 3 of the Support Agreement; and

B2 is an amount equal to THE GREATER OF 1 OR 2 below:

1. An amount equal to the License Price corresponding to the Number of Employees reported to BSI on Exhibit "E" of that certain Marketing Agreement by and between Business Software, Inc. and Lawson Associates, Inc. d/b/a Lawson Software dated 5/14/1998.
2. The largest amount calculated pursuant to B1 at the time of any previous Support renewal date.

(B1 - B2) cannot be less than zero



John F. Lopez, Executive Director
Janet E. Phipps, Executive Director
Mary A. Lannoye, Executive Director
Janine M. Winters, Executive Director

STATE OF MICHIGAN



Knapp's Centre
300 South Washington Avenue
P. O. Box 30026
Lansing, Michigan 48909
Telephone: (517) 241-8500
Fax: (517) 241-8507

JOHN ENGLER, Governor

HUMAN RESOURCES MANAGEMENT NETWORK

Richard H. Huneke, Project Director

July 26, 2001

Mr. Joseph Chin, Director
Technical Acquisition Division
Office of Purchasing
Department Management and Budget

RE: Lawson Contract Amendment (Contract # 071B8000605)

Dear Mr. Chin:

The HRMN Project requests that the Lawson Contract (# 071B8000605) be amended to include Bigby, Havis, and Associates as a subcontractor under our current agreement. Lawson will engage Bigby, Havis, and Associates for assistance in the development of survey, assessment, and competency evaluation instruments related to Lawson software modules currently owned by the State and under development by HRMN in cooperation with the Department of Civil Service.

We appreciate your assistance in completing this contract amendment.

Please contact me if I can provide any additional information.

Sincerely,

Richard H. Huneke, Project Director
Human Resources Management Network

*please
pull
Jrue*

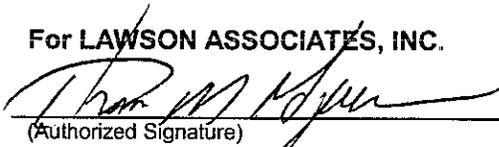
Lawson Software / State of Michigan
Subcontractor Approval Documentation
E-Recruiting

Per contract number BP0071B8000605 the State of Michigan agrees to permit Lawson Software to utilize the subcontractor indicated below for the purpose of the e-recruiting related service project.

Contractor Name Bigby Havis and Associates

Address 12750 Merit Dr.
Suite 660
Dallas TX 75251

For LAWSON ASSOCIATES, INC.



(Authorized Signature)

Tom Giguere

(Printed Name)

Account Manager

(Title)

6/20/01

(Date)

For State of Michigan



(Authorized Signature)

Richard Hoveck

(Printed Name)

Contract Adm

(Title)

6-20-01

(Date)

Facsimile Cover Sheet

To: Betty Rich
Company: BSI
Phone:
Fax: 770-448-3208

From: Christine Michel
Company: DMB Office of Purchasing
Phone: 517-335-0462
Fax: 517-335-0046

Date: 11/22/99

**Pages including this
cover page:** 4

Comments:

Modified support agreement signed.

Facsimile Cover Sheet

To: Betty Rich
Company: BSI
Phone:
Fax: 770-448-3208

From: Christine Michel
Company: DMB Office of Purchasing
Phone: 517-335-0462
Fax: 517-335-0046

Date: 11/22/99

**Pages including this
cover page:** 4

Comments:

Modified support agreement signed.

SUPPORT AGREEMENT

Support Agreement made by and between Business Software, Inc. ("BSI"), located at 155 Technology Parkway, Suite 100, Norcross, Georgia 30092, and the customer indicated below ("Customer").

Customer: State of Michigan, HRMN Project
300 S. Washington Ave.
P.O. Box 30026
Lansing, MI 48909

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2. **Support:** BSI shall provide Customer, for _____ months commencing within seven (7) days after BSI's receipt of written notification that the System has been delivered to Customer, with (a) one (1) copy of the program, tax file, documentation and interface specification changes, (b) standard telephone assistance during the hours of 9:00 AM to 5:30 PM EST excluding weekends and holidays and (c) beginning September 15, 1999, limited telephone assistance which includes, in a production environment, mission-critical "system down" application and technical support during the hours of 5:30 PM to 9:00 AM EST Monday through Friday, 24 hours per day on Saturday and Sunday, and 9:00 AM to 5:00 PM EST on United States Holidays excluding Easter Sunday, Thanksgiving Day and December 25th (collectively "Support") required for the most recent release of the System to continue to perform substantially in accordance with the documentation supplied with the System, provided that should BSI determine that the cause of the downtime reported under (c), if any, is not attributable to the System, then BSI shall issue a Service Charge Invoice to the Customer in the amount of \$500.00 which invoice Customer shall pay within thirty (30) days. BSI may change the terms of Support at any time upon completion of the initial or any extension period of Support.

3. **Payment for Subsequent Support:** If Customer desires to continue to receive Support after the initial period of Support, Customer shall pay for Support on an annual basis in advance ("Support Fee"). BSI will supply Customer with an invoice for the Support Fee sixty (60) days in advance of the Support renewal date. Said annual Support Fee shall consist of (a) a base fee (invoiced by BSI and calculated under BSI's then-standard price list), the payment of which by Customer shall be accompanied by a report, certified as being accurate by Customer, in a format specified by BSI, indicating the Number of Employees (as defined on the Attachment(s) hereto) during the year ending on the last day of the second month preceding the Support renewal date (the "Actual Number of Employees"), along with such additional information reasonably requested by BSI, plus (b) a supplemental fee, if applicable, (invoiced by BSI and calculated under BSI's then-standard price list) based on the Actual Number of Employees so reported. An example of the Support Fee calculation is set forth at Attachment Two. Customer shall only be entitled to Support after the initial period of Support upon BSI's timely receipt of the Support Fee from Customer. BSI shall provide training to Customer at BSI's then-current rates and scheduling.

The State of Michigan is exempt from Federal Excise Tax, State and Local Taxes. Such taxes shall not be included in contract prices as long as the State maintains such exemptions. Federal Excise Tax exemption certificates will be furnished with purchase order if requested.

THE ADDITIONAL TERMS, CONDITIONS AND DESCRIPTIONS SET FORTH ON THE REVERSE SIDE HEREOF AND ON THE ATTACHMENTS HERETO ARE AN INTEGRAL PART OF THIS AGREEMENT

NO AGENT OR REPRESENTATIVE HAS ANY AUTHORITY TO DELETE, SUPPLEMENT OR OTHERWISE ALTER THE TERMS AND CONDITIONS OF THIS AGREEMENT

BUSINESS SOFTWARE, INC. ("BSI")

State of Michigan ("Customer")

By: _____
Name: _____
Title: _____
Date: _____

By: Christine L. Michiel
Name: Christine L. Michiel
Title: Buyer Specialist
Date: 11/22/99

4. Protection and Security: Customer acknowledges that the System and Support contain trade secrets of BSI and that BSI has proprietary rights and interests in and to the System and Support and that all information with respect thereto is confidential. BSI reserves all rights and benefits afforded under federal copyright law in the System and Support. Customer shall not disseminate or reveal or make available in any manner or form any portion of the System or Support or any information related thereto to any individual other than employees of Customer on a "need to know" and confidential basis. Customer shall take all necessary and proper precautions to ensure that its employees do not reveal any information related to the System or Support. Under no circumstances shall Customer disclose, print, copy, or reproduce any portion of the System or Support other than for use at the Location(s) shown on the Attachment(s) hereto. The parties acknowledge that should Customer violate any provision of this Section 4, BSI will be without any adequate remedy at law, and shall be entitled to obtain an injunction against such breach from any court of competent jurisdiction, in addition to all other remedies available to BSI. This Section 4 shall survive termination of this Agreement for any reason whatsoever.

5. Limitation of Liability: BSI DISCLAIMS ALL WARRANTIES WITH RESPECT TO THE SUPPORT, EXPRESS OR IMPLIED, CONTRACTUAL OR STATUTORY, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. Any other provision of this Agreement to the contrary notwithstanding, the liability of BSI for any losses or damage, whether direct or indirect, arising out of this Agreement from any cause whatsoever, including without limitation any cause of action sounding in contract, tort or strict liability, shall be limited to actual, direct damages incurred but in no event shall exceed the greater of \$10,000.00 or the amount of the most recent Support Fee paid by Customer. BSI shall not be liable for lost profits or other consequential damages, cover damages, or for any claims against Customer by any third party, even if BSI was advised of the possibility of same. Anything in this Agreement to the contrary notwithstanding, Customer shall be solely responsible for the installation, use and operation of the System and the use and accuracy of all output resulting from such use or operation (including without limitation the timeliness and accuracy of all tax payments, calculations, filings and reports), and BSI shall have no liability to Customer, regardless of the cause thereof, for any errors or delays in such output (including without limitation errors or delays in tax payments, calculations, filings or reports, or liability to taxing authorities or Customers' employees for underpayments or nonpayments, interest or penalties). The remedies of Customer are limited to those set forth in this Section 5. This Section 5 shall survive expiration or termination of this Agreement for any reason whatsoever.

6. General Provisions: In the event any portion of this Agreement is or becomes or is declared invalid or void by any court or tribunal of competent jurisdiction, such term(s) shall be null and void and shall be deemed severed from this Agreement, and all remaining terms of this Agreement shall remain in full force and effect. Time is of the essence of this Agreement. This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan and of the United States of America. Any sum due to BSI under this Agreement not paid within forty-five (45) days of the date due shall accrue interest at the rate of three quarters of one percent (75%) (or the highest rate otherwise allowed by law) for each month or portion thereof the sum is delinquent. Any delay or nonperformance by BSI of any provision of this Agreement caused by conditions beyond BSI's reasonable control shall not constitute a breach of this Agreement by BSI, and the time for performance of such provision shall be deemed to be extended for a period of time equal to the duration of the conditions preventing performance. This Agreement constitutes the entire agreement and understanding of the parties with respect to the subject matter hereof, and is intended as the parties' final expression and complete and exclusive statement of the terms thereof, superseding all prior or contemporaneous agreements, representations, promises and understandings, whether written or oral, and may be amended or modified only by an instrument in writing signed by both parties. This Agreement does not supersede any agreement between Customer and Lawson Associates, Inc. d/b/a/ Lawson Software. Any notice required or permitted to be given hereunder shall be (a) in writing, (b) effective on the first business day following the date of receipt, and (c) delivered by one of the following means: (i) by personal delivery; (ii) by prepaid, overnight package delivery or courier service; or (iii) by the United States Postal Service, first class, certified mail, return receipt requested, postage prepaid. All notices given under this Agreement shall be addressed to the addresses of the parties provided herein, or to new or additional addresses as the parties may be advised in writing. This Agreement shall be binding upon and shall inure to the benefit of the parties and their permitted successors and assigns.

Attachment to
SUPPORT AGREEMENT

CUSTOMER INFORMATION

Company Name: State of Michigan, HRMN Project

Address: 300 S. Washington Ave.

Address: PO Box 30026

City / State / Zip: Lansing, MI 48909

Number of Employees* Licensed: 63,000

Contract Administrator: Richard H. Huneke

Name/Title: Richard H. Huneke, Project Director

Phone Number: 517 241-8802

Address: 300 S. Washington Ave

Address: PO Box 30026

City / State / Zip: Lansing, MI 48909

* The Number of Employees means the total number of employees (including without limitation employees of Customer, or of a subsidiary of Customer or of a third party) for whom payroll taxes are calculated, using the Licensed BSI System, at any time during a one (1) year period.

LICENSED SYSTEM/PLATFORM VERSION

System	Server	OS/Version	Database/Version	Client/Version
TaxFactory	HRMND	UNIX	Oracle	Lawson

INSTALLATION(S) (attach additional page if necessary)

Location(s) at which the Server software is installed:

300 S. Washington Ave , Lansing, MI

Any additional Location(s) at which the Client software is installed:

From: Betty Rich <Betty@bsihq.com>
To: "michelc@state.mi.us" <michelc@state.mi.us>
Date: Tue, Nov 16, 1999 3:05 PM
Subject: RE: RE: Support Agreement

Dear Chris,

This message acknowledges receipt of Mr. Chin's e-mail below. The description of the change order process been reviewed and considered by BSI

The request to add "by means of the State of Michigan Change Order Process" to the end of the last sentence in Section 2 has been declined. The reason for this is because BSI doesn't vary the terms of Support from client to client. Also note that Business Software, Inc is registered as a Vendor with the State and there is no change order process associated with the existing relationship.

BACKGROUND

BSI received two separate sets of revisions proposed by the State:

Set #1 - completed by BSI and provided on 10/7/99.

Set #2 - completed today. Via a separate e-mail from Lisa Anderson, you (Chris) will receive:

-Support Agreement (that reflects all agreed upon revisions from Sets #1 and #2)

-Attachment One

-Attachment Two

Please complete the Support Agreement and provide a signed original to BSI as soon as possible, to permit the processing of your order to proceed.

Thank you,

Betty Rich
betty@bsihq.com
Business Software, Inc.
(770) 449-3200 x 197 (voice)
(770) 448-3208 (fax)

-----Original Message-----

From: Joseph Chin [mailto:chinj@state.mi.us]
Sent: Monday, November 15, 1999 10:55 AM
To: Betty@bsihq.com
Cc: HunekeR@state.mi.us; MichelC@state.mi.us
Subject: Re: RE: Support Agreement

Please respond to Chris Michel as soon as possible so that we may finish this immediately. Thank You

Here is the language on the change order process:
The change order process utilized by the State of MI is as follows:

1. according to the Issuing Office section of the contract, only the DMB Office of Purchasing has the authority to make any clarifications, modifications, etc. to this contract agreement.
2. When a vendor or the end using State department see a need for amending the contract agreement, they must submit in writing to the Office of Purchasing the following:
 - a. request from the end using dept. for contract amendment (in this case, Department of Civil Service), including contract number, detailed explanation of requested change, time frames and dollars involved in the modification. If the scope of the contract is to be changed, the workstatement surrounding the additional work to be completed must be provided with the requested,
 - b. along with the requesting document a letter of agreement to the proposed modifications must be included from the vendor, on company letterhead,
 - c. once the necessary documents are presented to the Office of Purchasing, the amendment is processed. If the amendment will increase the dollar value of the contract in excess of \$125,000.00, the amendment must also be approved by the State Administrative Board. This takes approximately two weeks to complete. A change notice not requiring add approval can be completed within a week.

Joseph D. Chin, Jr.
Director, Technology & Professional Services Division
Office of Purchasing
Office 373-7309 Fax 271-2714
ChinJ@state.mi.us

>>> Betty Rich <Betty@bsihq.com> 11/03 2:41 PM >>>
Hello Chris,

Thank you for sending a copy of the State of Michigan contract with Lawson, via fax. It was received today. FYI I don't recall ever speaking with Tom Shagera (?) of Lawson.

Please advise me if/where the "State of Michigan Change Order Process" is located within the contract (or provide a copy via fax). It needs to be considered as part of your proposed changes.

Thank you,

Betty Rich
(770) 449-3200 voice
(770) 448-3208 fax

-----Original Message-----

From: Chris Michel [mailto:MichelC@state.mi.us]
Sent: Wednesday, November 03, 1999 9:09 AM
To: Betty@bsihq.com
Cc: allen.kelley@lawson.com; Joseph Chin; Michael E. Winters
Subject: Re: Support Agreement

The change notice procedure is informally included in the issuing office clause of the State contract agreement with Lawson, Blanket Purchase Order number 071B8000605 which I thought had been provided to you and discussed with you by the Lawson representative working on this project, Tom Shagera (sp?). Unfortunately I do not have this document in electronic format. I will have my secretary send you a hard copy of the contract.

>>> Betty Rich <Betty@bsihq.com> 10/26 4:48 PM >>>
Hello Chris,

The proposed revisions you faxed to Lisa Anderson on 10/18/99 included references to the "State of Michigan Change Order Process" and the "State of Michigan contract (with Lawson)."

We need copies of these items, so they may be considered. Will you please provide them to me via fax at (770) 448-3208. If questions arise I may be reached at (770) 449-3200 x 197.

Thank you in advance for your assistance.

Betty Rich
betty@bsihq.com
Business Software, Inc.

CC: "chinj@state.mi.us" <chinj@state.mi.us>, "allen...

SUPPORT AGREEMENT

Support Agreement made by and between Business Software, Inc. ("BSI"), located at 155 Technology Parkway, Suite 100, Norcross, Georgia 30092, and the customer indicated below ("Customer").

Customer:	
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1. **System License:** Customer represents and warrants BSI Software System(s) described on the Attachment(s) exclusive license to use the "System").

2. **Support:** BSI shall provide Customer, for _____ months commencing within seven (7) days after BSI's receipt of written notification that the System has been delivered to Customer, with (a) one (1) copy of the program, tax file, documentation and interface specification changes, (b) standard telephone assistance during the hours of 9:00 AM to 5:30 PM EST excluding weekends and holidays and (c) beginning September 15, 1999, limited telephone assistance which includes, in a production environment, mission-critical "system down" application and technical support during the hours of 5:30 PM to 9:00 AM EST Monday through Friday, 24 hours per day on Saturday and Sunday, and 9:00 AM to 5:00 PM EST on United States Holidays excluding Easter Sunday, Thanksgiving Day and December 25th (collectively "Support") required for the most recent release of the System to continue to perform substantially in accordance with the documentation supplied with the System, provided that should BSI determine that the cause of the downtime reported under (c), if any, is not attributable to the System, then BSI shall issue a Service Charge Invoice to the Customer in the amount of \$500.00 which invoice Customer shall pay within thirty (30) days. BSI may change the terms of Support at any time upon completion of the initial or any extension period of Support.

3. **Payment for Subsequent Support:** If Customer desires to continue to receive Support after the initial period of Support, Customer shall pay for Support on an annual basis in advance ("Support Fee") Said annual Support Fee shall consist of (a) a base fee (invoiced by BSI and calculated under BSI's then-standard price list), the payment of which by Customer shall be accompanied by a report, certified as being accurate by Customer, in a format specified by BSI, indicating the Number of Employees (as defined on the Attachment(s) hereto) during the year ending on the last day of the second month preceding the Support renewal date (the "Actual Number of Employees"), along with such additional information reasonably requested by BSI, plus (b) a supplemental fee, if applicable, (invoiced by BSI and calculated under BSI's then-standard price list) based on the Actual Number of Employees so reported. An example of the Support Fee calculation is set forth at Attachment Two Customer shall only be entitled to Support after the initial period of Support upon BSI's timely receipt of the Support Fee from Customer. BSI shall provide training to Customer at BSI's then-current rates and scheduling.

The State of Michigan is exempt from Federal Excise Tax, State and Local Taxes. Such taxes shall not be included in contract prices as long as the State maintains such exemptions. Federal Excise Tax exemption certificates will be furnished with purchase order if requested.

THE ADDITIONAL TERMS, CONDITIONS AND DESCRIPTIONS SET FORTH ON THE REVERSE SIDE HEREOF AND ON THE ATTACHMENTS HERETO ARE AN INTEGRAL PART OF THIS AGREEMENT

NO AGENT OR REPRESENTATIVE HAS ANY AUTHORITY TO DELETE, SUPPLEMENT OR OTHERWISE ALTER THE TERMS AND CONDITIONS OF THIS AGREEMENT

BUSINESS SOFTWARE, INC. ("BSI")
("Customer")

By: _____

By:

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

1 of 3

4. Protection and Security: Customer acknowledges that the System and Support contain trade secrets of BSI and that BSI has proprietary rights and interests in and to the System and Support and that all information with respect thereto is confidential. BSI reserves all rights and benefits afforded under federal copyright law in the System and Support. Customer shall not disseminate or reveal or make available in any manner or form any portion of the System or Support or any information related thereto to any individual other than employees of Customer on a "need to know" and confidential basis. Customer shall take all necessary and proper precautions to ensure that its employees do not reveal any information related to the System or Support. Under no circumstances shall Customer disclose, print, copy, or reproduce any portion of the System or Support other than for use at the Location(s) shown on the Attachment(s) hereto. The parties acknowledge that should Customer violate any provision of this Section 4, BSI will be without any adequate remedy at law, and shall be entitled to obtain an injunction against such breach from any court of competent jurisdiction, in addition to all other remedies available to BSI. This Section 4 shall survive termination of this Agreement for any reason whatsoever.

5. Limitation of Liability: BSI DISCLAIMS ALL WARRANTIES WITH RESPECT TO THE SUPPORT, EXPRESS OR IMPLIED, CONTRACTUAL OR STATUTORY, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. Any other provision of this Agreement to the contrary notwithstanding, the liability of BSI for any losses or damage, whether direct or indirect, arising out of this Agreement from any cause whatsoever, including without limitation any cause of action sounding in contract, tort or strict liability, shall be limited to actual, direct damages incurred but in no event shall exceed the greater of \$10,000.00 or the amount of the most recent Support Fee paid by Customer. BSI shall not be liable for lost profits or other consequential damages, cover damages, or for any claims against Customer by any third party, even if BSI was advised of the possibility of same. Anything in this Agreement to the contrary notwithstanding, Customer shall be solely responsible for the installation, use and operation of the System and the use and accuracy of all output resulting from such use or operation (including without limitation the timeliness and accuracy of all tax payments, calculations, filings and reports), and BSI shall have no liability to Customer, regardless of the cause thereof, for any errors or delays in such output (including without limitation errors or delays in tax payments, calculations, filings or reports, or liability to taxing authorities or Customers' employees for underpayments or nonpayments, interest or penalties). The remedies of Customer are limited to those set forth in this Section 5. This Section 5 shall survive expiration or termination of this Agreement for any reason whatsoever.

6. General Provisions: In the event any portion of this Agreement is or becomes or is declared invalid or void by any court or tribunal of competent jurisdiction, such term(s) shall be null and void and shall be deemed severed from this Agreement, and all remaining terms of this Agreement shall remain in full force and effect. Time is of the essence of this Agreement. This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan and of the United States of America. Any sum due to BSI under this Agreement not paid within forty-five (45) days of the date due shall accrue interest at the rate of three quarters of one percent (.75%) (or the highest rate otherwise allowed by law) for each month or portion thereof the sum is delinquent. Any delay or nonperformance by BSI of any provision of this Agreement caused by conditions beyond BSI's reasonable control shall not constitute a breach of this Agreement by BSI, and the time for performance of such provision shall be deemed to be extended for a period of time equal to the duration of the conditions preventing performance. This Agreement constitutes the entire agreement and understanding of the parties with respect to the subject matter hereof, and is intended as the parties' final expression and complete and exclusive statement of the terms thereof, superseding all prior or contemporaneous agreements, representations, promises and understandings, whether written or oral, and may be amended or modified only by an instrument in writing signed by both parties. This Agreement does not supersede any agreement between Customer and Lawson Associates, Inc. d/b/a/ Lawson Software. Any notice required or

permitted to be given hereunder shall be (a) in writing, (b) effective on the first business day following the date of receipt, and (c) delivered by one of the following means: (i) by personal delivery; (ii) by prepaid, overnight package delivery or courier service; or (iii) by the United States Postal Service, first class, certified mail, return receipt requested, postage prepaid. All notices given under this Agreement shall be addressed to the addresses of the parties provided herein, or to new or additional addresses as the parties may be advised in writing. This Agreement shall be binding upon and shall inure to the benefit of the parties and their permitted successors and assigns.

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JOHN ENGLER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF CIVIL SERVICE
LANSING

file
JOHN F. LOPEZ
STATE PERSONNEL DIRECTOR

October 2, 2002

2002 OCT -3 PM 11:10
RECEIVED
DMB OFFICE OF PURCHASING

Ms. Kathryn Jones
Director, Office of Purchasing
Department of Management and Budget

Dear Ms. Jones:

RE: Lawson Work Plan (Contract # 071B8000605)

Attached for your files, please find a statement of work provided by Lawson Software and accepted by the Department of Civil Service under the optional work provision of our current contract. This statement of work describes planned activities and estimates per Contract Change Order 11, page 2, Additional Statewide Agency Products and Services Assistance, paragraph 1. This work plan is for your information only, does not change the date or dollar value of the contract, and requires no further action by your office.

Sincerely,

John F. Lopez
John F. Lopez
State Personnel Director

cc: Richard H. Huneke
Kim Davis
Penny Wright